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Military Construction Appropriations

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MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

Printed for the use of the Committee on Appropriations

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MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

MONDAY, MARCH 10, 1980

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

The subcommittee met at 10:05 a.m., in room 1318, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Schmitt.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

STATEMENT OF REAR ADM. D. G. ISELIN, CEC, U.S. NAVY AND COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

REAR ADM. J. D. MURRAY, JR., USN, PROJECT MANAGER, TRIDENT SYSTEM PROJECT OFFICE, OFFICE OF THE CHIEF OF NAVAL MATERIAL

CMDR. G. T. SMITH, USN, STRATEGIC SUBMARINE DIVISION, OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS (SUBMARINE WARFARE)

CMDR. F. JERDING, USN, TRIDENT SYSTEM PROJECT OFFICE, OFFICE OF THE CHIEF OF NAVAL MATERIAL CMDR. E. R. WILSON, CEC, USN, AOICC PLANS AND PROGRAMS, TRIDENT NAVAL FACILITIES ENGINEERING COMMAND

NAVY STRATEGIC MISSION

Senator HUDDLESTON. The subcommittee will come to order.

Today we are continuing our hearings into the fiscal year 1981 request for military construction funds. Our particular topic for this morning's session is construction in support of the Navy's strategic mission.

The Navy's total fiscal year 1981 construction request for the strategic mission is some $47 million, or approximately 6.7 percent of the overall budget. Our investment in facilities for the new Trident based at Bangor, Wash., while drawing to a close, is substantial. Our activities at Kings Bay and Charleston in support of Poseidon squadrons are ongoing.

The potential construction at Kings Bay to homeport Tridents on the east coast is significant.

It is these matters which we wanted to examine this morning and I welcome our witnesses.

Admiral Iselin, you may continue.

BANGOR, WASH./KINGS BAY, GA.

Admiral ISELIN. Thank you, Mr. Chairman.

I am pleased to have this opportunity to appear before you to address the fiscal year 1981 request for military construction in support of the strategic forces at the Naval Submarine Base, Bangor, Wash. and the Naval Submarine Support Base at Kings Bay, Ga. Before addressing this year's request, I would like to briefly explain the military construction requirement at Kings Bay for relocating the Fleet Ballistic Missile Squadron from Rota, Spain and then the status of selecting an east coast Trident base. Background on selecting Kings Bay for the Rota squadron and prior year construction for this purpose are included as a supplement to my statement.

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. On July 2, 1979, the tender arrived at Kings Bay and the base was operational for Submarine Squadron Sixteen. The dredging, tender mooring, berthing improvements and necessary roads and utilities were completed on time, within the funds available. This is a noteworthy achievement.

The east coast basing of the Trident submarine is a separate decision from the site selection decision made in January 1978 for the relocation of the Rota Poseidon squadron. The Secretary of the Navy, on May 24, 1979, announced that Kings Bay, Ga. was selected as the preferred alternative location for the possible construction of an Atlantic coast strategic submarine base. This selection initiated a formal process leading to final selection and approval for construction.

PREPARATION OF ENVIRONMENTAL IMPACT STATEMENT

The Navy is preparing the environmental impact statement evaluating the impact associated with the construction of an Atlantic coast strategic submarine base. This statement is to be completed in August 1980 and based upon the findings the final site selection is anticipated shortly thereafter.

KINGS BAY FACILITY

The fiscal year 1981 request for Kings Bay of $18 million includes the last increment of facilities for the Poseidon program. Included in the program are operational and personnel support facilities and utilities and site improvements.

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 Kings Bay construction total for the 3 years including the fiscal year request was $83 million and that additional facilities for the Rota relocation would be required beyond fiscal year 1980. This year's request of $18 million, if funded, will bring the Kings Bay construction total to $105 million excluding family housing. No additional facilities for the Rota relocation will be required beyond this year's request.

From fiscal year 1974 to fiscal year 1980 $547 million has been appropriated for the construction of facilities in support of the west coast Trident submarine base. All of the facilities approved through fiscal year 1978 are either completed or under construction. The fiscal year 1979 military construction program is well underway and all the projects in fiscal year 1980 program are scheduled to be awarded during this fiscal year. Of the approved construction program through fiscal year 1980, 88 percent is complete with an additional 7 percent scheduled to be completed by the end of fiscal year 1980.

BANGOR BASE

The fiscal year 1981 request for Naval Submarine Base, Bangor of $16.2 million includes $7.6 million for the continuation of Trident construction and $8.6 million for the last increment of community impact assistance for Kitsap County, Wash. The Trident construction includes a project for inspecting and refurbishing launcher equipment, a facility in support of a construction battalion unit and personnel support facilities.

KINGS BAY MILITARY CONSTRUCTION PROGRAM

The first Trident submarine is scheduled to depart on patrol from Naval Submarine Base, Bangor in October 1981. All facilities to support this patrol will be completed in advance of that date. Remaining Trident construction continues through fiscal year 1983 to support the follow-on submarines.

I am providing supplemental information for the record.

[The information follows:]

SUPPLEMENTARY INFORMATION

KINGS BAY MILITARY CONSTRUCTION PROGRAM

FY 1981

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 STATES 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.

as of 31 Dec 1979

ROTA SQUADRON RELOCATION PROGRAM AT KINGS BAY

($000)

	78	79	80	81	TOTAL
CONSTRUCTION	27,890	39,100	20,330	18,000	105,320
DEFENSE ACCESS ROADS	---	---	2,261	4,000	6,261
FAMILY HOUSING	---	11,505*	---	---	11,505
	27,890	50,605	22,591	22,000	123,086

* $2.39M additional authorized for solar systems

as 31 Dec 1979

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	1,850	2,248	C
Dredging	8,700	9,300	9,331	C
Electrical Distribution System	750	920	882	C
Floating Dry Dock Mooring Facility	6,400	8,950	8,443	UC
Berthing Wharf Improvements	600	700	697	C
Sewage Treatment and Collection Facilities	1,850	2,270	2,224	C
Water Treatment and Distribution Facilities	1,700	2,100	2,224	C
Telephone Facilities	1,100	1,240	1,239	C
Steam and Compressed Air Plant	770	560	702	UC
FY 1978 TOTALS	23,620	27,890	27,820	
FY 1979 PROGRAM (REGULAR MCON)				
Helicopter Landing Pad	170	170	279	NS
Telephone Facilities	280	280	251	UC
Transit Storage Building	790	790	587	C
Dredging	15,600	15,600	16,550	C
Waterfront Service Building Rehabilitation	160	160	153	C
Staging Building	510	510	620	NS
Equipment Maintenance Bldgs	1,550	1,550	1,259	UC
Public Works Maintenance Bldgs	1,750	1,750	1,802	UC
General Supply Storage Building	830	830	1,017	UC
Flammable Storage Building	460	460	280	UC
Base Administration Building	1,780	1,780	1,934	NS
Base Fire and Security Facilities	730	730	967	NS
Recreation Building	230	230	225	C
Playing Courts and Fields	220	220	417	C
Electrical Distribution System	1,550	1,550	1,303	UC
Sewage Treatment and Collection Facilities	2,750	2,750	3,291	UC
Water Treatment and Distribution Facilities	1,800	1,800	2,644	UC
Roads	3,800	3,800	961	UC
Vehicular Parking	700	700	709	UC
Land Acquisition	3,440	3,440	2,935	UC
FY 1979 TOTALS	39,100	39,100	38,184	

*STATUS: UD = Under Design
UC = Under Construction
C = Usably Complete
NS = Not Started (Design Complete)

as of 31 Dec 1979

NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA

FY 80 PROGRAM (REGULAR MCON)	AUTH AMT ($000)	FUNDED AMT ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
Shipsystem Mnt. Monit & Supp. Fac.	350	350	440	UD
Antenna Maintenance Facility	500	500	560	UD
Medical Dental Clinic	3,300	3,300	3,259	UD
Recreation Complex	5,300	5,300	5,033	UD
Exchange Complex	3,650	3,650	3,704	UD
Exchange Cafeteria	1,050	1,050	1,056	UD
Auto Hobby Shop	660	660	627	UD
Roads	1,050	1,050	1,175	UD
Potable/Fire Water System	800	800	632	UD
Sanitary Sewer System	1,100	1,100	975	UD
Electrical Distribution	1,550	1,550	1,478	UD
Phone and Fire Alarm Systems	720	720	643	UD
Grounds Drainage	300	300	251	UD
FY 80 TOTALS	20,330	20,330	19,833	

*STATUS: UD = Under Design
UC = Under Construction
NS = Not started (Design Complete)
C = Usably Complete

SUPPLEMENTARY INFORMATION

BANGOR MILITARY CONSTRUCTION PROGRAM

FY 1981

TRIDENT MILITARY CONSTRUCTION PROGRAM

($000)

AUTHORIZATION	74	75	76	77	78	79	80	81 Request	TOTAL
Construction	115,320	100,000	179,967 3/	77,678 4/	84,710 7/	(5,955)	(9,820)	7,560	565,235
Community Impact Assistance	3,000 1/	(102) 2/	7,000	14,600 5/	22,200 8/	(10,300)	(10,000)	8,600	55,400
Defense Access Roads	0	0	2,200*	3,000*	13,500 9/	1,000*	2,300*	0	22,000
Family Housing	0	0	12,939	8,565	4,886	0	0	0	26,390
	118,320	100,000	202,106	103,843	125,296	1,000	2,300	16,160	669,025
APPROPRIATION									
Construction	112,320	100,000	134,967	121,329 6/	64,057	5,955	8,450 10/	7,560	554,637
Community Impact Assistance	0	(102) 2/	7,000	8,000	11,500	10,300	10,000	8,600	55,400
Defense Access Roads	0	0	2,200	3,000	13,500 9/	1,000	2,300	0	22,000
Family Housing	0	0	12,939	8,565	4,886	0	0	0	26,390
	112,230	100,000	157,106	140,893	93,943	17,255	20,750	16,160	658,427

1/ Authorized in FY74; funded in FY79
2/ From Savings
3/ Includes $45,000 Authorized in FY76; Funded in FY77
4/ Includes $1,350 FY79 project Authorized in FY77, but Funded in FY79
5/ Includes $6,600 Authorized in FY77, but Funded in FY79
6/ Includes $45,000 Authorized in FY76; Funded in FY77
7/ Includes $4,605 for FY79 projects Authorized in FY78; Funded in FY79; also includes $9,820 for FY80 projects Authorized in FY78, Funded in FY80
8/ Includes $700 Authorized in FY78, Funded in FY79; also includes $10,000 Authorized in FY78, Funded in FY80
9/ Originally $5,000 but $8,500 added in supplemental legislation
10/ $270 of $9,820 Authorization to be funded from savings
* Continuing Authorization

NAVAL SUBMARINE BASE, BANGOR, WASHINGTON

PROJECT FY 1974 PROGRAM	AUTH AMT ($000)	APPN ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
TRIDENT Flight Test Facility Cape Canaveral, Florida	34,683	35,150	31,907	
Wharf and Dredging	31,345	31,395	30,259	C
Missile Checkout Bldgs	2,158	2,158	231	C
Guidance/Telemetry Bldg	218	218	231	C
Lifting Device Proofing Fac.	467	467	0	NS
Launch Complex 25	962	962	1,186	C
TRIDENT Support Complex Bangor, Washington	80,637	77,170	83,453	
Explosive Handling Pier I	21,295	21,295	22,870	C
Refit Pier	17,360	14,793	23,682	C
TRIDENT Training Bldg	11,392	11,392	10,894	C
Warehouse	294	294	427	C
Utilities & Site Improvements	30,296	25,296	25,580	C
Land Acquisition	0	4,100	0	NS
FY 74 TOTALS	115,320	112,320	118,360	
FY 1975				
Missile Parts Warehouse	6,068	6,068	3,447	C
SWS Warehouse	4,765	4,765	3,260	C
TRIDENT Trng Fac. (2nd Incr.)	18,729	18,729	24,903	C
SWS Maintenance Shop	4,281	4,281	2,148	C
Technical Services Bldg	1,953	1,953	2,077	C
Inert Components Proc. Bldg	2,978	2,978	3,544	C
Missile Assembly Bldg I	2,314	2,314	3,403	C
Verticle Missile Pkg Bldg 2	4,845	4,845	5,541	C
Missile Assembly Contr Bldg	571	571	806	C
QEEL Expl. Test Fac Reloc	1,677	1,677	1,289	C
Engrg Svcs Bldg	4,166	4,166	3,471	C
MC Admin & Berthing Fac	2,036	2,036	2,675	C
BEQ	2,216	2,216	2,441	C
Enlisted Men's Mess	1,529	1,529	3,193	C
Fire Station	467	467	528	C
Security Contr. Sys	2,340	2,340	3,661	C
Utilities & Site Improv (2nd Incr)	39,065	39,065	35,457	UC
Community Impact Assistance			(102)	
FY 75 TOTALS	100,000	100,000	101,844	

* STATUS: NS - Not Started
UD - Under Design
UC - Under Construction
C - Usably Complete

NAVAL SUBMARINE BASE, BANGOR, WASHINGTON

PROJECT FY 1976 PROGRAM	AUTH AMT ($000)	APPN ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
TRIDENT Support Complex Bangor, Washington	114,402	114,402	115,197	
Delta Support Facility	2,529	2,529	4,098	C
Delta Access Trestle	0	0	0	NS
Refit Industrial Facility	16,198	16,198	19,497	C
Drydock Preparation	27,636	27,636	25,710	C
Nuclear Industrial Facility	2,862	2,862	3,295	C
Equipment Maintenance Bldg	2,718	2,718	2,169	C
Maintenance Support Bldgs	5,649	5,649	4,206	C
Transfer Facility (Mod)	213	213	430	C
Explosives Components Checkout Bldg (Mod)	309	309	465	C
Missile Assembly Bldg #2(Mod)	2,737	2,737	2,848	C
Re-entry Body Bldg #2	2,301	2,301	2,828	C
Nondestruct Test & Inspection Bldg (Mod)	1,904	1,904	1,761	C
POL Tank Farm	1,000	1,000	650	C
Missile Motor Magazines	3,126	3,126	2,630	C
Small Ordnance Magazines (MOD)	142	142	314	C
Flammable Storage Bldgs	124	124	179	C
Dispensary Dental Clinic	3,398	3,398	2,788	C
Bachelor Enlisted Quarters	4,036	4,036	3,794	C
Alarm Control Center System	430	430	430	C
Util, & Site Improv (3rd Incr.)	37,090	37,090	37,105	UC
NTS Keyport, Washington	19,539	19,539	13,119	
Ammo. Wharf/Pier (Indian IS.)	19,539	19,539	13,119	C
TRIDENT Flight Test Facility Cape Canaveral, Florida	1,026	1,026	855	
DASO Data Process Support Fac	1,026	1,026	855	C
Community Impact Assistance	7,000	7,000	7,000	C
Defense Access Roads			(2,200)*	
FY 76 TOTALS	186,967**	141,967	136,171	

* Defense Access Roads not included in TOTAL. Separate authorization
** Authorized amount $186,967 million reduced by $45 million for project in FY 77

* STATUS: NS - Not Started
UD - Under Design
UC - Under Construction
C - Usably Complete

NAVAL SUBMARINE BASE, BANGOR, WASHINGTON

PROJECT FY 1977 PROGRAM	AUTH AMT ($000)	APPN ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
TRIDENT Support Complex Bangor, Washington	108,100	108,100	98,657	
o Dockside Handling Building	1,367	1,367	1,569	C
o Refit Pier #2	17,400	17,400	12,631	C
o Magnetic Silencing Facility	9,468	9,468	8,262	C
Sub Supply Assistance Team Bldg	979	979	1,032	C
Public Works Facilities	6,695	6,695	9,998	UC
o Verticle Missile Pkg Bldg #3	7,408	7,408	5,441	C
Missile Motor Magazines	15,597	15,597	12,310	C
Small Ordnance Mags (Mods)	1,127	1,127	1,015	UC
Re-entry Bldg Magazine (Mod)	976	976	428	C
o Cold Storage Facility	389	389	557	C
o Servmart	686	686	574	C
o Container Storage Area	1,969	1,969	1,122	C
SUBASE Admin Bldg	6,127	6,127	6,622	C
Offcrew Administration Fac	0	0	0	NS
BEQ	4,182	4,182	4,404	C
BOQ	2,668	2,668	2,547	C
o Fire Station	160	160	163	C
Bus Station	85	85	90	C
Post Office	744	744	658	C
Theater	1,038	1,038	1,028	C
Library	493	493	654	C
Recreation Complex	4,471	4,471	4,518	C
Outdoor Playing Fields	391	391	397	C
Util & Site Improve. (4th Inc.)	16,951	16,951	17,667	UC
Alarm Control Cntr Sys (2nd Inc)	597	597	597	UC
o Radiographic Inspection Bldg	6,132	6,132	4,373	C
NTS Keyport, Washington Indian Island Annex	8,700	8,700	8,643	
Relocation of Ordnance Fac	8,700	8,700	8,643	C
TRIDENT Flight Test Facility Cape Canaveral, Florida	1,606	1,606	1,317	
Missile Storage Facility	1,245	1,245	1,085	C
Test Instrumentation Eqpt Instal Bldg Alteration	361	361	232	C
Pacific Missile Test Center Point Mugu, California	2,992	2,922	2,824	
Missile Tracking Facilities	2,922	2,922	2,824	C
Community Impact Assistance	8,000	8,000	8,000	
Defense Access Roads			(3,000)	C
FY 77 TOTALS	84,328*	129,328*	119,441	

* Allows, but excludes $45,000,000 in excess authority granted in 1976

o FY 1976 Projects Appropriated in FY 1977

* STATUS: NS - Not Started
UD - Under Design
UC - Under Construction
C - Usably Complete

NAVAL SUBMARINE BASE, BANGOR, WASHINGTON

PROJECT FY 1978 PROGRAM	AUTH AMT ($000)	APPN ($000)	CURRENT WORKING ESTIMATE ($000)	STATUS*
Naval Submarine Base Bangor, Washington	90,105	90,105	66,941	
Explosive Handling Wharf #2	26,048	0	0	NS
Delta Access Trestle, Drydock	614	614	573	UC
Svc Pier & Port Control Ofc	6,959	6,959	9,307	UC
Drydock, Phase II	43,367	43,367	43,269	UC
Missile Motor Magazines	0	0	0	NS
Offcrew Admin Fac	0	0	0	NS
Navy Exchange Complex	3,157	3,157	2,935	UC
Base Cafeteria	834	834	800	UC
Service Station	0	0	0	NS
Auto Hobby Shop	809	809	995	UC
Consolidated Mess, Open	4,459	4,459	5,439	UC
Tennis Courts	181	181	204	UC
Utilities & Site Improvements	3,500	3,500	3,215	UC
Alarm Control Cntr Sys (3rd Incr)	177	177	177	UC
Community Impact Assistance	11,500	11,500	11,500	UC
Defense Access Roads			(13,500)	
FY 78 TOTALS	101,605	101,605	78,441	
PROJECT FY 1979 PROGRAM				
Naval Submarine Base Bangor, Washington	5,955	5,955	4,727	
Public Works Facilities (FY 77)	1,350	1,350	1,225	UC
Subcrew Refit Mess (FY 78)	840	840	816	NS
Refit Support Facilities (FY 78)	700	700	764	UC
Utilities and Site Improvements (FY78)	3,065	3,065	2,222	UC
Community Impact Assist (FY74,77,78)	10,300	10,300	10,300	
Defense Access Roads			(1,000)	
FY 1979 TOTALS	16,255	16,255	15,027	
Naval Submarine Base Bangor, Washington	9,820	8,450	8,588	
Helipad (FY 78)	270	0	181	NS
Utilities & Site Improvement (FY 78)	4,050	4,050	4,007	NS
Dredge Thames River (FY 78)	5,500	4,400	4,400	UC
Community Impact Assist (FY 78)	10,000	10,000	10,000	NS
FY 80 TOTALS	19,820	18,450	18,588	

*STATUS: NS - Not Started
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STATUS AND PLANS FOR BANGOR AND KINGS BAY

Mr. Chairman, we request your continuing support of these vital programs in support of the strategic forces at Naval Submarine Base, Bangor and Naval Submarine Support Base, Kings Bay.

We know of your committee's interest for the Navy's plans for King's Bay as a Trident base in the Atlantic. We propose to begin this morning's hearings with a brief presentation of our status and plans.

Senator HUDDLESTON. Very good.

Admiral ISELIN. Sir, Commander Smith of the Office of the Chief of Naval Operations will discuss the shipbuilding program and the basic requirement for an Atlantic coast base. He will be followed by Commander Jerding of the Office of Project Manager, Trident System, who will outline the events and the rationale for Kings Bay and Commander Wilson, of my command, will discuss the current status of the construction for the location of the Rota squadron and the scope of the proposed Trident base.

Commander Smith.

ATLANTIC COAST STRATEGIC SUBMARINE BASE

(CHART 1)

SHIPBUILDING FOR ATLANTIC BASE

Commander SMITH. Good morning, Mr. Chairman. I will give you the background information and describe the need for an Atlantic coast strategic submarine base.

STRATEGIC

TRIDENT SUBMARINE

FYDP	74	75	76/TQ	77	78	79	80	81	82	83	84	85	TOTAL
	1*	2*	1*	1*	2*	0	1*	1	1	1	1	2	?

*8 SHIPS AUTHORIZED

(CHART 2)

Since the beginning of the Trident program, the total number of Trident submarines to be built has been undetermined and the rate at which they have been authorized has varied as you can see on this slide.

There are presently 8 ships authorized with long-lead procurement authorized for 11 ships. The total number of Trident submarines in the President's 5-year defense plan is 15 and the rate at which they will be built resumes at a 3-every-2-year rate in fiscal year 1985.

TRIDENT FORCE LEVELS

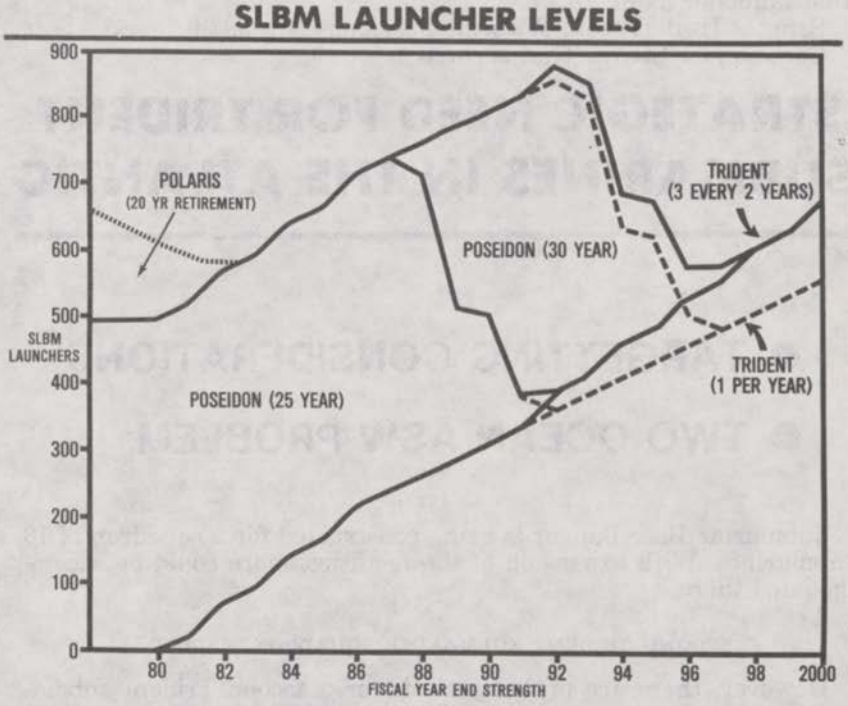
- SECDEF HAS DIRECTED 3 SHIPS/2 YEARS BUILDING RATE
- ULTIMATE FORCE LEVEL INFLUENCED BY
  - SALT NEGOTIATIONS
  - REPLACEMENT OF PRESENT SLBM FORCE
  - SLBM ROLE IN STRATEGIC FORCES
  - POLITICAL CONSIDERATIONS

(CHART 3)

FACTORS AFFECTING SIZE OF TRIDENT FORCE

Factors affecting the total number of Trident submarines that will be built are displayed here. SALT negotiations place certain

limits on the total number of sea launched ballistic missile launchers allowed. Replacement of the present Poseidon submarines is an important factor. Trident submarines have 24 launchers versus the 16 of the present SSBN's. The SLBM's role in the strategic triad of nuclear forces may vary or change and political considerations, such as the need to maintain essential equivalence, may affect the total Trident force levels.



(CHART 4)

This viewgraph displays the effect of the factors that I have just mentioned. Basically this is submarine launched ballistic missile launchers versus fiscal year.

Presently we have 656 launchers. With the retirement of Polaris submarines we will then have this total number of launchers which is an aggregate of Poseidon and Trident submarines launchers.

LIFE EXPECTANCY OF POSEIDON

At this time last year, we were planning on a 25-year life for the Poseidon submarines so the decline in Poseidon submarines would have occurred in these years at approximately this rate. Recent studies have been completed which indicate that it is feasible to maintain these ships out to a 30-year life and this is our present plan. This then moves the retirement of Poseidon to the middle to late 1990s. The later retirement of Poseidon coupled with the in-

creased buildup of Trident submarines lowers the launcher nadir to 576 in fiscal years 1996/1997.

The 14 submarines that are in the 5-year defense plan will be delivered to the Navy by fiscal year 1991. At that time, we expect to continue on at the 3-every-2-year rate.

Senator HUDDLESTON. A delay in those deliveries will mean a reduction in the number of missiles, right?

Commander SMITH. A delay in Trident deliveries would lower that launcher nadir.

Senator HUDDLESTON. With the Poseidons beyond 30 years?

Commander SMITH. That is correct.

STRATEGIC NEED FOR TRIDENT SUBMARINES IN THE ATLANTIC

● TARGETTING CONSIDERATIONS

● TWO OCEAN ASW PROBLEM

(CHART 5)

Submarine Base Bangor is being constructed for a squadron of 10 submarines. With expansion of the facilities, more could be accommodated there.

SECOND TRIDENT SUBMARINE SQUADRON NEEDED

However, there are pressing needs for a second Trident submarine squadron on the east coast. The nature and concentration and location of the Soviet targets argue for Atlantic coast basing of the Trident submarines with the potential Trident II sized missiles.

Additionally, with the retirement of our Poseidon submarines that are in the Atlantic, we need to replace them with the modern, quiet Trident submarines to maintain a two ocean ASW problem for the Soviets.

We are looking at possible follow-ons to the Trident submarines. The Submarine Alternative Study of 1978–79 looked at near term alternatives. In November of 1979 we commenced studies of the most promising of these, namely a 24 new large missile tube submarine and a reengineered Trident.

The earliest such a ship could be authorized would be about fiscal year 1985. However, whether we continue to build Trident submarines, or we eventually build one of these other alternatives, the basic need for and the facilities on the Atlantic coast would be approximately the same.

Senator HUDDLESTON. Would those facilities be the same if you went for the modification of the Poseidons?

I have seen studies suggesting that we stretch Poseidon and make several modifications to it, rather than increasing the number of Tridents.

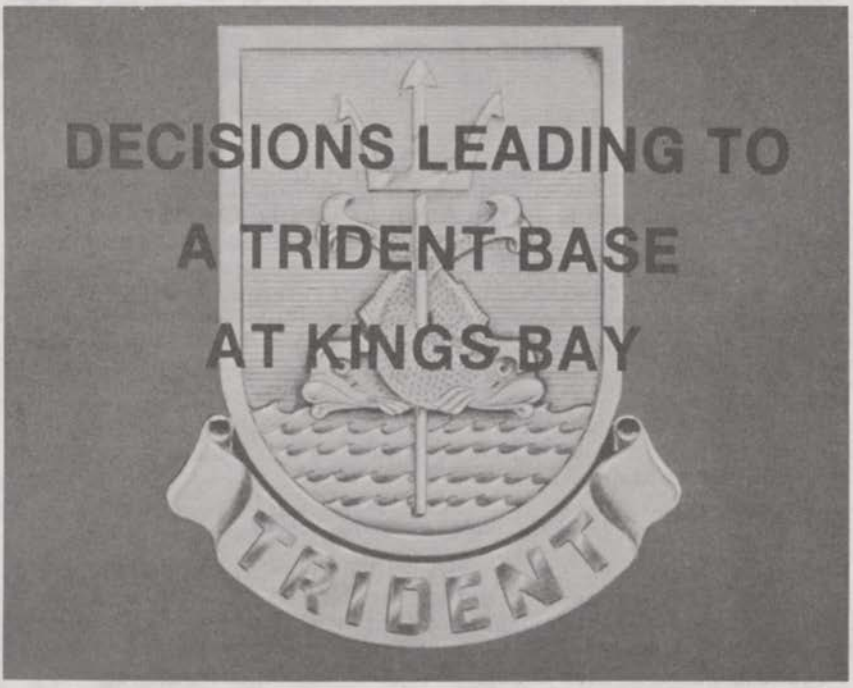
Commander SMITH. The studies that we have done came up with the two alternatives that are the most promising. Either of these would involve the large tube and the capability to put a Trident II sized missile in it. That determines the size of the hull. The size of the hull would be approximately the same for the alternatives we are looking at as far as diameter is concerned. The ship could possibly be shorter and have less displacement. In any case, though, it would not make that significant a difference in manning or in facility requirements.

Senator HUDDLESTON. Fine.

STUDIES DETERMINING SITE SELECTION

Commander SMITH. Commander Jerding will now describe the studies leading up to the site selection.

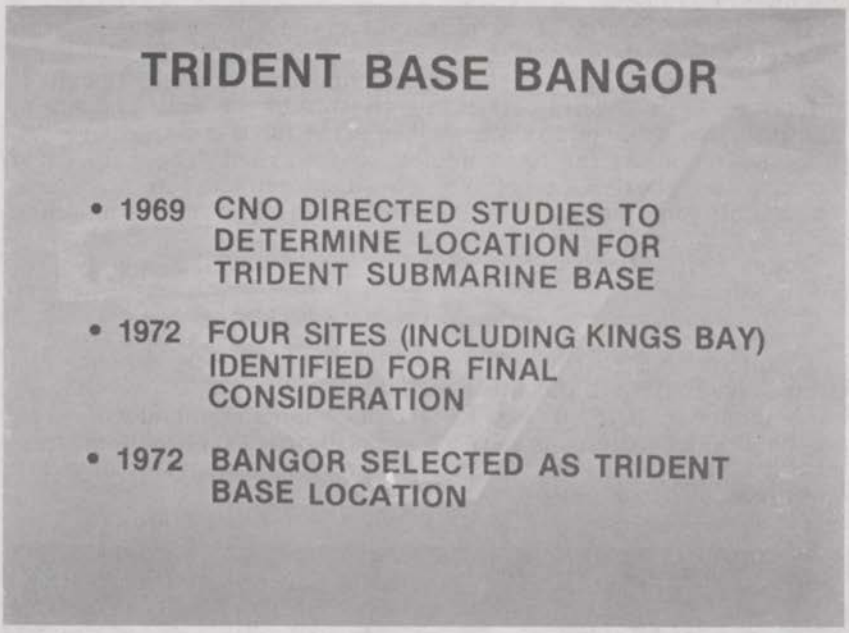
Commander JERDING. Mr. Chairman, I am Commander Jerding of the Trident systems project staff. I will briefly review the evaluations and decisions that have led towards development of a Trident base at Kings Bay.



(CHART 6)

The basing of Trident at Kings Bay is not a new concept. There is a long history of evaluations and studies leading towards that concept. In the mid-1960's, a number of studies were initiated to

define a follow-on system for Polaris and Poseidon. That system would become known as Trident.



(CHART 7)

In 1969, the CNO directed a study to determine the location for the first Trident submarine base. All possible locations were examined, a total of 89 sites on the Atlantic, Pacific, Gulf, and Caribbean coasts. The feasibility of conducting Trident submarine operations at each site was determined.

After careful, deliberate study, four sites were identified for final consideration. One of those sites was Kings Bay, Ga.

Each of the sites was given a detailed study. The costs, construction requirements, and environmental and economic impact were examined.

As a result, Bangor, Wash. was selected as the site for the first Trident submarine base. This study would form a basis to answer a number of future questions.

LOSS OF BASE AT ROTA, SPAIN

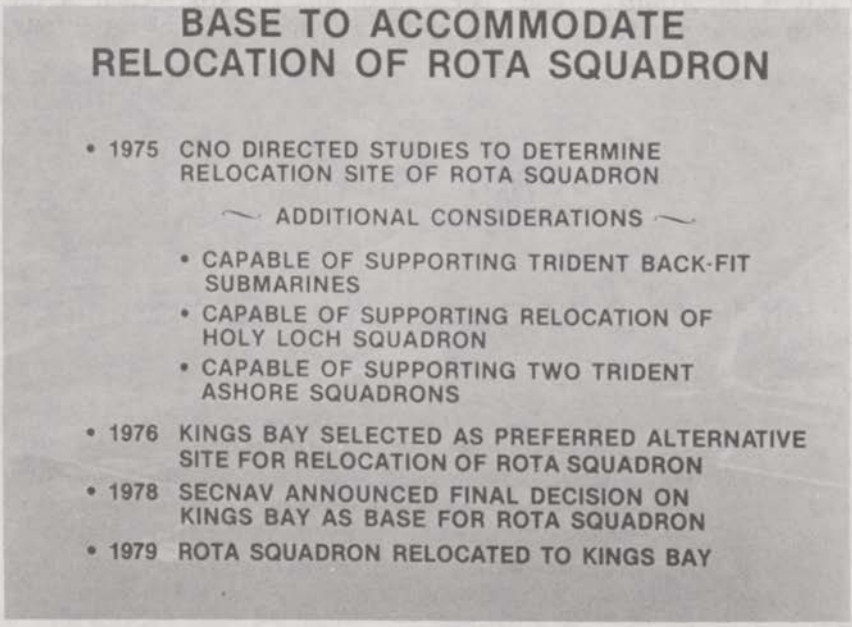
One of those questions arose in 1975. The treaty of friendship and cooperation between Spain and the United States was renegotiated, and one of the provisions of that treaty was that the submarine squadron would leave Rota, Spain. This submarine squadron, Squadron Sixteen, then consisted of 10 Poseidon submarines.

Senator HUDDLESTON. At the time the original study was made, was it anticipated that we might lose Rota?

Commander JERDING. Pardon me, sir?

Senator HUDDLESTON. At the time of the original study, was it anticipated that we might lose the base in Rota?

Commander JERDING. At the time of the Bangor study, I do not think that was anticipated. As you recall, we were looking at Trident back in the 1960's, up through 1969. The change in the treaty came about in 1975.



(CHART 8)

In anticipation of the requirement to relocate the Rota squadron, CNO directed a study to determine an alternate site, but the study was not limited to relocating the Rota squadron. Additional requirements were also examined.

SITE CAPABILITY FOR FUTURE REQUIREMENTS

The capability of each site was evaluated to support Trident I backfit submarines. The Trident I missile attained its 4,000 mile range by carrying a more powerful propellant than the Poseidon missile and larger explosive safety arcs had to be considered for the new base.

As a contingency, in case it should prove desirable to relocate the Holy Loch squadron, the capability of supporting that Holy Loch squadron there was evaluated.

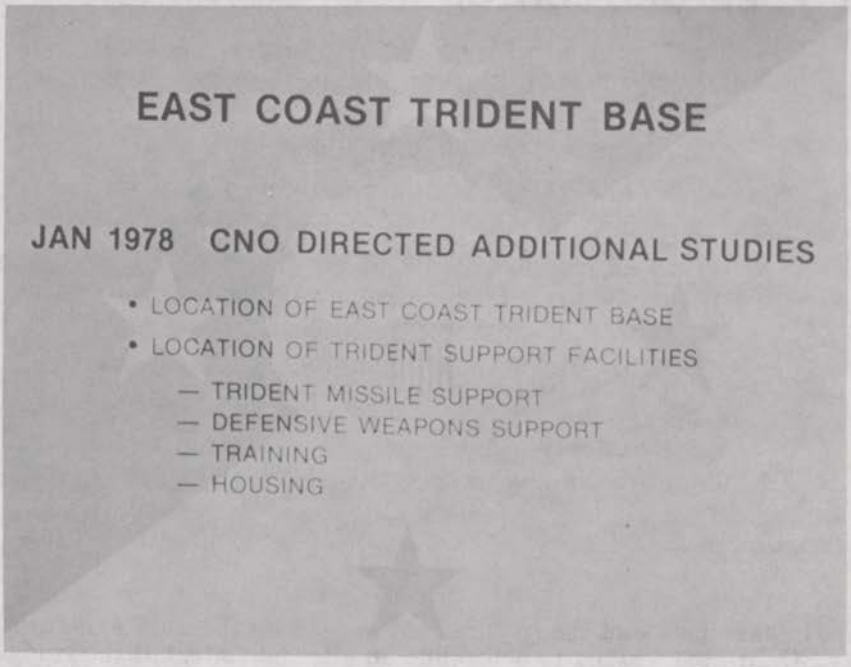
Looking to the future, the capability of supporting two Trident submarine squadrons was evaluated. Although the primary task was to determine a new site for the Rota squadron, these additional options were also carefully considered.

After screening most of the sites from the Bangor study, plus some newly identified sites, Kings Bay was selected as the preferred alternative site for relocation of the Rota squadron. Then, following completion of the environmental impact statement, the

Secretary of the Navy announced the final decision and construction began at Kings Bay, Ga.

Finally, in July 1979, the Naval Submarine Support Base became operational at Kings Bay in support of Submarine Squadron Sixteen. It is in the background here, and it is a little hard to see.

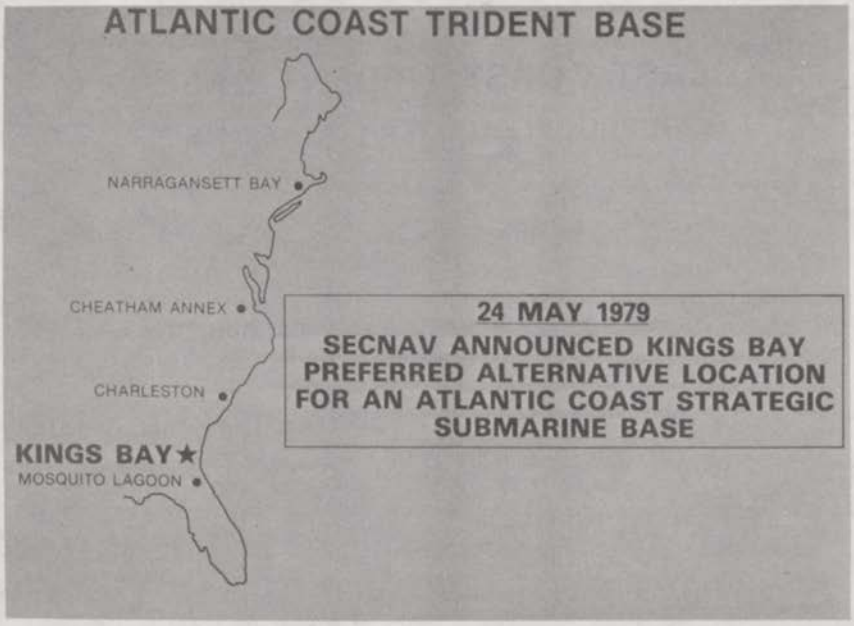
It is important to remember that during the study each of the sites was evaluated on its capability to support Trident squadrons.



(CHART 9)

TRIDENT EAST COAST BASE

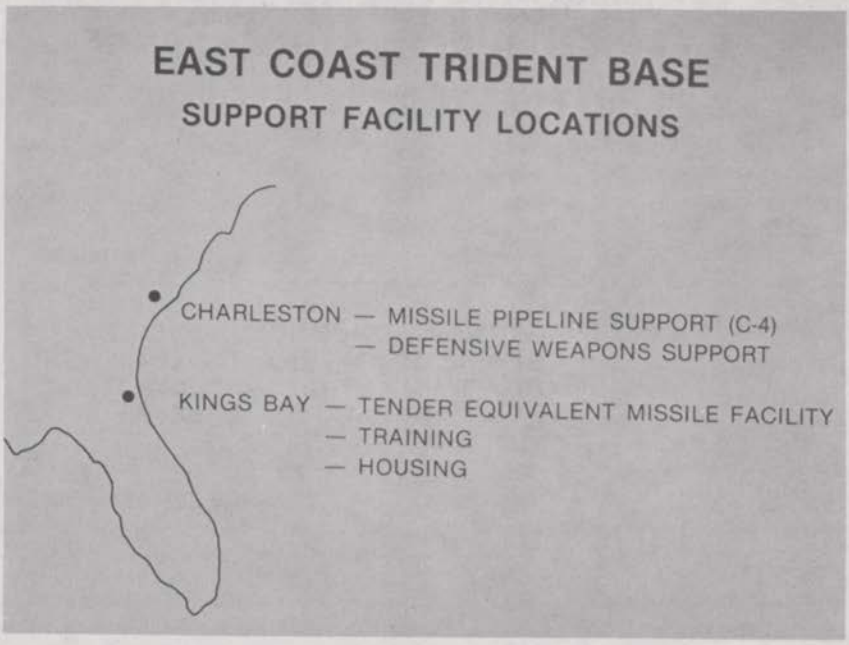
To complete that evaluation, in January 1978, the CNO directed the final stages of the study. The primary decision was the location of an east coast Trident base. Decisions were also required on locations of submarine support facilities. These facilities included those for Trident missile support, defensive weapons, training and housing.



(CHART 10)

In completing the Trident base location study, the results of the Rota relocation study were carefully considered. The five finalists were evaluated: Mosquito Lagoon, Fla.; Kings Bay, Ga.; Charleston, S.C.; Cheatham Annex, Va.; and Narragansett Bay, R.I. Based on the study results and recommendations, the Secretary of the Navy announced in May 1979 that Kings Bay had been selected as the preferred alternative site for the location of the Atlantic coast strategic submarine base.

The final selection awaits completion of the environmental impact statement as Admiral Iselin explained.



(CHART 11)

SUPPORT FACILITY LOCATIONS

The Secretary of the Navy also announced the support facility locations. These facilities in Charleston, for missile production and defensive weapons, were already in existence. The Kings Bay facilities would be the tender equivalent missile facility, which provides similar support functions of missile storage and handling that a tender would provide.

The training and housing was selected for Kings Bay to minimize the crew transportation and maximize the time in homeport.

In summary then, the Naval Submarine Support Base, Kings Bay, Ga., is operational now in support of Submarine Squadron Sixteen and it has been selected as the preferred site for the Atlantic coast strategic submarine base.

Senator HUDDLESTON. Last year we went into some detail as to why the facilities could not have been consolidated at Charleston.

Commander JERDING. Yes, sir. That was discussed.

The existing Charleston facilities provided most of what was needed there to support Trident I missiles. Some small additions and changes had to be made to support the additional load of the Trident I missiles. That was much cheaper than rebuilding those facilities at Kings Bay.

COMPARATIVE FACTORS BETWEEN ROTA AND KINGS BAY BASES

Senator HUDDLESTON. From a strategic standpoint, what is the difference between having a base at Rota, Spain—although that is not an option available to us—and having one at Kings Bay?

Commander JERDING. The Rota, Spain base, of course, was in support of Poseidon. The Poseidon missile is a shorter range missile, so Rota provided us good strategic capability.

The Kings Bay base is much further away, but by taking advantage of the Trident I missile capability, it still provides us with essentially equivalent capability.

Senator HUDDLESTON. Strategically they are equivalent?

Commander JERDING. Yes, sir.

Admiral ISELIN. Commander Wilson will describe the status of current construction for the relocation of the Rota squadron and the scope of the proposed Trident base.

Commander WILSON. In discussing construction at Kings Bay, we are discussing two separate military construction programs. The first program is the ongoing program supporting the relocation of the Rota squadron. The second is the proposed program for a Trident base.

POSEIDON SQUADRON FACILITIES RELOCATION CONSTRUCTION PROGRAM

(CHART 12)

ONGOING PROGRAM ON SITE RELOCATIONS

First I would like to bring you up to date on where we stand with the ongoing program and then discuss the scope of the proposed program.

T-1 MILCON PROGRAM

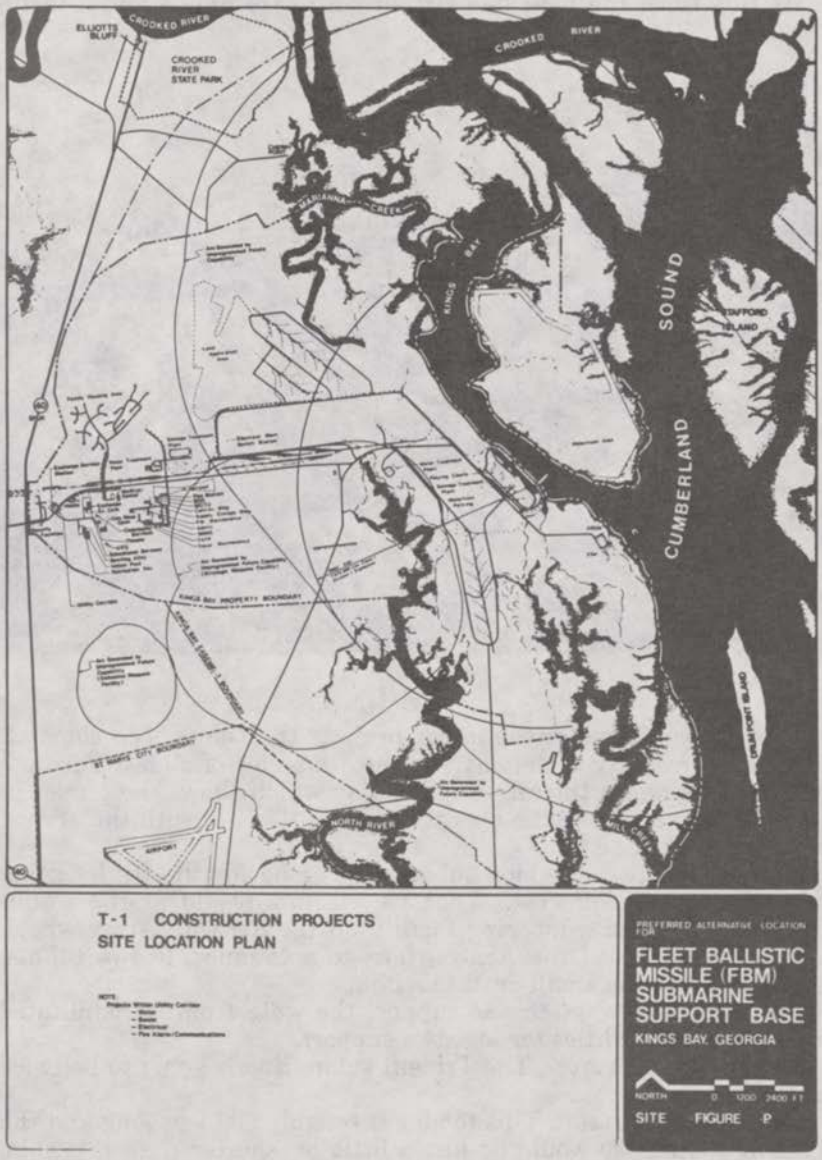
	MCON	HOUSING	DEFENSE ACCESS	TOTAL
FY 78	27.9	–	–	27.9
FY 79	39.1	13.9	–	53.0
FY 80	20.3	–	2.3	22.6
FY 81	18.0	–	4.0	22.0
	105.3	13.9	6.3	125.5

(CHART 13)

As an overview of the dollars involved, we have a 4-year MCON program for facilities construction. In 1978, the Navy reprogramed MCON savings in order to get an early start. There was not time to go through the formal appropriations process.

OPERATIONAL FACILITIES

In 1979, we have added additional operational facilities. Congress added some 250 units of housing at $14 million. In fiscal year 1980, we are concentrating on personnel support facilities, and some additional support facilities in the industrial area. In fiscal year 1981, almost all of the $18 million are in support of personnel support facilities.



(CHART 14)

The total program that we see over these 4 years is about $126 million. This slide shows how the base is divided up and shows all the projects that are envisioned in support of the Rota squadron.

At the waterfront we have operational facilities to support the tender and the floating drydock. In the left center of the picture, we have an industrial complex which is well underway. In the fiscal year 1980 and 1981 programs we have personnel support facilities which are yet to come.

At this time, the base has virtually no personnel support facilities.

(CHART 15)

To show you some of the major projects that have been completed or are presently underway, we have a series of slides. This is a picture, looking northwest, of Kings Bay which shows the tender in position. The base became operational in July 1979 with the arrival of this tender.

You can see two Poseidon submarines alongside the tender going through the refit process. What we essentially did at the waterfront was to build a mooring facility on the existing Army wharf.

We also upgraded the Army wharf to accommodate two submarine layberths and small craft berthing.

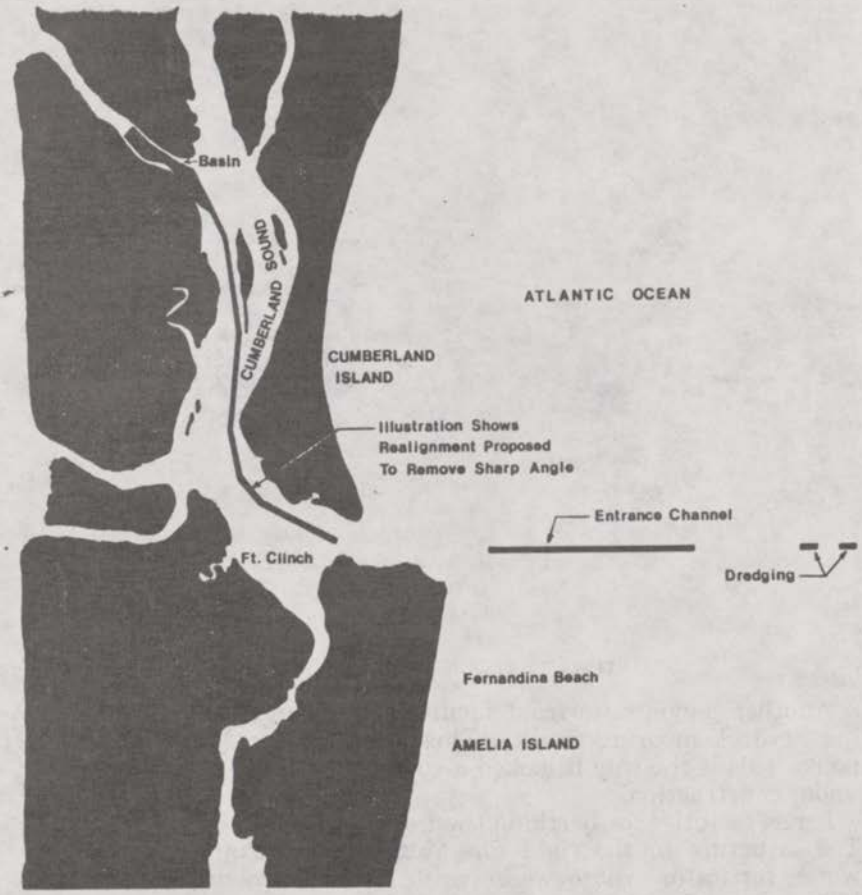
We built utility systems to support the waterfront, rehabilitated some existing facilities for logistics support.

Senator HUDDLESTON. The Trident submarine is going to be twice as long as that?

Commander WILSON. This tender is roughly 600 feet long and the Trident submarine would be just a little bit shorter than this ship.

Senator HUDDLESTON. It will accommodate the larger Trident?

Commander WILSON. Yes, sir, but we would use a different basic waterfront configuration for Tridents. The Trident submarines would be moored parallel to this wharf and farther up the bay.



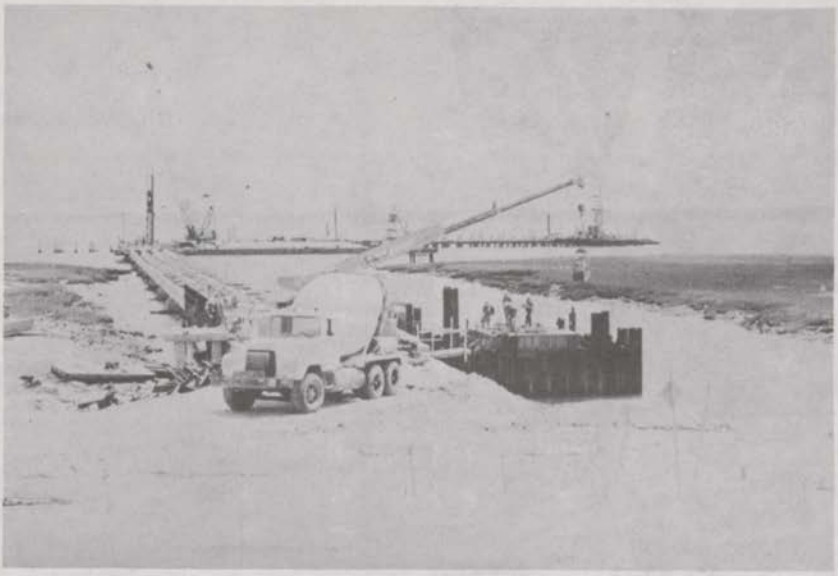
(CHART 16)

DREDGING EFFORTS

Our major effort in construction has been dredging. We have dredged some 14 million cubic yards at a cost of $24 million. We had to dredge in Kings Bay itself and all the way down Cumberland Sound to the St. Mary's river entrance channel. Additionally, we had to dredge a certain amount of shoaling offshore; our farthest point out is 8 miles.

Senator HUDDLESTON. Is that going to be a continuing project?

Commander WILSON. Yes, sir. It will require maintenance dredging every year to stay at project depth.



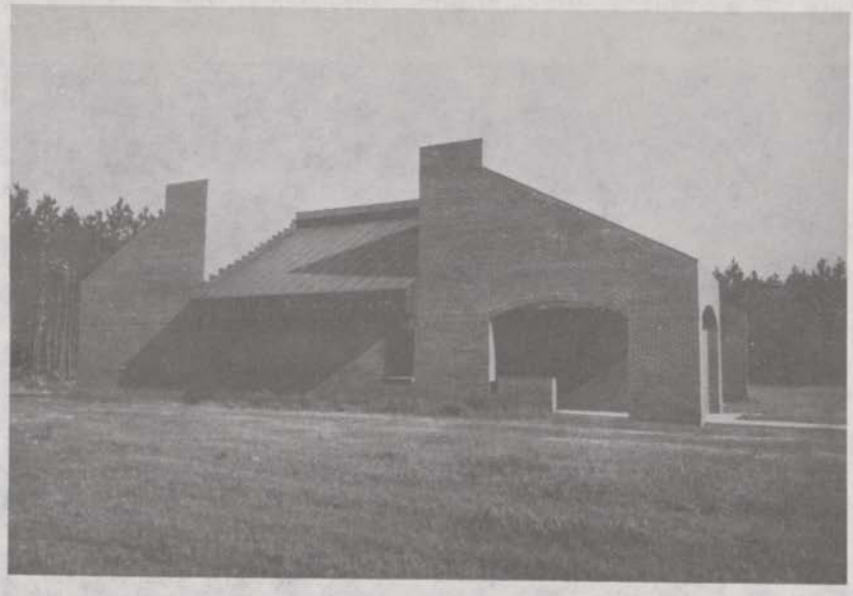
(CHART 17)

FLOATING DRYDOCK MOORING FACILITY

Another major waterfront facility is the construction of a floating drydock mooring facility. This is a 1,200-foot pier out to this point. This is the way it looked a couple of months ago when it was under construction.

It has facilities for berthing the floating drydock plus small craft. The structure in the right foreground, as an example, is an oil-water separator where we separate the oil and waste from the bilges of the ship for treatment.

In this picture you can see the facility as it was 1 week ago, completed and ready for the arrival of the floating drydock. We expect that drydock to arrive at the end of this week.

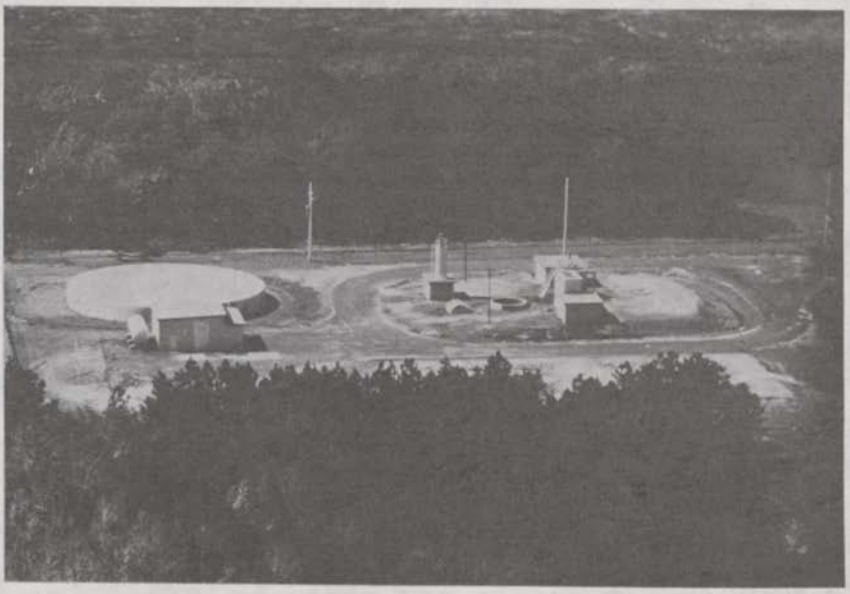


This is the central telephone communications complex, the first building that we completed in the industrial area.

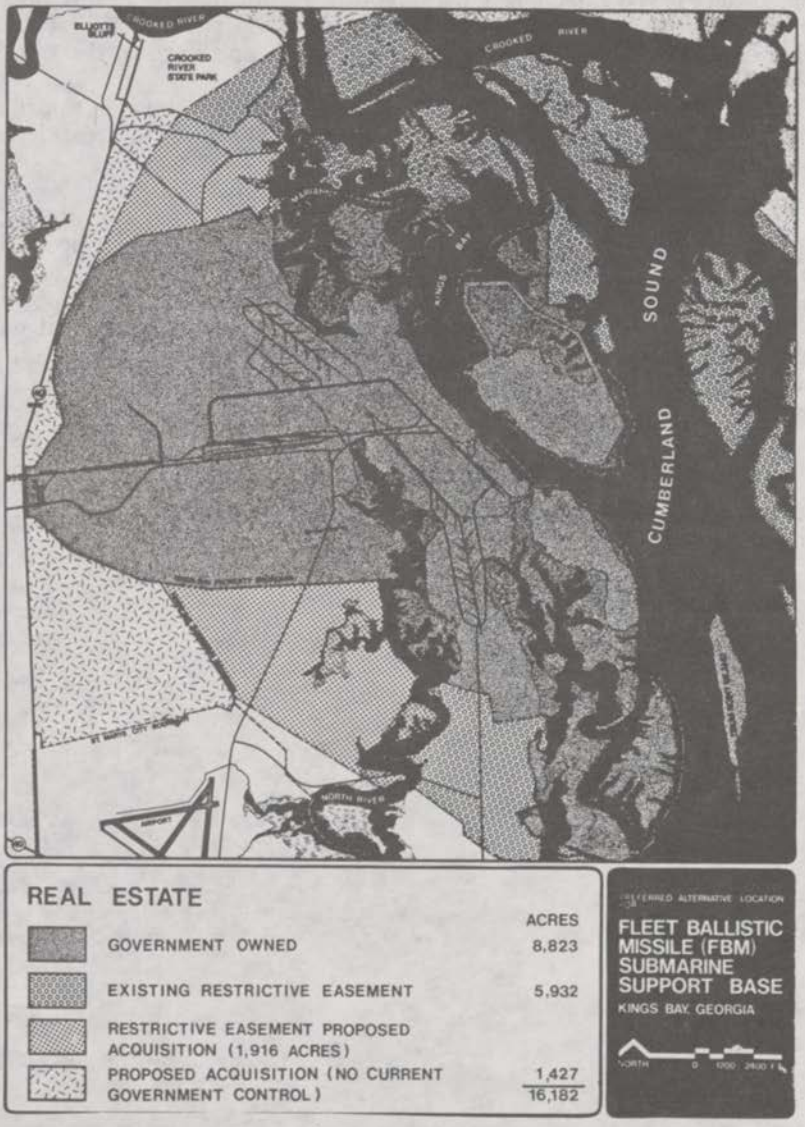
59-461 O - 81 - 3

Here is ongoing construction in the industrial area. You can see that telephone exchange that I just showed you.

We have a warehouse, a maintenance shops building, a vehicle maintenance building and to the south, are two or three more projects for which contracts will be awarded later this year.



This is a picture of the water treatment plant at the waterfront. We have utilities systems that support the waterfront and separate utilities systems that support the upland part of the base.



(Chart 22)

LAND ACQUISITION

Land acquisition has been an important part of the military construction program at King's Bay. What you see as the shaded portion is 8,800 acres which we got from the Army at the time that the base was turned over to the Navy.

The areas indicated by the small circles are the areas under restrictive easement.

What we did in the fiscal year 1979 program was to buy another 3,300 acres. We purchased what you see indicated by small hatch marks on the front part of the base and those parts of the restrictive easement indicated by dots to the south and here to the north. We retained this easement.

With the completion of this land acquisition, the base is approximately 12,000 acres with an additional 4,000 acres of restrictive easement.

Senator HUDDLESTON. What is the cost of that?

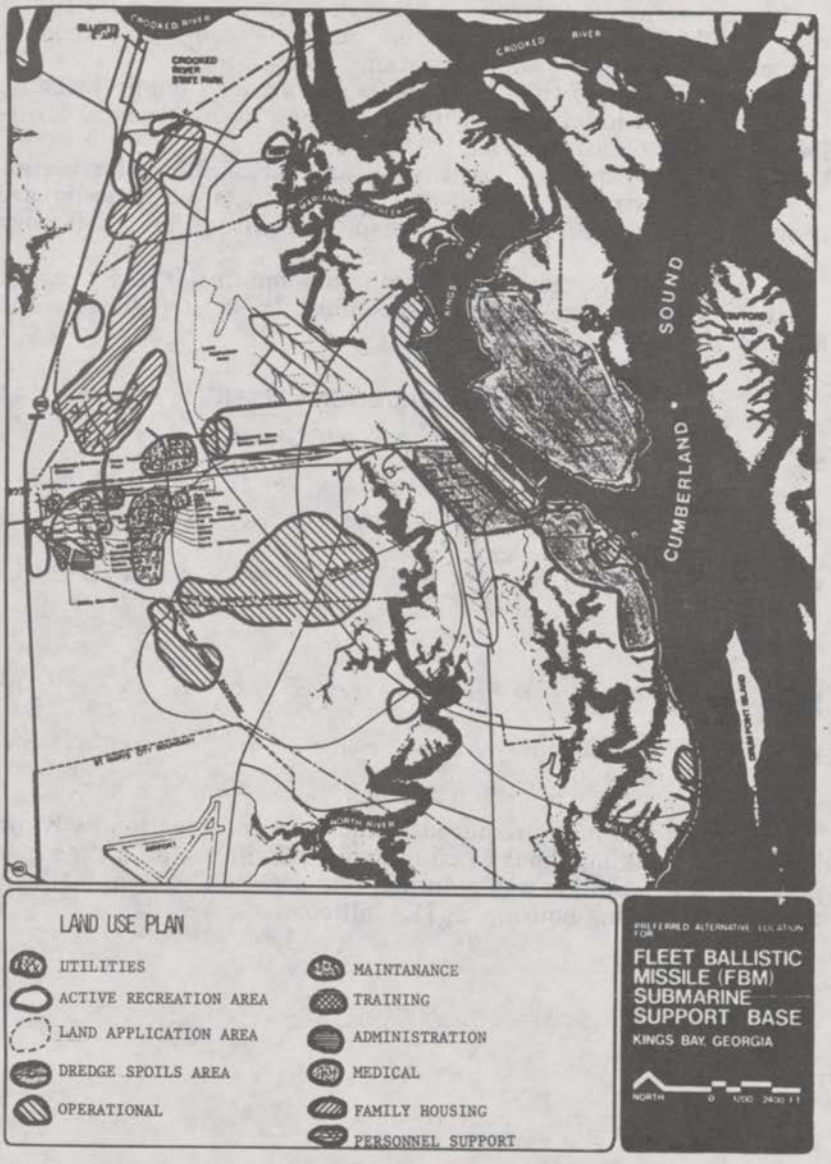
Commander WILSON. $3.49 million was what was appropriated for the property. We have not settled up with every property owner.

Senator HUDDLESTON. Will it come within that figure?

Commander WILSON. If it is settled at the appraised value, it will come within that figure, yes, sir. Some of the owners are contesting the appraised value.

TRIDENT MILCON PROGRAM

Moving into the proposed Trident Milcon program, I would like to introduce that program by giving you a brief overview of the master plan.



(Chart 23)

The crosshatched and shaded areas are the areas of the base that are under development at this time and those that construction would be expanded into.

At the waterfront, we have waterfront operational facilities including drydock, refit berths, and explosive handling wharfs. This site in the right center is where the tender is presently moored. This site at the mouth of the bay is where the floating drydock will be moored.

This is a strategic weapons facility, defensive weapons facility; a refit complex; a utilities complex; an industrial complex; personnel support core, including administration and training.

The area in the northwest section is our planned family housing.

The small enclosed areas without shading or hatching are various outdoor recreation areas.

The arcs are explosive quantity distance arcs. Shown to the left is the most restrictive, worst case arc, which is a composite arc from the waterfront, strategic weapons facilities and defensive weapons facilities.

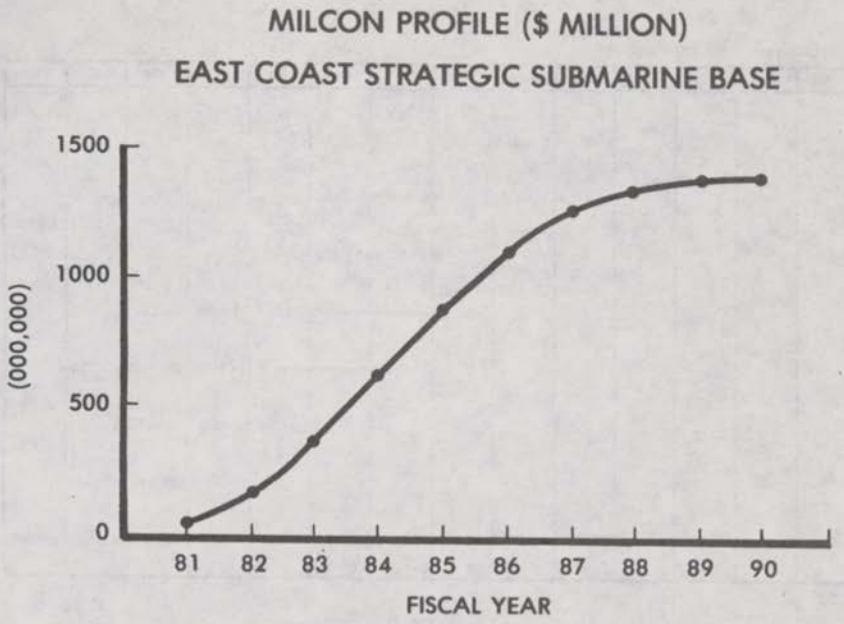
We can accommodate only certain missions inside the arc. All other nonexplosive related missions must be located outside the arc.

MILITARY CONSTRUCTION PROFILE
EAST COAST A-1 PROGRAM

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	TOTAL
CONSTRUCTION			104.3	165.4	214.7	278.4	202.0	147.5	83.5	30.4	26.3	1252.5
ACCESS ROADS		4.0	12.0									16.0
PLANNING and DESIGN	16.5	12.1	17.1	22.2	21.6	15.7	10.4	5.1	2.6	1.7	0.5	125.5
TOTALS	16.5	16.1	133.4	187.6	236.3	294.1	212.4	152.6	86.1	32.1	26.8	1394.0

(CHART 24)

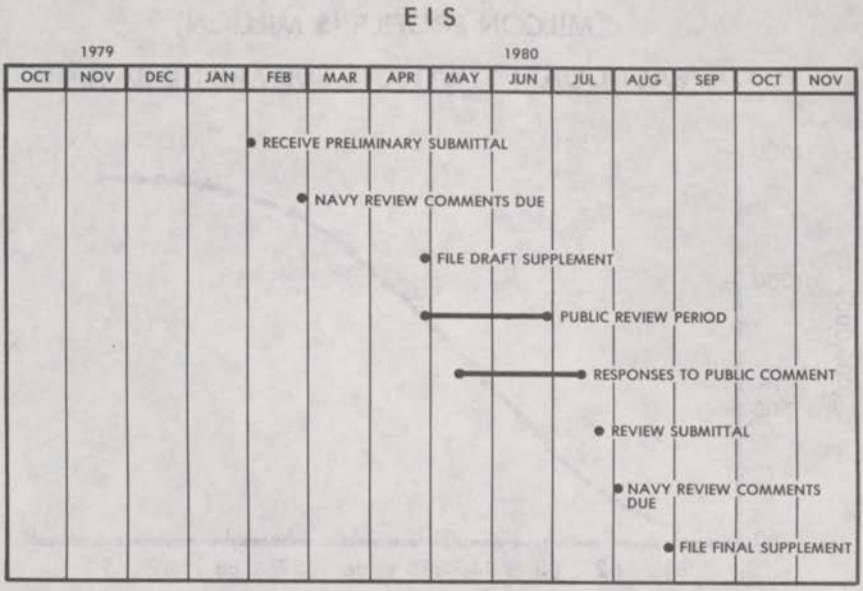
Looking at the funds required in facilities construction at Kings Bay, we are talking about $1.25 billion for facilities, an access road program of $16 million and planning and design. The total facilities program, excluding housing, is $1.4 billion.



(CHART 25)

Another way to look at that is to look at the program cumulatively, by years. What we have tried to do in structuring the program is to have a gradual buildup in construction effort which would taper off at the end. Obviously, construction from these program years would continue right out through 1990.

In this construction program, our first request for funds will be in fiscal year 1982. Our last request for funds would be in fiscal year 1990 for a 9-year program to support an initial operating capability date of 1990.



(CHART 26)

The most important ongoing action in getting Kings Bay started as a Trident base is the successful completion of our environmental impact statement. We have received our draft copy of the environmental impact statement and are presently reviewing it within the Navy.

We plan to file the draft supplement at the end of April. We will have a 60-day public review period including hearings in Atlanta, Camden County, Ga., and Jacksonville, Fla., and we will file our final EIS supplement in August.

Upon final filing, the Secretary of the Navy can make a final decision on Kings Bay as the Atlantic Trident base.

Are there any questions, sir?

Senator HUDDLESTON. No questions.

Admiral ISELIN. Mr. Chairman, we are ready to answer any questions.

SCHEDULING FOR RETIRING SUBMARINES

Senator HUDDLESTON. Admiral, presently we have 41 nuclear powered ballistic missile submarines in the fleet, 10 of them in the Polaris class, 31 in the Poseidon. The Navy has indicated that it will retire all of the Polaris submarines by the end of fiscal year 1981 which would be September 30 of next year.

What is the actual schedule for retiring these submarines?

Admiral MURRAY. At the present time, the Navy intends to retire only two of those submarines, the *Roosevelt* and the *Lincoln*. It intends to reassign the other submarines to an attack submarine role rather than retire the other eight.

Senator HUDDLESTON. You have made the decision that they are physically able to perform that function?

Admiral MURRAY. Yes, sir, we have.

STEPS INVOLVED IN RETIRING SUBMARINE

Senator HUDDLESTON. What is involved in retiring a Polaris submarine, for instance?

Admiral MURRAY. In the case of the *Roosevelt* and the *Lincoln*, they will be defueled, the missile compartment will be removed and dismantled, the ship will be welded back together and placed in a waterborne storage, probably at the Inactive Ship Facility, Bremerton, Wash.

Senator HUDDLESTON. Is there any foreseeable possible use for it after that occurs?

Admiral MURRAY. Probably not, sir.

Senator HUDDLESTON. What happens to the missiles?

Admiral MURRAY. The nuclear material, of course, will be recycled. The missiles will be dismantled for eventual disposal. Some components may be sold to the United Kingdom under the Polaris sales agreements.

Senator HUDDLESTON. Where are these submarines homeported now?

Admiral MURRAY. We have two of the submarines, the *Roosevelt* and the *Lincoln* which are homeported at Bangor, Wash. The other 8 are homeported in Pearl Harbor, Hawaii.

DISPOSITION OF POLARIS SUB FACILITIES

Senator HUDDLESTON. What facilities exist in support of the Polaris submarine and what will happen to those facilities when the Polaris subs are retired?

Admiral MURRAY. The Polaris submarines are supported in Guam by a submarine tender and the missiles are supported at the Strategic Weapons Facility in Bangor, Wash. The tender will probably remain in Guam and be used to support our attack submarines in the Western Pacific. The missile facilities will be used, where possible, for Trident missile support in Bangor.

Senator HUDDLESTON. When the Polaris becomes an attack sub, will it continue to carry nuclear missiles?

Admiral MURRAY. No, sir. We intend to off-load the missiles at that time and put ballast cans in the missile tubes.

HOME PORT ALLOCATIONS

Senator HUDDLESTON. The 31 Poseidon submarines are home ported at Holy Loch, Scotland; Charleston, S.C.; and Kings Bay. What is the allocation among these various ports?

Admiral MURRAY. At the present time, we have 10 submarines operating from Holy Loch, 8 from Kings Bay and 6 from Charleston.

The remaining submarines are either in overhaul or in shakedown operations and will fill out the squadrons as they come out of overhaul and shakedown.

Senator HUDDLESTON. How many are at sea at any one time?

Admiral MURRAY. At any one time, we have approximately 18 to 21 Poseidon or Trident backfitted submarines at sea.

Senator HUDDLESTON. Each one has 16 missiles; right?

Admiral MURRAY. Each one has 16 missiles with a capability of 14 warheads per missile.

Senator HUDDLESTON. That is the Polaris at the present time?
Admiral MURRAY. No. That is the Poseidon.
Senator HUDDLESTON. I mean the Poseidon. I am sorry.
Admiral MURRAY. Yes, sir.

SUBMARINE OVERHAULS

Senator HUDDLESTON. How often does a Poseidon undergo a major overhaul?
Admiral MURRAY. We are overhauling the Poseidon ships at an interval of about every 9 years.
Senator HUDDLESTON. I am sorry. I did not hear you.
Admiral MURRAY. About every 9 years, sir.
Senator HUDDLESTON. Every 9 years.
How long does it take to conduct an overhaul?
Admiral MURRAY. About 18 months.
Senator HUDDLESTON. Where are we doing this? What facility?
Admiral MURRAY. We are doing it at Portsmouth Naval Shipyard, Charleston Naval Shipyard, Puget Sound Naval Shipyard and Newport News Shipbuilding & Drydock Co.
Senator HUDDLESTON. How many do you have undergoing a major haul at any one time?
Admiral MURRAY. From four to seven.

SUB MAINTENANCE AND REFURBISHING

Senator HUDDLESTON. After Poseidon comes off patrol, what kind of routine maintenance and refurbishing is required?
Admiral MURRAY. We have an extensive refitting of the submarine at the end of each patrol. At that time, we make necessary repairs for emergent items from the last patrol. In addition, a broad range of routine testing, maintenance and servicing is done throughout the ship to insure that all systems and equipments are operating to design specifications. Test equipment, gages and meters are alined and calibrated. At the end of selected patrols, the submarine is drydocked and the entire underwater body carefully examined and preserved.
Repair parts, food items and other consumables are loaded and the ship conducts an at-sea trial period and the correction of last minute items before departing on the next patrol.
Senator HUDDLESTON. How long does this all usually take?
Admiral MURRAY. This takes about 32 days of which 22 days are actual work and 10 days are for training and testing at sea and for final load out.

MISSILE MAINTENANCE CHECKS

Senator HUDDLESTON. What type of periodic checks do you have to make on the Poseidon missiles?
Admiral MURRAY. Other than routine operational tests conducted by the crew to verify missile readiness, there are no periodic checks required on the Poseidon (C-3) missile to necessitate its removal from the submarine during each cycle.
Senator HUDDLESTON. This is done within that 22-day period?
Admiral MURRAY. Yes, sir. It is.

BACKFITTING OF POSEIDON SUBMARINES

Senator HUDDLESTON. Some of the Poseidon submarines are being backfitted with the Trident I or C-4 missile. What is the total scope planned for this program?

Admiral MURRAY. The Navy intends to backfit 12 Poseidon submarines with the Trident I missile.

Senator HUDDLESTON. How many missiles would it carry? That same number?

Admiral MURRAY. Each backfitted Poseidon submarine would carry 16 Trident I C-4 missiles.

Senator HUDDLESTON. What is the current status of the program?

Admiral MURRAY. At the present time, we have two ships completed and deployed on patrol. We have one ship that has completed backfit and is undergoing testing. Four ships are presently in overhaul and presently being backfitted. There are two ships which will be backfitted during overhaul. Those overhauls will start during this fiscal year. Finally, there will be three ships that will be backfitted pierside in fiscal years 1980 to 1982.

DISADVANTAGES IN HAVING TRIDENT MISSILES ON POSEIDON SUBS

Senator HUDDLESTON. Other than the fact that the Poseidon can carry only 16 of the Tridents rather than 24, are there any other disadvantages to having the Trident missile on the Poseidon?

Admiral MURRAY. No, sir. I can think of no other disadvantages for the Trident I missile except that we are at the end of our capability for expanding to any other missile system on the Poseidon ships whereas on the Trident ship we still have a capability for going to the larger sized Trident II missile.

Senator HUDDLESTON. The Poseidon would in no way be able to accommodate the Trident II missile?

Admiral MURRAY. No, sir. The missile tube is just not large enough.

EXTENDING LIFE OF POSEIDON SUBS

Senator HUDDLESTON. We heard talk about extending the life of the Poseidon from 25 to 30 years. I assume this decision has been made?

Admiral MURRAY. As Commander Smith discussed in his presentation, the Navy believes that it is feasible to extend the lives of these ships from 25 to 30 years.

Senator HUDDLESTON. Is any particular maintenance or modification going to be required for this extension?

Admiral MURRAY. The Navy at the present time is conducting extensive studies to determine exactly what needs to be done. We are not far enough into the life of these ships to have a very clear picture. We need to continue to study this in order to determine the exact details of any changes that would be necessary to extend the life of these ships.

Senator HUDDLESTON. Is it expected that all of them can be extended or are there any in such a condition that extension does not seem likely?

Admiral MURRAY. At the present time, I would say all of the 31 ships could be extended depending on SALT limits.

DISPOSITION OF HOLY LOCH FACILITY

Senator HUDDLESTON. When the Poseidons are finally phased out, are we likely to leave Holy Loch, or will we continue that facility?

Admiral MURRAY. We have not made any decision on Holy Loch at this time, although deploying the Trident missile would probably make phasing out of the Holy Loch possible.

DELIVERY DATE FOR FIRST TRIDENT SUB

Senator HUDDLESTON. Now, what is the most up-to-date estimate on the delivery date for the first Trident submarine?

Admiral MURRAY. Just last week, the shipbuilder informed the Navy that the delivery of the lead Trident submarine would slip about 2 months. It was scheduled for November 30, 1980. The shipbuilder has estimated the delivery date to be February 1, 1981.

Senator HUDDLESTON. How long would it take to make it operational?

Admiral MURRAY. There is about 9 months between the time that the ship is delivered and the time that the ship becomes operational. That would make the ship operational about October 1981.

Senator HUDDLESTON. It looks like it will be very late next year?

Admiral MURRAY. Yes, sir.

Senator HUDDLESTON. By the time we have the first one operational?

Admiral MURRAY. Yes, sir.

TRIDENT CONSTRUCTION REQUIREMENTS AT BANGOR SITE

Senator HUDDLESTON. Now, you have requested $16.2 million for Bangor in fiscal year 1981. Will this complete construction requirements for the Trident at Bangor?

Admiral MURRAY. No, sir.

We have several other additional projects that are programed in fiscal year 1982 for $29.4 million, and in fiscal year 1983 for $7.2 million.

Senator HUDDLESTON. Are all the projects there on schedule?

Admiral MURRAY. Yes, sir. All projects are on schedule to meet the base operational date. All projects approved through fiscal year 1978 are either completed or under construction. The fiscal year 1979 program is well underway with the last project to be awarded by May 1980. All fiscal year 1980 projects are scheduled for award by the end of fiscal year 1980.

Senator HUDDLESTON. As I understood the presentations, there does not seem to be much problem in having these facilities available by the time you get the submarine. Is that your expectation?

Admiral MURRAY. That is our expectation, yes, sir.

Senator HUDDLESTON. How many Tridents do you currently expect to base at Bangor?

Admiral MURRAY. We expect to base 10 submarines which will all be homeported at the Naval Submarine Base at Bangor.

Senator HUDDLESTON. Is that its maximum capacity or could others be based there?

Admiral MURRAY. We could base 10 there without further facility construction. We could take perhaps 2 ships in addition to that,

but it was really built for 10 and we would have to assess what would be needed to support more than 10 submarines.

Senator HUDDLESTON. Will the water-pit facility proposed facilitate only Tridents or also carriers and other submarines?

Admiral MURRAY. The water-pit facility will allow Puget Sound Naval Shipyard to perform refueling of Trident submarines as well as the nuclear carriers. We would need that sort of facility for Trident.

Senator HUDDLESTON. You requested $18 million for the Naval Submarine Support Base at Kings Bay, Ga.? Is all of this construction related to the relocation of the Poseidon squadron from Rota?

Admiral MURRAY. Yes, sir. All construction in the fiscal year 1981 program is in support of the relocation of the Poseidon squadron from Rota.

ABILITY OF KINGS BAY FACILITIES TO SUPPORT INCREASED ACTIVITY

Senator HUDDLESTON. If the decision is made later to base the Trident submarines at Kings Bay, could these facilities support the increased activity that would occur?

Admiral MURRAY. Yes, sir. However, additional facilities would be required to support Trident submarines at Kings Bay, should the decision be made to do so.

All facilities and utilities systems now constructed, under design or proposed for the Poseidon squadron relocation are sited and designed for expansion to the capacities necessary to support a Trident squadron with minimum modifications.

Senator HUDDLESTON. You are not getting into a situation where you would require major modifications if the Trident comes there?

Admiral MURRAY. No, sir. We have designed the so-called T-1 base to accommodate expansion to a Trident base.

CONSTRUCTION OF RECREATION FACILITIES

Senator HUDDLESTON. I notice the request includes such facilities as a theater, a swimming pool, a community services complex. Could these facilities be financed from nonappropriated funds?

Admiral MURRAY. I would like Admiral Iselin to answer that question, sir.

Admiral ISELIN. Mr. Chairman, the Department of Defense policy is that when you are establishing a new base, welfare, morale, and recreational facilities should be constructed with appropriated funds and they have forwarded that policy to the chairman of the Armed Services Committees and Appropriations Committees.

So this request is consistent with that policy, primarily on the basis that the decision to build a new base is one to maintain national security and the military personnel assigned to that base do not have the opportunity as it is getting started to pay for these facilities all at once.

Senator HUDDLESTON. You have not built up any funds. I would assume that once you begin operating there, and these facilities are open, you will start building up nonappropriated funds?

Admiral ISELIN. Yes, sir, primarily from the Navy exchange.

Senator HUDDLESTON. If new modifications or new additions are required in the future, then would nonappropriated funds be likely to be available?

Admiral ISELIN. Yes, sir. That is correct.

Senator HUDDLESTON. I can understand the startup situation. You have not had a chance to accumulate the funds. It would not be fair to expect you to wait until the funds are available.

PERSONNEL ACCOMMODATIONS AT KINGS BAY

How many personnel are you planning to accommodate at Kings Bay over the next few years?

Admiral MURRAY. It is expected that approximately 2,200 military personnel and 1,900 dependents will be assigned to the Naval Submarine Support Base at Kings Bay by 1985. The Kings Bay military and dependent population today is about 98 percent of that ultimate total. In other words, we have essentially the same number of military personnel and dependents at Kings Bay now as there is going to be by 1985.

Senator HUDDLESTON. How are you accommodating them now?

Admiral MURRAY. We are doing the best we can. Many of them are living as far away as Jacksonville, and also to the north in Brunswick. There is very little housing available in the area. We put facilities in, as you are seeing. We are putting the support facilities in last year's program and we are now asking to complete the facilities that support the people who are being assigned to that base in support of the Poseidon program.

Senator HUDDLESTON. Of course, I assume that the construction activity itself places a further strain on available housing in the area?

Admiral MURRAY. Yes, sir. It does.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Gentlemen, that is all the questions I have for this morning. There are others that I will submit.

I appreciate your attendance and your fine presentation. You got out a little early.

Admiral ISELIN. Thank you, sir.

[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

Question. I assume from your statement that you expect Kings Bay to be selected as the East Coast Trident site late this year. Is that correct?

Answer. A final site selection has not yet been made. Kings Bay has been selected as the preferred site. A final decision will not be made until after the completion of the final environmental impact statement scheduled to be filed in August 1980.

Question. What factors led to the selection of Kings Bay as the preferred site?

Answer. Factors which led to the selection of this site as the preferred alternative location include a combination of several.

a. Ready access to the Atlantic Ocean for operations.
b. Construction costs and schedule impacts.
c. Potential for future growth.
d. Availability of sufficient land to provide for explosive safety requirements.
e. Consideration of impact on the environment.
f. The Rota relocation POSEIDON squadron site studies included growth for East Coast TRIDENT. Thus, when Kings Bay was selected to receive the Rota Squadron, future TRIDENT growth at Kings Bay was considered.

Question. How much have you spent to date on planning and design for the East Coast site and for Kings Bay in particular?

Answer. The planning and design funds spent on a potential TRIDENT base at Kings Bay amount to $28,000 to date. A total $5 million is projected to be spent in FY 1980.

Question. How much do you expect to spend in FY 1981 planning and design funds for Kings Bay?

Answer. $12.1 million is expected to be spent in Fiscal Year 1981 for planning and design for the Atlantic Coast Strategic Submarine Base.

Question. If Kings Bay is chosen, when would you expect it to become operational as a TRIDENT site?

Answer. Current planning is predicated upon having the Naval Submarine Base, Kings Bay operationally ready in 1990 to accommodate TRIDENT submarines.

Question. At that time, what would be the likely deployments of POSEIDON at Kings Bay and Holy Loch?

Answer. It is currently anticipated that in 1990 POSEIDON submarines will be continuing to operate from Holy Loch and POSEIDON submarines backfitted with the TRIDENT I missile will be operating from Kings Bay.

Question. For how many TRIDENT submarines is Kings Bay being designed?

Answer. The facilities are being designed to provide support to one TRIDENT squadron (ten submarines) in addition to the currently assigned POSEIDON squadron (ten submarines).

Question. If a follow-on submarine for the TRIDENT is selected, would you still need the type of facilities you are planning for Kings Bay?

Answer. Design of the submarine base is not anticipated to be affected by the configuration of a follow-on submarine, should one be developed.

Question. What is the current status of the TRIDENT II missile, and is it factored into your plans?

Answer. The TRIDENT II (D-5) missile continues in conceptual development. The FY 1981 Defense budget has $36.4 million for the TRIDENT II missile development. These funds include $16 million for operation of a ship used for navigation research and development and $20.4 million for further conceptual studies. The Kings Bay Base has been planned to accommodate the larger D-5 missile although no facilities are currently programmed.

Question. Last year, there was some confusion over what was being done at the Polaris Missile Facility Atlantic (POMFLANT) in Charleston and what was to be done in Kings Bay.

Could you explain what would be done at each site on the Trident I?

Answer. Any confusion or misunderstanding on this matter is best cleared up by referring to the Navy's public announcement of 24 May 1979 on its policy for Trident I (C-4) missile support on the east coast. I quote:

> "Trident I (C-4) missile assembly facilities to support an east coast strategic base will remain at the Polaris Missile Facility Atlantic (POMFLANT), located in Charleston, SC."

It is clear then Charleston will support:

- First, the Trident I (C-4) missiles in the twelve backfitted (POSEIDON) submarines to operate from Kings Bay.

- Second, the Trident I (C-4) missiles in any Trident submarines that may operate from Kings Bay in the future.

By "support" is meant the receipt, assembly, check-out, maintenance, storage and issue of the missile.

Kings Bay will be the operating base from which submarines (backfitted SSBN submarines now; possibly Trident submarines in the future) will deploy on operational missions. There will be no Trident I missile support at Kings Bay.

Question. What would happen if we go to the Trident II?

Answer. POMFLANT would be incapable of supporting Trident II missiles. Should Kings Bay be selected, and a Trident base be built there, new facilities for support of Trident II missiles would be built there.

Question. Last year, the MILCON bill provided $3.1 million for an inert storage building and $1.1 million for small ordnance magazines at POMFLANT, contingent upon the Navy's providing a report that justifies the need for additional storage capacity. What is the status of the report?

Does the Navy plan to move ahead with these facilities?

Answer. The report on these two POMFLANT Charleston facilities (Inert Storage, $3,150,000; Small Ordnance Magazines, $1,100,000) is now ready to be delivered to the appropriation committees.

Report will confirm facilities are needed for the additional storage capacity they will provide. Their construction is timed to meet the build-up of Trident I missile stocks at Charleston, which parallels the build-up to twelve backfitted POSEIDON submarines.

Design is now complete and we are ready to advertise for construction as soon as committees' approval is in hand.

Question. This year you are requesting $12.5 million for magazines at POMFLANT. Would you explain this request in some detail?

Is this storage capacity necessary and should it be located at Charleston, rather than Kings Bay?

Answer. The 12 missile-motor, 2 small ordnance, and 4 re-entry body magazines requested this year are necessary for the planned workload at POMFLANT, Charleston. The need for additional storage magazines results from (1) the build-up of Trident I (C-4) missiles and components to meet production and deployment schedules of the backfit sumbarines, and (2) need to store Poseidon (C-3) missiles off-loaded from the backfit submarines when they transition to Trident I (C-4) missiles. The Trident I (C-4) missile backfit of 12 POSEIDON submarines is underway and will continue through FY 81. USS FRANCIS SCOTT KEY (SSBN 657) completed the first operational deployment with 16 Trident I missiles in December 1979. Three additional POSEIDON SSBNs will become operational with Trident I during FY 80. Further, we will have to request some 13 more such magazines by FY 1984 to fully meet the need.

As announced by the Navy on 24 May 1979, Trident I (C-4) missile assembly facilities to support an east coast strategic base will remain at the Polaris Missile Facility Atlantic, (POMFLANT), located at Charleston, SC. This means that the twelve backfit SSBN submarines operating from the Kings Bay base, and any Trident SSBN submarines that would potentially operate from Kings Bay, will receive their C-4 missile support from POMFLANT.

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Question. For the record, would you explain how the Naval Weapons Station, Charleston, supports the strategic mission?

Answer. The Naval Weapons Station provides:

(1) Berthing and waterfront services to Fleet Ballistic Missile (FBM) submarines and missile resupply ships (TAK's). Wharf is used to load Poseidon and Trident I missiles into ships.

(2) Berthing and services to the FBM submarine tender based in Charleston, from which a squadron of SSBN's conduct operational patrols.

(3) Military personnel housing and messing, security, fire protection, civilian personnel management, public works and other such services required by the Polaris Missile Facility Atlantic.

(4) Family housing and community facilities for married crew members of FBM submarines.

Questions Submitted by Senator Magnuson

Question. I have been contacted by a number of concerned residents of the Bremerton area concerning the possible environmental impacts of the water pit facility. They cite "incidents" in the past four years where radioactive water resulting from the refueling of Naval ships has been spilled into Puget Sound at the Puget Sound Naval Shipyard. What are these "incidents" and what is being done to assure there are no future spills?

Answer. Extensive efforts are made to ensure that high standards of radiological control are maintained in nuclear work. One technique used throughout the Naval Reactors Program is to require reporting as radiological incidents any radiological discrepancy which deviates from strict requirements imposed by Naval Sea Systems Command Headquarters. These reporting requirements are so stringent that none of the "incidents" being referred to have had any effect on the health and safety of shipyard personnel or the general public. None of them would require reporting by the Nuclear Regulatory Commission or the Department of Energy. This technique of requiring identification and action on minor discrepancies is designed to ensure that even the minor radiological discrepancies receive command attention within the shipyard so that their causes can be identified and corrected before larger problems develop.

As an example of one of these "incidents", a newspaper article appeared alleging that 100 gallons of radioactive water was spilled from a nuclear powered ship in May 1978 and some of it went into Puget Sound. Actually, about five gallons of high purity water containing a small amount of radioactivity was spilled into a drydock, but it was collected

and not released. The amount of radioactivity in this water was less than one millionth of a curie, which is less than the amount contained in a single luminous dial wristwatch, and even this was not released to the environment.

Environmental monitoring has been conducted since 1965 by Puget Sound Naval Shipyard, and subsequently by the State of Washington, and by the U.S. Environmental Protection Agency in the area around Puget Sound Naval Shipyard. This monitoring has confirmed that U.S. Naval nuclear powered ships and their support facilities have had no significant effect on the radioactivity of the environment surrounding Puget Sound Naval Shipyard.

It is not possible to guarantee that there will be "no future spills". However, since the same stringent radiological and environmental control procedures used in the past will be in effect for future operations with the Water Pit Facility, a continued absence of radiological impact on the environment is expected.

At the request of the Region X Office of Environmental Protection Agency, the Navy reviewed with them the Water Pit Facility project, the Navy's Environmental Impact Assessment for this project, and the environmental aspects of the Naval nuclear propulsion program. As a result of this review the Environmental Protection Agency has advised the Commander of the Puget Sound Naval Shipyard by letter dated March 14, 1980 that they consider the Water Pit Facility Environmental Impact Assessment is "technically adequate and we concur with the shipyard's finding that the proposed project will not have significant environmental consequences."

Question. What is being done at Puget Sound Naval Shipyard to safeguard against possible terrorist activity, particularly in regard to nuclear waste storage facilities?

Radioactive materials, including waste materials and spent fuel, are handled within the fenced shipyard industrial security area. Access to the building within the industrial security area where radioactive waste handling is performed is further restricted to only those personnel specifically assigned for such work. These work areas are within shipyard buildings that incorporate Navy security features and operating procedures, which take into account protection against unauthorized entry.

In order to protect high value classified material, the Water Pit Facility itself is being designed with a range of features to further prevent incursion by saboteurs and will be operated as a security area. The shipyard maintains an around-the-clock force of trained armed guards whose duty is to prevent unauthorized entry by any person for any reason.

Question. What type of waste will result from the refueling process and how long will the nuclear waste be stored at Puget Sound Naval Shipyard?

Answer. During maintenance, refueling and overhaul operations at Puget Sound Naval Shipyard, solid low-level

radioactive wastes consisting of contaminated rags, plastic bags, paper, filters, ion exchange resin and scrape materials are collected by nuclear-powered ships and transferred to the Shipyard. These waste materials are kept in a radiologically controlled area only until ready for disposal. Solid radioactive waste materials are packaged in strong tight containers, shielded as necessary and shipped to burial sites licensed by the U.S. Nuclear Regulatory Commission or a State under agreement with the U.S. Nuclear Regulatory Commission.

Naval spent fuel is not considered nuclear waste as it contains material of high intrinsic value. The shipyard does not retain spent naval fuel other than temporarily in conjunction with the refueling work performed on naval ships in the shipyard. The Water Pit Facility will not be used for the long term storage of spent fuel.

Question. How is the radioactive waste from Puget Sound Naval Shipyard transported to the permanent waste storage site? What safeguards are taken when the radioactive waste is carried to the permanent storage site?

Answer. Radioactive liquid wastes are processed to remove the radioactivity and the water is reused. Radioactive solid wastes are packaged in strong, tight containers, shielded as necessary, and shipped to burial grounds licensed by the Nuclear Regulatory Commission or a State under agreement with the Nuclear Regulatory Commission.

In addition to imposing requirements of Federal transportation regulations, the Navy has issued standard instructions to further control shipments of radioactivity associated with U.S. Naval nuclear propulsion plants. Only designated persons knowledgeable in shipping regulations are permitted to authorize shipments of radioactive material. Protective transport service such as signature security service or sealed shipping vehicles are required for these shipments to ensure point-to-point control and traceability of each shipment from shipper to receiver. Return receipts are required to be made in writing by receivers to ensure that radioactive material has not been lost in shipment.

Spent fuel from the Puget Sound Naval Shipyard is turned over to the Department of Energy, who transports the fuel by rail to Department of Energy facilities in Idaho for inspection and subsequent processing. This is what has been done with spent fuel in the past and what will be done in the future even with the addition of the Water Pit Facility.

In conjunction with the shipments of spent fuel, measures are carried out to safeguard these shipments and ensure that they reach their destination. Each spent fuel shipment is escorted by U.S. Government representatives. Each shipping container is specifically designed to withstand extreme accident impacts, fire or water immersion, and to prevent release of the material to the environment in the event of an accident. The cargo is non-explosive and non-flammable.

Question. Puget Sound Naval Shipyard, I understand, is currently working at peak capacity. What effect will the

proposed facility have on the amount and type of work handled at the base? Will there be a significant increase in the number of nuclear powered ships serviced and a corresponding decrease in the number of conventional ships to be overhauled? After the Water Pit Facility is complete--in 1984, I believe--how frequently will it be utilized?

Answer. The construction of the Water Pit Facility is not expected to significantly increase anticipated workload or increase the proportion of nuclear work on non-nuclear work at Puget Sound Naval Shipyard.

The Water Pit Facility will provide Puget Sound Naval Shipyard the capability to refuel nuclear powered aircraft carriers, cruiser and TRIDENT submarines. Nuclear refueling work to be accomplished in the facility will be very similar to nuclear refueling work currently being done in the shipyard.

The Navy may use the facility for refueling a nuclear powered carrier or cruiser as early as mid-1984. Once in service, the Navy will use the facility almost continuously for refueling and other reactor servicing work on nuclear powered surface ships and submarines. When not in use the facility will be available to support unplanned or earlier than scheduled reactor servicing work.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. The subcommittee will be adjourned until 2 p.m. this afternoon.

[Thereupon, at 10:55 a.m., Monday, March 10, the subcommittee was recessed, to reconvene at 2 p.m. the same day.]

[AFTERNOON SESSION, 2:20 P.M., MONDAY, MARCH 10, 1980]

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

The subcommittee met at 2:20 p.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Laxalt.

Also present: Senator Schmitt.

STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR OF ENGINEERING AND SERVICES DEPARTMENT OF THE AIR FORCE

ACCOMPANIED BY:

COL. JOSEPH A. AHEARN, DIRECTORATE OF ENGINEERING AND SERVICES

LT. COL. THOMAS L. BOZARTH, DIRECTORATE OF ENGINEERING AND SERVICES

LT. COL. MICHAEL BUTCHKO, DIRECTORATE OF OPERATIONAL REQUIREMENTS

MAJ. MIKE HENSHAW, OFFICE OF SPECIAL ASSISTANT FOR MX MATTERS

MAJ. JAMES JACOBY, DIRECTOR OF SPACE SYSTEMS AND COMMAND, CONTROL AND COMMUNICATIONS

RALPH C. WANLASS, DIRECTORATE OF ENGINEERING AND SERVICES

STRATEGIC FORCES REQUEST

Senator HUDDLESTON. General Gilbert, the subcommittee will come to order. This afternoon, we are continuing our examination of the military construction request in support of strategic forces.

This time we have with us the Air Force, whose request in support of strategic forces is $323 million. Included in the Air Force program are requests for three very important programs: the MX, the Space Transportation System or Space Shuttle, and the Air-launched Cruise Missile.

I know there are many aspects of these programs to be explored. We have with us our ranking member, Senator Laxalt of Nevada, and Senator Jack Schmitt from New Mexico has joined us. So we will be very interested in the testimony that is presented.

General Gilbert, unless my colleagues have statements to make at this time, you may proceed.

Senator SCHMITT. I just thank you, Mr. Chairman, for allowing me to sit in. I am not on the subcommittee, but I appreciate the opportunity to stay abreast of what you are doing.

Senator HUDDLESTON. We are glad to have you with us.

General Gilbert, you may proceed in whatever fashion you desire.

STATEMENT OF GENERAL GILBERT

General GILBERT. I have a short statement, Mr. Chairman. I can review that with you or file it for the record at the desire of the committee, and proceed with questions.

Senator HUDDLESTON. Your statement is, I note, very short. I think it might be helpful if you just go ahead with it, and then we will proceed.

General GILBERT. Mr. Chairman, members of the committee, it is a pleasure to appear here and discuss with you that portion of our fiscal year 1981 construction request in support of Air Force strategic programs.

This year's construction program includes many projects in support of the Air Force strategic forces missions. These projects and programs are designed to enhance Air Force mission capabilities around the world as well as to improve training in order to keep our air forces at the highest state of readiness at home and abroad.

STRATEGIC FORCES PROGRAM

The strategic forces program is the largest category of facilities requested in fiscal year 1981. At $323,801,000, it includes funds for the MX missile, Space Transportation System (STS) and the air-launched cruise missile (ALCM). With your permission, I will briefly discuss the status of these programs and the facilities we are requesting this year to support them.

MX WEAPON SYSTEM

Considering current events around the world today, no other time than the present is more vital for the United States to develop a strategic deterrence to offset the increased vulnerability of our current land based fixed-silo ICBM's. We feel we have that deterrent force in the MX, even in a no-SALT environment, and therefore bring to you our second increment of projects for the MX weapon system.

As the first session of the 96th Congress drew to a close, we received your support for $57 million to construct MX test facilities at Vandenberg Air Force Base, Calif. These funds were in addition to $5.4 million approved for alteration of engine test cells at Arnold Engineering Development Center, Tennessee, to be used for altitude testing of the motors for the second, third and fourth stages of the missile.

This year we bring to you our request for $17.1 million for the second increment of facilities at Vandenberg required for the initial flight testing of the missile. These projects comply with the Stevens amendment in that they will not commit us to a particular basing mode.

Additional facilities will be required at Vandenberg to provide fully integrated flight testing for the research and development program and the follow-on operational test program. These latter projects are estimated at $29 million and will be included in our fiscal year 1982 and 1983 requests.

Our construction request for operational facilities will be phased over the next 8 years and will be submitted in later year programs.

Mr. Chairman, we have also included $97 million in our planning and design request for planning criteria development and initial design of construction projects for the MX operational system. In addition to the other requirements, the $97 million will allow us to complete design of the $372.7 million planned in the fiscal year 1982 program and initiate design of the $2.5 billion (in then year dollars) program for fiscal year 1983.

We plan to undertake an aggressive planning, criteria development and design program beginning this calendar year to insure MX comprehensive plans and facility designs are far enough along so we can present you with our best estimates of our future construction dollar needs.

However, I must caution the committee that because of the concurrency in this program, there will be changes required in both design and construction. This is especially true over time as the program is further developed and we get closer to the IOC.

Notwithstanding such changes, our plan is, as it has been with other programs, to phase the MX program over several fiscal years to insure that funds can be obligated in the year appropriated. With the support of this committee, we will successfully accomplish these goals in this challenging multiyear construction program which will continue throughout the 1980's.

SPACE TRANSPORTATION SYSTEM

This is the third year we are requesting funds in support of the National Space Transportation System. Over the past 2 years, $188.2 million has been appropriated for STS facility projects at Vandenberg Air Force Base, Calif., the Johnson Space Center, Tex., and Cape Canaveral, Fla.

Our program this year is for $127.1 million, and includes $88 million for construction at Vandenberg, $16 million for construction at Port Hueneme, Calif., and $22 million at Cape Canaveral and Kennedy Space Center, Fla.

The work at Port Hueneme is for a solid rocket booster retrieval facility to permit transferring spent boosters from barges to land facilities for disassembly so they can be refurbished and used again. This is a key part of our polar launch capability at Vandenberg AFB. The projects at Cape Canaveral are required for processing DOD payloads and for the protection of classified DOD missions due to begin in early 1983 at the Kennedy Space Center.

This program continues to be directed toward an initial operational capability (IOC) date at Vandenberg of December 1983, as we reported to you during last year's hearings. This date has been established to allow us to accommodate the technical and schedule risk associated with our program for Shuttle use while meeting firm Vandenberg DOD and NASA launch needs.

To meet this IOC, which will initially provide capability for about 10 launches per year, an estimated $14.3 million in construction will also be required in fiscal year 1982. In future fiscal years, we will also request appropriations to fully implement the launch rates at Vandenberg to a maximum of 20 per year. We estimate that by the end of fiscal year 1983, the total Air Force construction cost for Space Shuttle will be approximately $448 million including

our projected cost growth in the Vandenberg Shuttle launch pad, which we will brief to you today.

Mr. Chairman, this is a large program but one that is essential to the Nation's role in space exploration and defense. We solicit your support this year and in the future.

CRUISE MISSILE

Our request includes the second increment of projects required to support the Air-launched Cruise Missile program. Begun in fiscal year 1980, this program is designed to improve the capability of our B–52 bomber force. Included in this year's request is $66.2 million for facilities at Ellsworth Air Force Base, S. Dak.; Grand Forks Air Force Base, N. Dak.; Griffiss Air Force Base, N.Y.; and Wurtsmith Air Force Base, Mich., to accommodate the buildup of ALCM wings.

These facilities are required for receipt, checkout, maintenance, storage, test, and evaluation of the operational missile at the four locations receiving the ALCM.

Mr. Chairman, that concludes my prepared statement on our strategic programs. We are now ready to respond to questions by the committee.

BRIEFING ON LAUNCH PAD PROJECT OF SPACE SHUTTLE

If I could add one footnote, Mr. Chairman, with the concurrence of the committee, I do have a 10-minute briefing on the bid opening that exceeded our programed amount or estimated amount at Vandenberg with phase II of the Space Shuttle launch pad, along with our projection of what it has now done to package III, which is about ready to go on the street.

Senator HUDDLESTON. General, I think that is very important for us and I think it would be worthwhile to proceed with that briefing at this point. I know the high bids are going to be a problem. We will need to know all we can about it.

General GILBERT. Yes, sir. I would like to ask Major Jacoby from the Space Shuttle office in the Research and Development Deputate at the Pentagon to give the briefing, sir.

Senator HUDDLESTON. Fine.

VANDENBERG AFB

STS LAUNCH COMPLEX COST STATUS

(CHART I)

Major JACOBY. As General Gilbert indicated, we will discuss the current cost status of the launch pad project in total, and particularly emphasize what we have found after bidding the second work package.

OVERVIEW

- BACKGROUND
- LAUNCH PAD PACKAGE II BIDS
- BID ANALYSIS
- CURRENT COST ESTIMATE
- CONTRACT CHANGES

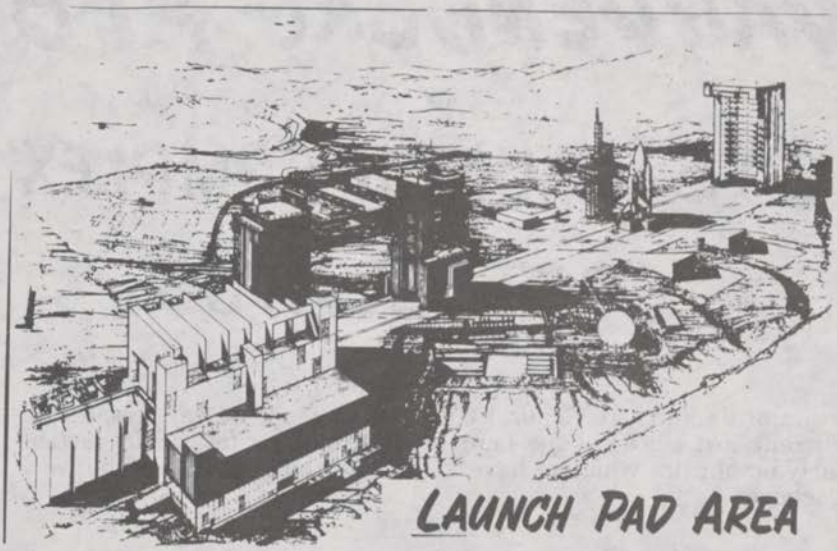
(CHART II)

I will give you a little bit of the cost history of the launch pad, and what we have been doing to try to stay within our budget.

BIDS AND COST ESTIMATES

I will talk about the bids and how they came in, discuss our analysis and the current cost estimate for work package II, plus take a look at the other work we have not yet included in the

contract which is a part of the program, and finally, I'll provide a total picture of the launch pad and what the costs look like at the present time.



(CHART III)

I have given you a diagram, which is marked up to show the contract work packages, because it might be a little hard to see this chart with so much on it. Here [indicating] is the launch pad, in this part of the drawing. It is built in four contracts. Early last year, you may all recall, we awarded work package I which was to excavate the area and demolish some of the old structures. Let me explain the others in reverse order, since it is easier to follow that way.

PACKAGE IV—LAUNCH CONTROL CENTER

Package IV is this launch control center, the modifications and expansion of that to handle the Shuttle launch processing. Package III is the payload changeout room, the movable structure that carries the payload from the payload preparation room to the Shuttle, and the mobile service tower which surrounds the Shuttle stack during the launch preparations.

Package II, then, the one we had problems with, is everything else: access tower, launch mount, all the ground level concrete, services, and the large payload preparation room.

BACKGROUND

		($M)
JUL 77	MCP SUBMITTAL PROGRAMMED AMOUNT (PA) EST.	104.7
AUG 78-OCT 78	30% DESIGN POINT A&E ESTIMATE ($139.6M) COST CUTTING INITIATED (-$25.5M) CWE USING DOD ESCALATION RATES	104.3
DEC 78-JAN 79	PA INCREASED-THRUST AUGMENTATION ($13.5M)	118.2
AUG 79	90% DESIGN COST CUTTING SUCCESSFUL (-$30.5M) PACKAGE I SUCCESSFUL COST CHANGES NOTED CWE USING DOD ESCALATION RATES	117.9

(CHART IV)

The MCP for this project was originally prepared in July 1977. I have used these dates based upon when our program office did it, rather than when we brought it to you with the budget, because I think it has more meaning in terms of the timing of the work.

In July 1977, the launch pad budget estimate was prepared. The programed amount was established at $104.7 million. About a year later, at the 30-percent design point, the A. & E. was projecting costs of almost $140 million based upon the then prevailing rates for the construction industry.

We went through and changed the design solutions for a number of areas in the project. The largest, for example, was to bring the payload preparation room up out of the ground. We made that considerably less expensive. Then we used the DOD escalation rates, which are the only ones we can use to project costs, and maintained the project within the budget.

But at this point there was already an indication of potential problems because of the escalation rate differential.

Finally, this past year, we brought thrust augmentation to the committees when NASA found the Shuttle was overweight; this came as a surprise to us but we developed a plan to incorporate the minimum essential provisions into our launch pad, and our budget was raised to over $118 million.

At the 90 percent design point, we found that we had, indeed, achieved the cost reduction goals we had established the year before. Our work also had been successful in Package I and it had come in within the funding we had planned for it.

All the unknowns were beginning to be defined, the other potential impacts on the launch pad project. But again, using the De-

fense escalation rates, we were within the total budget and advertised, at this point, the second work package.

ESCALATION RATES

Senator SCHMITT. What were those escalation rates?

Major JACOBY. I don't know what they are. I can't give you a single number because they vary by year, but we can provide a table. I would say they average about——

General GILBERT. They are 8 to 8½ percent a year, Mr. Schmitt.

Senator SCHMITT. Mr. Chairman, if I may suggest, I think it might be useful to the committee later on if we knew what those rates were on a scheduled basis.

[Senator Huddleston nods affirmatively.]

LAUNCH PAD PACKAGE II BID ESTIMATES

		($M)
17 SEP 79	A-E COMPLETES ESTIMATE - BASED ON JUL-SEP CONSTRUCTION MARKET - ESCALATED AT 10%/YR TO WEIGHTED MIDPOINT	79.0
12 NOV 79	INDEPENDENT REVIEW BY STEARNS-ROGER	70.9
7 DEC 79	SPACE DIVISION & R.M. PARSONS REVIEW	68.1
11 JAN 80	A-E REVISES ESTIMATE TO INCL. AMENDMENT	79.9
29 JAN 80	SPACE DIV. REVISES EST. TO INCL. AMENDMENT	68.9
31 JAN 80	COE ANNOUNCES GOVERNMENT ESTIMATE	76.1

(CHART V)

The following table identifies by fiscal year, the original escalation and identifies date of cost estimate and date of original mid point of construction. These were estimates based on DOD escalation rates used for the appropriate fiscal year:

ESCALATION OF COST ESTIMATE OF CONSTRUCTION

Base and project	Fiscal year	Date of estimate (ENR index)	Mid-point Construction (ENR index)	Escalation (percent)
Vandenberg launch complex	1979	July 1978 (1962)	July 1981 (2147)	27
Vandenberg Titan relocation	1980	July 1977 (1539)	May 1980 (1930)	26
Vandenberg:				
OMCF	1980	July 1977 (1539)	February 1981 (2012)	31
HMCF	1980	July 1977 (1539)	December 1980 (2000)	30
Vandenberg utilities	1980	July 1977 (1539)	September 1980 (1984)	29
Johnson Space Center miss ops	1980	July 1977 (1539)	December 1980 (2000)	30

ESCALATION OF COST ESTIMATE OF CONSTRUCTION—Continued

Base and project	Fiscal year	Date of estimate (ENR index)	Mid-point Construction (ENR index)	Escalation (percent)
Vandenberg Airfield:				
Runway	1981	December 1977 (1612)	November 1981 (2227)	39
Mate/demate	1981	December 1977 (1612)	July 1980 (2150)	34
Vandenberg:				
SRB	1981	July 1977 (1539)	November 1981 (2227)	45
ET	1981	July 1977 (1539)	November 1981 (2227)	45
Port Hueneme:				
SRB disassembly		July 1977 (1539)	February 1982 (2240)	46
Vandenberg log/spt:				
Trans	1981	December 1977 (1612)	December 1981 (2229)	39
Log	1981	July 1977 (1539)	November 1981 (2227)	45
IOSC	1981	July 1977 (1539)	November 1981 (2137)	39
SMEF	1981	January 1977 (1489)	July 1981 (2162)	46

The above information reflects the current direction for meeting an IOC of December 1983.

INDEPENDENT ESTIMATES

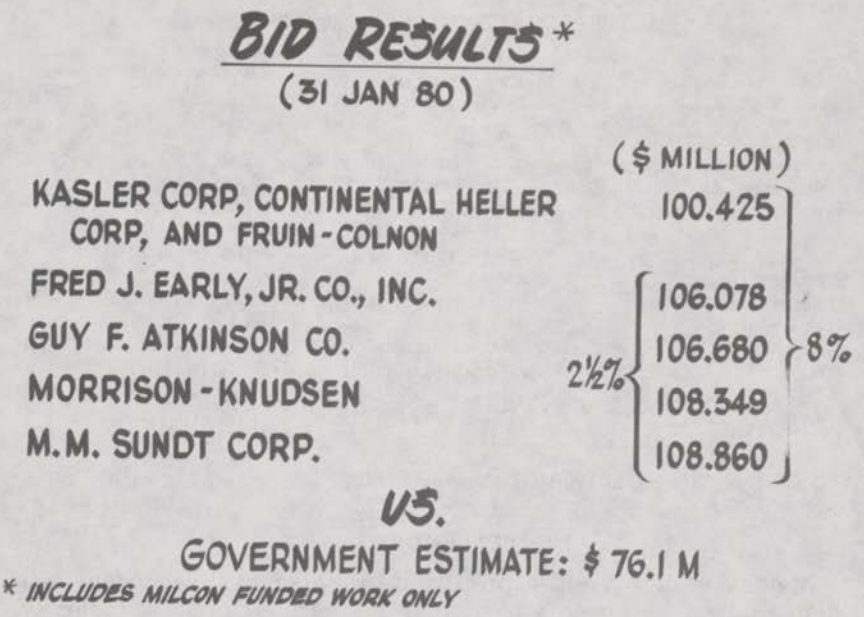
Major JACOBY. We also prepared a number of independent estimates ourselves for this particular job because of its complexity. The A. & E., in preparing their estimate prior to bidding, estimated $79 million for the work, and this cost was based upon a 10-percent-per-year escalation.

We had an independent review by Stearns-Rogers, a company which works for our Space Shuttle research and development contractor at Vandenberg, of just over $70 million, and our space division civil engineer, with R. M. Parsons help, estimated somewhat lower than that, as you can see.

When the final constructability reviews were made by the Army Corp of Engineers, we had to polish up the package, and we updated those estimates. But you can see all of these were grouped in the $70 million to $80 million range, including the final Government estimate, by the Corps of Engineers.

Senator HUDDLESTON. Were those estimates all made before the bids were submitted?

Major JACOBY. Yes. As the package went on the street, these estimates were made, and the Government estimate was made the day the bid was opened, at $76.1 million.



(CHART VI)

Now, these bid amounts reflect only the military construction funding, so we maintain a correlation with this appropriation. We have some work in there that is funded out of our missile procurement appropriation, so I have adjusted all of this to show only the military construction funding so it relates directly to the budget you have been seeing.

Senator HUDDLESTON. Were those other figures military construction portion only, too?

Major JACOBY. Yes, sir. The entire briefing is structured that way. There is $3.5 million additional missile procurement funding in this number. The low bidder was just over $100 million; the others were all grouped within 2.5 percent, with the total group within 8 percent. But all of them, including the low bidder, were some $25 million above the government estimate at that point in time.

RECENT BID EXPERIENCE

DATE	BID* BUDGET	LOW BID	GOV'T EST.	REMARKS
31 JAN STS LAUNCH COMPLEX PKG II	$67.9	$100.4	$76.1 (30.5% LOW)	• 5 BIDS • 26 MO. CONSTRUCT'N • $100.4 - 108.9 RANGE (8%) • UNIQUE FACILITY • HIGH DOLLAR VOLUME • STEEL, CONC, ELEC & MECH INTENSIVE
31 JAN TITAN RIS	$ 2.9	$ 2.6	$ 3.0 (13.4% HIGH)	• 7 BIDS • 10 MO. CONSTRUCT'N • $2.6 - 3.4 RANGE (30.8%) • CONVENTIONAL STEEL BLDG • LOW DOLLAR VOLUME • NON-UNIQUE/NON-INTENSIVE

*(DOES NOT INCLUDE SIOH & CONTINGENCIES)

(CHART VII)

Now, here is our recent bid experience. We have taken a look at all of the other construction work we have in the Shuttle program, and similar work in the Vandenberg area; I will give you an overview. There is a pattern here that I think is somewhat important to the rest of your deliberations. Again, all these figures are consistent—none have the SIOH contingencies, or potential changes in them. We've been talking about work package II of the launch pad, which is the first item on this chart. Here the low bid was over $100 million. This was, of course, an extremely complex project, one of a kind, something which had never been done before. It is spread over several years, 26 months of construction, and by the time the contractor had his startup and wrapup, we are talking about nearly a 3-year period of time during which he must project the economy.

Now, let me discuss some of the other facilities where we have had bid experience at Vandenberg. The building we use now for the Titan solid rocket motor preparation is being relocated; we will take the existing building and expand it and use it for Shuttle. That is a fairly conventional structure. The government estimate and the low bid were very much in favorable correlation. The government estimate was, in fact, 13 percent higher than the low bid. This is a conventional building and a relatively non-unique construction, with a very short construction period, less than 1 year.

Senator SCHMITT. How did the contractor come out on that?

Major JACOBY. This was just bid on the 31st of January. He is just getting started.

Senator SCHMITT. Oh, I am sorry. I did not see the date.

Major JACOBY. We may never know precisely, of course, as long as he completes the job.

ORBITER MAINTENANCE AND CHECKOUT FACILITY

RECENT BID EXPERIENCE (CONT'D)

DATE	BID* BUDGET	LOW BID	GOV'T EST.	REMARKS
13 FEB OMCF PKG I	$8.1	$6.6	$9.4 (30% HIGH)	• 8 BIDS • 11 MO. CONSTRUCT'N • $6.6-7.6 RANGE (15.2%) • LOW DOLLAR VOLUME • NON-UNIQUE
21 FEB MX ITF	$13.1	$10.4	$11.6 (10% HIGH)	• 3 BIDS • 15 MO. CONSTRUCT'N • $10.4-11.3 RANGE (8.7%) • LOW DOLLAR VOLUME • NON-UNIQUE

(PREPARED BY SAME COE OFFICE)

*(DOES NOT INCLUDE SIOH & CONTINGENCIES)

(CHART VIII)

The next bid we opened was the first package of our Orbiter maintenance and checkout facility, which was one of our 1980 projects. The Government estimate was 30 percent higher than the low bid in this case. Again, that job is a short period of time, 11 months for the entire contract, which includes purchase and delivery of cranes and structural steel, plus preparing the building foundations, again, this is nothing unique here. Now I am concerned about the second work package for the Orbiter facility, since the interior work platforms have tight tolerances like the launch pad. If we are to have any more problems, it will be in this project.

We have one MX facility at Vandenberg which has just had bids opened; again a fairly short construction time and a nonunique structure, and again, the Government estimate was above the final bid amount.

RECENT BID EXPERIENCE (CONT'D)

DATE	BID* BUDGET	LOW BID	GOV'T EST	REMARKS
27 FEB T-34 MODS	$1.2	$3.2	$5.4 (70.6% HIGH)	• 4 BIDS • 11 MO. CONSTRUCT'N • $3.2-4.4 RANGE (38.5%) • UNIQUE FACILITY • LOW DOLLAR VOLUME • LABOR INTENSIVE • $1M OVER AUG. BID
5 MAR STS LAUNCH CONTROL CENTER PKG IV	$3.6	$5.7	$5.6 (2% LOW)	• 3 BIDS • 13 MO. CONSTRUCT'N • $5.7-5.9 RANGE (3%) • MODIFICATION • LOW DOLLAR VOLUME

*(DOES NOT INCLUDE SIOH & CONTINGENCIES)

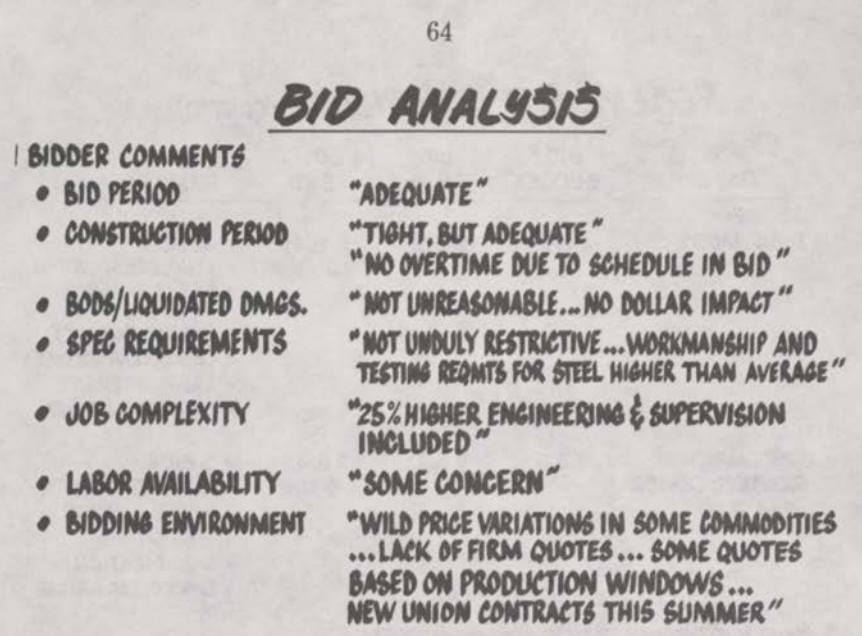
(CHART IX)

The same at the Vandenberg Titan launch pad. We are making some alterations there to accommodate the Titan 34D configuration, which is slightly different than the existing Titans. The Government estimate—the second time we bid this job—was $5.4 million and the low bid was $3.2 million. However, that bid changed from the first time by nearly $1 million in just the period from August to February.

LAUNCH CONTROL

Finally, our launch control center, which is package IV of the launch pad was opened on March 5. Our Government estimate was $5.6 million; this was adjusted upward by the ratio of our experience on package II, and the low bid was right at the Government estimate. Again, this is a rather unique facility and there is a great deal of modification to the existing building.

We have taken a look at what has happened here and have tried to sort it out. There is some pattern as you can see there; the shorter, relatively standard constuction projects are coming in within our estimates. The launch pad, which is both unique and lengthy, is well over our budget estimate.



(CHART X)

One of the things we did was talk to the low bid contractor and ask his view of the major factors that determined the price. He said the bid period was adequate. Now, we did extend that by 30 days at the request of all the contractors, so that they would have an opportunity to get a good, thorough look at it and we would get good responsive bids.

The construction period, they felt, was a very tight schedule but was adequate—it did not drive overtime manpower for meeting the schedule. There was no problem with the liquidated damages.

The technical requirements are rather demanding, particularly in all the places where the work platforms or other hardware interface with the flight vehicle itself. We had rather stringent specifications for both precision and inspection and so on, and in those areas, costs were somewhat above what would normally be the case.

As to job complexity, the contractor added 25 percent in their engineering and supervision for complexity and because of the difficulty or working in the congested area around the launch pad.

Senator HUDDLESTON. Is that a factor you did not include in your estimate.

Major JACOBY. No, sir, we did not.

There was some concern about labor availability. It didn't directly affect the price of the labor, but their estimate of the labor cost was significantly different than ours had been.

And as to the bidding environment, we understand that right at the last part of January there were fairly significant last-minute changes in their quotes by some of the subcontractors.

One of the electrical subcontractors raised his quote by $1 million in the last week—from on the order of $11 million to over $12 million—because of uncertainties in the market. The electrical

manufacturing index, for example, has gone up 22 percent in 4 months. That is over 100 percent a year.

BID VARIATION ANALYSIS

PROBABLE CAUSES

- TIME-DEPENDENT VARIATIONS
  - RECENT MATERIAL MARKET FLUCTUATIONS
- FORECAST VARIATIONS
  - ESCALATION
  - UNION CONTRACT RENEGOTIATIONS
- RISK ASSESSMENTS
  - UNIQUE CONSTRUCTION
  - JOB COMPLEXITY
  - JOB SIZE
- VARIATIONS IN ESTIMATING METHODOLOGY

(CHART XI)

Now, we have looked at some of the variations between our estimates and the contractor's estimate. Some of that is difficult to do because we do it differently than they do and each contractor does it differently, but they have been cooperative and helped us.

There were severe fluctuations in the market overall. In particular areas of concern, copper went up by nearly 20 percent in December and January, and they stopped making projections, the rate was so high. The electrical index I just mentioned. Those kinds of things affected the bid—and the uncertainties—and thus the price.

There were variations in the forecast; we used DOD escalation rates; we have heard discussions of escalation rates in the 20 percent range being used in this project. Regarding union contract negotiations, our estimates were based upon the wage/price guidelines at 7 to 9 percent, and the contractors assumed a considerably larger settlement in the new contracts next year.

Then there is the 25-percent factor I mentioned for unique construction, risk, job size. Those were things that were important to the contractor which we did not consider in the same degree in our estimates. They also estimated that more material is required than our estimates allowed in most cases.

I think it was, again, a factor of economic uncertainty and the complexity of the job that led to the high bids.

GOVERNMENT ASSESSMENT

- NO EVIDENCE OF COLLUSION
  - KEEN COMPETITION
  - SOME JOINT-VENTURE PARTNERS LOSE BIDS TO SUBS
- ADEQUATE COMPETITION
  - 5 BIDDERS
  - COMPETENT, CAPABLE FIRMS
  - TIGHT BID PATTERN (8.1%)
- NO-REBIDDING ADVANTAGE
  - COST CUTTING ALREADY EXERCISED
  - RE-DESIGN + RE-BID = TIME x 1% PER MO. GROWTH
  - RESCOPING IS NOT SOLUTION

(CHART XII)

After looking at this and our other bid experience, our assessment is that this is a valid set of bids. There was real and keen competition between qualified bidders, and no evidence of collusion of any kind. In fact, some of the people who were involved in partnerships also bid on some of the subcontracts that they lost to their own partnership. So that is also an indication, I think, also of competition.

The bid pattern was very tight at 8 percent with four of the five within 2.5 percent.

We don't believe there is any rebidding advantage at this time. First, it will cost us anywhere from 1 to 1.5 percent—which is millions of dollars in this case—for each month to take it out on the street again. It would be a minimum of 4 months, even if we made no changes. In addition, as you recall, I mentioned we had downscoped the project during the design phase and found less expensive design solutions for meeting the requirements. We were down to the level of $100,000 savings in design solutions. I do not believe there is a substantive change in design solution we could make, so there would be no advantage for rebidding for that reason either.

STS LAUNCH COMPLEX
PACKAGE II REQUIREMENTS

	($ MILLION)
BID AMOUNT	$ 100.425
SIOH & CONTINGENCY	9.293
UTILITIES	.024
SUB TOTAL	$ 109.742
KNOWN CHANGES	5.900
PROBABLE CHANGES	12.400
TOTAL	$ 128.042

(CHART XIII)

Now let me summarize when we are on package II of the launch pad. Given those things that we know now from getting the measure of the market—that is the bid amount for package II of just over $100 million, plus the SIOH and contingencies—gives us $109.7 million for that contract. We have known changes which we did not include because we had scheduled them to be put on the contract at a later time—of some $5.9 million, with additional probable changes to that contract of some $12.4 million, for a total of $128 million for this work package alone out of the total launch pad job.

Senator HUDDLESTON. And that is what we started out estimating at about $70 million?

Major JACOBY. Yes, sir, and I will show also you what these changes are for that we plan this contract.

Senator HUDDLESTON. Before we get to that, is this particular project more unique, if that is proper phraseology, than the other projects which in themselves were unique to some degree?

Major JACOBY. Yes, sir, I think it is.

Senator HUDDLESTON. So the type of structures, the functions of those structures, make it even more unusual for a contractor to have to deal with?

Major JACOBY. Yes, sir, I think it is. Most of our other facilities—I have some concern still about the orbiter maintenance facility, which is a complex facility internally—but the basic buildings are all steel and concrete structures not too dissimilar to others that are being built in many places.

Senator HUDDLESTON. Did the contractor mention other work that is already scheduled in the areas, such as the MX facilities and the private liquid gas project? Does this have an impact upon the availability and cost of labor and material?

AVAILABILITY OF ADEQUATE LABOR

Major JACOBY. He discussed those areas in that he had some concern about adequate labor being available. It was not a factor that appears to have been put directly into his cost estimates, however. We cannot tell, but it may have influenced his estimates of what the renegotiated union contracts would be next year. He did assume a significantly higher contract settlement than we did.

Senator HUDDLESTON. Higher than you did?

Major JACOBY. Yes; we assumed the President's guidelines, and the union contract rate that he assumed, we don't know.

Senator HUDDLESTON. You don't know what he assumed?

Major JACOBY. No, sir, we do not. There was some discussion that it was above 20 percent.

Senator HUDDLESTON. Good gracious, 20 percent.

Major JACOBY. Yes, sir, but then the consumer rates were up to 18 percent this last month.

Senator HUDDLESTON. What recourse do we have if he has overestimated some of those unknowns? Are we still tied to that total figure in the bid?

Major JACOBY. Yes, sir.

General GILBERT. The only recourse you would have, Mr. Chairman, and that is why we went through the analysis, would be to reject the bids and readvertise.

GREATER EXPENSE IN READVERTISING

Senator HUDDLESTON. It is your judgment at this point that readvertising would probably incur greater expense than you could possibly hope to save.

[Major Jacoby nods affirmatively.]

General GILBERT. Yes, sir, I think we see here the bids too closely clustered, with five of them, to think that the contractors did not see something that we did not. Of course, some of those things were spelled out and the way they saw fit to price them. And I again make the point that apparently all of the subs that were providing estimates to the prime on this job were very concerned, as evidenced by the fact that we understand there were several called in just before the prime submitted his bid, changing their prices because of what was happening in the marketplace.

Senator HUDDLESTON. All upward, I take it.

General GILBERT. Yes, sir, all upward.

Senator HUDDLESTON. Is this particular package of such a nature that it would not be practical to split it into phases?

Major JACOBY. I believe we have done all of the splitting it is practical to do with the project as it is packaged right now, sir. Here everything interfaces tightly in this work package, where the others have definable interfaces with this one.

Senator HUDDLESTON. And if you were to go back on the street, what would that do to your completion schedule and the IOC?

Major JACOBY. At this point, sir, I believe that every day we spend on the street would be a day of delay in the program.

General GILBERT. Yes, sir, we are just about at the point now, Mr. Chairman, where it is a one-for-one slip.

Senator HUDDLESTON. All right. Go ahead.

PACKAGE II KNOWN CHANGES

	INITIATOR	COST($M)	
CHANGE 1			0.40
- HYPERGOLIC WASTE SYS.	VAFB	0.11	
- H-C AIR FILTERS	SAFETY DESIGN REVIEW	0.29	
CHANGE 2			4.20
- TEMPEST - PPR	HQ USAF	3.02	
- P/L STRONGBACK/CRANE	MMC	0.59	
- ET VENT ARM	PROG. OFF.	0.16	
- HYPERGOLIC WASTE SYS.	VAFB SAFETY	0.14	
- GO_2 RECHARGER	NASA	0.29	
CHANGE 3			1.30
- TRAJECTORY & EXCURSION	NASA	1.30	
	TOTAL		5.90

NOTE: ALL ESTIMATES HAVE BEEN ESCALATED 30%, + 10% FOR $IOH & CONTINGENCIES

(CHART XIV)

Major JACOBY. All right, sir. There are a number of changes here we have planned for some time that we will include in the contract at specific points. I will just point out a couple of them and what kinds of things they are. However, one thing I need to say is for the most part we have known about them for some time and they are things that we have planned to put in as changes for a good period of time.

They all will go in on a schedule that will not cause us to undo any work we were already planning to do. For example, this change to the ET Vent Arm was a cost saving change—it turns out it has some impact on the military construction but it saves us quite a bit in the missile procurement area.

We have found over the last couple of years since we put the project together that the handling of hypergolic propellants and their waste products has changed. The hypergols have been declared carcinogens, so we have to be considerably more strict in the handling of those materials than we were in the past, and we were already pretty careful.

There are things in here that represent learning by us as we built this launch pad. This payload strongback, for example, takes the payload out of the payload changeout room cell and carries it up where it is transferred to the PCR. That Strongback turned out originally in its design not to be rigid enough to keep the payload stack straight, so we had to change that. We made it heavier and that impacted the interface with the facility. That would have happened had we done it 10 years from now—we would have that kind of learning problem to go through.

There is another type of problem here. This trajectory and expansion change, for example, is NASA caused; it is part of thrust

augmentation. The Shuttle vehicle is heavier and will lift off slower—it can drift further. So we have higher heating, and in some areas we have to provide additional water to cool down, for example, the access tower.

THRUST AUGMENTATION

Senator SCHMITT. NASA did, I guess, make that recommendation. But let's face it. thrust augmentation has appeared in every major missile program you have ever had, has it not, Major?

Major JACOBY. Yes, sir.

Senator SCHMITT. And not to have planned to do that was probably an error rather than something NASA caused. Would you care to comment? I am blaming both NASA and the Air Force for not thinking that someday they are going to want to go to thrust augmentation. It just turns out they had to do it earlier rather than later.

General GILBERT. Right up until the time we were ready to come to the Congress and, in fact, did come to the Congress with the first package, the payload that NASA was still predicting was sufficient to carry any DOD payload into space. And if that had held up, I wouldn't say to you for a moment that you should not plan for growth in a program.

But I would say that we had not planned growth in the program as long as NASA could meet our minium payload requirements.

Senator SCHMITT. And I say to you you probably should have, based on past experience. To take the greatest advantage of a system of this kind, of any system, whether it is the Titan system or what have you, you eventually go to thrust augmentation. You might as well realize once you have an operating Space Shuttle system, presumably with at least 100 flights per vehicle, you are going to want to put more stuff up there than you originally planned.

General GILBERT. I think in retrospect it is a good observation and one I could not——

Senator Schmitt. No big deal. I just don't think you should put all the blame on NASA. I think it was a collective decision and I will include the Congress in it. We should have planned to do that from the beginning.

Major JACOBY. Unfortunately, sir, we are seldom bold when we should be.

Senator SCHMITT. You are seldom allowed to be bold when you should be.

Major JACOBY. That is true, sir.

PACKAGE II PROBABLE CHANGES

ITEM	INITIATOR	COST ($M)
LBM ACCOMMODATION	NASA	3.56
ET ICING CONTROL	NASA	4.29
OX LOAD IN PPR	PAYLOADS	1.14
IVE ACCOMMODATION	PAYLOADS	1.71
CREW CABIN ACCESS ARM	NASA	0.29
VIBRO-ACOUSTICS IN PPR	NASA	0.70
EMERGENCY EGRESS SYSTEM	NASA	0.72
	TOTAL	12.4

NOTE: ALL ESTIMATES HAVE BEEN ESCALATED 30% + 10% FOR SIOH & CONTINGENCIES

(CHART XV)

The things I just showed you on the previous chart are things that are nearly complete in design. We have specific dates already scheduled to put them into the contract and move on with them. On this chart are other probable changes that we know will happen to us. Indeed, these represent, in my view, a maturing of our understanding of this problem as we moved along.

ICING PROBLEMS ON SHUTTLE EXTERNAL TANK

Again, there are some thrust augmentation effects. There is also a problem with icing on the Shuttle external tank, which NASA is working on and solving at Kennedy—it is not completely solved. We have known of it for several years, but our solution will wait for theirs and we will see if we can find a better one for Vandenberg that is less difficult to implement.

Senator SCHMITT. That is associated with possible tile damage, is it not?

Major JACOBY. Yes, sir. Icing can accumulate before launch and can flake off and damage the tiles.

We have these other changes which are largely learning on our part, which we surfaced when the payloads review, the design; they have looked at it and said, by the way, my payload really doesn't work quite the way you thought it did. And no one, of course, understood it thoroughly enough until they got some good, solid design to look at.

This item—Vibro-acoustics—is part of the thrust augmentation effects, and we will have to make some adjustments for the sound suppression in the payload areas.

This last item is for astronaut safety—for emergency egress, and that is still being polished up. We will wait for NASA's final design in order to accommodate that.

So those are things that we have deliberately held out of the contract, although we have known that they were needed in the project. We plan to incorporate these changes at a point in time at which we do not have to retrofit, but can simply add them into the structure.

PACKAGE III COST DEVELOPMENT

	($ MILLION)
90% DESIGN ESTIMATE	$ 37.6
ESCALATION (30%)	11.2
SIOH & CONTINGENCIES (10%)	5.1
PENDING CHANGES	6.3
	$ 60.2

PACKAGE IV COST DEVELOPMENT

	($ MILLION)
LOW BID	$ 5.7
SIOH & CONTINGENCIES (10%)	0.6
PENDING CHANGES	0.7
	$ 7.0

(CHART XVI)

We have also taken a look at package III and its effects based upon the package II market test. Package III was the payload changeout room and the mobile service tower. To our 90 percent design estimate at $37.6 million, we added escalation of approximately 30 percent reflected by the bids on package II, the SIOH and contingencies, plus the changes to that package, and it looks like package III will be a $60 million contract. The 98 percent design review by the architect confirms it is $60 million, and that has just occurred.

Package IV, our low bid, was $5.7 million, and with the planned changes and contingencies, we anticipate $7 million total cost.

PACKAGE III CHANGES

	INITIATOR	COST ($M)	
• PROBABLE CHANGES			
- ERECTION & MATING SYS.	NASA	$ 0.60	
- 24-HOUR RECYCLE	PAYLOADS	5.00	
- FINAL CORRECTION - MST CONNECTION CAPACITIES	PROG. OFF	0.70	$6.30 TOTAL

PACKAGE IV CHANGES

• PROBABLE CHANGES			
- TEMPEST - CABLE TRAYS	HQ USAF	$ 0.70	$0.70 TOTAL

(CHART XVII)

Both packages III and IV have some changes associated with them. Our erection and mating system at Vandenberg is somewhat different than the one NASA uses, and we have been learning as we moved along. NASA has been helping us understand the limitations on Shuttle movement and so on, but I think this is largely our learning as we proceed.

We have a 24-hour recycle capability requirement from our payloads. The launch windows tend to be at specific times each day, and if you miss one, you want to be able to catch the next one. Right now we are able to handle a 36-hour recycle and we are still trying to decide if we really will need 24-hour recycle capability; I believe we ultimately will.

This last package III is an interesting one. We started investigating the existing launch pad, we found that the mobile service tower had been built very poorly. When the MOL program was canceled, they did some very bad welds; they just laid welding rods in the grooves and burned them in.

Senator HUDDLESTON. That tower is there now?

Major JACOBY. Yes, sir. So welds will have to be undone, structural beef-ups will have to be done. It was simply hurry up and get out when the MOL program was canceled. At the time, they did what they had to to make sure the tower did not fall down and no more. So there is some unplanned work there that we will have to do.

Finally, our security requirements are planned to be put in at a later point, both here in package IV and in the payload preparation room, which was on the earlier chart. All of these things I've discussed are things that we have known for some time and have planned to put in at a later point. We set it up so we could put the changes in as far down-stream as possible to allow the maximum amount of maturing of the requirements and design before we had to turn it into hardware.

REVISED LAUNCH COMPLEX COST ESTIMATE

	OCT CWE	REVISED CWE	COST Δ	CHG'S INCL IN COST Δ
PKG I - DEMOLITION	$4.8	$4.8	0	
PKG II - ACCESS TOWER, PAD, LAUNCH MOUNT, & PAYLOAD PREP ROOM	73.9	128.0	54.1	18.3
PKG III - PCR & MST	35.5	60.2	24.7	6.3
PKG IV - LCC MODS	4.0	7.0	3.0	0.7
MCP	$118.2*	$200.0	$81.8	$25.3

*INCLUDES $13.5 M (T/A) IN FY-80 MCP

(CHART XVIII)

This last chart summarizes the entire launch pad. Our current estimates for the launch pad job total $200 million as compared to our $118 million estimate several years ago. Within that $200 million, there are $25 million in changes we talked about. Initially a portion of those were in our estimates, but as the estimates have been refined in the last few months, the changes have moved out into the uncovered category.

In a simple sense, these changes have 30 percent growth in them based upon Package II results, and in the simplest sense, about three-quarters of this difference represents the measurement in the market beyond what we projected. Only a portion of these changes [indicating], uninflated by that 30 percent, would represent, in fact, the amount that we underprojected the total job. So the biggest effect is inflation, and the significant changes in the economy, particularly in the last few months, have added to the overall uncertainty of the contractors bidding this project.

That summarizes what we learned from this job. If there are any questions, I would be happy to answer them.

REPROGRAMING FOR STS

Senator HUDDLESTON. If you go ahead with awarding the contract, when would you do that?

General GILBERT. We are now preparing a notification to all of the committees, which will also identify the fiscal year 80 approved projects that would be required to be deferred in order to finance the difference. Right now, the bid expires, I believe on April 4. We are going to try to meet that date. But we do not have a date by the House Armed Services Committee yet as to what day this month they are going to have their cost variation hearing.

Senator HUDDLESTON. Will you have to have that authorization before you can let the contract?

General GILBERT. Yes, sir.

Senator HUDDLESTON. You have to have the money in hand?

General GILBERT. Yes, sir. I have to show where I get the money. And also, the bid exceeds our estimate by more than the flexibility we have in the program, so we must come back to get the increased authorization. Then I would have to identify to you and the House Appropriations Committee how we intend to come up with the cash.

DELAY OF FIRST SHUTTLE LAUNCH

Senator HUDDLESTON. I understand the first Shuttle launch at Kennedy might slip to March of 1981. What impact will that have on the Vandenberg schedule?

General GILBERT. There should be no impact if it does slip until that time because our program is really pegged against an IOC of not later than June of 1982. This, then, is still sufficient time for the IOC at Kennedy to occur. And our program, in turn, would not be impacted if they keep that IOC.

Senator HUDDLESTON. Which is more likely to impact your schedule, the delivery of the Orbiters or the construction schedule?

General GILBERT. I really think that there are two answers to that. As the Chairman knows, NASA has a supplement over here now, and if they get the supplement, then the construction becomes the pacing factor. And if they do not, the Orbiter deliveries are pacing.

Senator HUDDLESTON. Providing they can solve the tile situation.

General GILBERT. Yes, sir.

Senator HUDDLESTON. I understand you were in a 3-year construction program initially which has been changed to a 5-year program. In making that modification or since, have you added in new facilities to the overall Shuttle program?

General GILBERT. We have added some facilities, not as a result of the stretchout of the program, but just additional things that have been identified as required with the Shuttle program, Mr. Chairman. For instance, the Johnson Space Center preparation at $8.9 million. Kennedy in this year's program for payload processing and security requirements, $22.3 million. Of course, last year thrust augmentation was $13.5 million. And then in the follow-on 1983 item for thrust augmentation of $19.1 million for processing the strap-on boosters for the thrust augmentation.

CURRENT STS COSTS

Senator HUDDLESTON. Last year the total MCP portion of the STS over the period of fiscal year 1979 to 1984 was estimated at $327.9 million. What would be your estimate now of that cost?

General GILBERT. Based upon what we have seen with this bid, we have now escalated the item, which has not been advertised yet, and it looks as though it will be more like $447 million now, Mr. Chairman.

Senator HUDDLESTON. I yield to Senator Schmitt for any questions you may have, Jack, on the Shuttle.

Senator SCHMITT. No. I think this has been very clear. I am not quite sure what we do with all of this, but I appreciate your candor and the factual information which has been presented.

Senator HUDDLESTON. You indicated you had to come to us with a method for finding this extra money. What are your suggestions at this point?

General GILBERT. Right now the only sure avenue that I have available to me is to come forth to the committees and propose deferral of appropriated and authorized fiscal year 1980 line items other than this one. I would hold them in a deferred status until I could find another avenue to come and ask for additional money. Or I could just put a line item in fiscal year 1982 for x numbers of dollars cash to buy out items deferred as a result of this.

DEFERRALS NECESSARY TO FUND STS

Senator HUDDLESTON. Do you have in mind specific line items you want to defer at this point?

General GILBERT. Yes, sir, we have identified some. As a matter of fact, we have identified a sufficient number to make up the total dollars we need. But they have not gone any place yet. We have not provided those to OSD or OMB or certainly to the committees.

Senator HUDDLESTON. In view of your experience with the 1979–80 packages, do you believe that the $127.1 million estimate for fiscal year 1981 is accurate?

General GILBERT. Well, I think so. Now, we updated that figure last summer just before the budget year, Mr. Chairman, and in addition, the things represented in this program are fairly standard. But I am concerned because of this launch pad cost growth.

Senator HUDDLESTON. You have factored in the escalation clauses and the projected increases?

General GILBERT. Not the dramatic ones that we saw that came in with this bid. We did not factor them in. But we did factor in, dagain, the programable escalation or inflation rates last summer, as we were allowed to do.

TIMETABLE FOR STS REQUESTS

Senator HUDDLESTON. Now, the STS program at Vandenberg has been criticized as one that started too soon—before the requirements were either known or understood. That, according to some, is why the estimates are off and why the program should be delayed. How do you respond to that criticism?

General GILBERT. I don't think we started too early. I think what we do see here is a program with a great deal of concurrency in it. I think we will see the same thing in the MX, as the comment I made in my opening statement.

I truly believe as long as we are pushing the state of the art and it is the national objective to do that, that indeed we will make changes as the program matures and as we learn more about what the total requirements are in order to support the mission as required.

So I would hope that it is more important to our country to proceed with the Shuttle and to suffer the changes that occur and the costs that may be incurred as a result of those changes, rather than to delay the IOC that our systems would have.

I think it is worth the chance in programs such as Space Shuttle and MX.

Senator HUDDLESTON. With both the construction difficulties and the delivery of the vehicle difficulties, certainly there is a potential for delay in the IOC of the STS. If that occurs, I assume we will be buying more expendable launch vehicles. What is the current planning regarding the ELV's?

General GILBERT. Well, Mr. Chairman, we have a sufficient number of ELV's now. We have five ELV's in our inventory, and that is sufficient to backup 12 launches. In addition to that, we have reprogramed fiscal year 1980 funds to extend the Titan production until the Kennedy IOC of June 1982.

Senator HUDDLESTON. In other words, the production capability will be maintained.

General GILBERT. Yes, sir.

Senator HUDDLESTON. At least until the planned IOC date at Kennedy.

General GILBERT. At Kennedy.

Senator HUDDLESTON. So if that slips, you can make another decision as to whether to continue the ELV's.

General GILBERT. That is right, sir. And the ELV's we have on hand now would carry us through known launches until we could bring new vehicles into the inventory.

Senator SCHMITT. With the exception of those Shuttle-specific payloads.

General GILBERT. Yes, sir, that is true.

Senator HUDDLESTON. Do you have any further questions on the Space Shuttle?

SECURITY FOR STS

Senator SCHMITT. Mr. Chairman, I would ask one which I guess is of general concern in a number of these activities of strategic significance. It has to do with the area security surrounding a facility that basically is considered essential for our national security or we wouldn't be doing it.

Is there any area security problem at Vandenberg that we need to look at?

General GILBERT. I direct that question to Major Jacoby.

Major JACOBY. Senator, as you know, we have concern about classified data with the Shuttle system, so we do provide some level of protection as a result of that—fences, guards, things of that kind. That is sufficient to handle the day-to-day problems that might develop.

At the present time there is some study underway to try to establish a policy for the longer term as to what level of protection something as important as the Shuttle fleet and its support facilities should have. We are trying to sort that out now.

Senator SCHMITT. Both static and dynamic in terms of the activities themselves?

Major JACOBY. Considering the full range of things we group under survivability—from ground attack through the range of some spaceborne modes of attack—and we are trying to decide what level of risk is acceptable, how much investment should be put into protecting the Shuttle. We probably have another year or two of work before this is sorted out and we can make decisions to go much beyond where we are.

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But we have started and NASA has started and we will be working under the auspices of the National Security Council.

Senator SCHMITT. When you say has started, is it something which has just started?

Major JACOBY. No, sir. We have had the field organizations, our Space Division spent more than 1 year on the problem. We are preparing to review that within the headquarters right now within the next month or two and we will be making recommendations to OSD.

NASA, I believe, is working on a similar schedule.

Senator SCHMITT. You believe. Wouldn't this be something you would have already been in close coordination about?

Major JACOBY. There has been coordination at the working level between them and the Space Division in preparing their study. We will do coordination at the headquarters level as soon as we have sorted out what we believe is the proper course. And that should come within the next few months.

Senator SCHMITT. But there is a potential that a fiscal year 1982 budget might contain some.

Major JACOBY. Some potential. I think it probably still might be early for any signficant funding in fiscal year 1982.

Senator SCHMITT. Thank you, Mr. Chairman.

MX TEST FACILITY

Senator HUDDLESTON. Now on the MX. Last year we provided $57 million for an MX test facility at Vandenberg. What is the status of that project now?

General GILBERT. We have opened one of the bids, and there will be four, if you recall, four projects for that, Mr. Chairman. Again, you see, our estimate of that was $14.5 million. And with the low bidder, SIOH is $11.6 million. So we got a good bid.

The second increment is designed and scheduled to go out for bid on March 13, 1980. The third, which is a mechanical maintenance facility, is 95 percent designed. It is scheduled to go out for bid in late March 1980, and the roads and utilities are 50 percent designed and scheduled to be out for bid in April 1980.

Senator HUDDLESTON. So far, at least, you are not experiencing the overrun there that you had with the Shuttle.

General GILBERT. No, sir, not based on the one we have opened so far. We have a good bid on it.

Senator HUDDLESTON. And the other two projects are not so unique in nature that you would expect any dramatic——

General GILBERT. No, sir. And right now our working estimates at the 100-percent design level are still not exceeding our programed amount.

Senator HUDDLESTON. Fine. What about the $17.1 million requested for this year? For what purposes will that be used?

General GILBERT. It will complete the test facility. But I do have a good chart on that I could throw up if the chairman would like to see exactly what it does include.

Senator HUDDLESTON. Fine.

General GILBERT. Will you point them out?

Major HENSHAW. Certainly. The fiscal year 1980 budget amendment funded the integrated test facility, the mechanical mainte-

nance facility and missile assembly building and the roads and utilities associated with the complex.

Senator HUDDLESTON. Which one of those now has been awarded?

Major HENSHAW. The integrated test facility.

Senator HUDDLESTON. Which one goes out in March?

Major HENSHAW. These two [indicating] are in April. The $17.1 million requested in 1981 will fund the balance of the test facilities necessary to support the first launch in January 1983 and will include stage storage facilities, rail transfer to take the components from the vendors, payload assembly building, a modification to that building which exists now at Vandenberg, Stage IV installation and checkout, and stage processing.

In addition, not shown here are two test pads to be used to launch the missile from its canister for the first five launches.

Senator HUDDLESTON. Are they to be constructed new or is that a modification?

Major HENSHAW. Those are new construction. The only modification is to the payload assembly building.

BASING MODES

Senator HUDDLESTON. Now, you have indicated that this construction all conforms to the Stevens amendment as to the basing mode.

General GILBERT. Yes, sir.

Senator HUDDLESTON. What other basing modes could be accommodated by these facilities?

General GILBERT. Generally any multiple protective shelter basing mode, Mr. Chairman, because this is a flight test launch from the pad with the canister, with the launcher sitting on the pad. It would be applicable to any basing mode up to this point.

Senator HUDDLESTON. What about your projects planned for 1982 and 1983? Will they also be consistent with the Stevens amendment?

General GILBERT. They would not be. We would begin then to test a specific basing mode, and this would be starting with the sixth flight, sometime after late 1983 or 1984.

Senator HUDDLESTON. By that time we have got to resolve the question of the basing mode.

General GILBERT. Yes, sir. As a matter of fact, Mr. Chairman, if the basing mode, according to our research and development folks, is not decided by late this summer, it will be again a month-for-month slip in the IOC.

Senator SCHMITT. What was that date again?

General GILBERT. Late this summer, around August.

Senator HUDDLESTON. That becomes a very critical date, then.

General GILBERT. Yes, sir. At the systems design review which will occur in July, it becomes extremely important in how you want to design the system for operational status.

Senator SCHMITT. It sounds like we had better make a decision this year.

Senator HUDDLESTON. We must do more than just go to political conventions this summer, mustn't we. [General laughter.]

General GILBERT. That is why we have not initiated, because of the Stevens amendment, design on the 1982 program yet, although

we are getting the administrative process behind us so we would be at least that far along, but not initiating any design.

MX MPS BASING MODE TO COUNTER SOVIET EXPANSION

Senator HUDDLESTON. I think the decision up to this point, some 200 missiles, 4,600 shelters, was made under the assumption of the SALT II limitations. Supposing we had no SALT and there was a massive Soviet warhead increase. What would this do to the MX system as we project it at this point.

General GILBERT. With your concurrence, sir, I will let Major Henshaw answer that.

Major HENSHAW. If we were to experience a greater threat than an expected SALT threat from the Soviet Union, then we could respond with the MX MPS basing mode to counter that Soviet expansion, in that we could maintain the exchange ratio between the Soviet Union's reentry vehicles expended and United States reentry vehicles destroyed at a constant level, and therefore maintain constant survivability.

In other words, if the Soviet Union were targeting 4,600 shelters today with the expected threat under SALT, and they were to build up to a greater level, then we could respond with more shelters, or other options.

Senator HUDDLESTON. Without necessarily more missiles?

Major HENSHAW. That is correct.

Senator HUDDLESTON. Just more shelters.

Major HENSHAW. That is correct. With regard to that point, that would be in line with our arms control objectives.

Senator HUDDLESTON. Would that give us the ability to avoid being vulnerable by the time the system was constructed without the SALT limitations if the Soviets were moving forward?

Major HENSHAW. Well, with the very first missile increment we deploy, the IOC being July of 1986, 10 missiles and 230 shelters, the exchange ratio begins to be in our favor. The Soviets have to expend 23 warheads in order to kill 1 MX missile in a closed loop roadway, so we begin then at IOC to enjoy a favorable exchange ratio with the MX system.

Senator SCHMITT. Would you pick a different word? [General laughter.]

General GILBERT. Than "enjoy"?

Senator SCHMITT. Yes, sir.

Senator HUDDLESTON. And we could maintain that by simply adding more potential launching pads?

Major HENSHAW. Yes, sir, that is correct. Other options are open to us. If we had a moderate or high Soviet threat, then the combination of shelters and missiles might be required. Or further, if the Soviets were to go to a high threat, we could consider a ballistic missiles defense or other options or a mix of options to maintain the number of surviving reentry vehicles we need to retaliate.

Senator SCHMITT. Would the chairman yield?

Senator HUDDLESTON. Certainly.

SHELTERS VERSUS WARHEADS

Senator SCHMITT. Doesn't this scheme, however, put us at a cost disadvantage in terms of building more shelters versus the cost of

them supplying more warheads to those shelters, "them" being the Soviets?

Major HENSHAW. Our analysis shows that we can build shelters as cheaply as they can build and deploy warheads, so we get into a position where we can deploy shelters if that is the mode we elect to go with, ahead of them, if you will. Their research and development activities might indicate that they are fractionating their payloads. If they were to fractionate the megatonnage aboard an SS-18, for example, we would see that in a flight test and be able to respond appropriately.

We believe we can deploy shelters faster and as cheap as the Soviets can deploy reentry vehicles.

Senator SCHMITT. There is still some discussion about that.

Major HENSHAW. Yes, sir, there is, and we continue to analyze that very closely.

EFFECT OF BASE LINE SYSTEM ON EIS AND ECONOMY

Senator SCHMITT. Are you analyzing the impact on the economies, environment, resources, labor markets and everything else in those areas in order to maintain that kind of race for any length of time?

Major HENSHAW. We are looking at the base line system as far as the environmental impact statement is concerned and the effect on the economy, and would look at any increment of shelters we would build, take the same approach as we are now to look at what the impact would be on the local communities and the United States as a whole.

Senator SCHMITT. Are you comparing that with any other basing mode?

Major HENSHAW. Well, we are treating multiple protective structure as a generic basing mode, whether it be vertical shelter or horizontal dash as we have in the base line today, or loading dock, which is a variant of horizontal dash. We are looking at multiple protective structures as a generic.

Senator SCHMITT. But are you saying that all three of those options are economically viable, and also in terms of the rate of deployment?

Major HENSHAW. Our preliminary indications are that they are favorable.

Senator SCHMITT. All three?

Major HENSHAW. Yes, sir. When comparing them with the Soviet Union expending or deploying more reentry vehicles.

Senator SCHMITT. Will you make a judgment as to which is more favorable?

Major HENSHAW. As to which basing mode is selected?

[Senator Schmitt nods affirmatively.]

Major HENSHAW. That will be a factor in the decision.

Senator SCHMITT. But will you be making that judgment? Will that be a specific factor available to the Congress also?

Major HENSHAW. Yes. We are preparing a report now that shows the cost of different shelters in response to Soviet deployment of reentry vehicles. That data should be available, yes, sir.

Senator SCHMITT. I am not sure I should ask this, but does that analysis also include other types of tactical options besides shelters?

Major HENSHAW. Not at the present time. Our base line system of multiple protective structures and the variants as to whether they are horizontal or vertical is the main effort of the Air Force today as far as deploying a mobile MX system.

[EDITOR'S NOTE.—The Air Force clarified Major Henshaw's negative response to Senator Schmitt's question of whether the analysis included other types of tactical options besides shelters. Major Henshaw's testimony was therefore changed to: "Yes, it includes more shelters, more missiles, ballistic missile defense, et cetera. But, our base line * * *".]

Senator SCHMITT. But you are not at this time looking in a comparative way at other tactical strategic operations, if you will, for protecting warheads, for maximizing the number of warheads that are available?

Major HENSHAW. We have looked at some 20 or 30 basing modes. We are now at this time——

OPERATIONAL MODES

Senator Schmitt. What about operational modes? Let me put it a different way.

Major HENSHAW. Yes, sir, the same way. We have looked at some 20 to 30 basing modes operationally configuring the MX to give us survivability and concealment and mobility. And we believe that the multiple protective structure is the way to go. We are actively pursuing that type of basing mode for the MX and various options open to us in a greater than expected threat environment.

Senator SCHMITT. Thank you, Mr. Chairman.

Senator HUDDLESTON. Do each of these shelters have to have full launch capability?

Major HENSHAW. Each shelter, whether it is vertical or horizontal, has to have the ability to accept the transporter or some portion of it and house that canisterized missile with its launcher for launch.

Senator HUDDLESTON. And launch it.

Major HENSHAW. Yes, sir.

MX IOC

Senator HUDDLESTON. What was that date, again, by which you said we would have the first initial operation of some 230 shelters and 10 missiles?

General GILBERT. 1986, July 1986.

Senator HUDDLESTON. What is the projection for the entire 4,600 shelter systems?

General GILBERT. End of calendar year 1989, Mr. Chairman.

Senator HUDDLESTON. Do you have any estimate as to what the military construction portion of that MX system will be?

General GILBERT. Yes, sir. As of today, the estimate is $20 billion in then year dollars plus another $1 billion for planning and design, for a total cost of $21 billion.

Senator HUDDLESTON. That is not the missile.

General GILBERT. No, sir. That is the construction of two support bases along with the 4,600 shelters, the roadways, the utilities, and so forth—strictly the construction.

Senator HUDDLESTON. Is land acquisition included in that?

General GILBERT. I believe that land acquisition, that which we would have to acquire by some fee, is included in that, Mr. Chairman.

CONSIDERATION OF ALTERNATE BASING MODES

Senator HUDDLESTON. Was there any further consideration given after the Stevens amendment passed, to other basing modes? Was that process completed at that point?

Major HENSHAW. We looked at the text of congressional testimony during the Stevens debate and the session as a whole of last year, and we saw that the preponderance of testimony was in favor of a multiple protective structure basing mode. When the Stevens amendment was passed, we were already under direction from the President to proceed with full-scale engineering development of the horizontal dash.

Being sensitive to the Stevens amendment, we looked at what other basing modes we could accommodate within the full-scale engineering development phase and at the same time be sensitive to that amendment.

As I have said, we are looking now and keeping our options open for vertical multiple protective structures and a variant of the horizontal dash which is the horizontal loading dock.

Senator HUDDLESTON. If the dash system is accepted, what would be the projected per shelter cost? Do you have a figure on that?

General GILBERT. Yes, sir, I do. Shelter construction would be about $1.6 million. That would be $1.2 million for the shelter, and about $222,000 for the closure, then fence cost and design cost. But all together it is $1.6 million per shelter.

EFFECT OF FUNDING DELAY ON DASH SYSTEM

Senator HUDDLESTON. Now, the $670 million in fiscal year 1980, MX research and development fund, some $230 million is associated with the dash system. If these funds cannot be spent in 1980, what impact will that have on the construction schedule?

Major HENSHAW. Of the $670 million for R.D.T. & E., $230 million of that was for basing. That included not only those things which were horizontal dash limited; it was for basing countermeasures, physical security and communications. Of the $670 million and $230 million, $55 million was associated only with horizontal dash.

Senator HUDDLESTON. So that amount would be the only amount that might be affected.

Major HENSHAW. Yes, sir. But as we read, the Stevens amendment testimony and our sense of what the Stevens amendment meant, we felt that the $670 million could be spent as long as it did not limit the United States to one basing mode. That is, we did not make a commitment and commit those funds in such a way that we could not recover and proceed on a different direction if directed.

Senator HUDDLESTON. So the expectation is that they will be spent and they are being spent?

Major HENSHAW. Yes, sir.

MX PLANNING AND DESIGN

Senator HUDDLESTON. How much in planning and design has the Air Force spent on the MX to date?

General GILBERT. So far in Mil. Con. funds, Mr. Chairman, we have spent $3.2 million. That was to design the fiscal year 1980 and 1981 test facilities at Vandenberg, as well as about $300,000 to do some concept studies of a support base to support the MX system.

Senator HUDDLESTON. You don't have figures for what has been spent totally, for the MX, have you.

General GILBERT. No, sir, I do not. If I could, I would provide that for the record.

Senator HUDDLESTON. Thank you, if you would.

General GILBERT. Yes, sir.

[The information follows:]

The Air Force has spent $360.3 million on the MX to date. Of this total $3.3 million has been used for construction planning and design and $357 million of R.D.T. & E. funds have been obligated for full scale engineering development of the missile and basing modes.

PLANNING AND DESIGN FUNDING

Senator HUDDLESTON. You have requested $97 million for 1981 for planning and design. Could you give us some more detail on how these funds are to be spent?

General GILBERT. Yes, sir. Actually, that is to bring on some of the Corps of Engineers to begin to help us with the planning and design because they are our construction agent. It will be to design the 1983 MCP as well as continue the criteria development and master planning for the support bases.

And we have figured this as 7 percent of the estimated construction cost. That is how we arrived at the $97 million.

Senator HUDDLESTON. What percent? I am sorry. Seven percent?

General GILBERT. Seven percent, yes, sir. And that is for design as well as investigation.

Senator HUDDLESTON. Is that a pretty standard figure on the design and planning? It seems to me we spend an awful lot of money on design and planning.

General GILBERT. Yes, sir. It is really running a little higher than that, but because of the size of this program, we think that we will get it for that. Some projects run as high as 12 percent, depending upon how much investigative work you have to do such as soil saw borings, lab tests and so forth.

But our standard design fee alone is not to exceed 6 percent.

Senator HUDDLESTON. Do you have any estimates on how much you anticipate spending on planning and design beyond 1981?

General GILBERT. Yes, sir. It would be roughly $997 million, our estimate being now that the entire system, the cost of that, is about $1 billion.

Senator HUDDLESTON. Aren't you really talking about designing one system or one loop of about 200 shelters, and isn't the rest of it just a repeat of that? Why do we get so expensive here?

General GILBERT. Yes, sir, you are right. The basic shelter and the basic loop would be, under the loading dock mode, adapted 200 times. But you have to separately evaluate and accept 200 unique site conditions—soil conditions, topography, as well as hydrology and climatic situations, plus getting utilities to each site.

So there is a lot to be said for the effectiveness of site adaptation. But all you are doing is taking a facility and adapting it to all the variables associated with the site.

MX BASES

Senator HUDDLESTON. How many bases do you anticipate you will need for the MX system?

General GILBERT. Right now it seems to us prudent to look at two, Mr. Chairman, and that is our planning to date.

Senator HUDDLESTON. And how many personnel at each base?

General GILBERT. The way we estimate now, it would be about 7,900 military and civilians, plus another 11,000 dependents at one of the bases, and probably around 6,200 military and civilian employees plus 9,000 dependents at the other one.

Senator HUDDLESTON. And what kind of facilities will they require other than normal personnel support?

General GILBERT. This will be a unique basing requirement, depending, of course, on where it is ultimately sited. But if it is sited at some of the locations we are looking at, we will probably have to build all of the community support that we might normally enjoy outside the gate at other locations.

We think you would have to build everything from maybe 100 percent of the family housing requirements to schools, a shopping center, recreation facilities, and support facilities of other kinds. At most of the locations we are looking at, you are practically starting from zero base and building, if you will, a small city.

Senator HUDDLESTON. Right out of the desert.

Senator SCHMITT. Not so small.

General GILBERT. Well, yes, sir, that is true.

Senator SCHMITT. It is bigger than my hometown.

Senator HUDDLESTON. Bigger than a lot of hometowns out there. What about your water problem? What do you anticipate there?

General GILBERT. We are doing a lot of water studies now, as you can imagine, and that is an ongoing process. But we do believe that there is water available in sufficient quantities to support this system in the locations we are considering.

Senator HUDDLESTON. I am sure my colleague, Senator Laxalt, will want to address that and other things more specifically. I have just been out in that area and I know water is one of the major concerns people have, whether or not you are going to encroach upon the civilian supply of water now available.

General GILBERT. Yes, sir, it is of deep concern. That is why we are doing, along with the States and the regions, so much study in this area.

LAND WITHDRAWAL

Senator HUDDLESTON. What is the total amount of land that you anticipated using?

General GILBERT. We anticipate we would withdraw from public use about 25 square nautical miles, or about 21,500 acres.

Senator HUDDLESTON. And that would be over what general area?

Would that be in at least two States?

General GILBERT. Those are our prime candidates, yes, sir. They are our preferred locations.

Senator HUDDLESTON. Is all of that land contiguous or is it in different sections?

General GILBERT. It is in different valleys. As you recall, the concept is to deploy up and down the valleys between the ridges out through that mountainous terrain.

Senator HUDDLESTON. Do you have any further questions on the MX?

Senator SCHMITT. I might, but I don't know exactly how to ask them. They are not on the MX. This basing mode, as you know, Mr. Chairman, has left a lot of people wondering.

Senator HUDDLESTON. I am sorry?

Senator SCHMITT. This basing mode, I was just saying, has a number of people wondering. There are so many variables to consider. But it looks as if we might have to make our decision this year if we are to continue the general schedule.

Senator HUDDLESTON. There will be a lot of discussion on that, I am sure.

General GILBERT. Yes, sir.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Senator Laxalt had to go to chair another committee. He will have some questions to submit to you in writing on the MX.

General GILBERT. Yes, sir.

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

Question. Please provide the Committee with some idea as to what type of facilities you are designing for the $97 million in planning and design funds requested in this budget.

Answer. The $97 million in planning and design funds are required for design of fiscal year 1983 MX construction projects. Design of the fiscal year 1983 projects must begin not later than the Summer of 1981 to reach the 35 percent stage when submitted to the Congress in January 1982. The following MX projects have been identified for the fiscal year 1983 construction program:

Plowout Test Facilities—Vandenberg
Main Operating Base Facilities
Deployment Area Utilities
Cluster Roads
Technical Support Facilities
Shelter Closure Frame
Designated Transportation Road and Barriers
Operational Base Test Site—Phase II
Training Facilities

Question. If the M-X is placed in Nevada/Utah, how does the Air Force plan to work with the local communities with regard to "Impact Assistance"? Will the dollars be requested through a military construction program?

Answer. The Air Force will work with local communities through the Office of Economic Adjustment with regard to impact assistance. In fact, the Office of Economic Adjustment is already working with civilian officials and is preparing preliminary reports on the Nevada/Utah socioeconomic environment and long-term mitigation strategy. The Office of Economic Adjustment working through the Economic Adjustment Committee will oversee the impact assistance activities by other Federal agencies. The Federal Government recognizes its responsibility to carry its justifiable fair share. There is not, however, any intent at this time to request the funding of such assistance through a military construction program.

Question. General Gilbert, you will recall this subcommittee added $1 million in our fiscal year 1980 bill to assist the local communities in Nevada and Utah with the impact of the proposed M-X basing mode. Are there any plans to add more funds for this purpose in a supplemental or in the fiscal year 1981 bill?

Answer. At this time we have not made a determination regarding a request for additional funds. Present administration actions to reduce the overall fiscal year 1981 budget are a major consideration; however, we have been advised by state officials that additional funds will be needed.

ALCM'S

Senator HUDDLESTON. Now, on the ALCM's, you have requested $66.2 million for the air-launched cruise missile in four sites. How are these funds divided among these particular sites?

General GILBERT. At Griffiss Air Force Base, N.Y., and this is Phase II, if you will recall, at Griffiss—phase I was last year—is $10.4 million of the $66 million; Wurtsmith Air Force Base, Mich., $19.8 million of the $66 million; Grand Forks Air Force Base, N. Dak., $20 million of the $66 million; Ellsworth Air Force Base, S. Dak., phase I of two phases, with next phase to follow next year, $16 million, bringing the total to $66.2 million, sir.

FACILITY SUPPORT OF MISSILES

Senator HUDDLESTON. How many missiles will these facilities support at these four sites?

General GILBERT. In total, that would accommodate 1,003 missiles, Mr. Chairman. I have a breakout I could provide of how many by site.

Senator HUDDLESTON. Very good, if you will provide that for us, please.

[The information follows:]

The fiscal year 1981 Military Construction Program (MCP) supports the necessary Air Launched Cruise Missile (ALCM) facilities at four locations shown below:

MILITARY CONSTRUCTION PROGRAM SUPPORT, FISCAL YEAR 1981

[Dollars in millions]

Facility	Amount	Phase	Number of missiles
Griffiss AFB, N.Y.	$10.4	(Phase 2 of 2)	212
Wuirtsmith AFB, Mich	19.8	(Phase 1 of 1)	207
Grand Forks AFB, N. Dak	20.0	(Phase 1 of 1)	204
Ellsworth AFB, S. Dak	16.0	(Phase 1 of 2)	[1]380
Total	66.2		1,003

[1] Includes fiscal year 1980 construction.

The Initial Operational Capability (IOC) for each ALCM base in fiscal year 1981 MCP is identified below:

Griffiss AFB, New York, December 1982.
Wurtsmith AFB, Michigan, April 1983.

Grand Forks AFB, North Dakota, October 1983.
Ellsworth AFB, South Dakota, January 1984 (1st Squadron); April 1984 (2nd Squadron).

ALCM STORAGE

Senator HUDDLESTON. What is involved in the checkout, the maintenance and storage of ALCM's? What is the nature of the facilities required?

General GILBERT. The ALCM storage involves the storage of the fully loaded pylons and their rotary launchers. In other words, they would be ready to move right out to the airplane, put aboard and take off. That gives a rapid force generation capability.

The initial receiving, uncrating and temporary storage of the unarmed missile will be conducted in the unarmed weapon storage facility. Now, the integrated maintenance facility is where it all comes together, and it will be used for the missile inspection, testing, fault detection and isolation and repair, warhead uploading, uploading of missile on pylons and rotary launchers, as well as periodic testing and maintenance that will be required on the entire loaded launcher system.

Senator HUDDLESTON. Is there a requirement for specialized equipment also?

General GILBERT. Yes, sir, there is.

Senator HUDDLESTON. What is the status of that?

General GILBERT. It is being procured with ALCM itself from the same contractor, sir, and it will come with the weapons system.

Senator HUDDLESTON. Are any existing buildings available or being used for these facilities?

General GILBERT. No, sir, we don't have any that can be used, actually, Mr. Chairman. Our storage igloos, of course, are not large enough and you could not make them large enough. We don't have today per se an integrated maintenance facility that is laid out to accommodate this kind of maintenance and loading of a missile the size of the ALCM and in putting it onto the rotary and the launcher.

Senator HUDDLESTON. Have the B-52's been modified to receive these?

General GILBERT. The modification kits for the first 65 airplanes are on contract now, and that is on schedule. The first aircraft will enter the modification line in December of 1980, which is, again, to schedule.

Senator HUDDLESTON. Is that the IOC?

General GILBERT. No, sir. The IOC is phased. But Griffiss IOC, and that is why we had phase I last year, is December 1982.

Senator HUDDLESTON. Is that the earliest one?

General GILBERT. That is the earliest one, yes, sir.

Senator HUDDLESTON. Will you include in your list, then, the IOC for each one of those bases?

General GILBERT. Will do, sir.

CRITERIA FOR ALCM SITES

Senator HUDDLESTON. What was the criteria for selecting these particular four sites as the initial ones?

General GILBERT. It was a combination of things. One, it was a geographic location to support the ALCM deployment concept of

mixing cruise missiles with bombers. And the locations do, indeed, provide site planners the opportunity to optimize utilization of aircraft range and loiter time in order to integrate ALCM into the total war plan and simultaneously employ both the ALCM and the penetrating bomber, which would place maximum stress on the enemy's defense systems.

And a final consideration was prelaunch survivability?

Senator HUDDLESTON. Prelaunch survivability?

General GILBERT. Yes, sir.

Senator HUDDLESTON. What is the total MCP associated with the ALCM's and when is it scheduled to be complete?

General GILBERT. Our estimate now is total program cost will be about $225 million. It is programed to be completed in 1987. That is because, if you will recall, the concept is that we are going to retain a bombing as well as an ALCM capability until we work through all of the B–52's that are going to carry it, and then we will start retrofitting them in the belly of the airplane for the additional ALCM's.

That is the very end of the program, and that is why it runs out to 1987.

Senator HUDDLESTON. What about the bases for fiscal year 1982? Have they been selected yet?

General GILBERT. They have been identified, and that decision is working through the staff now to come to the Congress. I don't know the exact date, but there has been an identification of where those new locations will be.

Senator HUDDLESTON. Will there be any substantial changes in the follow-on bases?

General GILBERT. Not for reason of selection, no, sir. We will use the same criteria unless there should be some change in PLS. Then we might look at——

Senator HUDDLESTON. They will be essentially the same facilities?

General GILBERT. Yes, sir. As a matter of fact, we will require the same kind of facilities at every location.

Senator HUDDLESTON. Mr. Schmitt, have you any questions on this?

Senator SCHMITT. Mr. Chairman, I do not. I have a few questions on another issue when you have completed.

Senator HUDDLESTON. Fine. Go ahead.

CONSOLIDATED SPACE OPERATIONS CENTER

Senator SCHMITT. Gentlemen, are you involved at this stage in the planning for the Consolidated Space Operations Center?

General GILBERT. Yes, sir.

Senator SCHMITT. I realize this is a potential 1982 issue in the budget and is not in this present request. However, it is working its way through the Authorization Committee. It is also a very significant strategic item that we will be seeing something about.

Normally I don't get involved in what might be considered parochial siting considerations as this might be in military construction, but I have heard of numerous problems that might be associated with the decision for the principal site being in Colorado

Springs versus either Kirtland, N. Mex., or Malmstrom Air Force Base.

I think it might be wise either to get a little on the record here and then ask some questions for the record about it if you are involved in that activity at this time.

General GILBERT. I am involved in the environmental process which is going on and will be in the planning and design of that facility to house the activities you mentioned.

Senator SCHMITT. It is my understanding a great deal of land is going to be required for these facilities if we are to provide full security. Is that correct?

General GILBERT. Yes, sir. There will be a requirement for about 600 acres of land.

Senator SCHMITT. And the land at Colorado Springs is either to be purchased from the State or acquired in some other way from the State, is that correct?

General GILBERT. That would be true, sir.

Senator SCHMITT. Now, 600 acres does not sound like providing very much area security. Are you going to have to tie up by option other land besides that 600 acres?

General GILBERT. Not as we plan now. We think that gives us the distance for microwave safety as well as the security that will be required for the facility. There is no plan now to in any way tie up any more land, Senator Schmitt.

Senator SCHMITT. But the alternative sites both have considerably more land that would provide an additional margin of security, is that right?

General GILBERT. True, there is more land at the other two Air Force bases.

Senator SCHMITT. Do you have any indication of whether the State is willing to transfer this land to the Federal Government?

General GILBERT. I have not. I know that issue is being worked, but I have no indication right now.

COST OF LAND ACQUISITION

Senator SCHMITT. Have you had any estimate on the cost of land acquisition?

General GILBERT. Yes, sir, I have, and it is very reasonable, even if we had to pay the full estimated cost of it. Let me see. Does anyone have that figure?

Senator SCHMITT. Does $100 million sound about right?

We will ask you to supply that for the record along with some other information.

General GILBERT. I would be glad to.

Senator SCHMITT. Do you know if the land surrounding the sites selected is State or privately owned land?

General GILBERT. As I understand it, there is some of both.

COST ANALYSIS ON SITES

Senator SCHMITT. We will ask that for the record also. And I presume you are in the process, then, of putting together comprehensive cost analysis for the three sites, the primary site and two alternates.

General GILBERT. We have done one cost analysis and are doing another, that is true.

Senator SCHMITT. We would ask that that also be provided for the record.

Does that include the cost of providing secure data transmission capability at the various sites?

General GILBERT. I am not sure if it does or not. I do not believe that it does.

Senator SCHMITT. What about the cost of power?

General GILBERT. Yes, sir.

Senator SCHMITT. And the availability of power.

General GILBERT. Yes, sir.

Senator SCHMITT. Would that also be available for the record?

General GILBERT. Yes, sir. That will also have to be covered in the environmental impact statement process.

Senator SCHMITT. Mr. Chairman, I think we will submit this series of questions on the subject for the record. I think you and your subcommittee will find it educational. There is a significant cost question about the various sites. If the land is not available as it is at the other two sites, then that will be an additional cost.

I realize that the Air Force has said that having this consolidated space operations center in the Colorado Springs area has certain interface advantages with respect to other activities in that area. We, however, solved those interface problems in other ways with other facilities, and I am not sure that is a persuasive argument when we start to really examine the cost impact of that location.

The secure communications is an important part of it. I am not as sanguine as you about the amount of land that may be required to provide emergency security or security during emergency operations, if we ever got into that situation, in terms of antenna horn and other facilities necessary.

There is also the issue of the availability of facilities. I think both other bases have support facilities, obviously, already in place. There are already occupants at the other facilities which they support. In the case of Kirtland, and I am not as familiar with the Malmstrom situation, there is a mothballed base that could at least provide initial operational facilities for the construction phase, if not a great deal of the other phases.

So hopefully, with those kinds of concern in your mind, we can get a definitive analysis of this to the degree that you are capable of doing based upon your current analysis.

LITTLE VARIATION IN COST OF THREE SITES

General GILBERT. Yes, sir. As you may know, Senator Schmitt, a fairly comprehensive survey was made of each of the three locations you have spoken to. Costs are relatively the same. There is not that much difference in cost at any location.

Senator SCHMITT. That is what I have a hard time understanding, and that is why I think the answers to these questions will be so important to me and whether or not I continue to raise this as a concern.

General GILBERT. We will be glad to provide you that data and how we have arrived at the data, as well as updated cost figures on it.

Senator SCHMITT. It is hard for me to understand how the costs can be the same when the situations are so very, very different.

General GILBERT. They are very close. They are not identical, of course, but we may have a matter of $2 or $3 million, somewhere in that area, separating the sites.

Senator SCHMITT. Is that with the assumption that the State provides the land?

General GILBERT. No, sir. The land was costed in the estimate for the Colorado Springs area.

Senator SCHMITT. Where, then, is the great cost at the other two sites? You have to provide no land, no road accesses there. The facilities, in some cases, are there, the support facilities are there. I don't understand why one, if you cost in the land, would be——

General GILBERT. Support facilities are not a real big problem with what we know now is going to be put into this facility from the standpoint of host base support because it is to a large extent civilian personnel oriented and civilian personnel workers.

But because of total adequate facilities to house this function, there were not many more of those at one location than the other, although there is nothing at Colorado Springs. At one location we even looked into the feasibility of modifying and adding to an existing SAGE facility, and that turned out to be the most expensive process of the three.

So while there are some vacant buildings at Kirtland, that is a very small part of the total requirement, as you no doubt know, to house the number of people and equipment they are talking about associated with this operation.

Senator SCHMITT. We will be very interested in that analysis.

SUBMITTED QUESTIONS

Mr. Chairman, I would submit other questions for the record.

[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 Schmitt

Question: How much land will be required for the Consolidated Space Operations Center facilities? Is this amount required just for the facilities or does it include protective area also?

Answer: A total of 440 acres of land is required. This amount is required for both facilities and a surrounding protective area.

Question: Is the land being considered at the three sites (Peterson Air Force Base/Colorado Springs area; Kirtland Air Force Base, New Mexico; and Malmstrom Air Force Base, Montana) Federally, state, or privately-owned? Is the land at any of the sites already owned by the Air Force, i. e., already part of the base?

Answer: The sites at Malmstrom Air Force Base and Kirtland Air Force Base are within base boundaries on land owned by the Federal Government. The site under consideration in the Colorado Springs area is on land owned by the State of Colorado.

Question: What will be the acquisition costs of the land for each of the three proposed sites?

Answer: No land acquisition costs are associated with the sites at Kirtland Air Force Base and Malmstrom Air Force Base. The estimated fee value of the Colorado Springs site, based upon acquisition of one of the two 640-acre sections, is between $233,000 and $267,000. This estimate is included in the Real Estate Planning Report being prepared by the U. S. Army Corps of Engineers at the request of the Air Force and is presently under final review by the Corps.

Question: Who owns the land immediately surrounding the site for the proposed facilities? If privately or state owned, will the Air Force negotiate an option on the surrounding land for possible future expansion or security concerns?

Answer: The land immediately surrounding the sites at Kirtland Air Force Base and Malmstrom Air Force Base is within base boundaries on land owned by the Federal Government. The major portion of the land immediately surrounding the Colorado Springs site is owned by the State of Colorado, and the remaining portion is in private ownership. The Air Force, at this time, has no requirement to acquire options on any portion of this surrounding land.

CONSOLIDATED SPACE OPERATIONS CENTER

Question: How much land will be required for normal and emergency operational security? To guarantee security, will not a substantial secure area surrounding the facility be necessary? How much land is needed to guarantee that the facilities including items such as antennas are not damaged by sabotage using items such as a high powered rifle?

Answer: The amount of land required to locate the Consolidated Space Operations Center (CSOC) facility, which includes a collocated antenna facility, is 107 acres. In order to insure both physical security and an Electromagnetic Radiation Hazard safety zone a 1000 ft buffer zone is planned around the CSOC facility. Adding the 1000 ft buffer zone requirement to the 107 acre facility requirement brings the total acreage requirement to approximately 440 acres.

CONSOLIDATED SPACE OPERATIONS CENTER

Question: Has the Air Force determined the present and future power availability at each of the three sites? Are the anticipated power needs now available at each site? Will any of the sites require construction of additional power generators?

Answer: Commercial power availability was surveyed and determined to be adequte in the vicinity of each of the three proposed CSOC sites. The power requirement is estimated to be 15,000 KVA. None of the sites require construction of additional power generation capacity, however, current plans call for the construction of a dedicated backup power plant at whichever site is selected.

Question: Has the cost of providing the security of the data transmission cables at each site been considered? Are these secure date transmisison cables available at any of the sites? Would secure cables at any of the sites require crossing nonfederal land? What is the cost at each site?

Answer: Data transmisison security was considered during CSOC site evaluation. Communications with CSOC will be via either wideband satellite links with remote tracking stations, launch sites, the NASA communications system, and other user sites or via narrow band leased long lines. The satellite communications terminals will be located on Federal property with cable routes either contained on site (Colorado Springs) or on Federal property (Kirtland AFB and Malmstrom AFB). Multiple routing into the commercial leased long line system would be provided at each site. There are no plans to physically harden these links. Encryption equipment will be used on circuits requiring COMSEC protection.

Question: Has the Air Force surveyed the three sites for items such as existing road systems, military housing, mess and recreation facilities? Which of these is present at which sites? Which require construction of these facilities and which require up-grading? What would be the cost for providing these items at each site?

Answer: The Air Force performed site surveys at each of the three candidate sites: Malmstrom Air Force Base, Montana; Peterson Air Force Base/Colorado Springs area; and Kirtland Air Force Base, New Mexico. One of the areas surveyed was the ability of each of the three candidate sites

to provide the base operating support requirements of the Consolidated Space Operations Center (CSOC). For example the base operating support areas evaluated were administrative services, comptroller judge advocate, chaplain, consolidated base personnel, consolidated civilian personnel, security and law enforcement, medical facilities, commissary, base exchange, messing, structural fire fighting, maintenance, transportation services, housing, morale, welfare and recreation, educational services, communications support.

The Air Force determined that all three candidate sites could support the base operating support requirements of the CSOC without any significant impact. The majority of the manpower associated with the CSOC will be civilian contractors, approximately 1400, and will not require the type of support afforded the military. There will, however, be approximately 300 military personnel and approximately 100 Department of the Air Force civilian personnel at the CSOC requiring support from the host candidate site. Aside from the actual CSOC facility itself, no additional base operating support facilities are required at the host candidate site to support the CSOC mission.

Question: Has the availability of a skilled workforce including electricians, computer specialists, as well as administrative and support personnel already at any of the sites been considered? What is the existing availability of construction, administrative, and support personnel at each site? Which site is best equipped to handle the construction and administration of this program utilizing a workforce already at the site or in the immediate area?

Answer: A breakdown of the local labor market by occupational category was obtained at each of the three candidate sites: Cascade County and Great Falls, Monatana; El Paso County metro area and the City of Colorado Springs, Colorado; and the metropolitan Albuquerque area. It appears from the data gathered that both the Colorado Springs area and Albuquerque area have the existing labor force that could accommodate the CSOC requirements.

Question: It is my understanding that there was a moratorium on water and sewer hookups in Denver and Colorado Springs. Does the Air Force consider this a problem and was it considered before the selection of Colorado Springs as the prime candidate for CSOC? Since the proposal involves about 6,000 personnel including familiies for operation, what role did the ability of the sites to absord this increase in population play in the decision-making? What is the ability of each site to provide the necessary services including water and sewer hookups, education, transportation, housing, etc., for the personnel involved in the construction and operation of the facility? Did the Air Force receive any comment from other federal agencies such as EPA and HUD regarding the ability of each site to meet the needs of increased population? What comments, if any, were received?

Answer: The Air Force has been consulting with the Pike's Peak Area Council of Governments since inception of environmental analyses of the three alternative base locations. We are not aware of any moratorium on water and sewer hookups in the Colorado Springs area. No problems are foreseen regarding water and sewerage in the Colorado Springs area.

The impact of population increase is being assessed in the current comprehensive environmental analyses that are being accomplished with respect to all three sites.

Impacts on utility services, education, transportation and housing are being assessed at all three sites.

Other federal agencies such as EPA and HUD are being consulted. Their comments will be reflected in the environmental analyses when completed.

Question: What were the results of the environmental impact analysis for each of the sites?

Answer: Comprehensive environmental analyses of each of the three alternative sites are currently in progress. Based on a preliminary environmental assessment conducted in the course of narrowing the number of possible alternative sites, no major problems were found at any of the three sites.

Question: Was transportation into and out of the facility by car, bus, train, and air considered as a factor? What is the commercial transportation comparison of each site?

Answer: One of the criteria for siting the Consolidated Space Operations Center (CSOC) was the availability of regularly scheduled and direct airline service to San Francisco/ San Jose, Los Angeles, Houston, and Washington DC. CSOC personnel must be able to travel between the facility and other space agencies without excessive delays. This is an important requirement in view of the rapid response required during satellite malfunctions and other contingencies which require the immediate

transport of technical support personnel from Program Offices and contractors.

The Air Force site survey team concluded that the air transportation to and from both Colorado Springs and Albuquerque, New Mexico, was adequate. However, air transportation to and from Great Falls, Montana, was marginal due to the frequency and routing of flights to the San Francisco/San Jose, Los Angeles, Houston, and Washington DC areas.

Question: The March 10th Washington Post reported that major problems with the World Wide Military Command and Control System, WWMCCS exist. Will the CSOC interface in any way with WWMCCS?

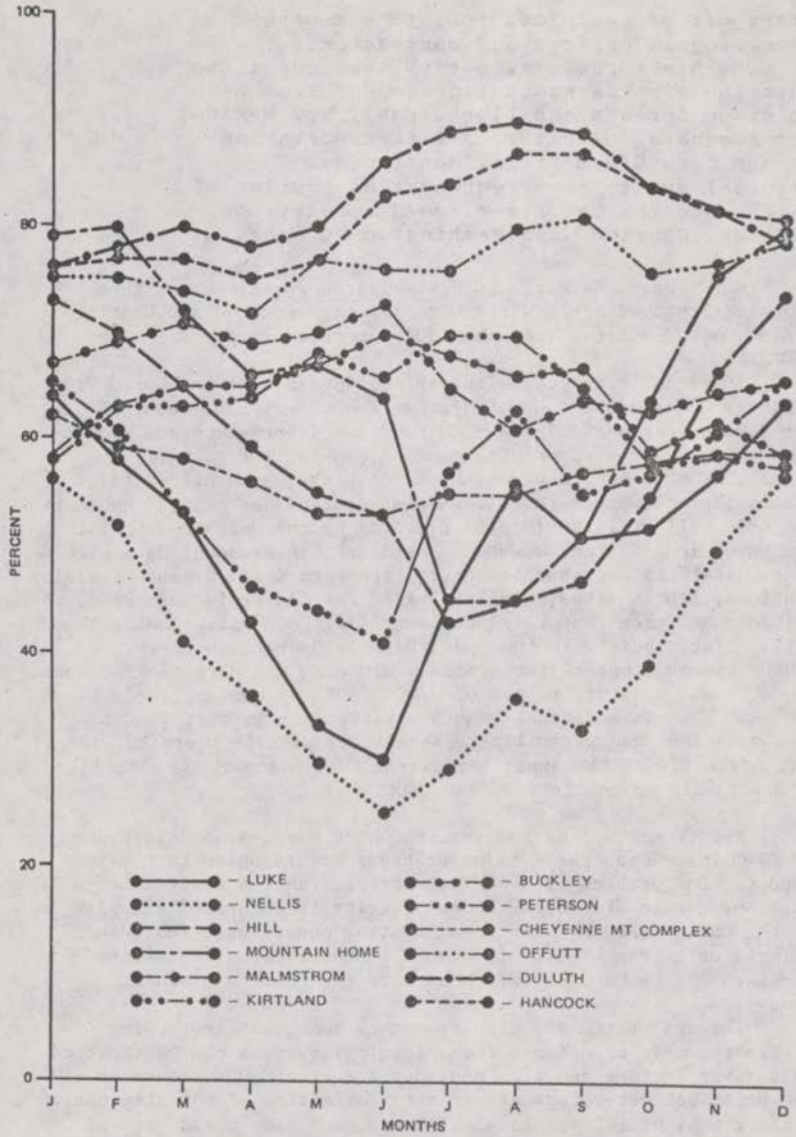
Answer: Interfaces with various segments of the World Wide Military Command and Control System (WWMCCS) will be required for CSOC operations. The WWMCCS provides information and communcations needed to support the command and control of military forces. WWMCCS includes communication links, automatic data processing equipement (ADPE), warning systems and command centers. The CSOC will utilize circuits provided by the Defense Satellite Communications System, a WWMCCS component, to exchange data with other satellite and shuttle control elements (e.g. remote tracking stations, launch sites, the Satellite Test Center in Sunnyvale, CA and Johnson Space Center in Houston, TX). CSOC will require communications interfaces with the Space Defense Operations Center, a WWMCCS command center, for status monitoring and direction of space operations. However, no use of WWMCCS ADPE is contemplated.

CSOC has an additonal WWMCCS relationship in that WWMCCS communications and surveillance satellites will be operated, in part, from CSOC. The shuttle missions that place these satellites in orbit will be controlled from CSOC.

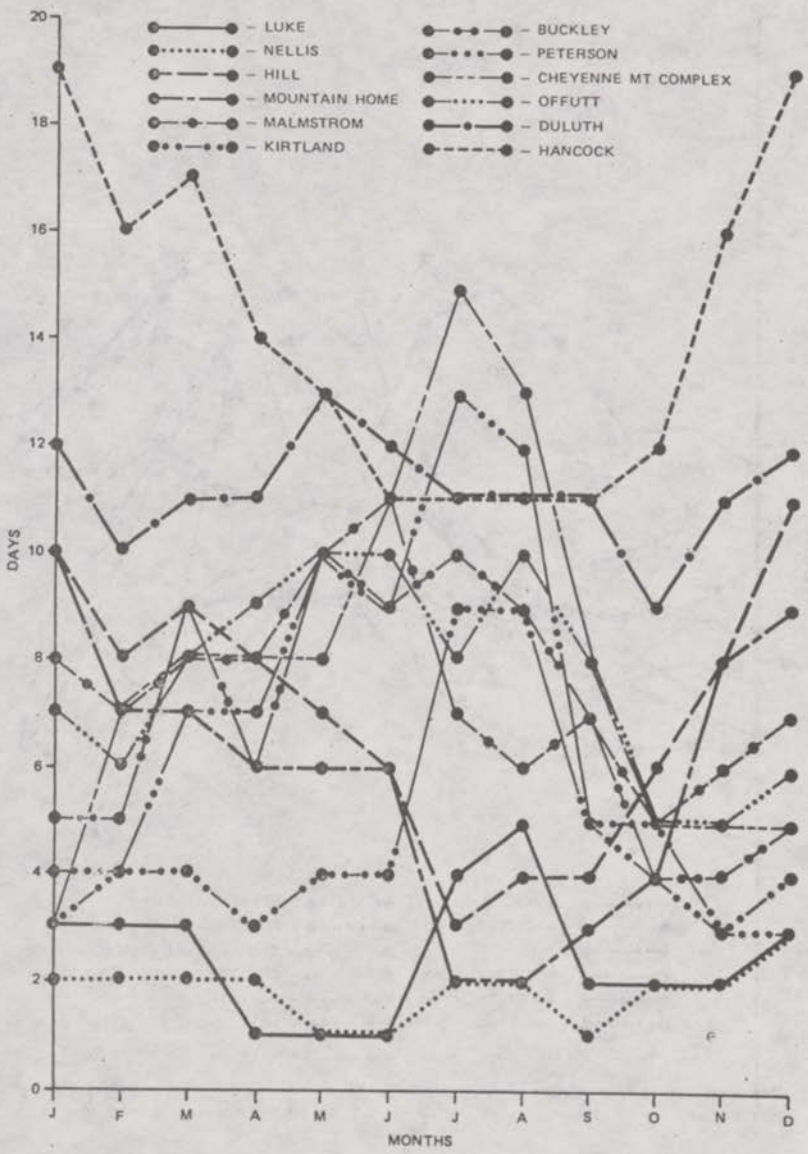
Question: One of the systems which was designed to back-up WWMCCS has encountered major problems according to that same report. One problem is that it "suffers frequent power interruptions due to electrical storm activity in Colorado" according to the OMB. Were the year round weather conditions, including affects on extremely high frequency communications, considered for each of the CSOC sites? What were the results of this study?

Answer: Extremely high frequency communications using millimeter wave or optical communications systems can be impacted by weather factors and were considered during CSOC site surveys. The principal meterological parameter affecting signal attenuation are air mass humidity, cloud thickness, and amount and rate of rainfall along signal path distance between transmiter and receiver. Surface observation data for each of the CSOC candidate sites was collected in order to assess the relative merits of the potential sites with respect high data rate satellite communications at very high frequencies.

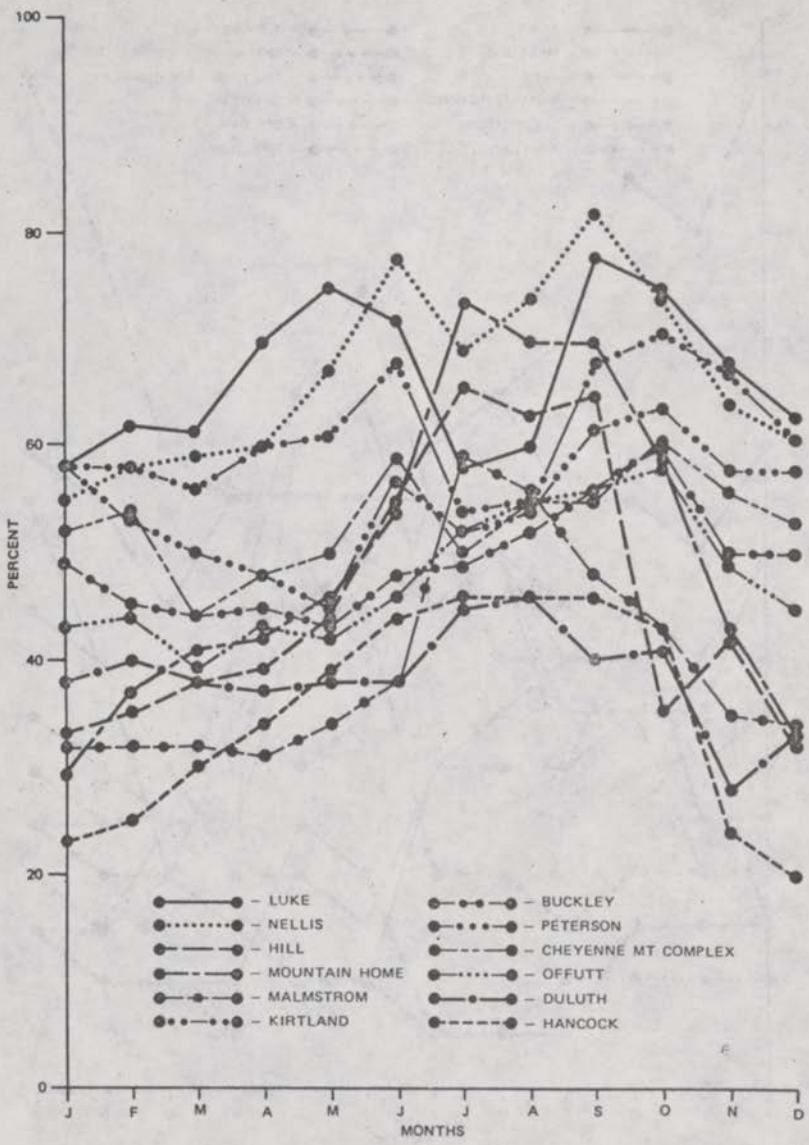
The attached graphs portray the mean relative humidity, mean number of days rainfall exceeds .01 inches, percent probability of cloud free line of sight at 10 degrees elevation viewing angle, clear sky condition yearly averages and cloudy sky condition yearly averages.



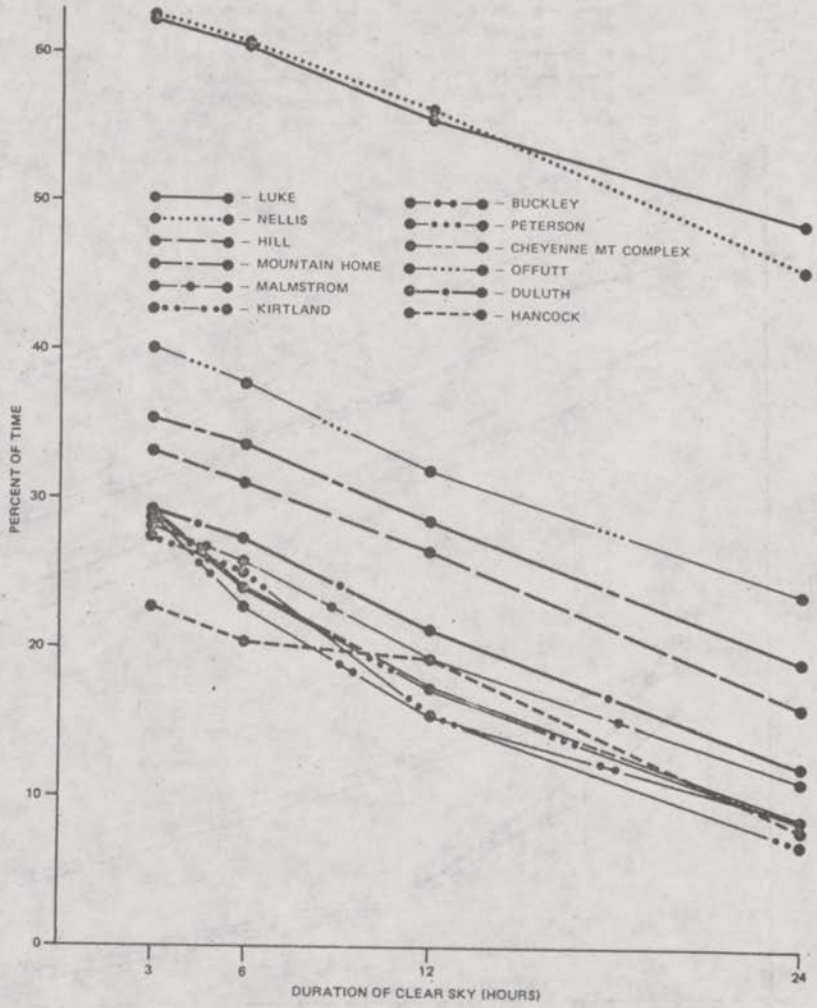
Percent Mean Relative Humidity (High)



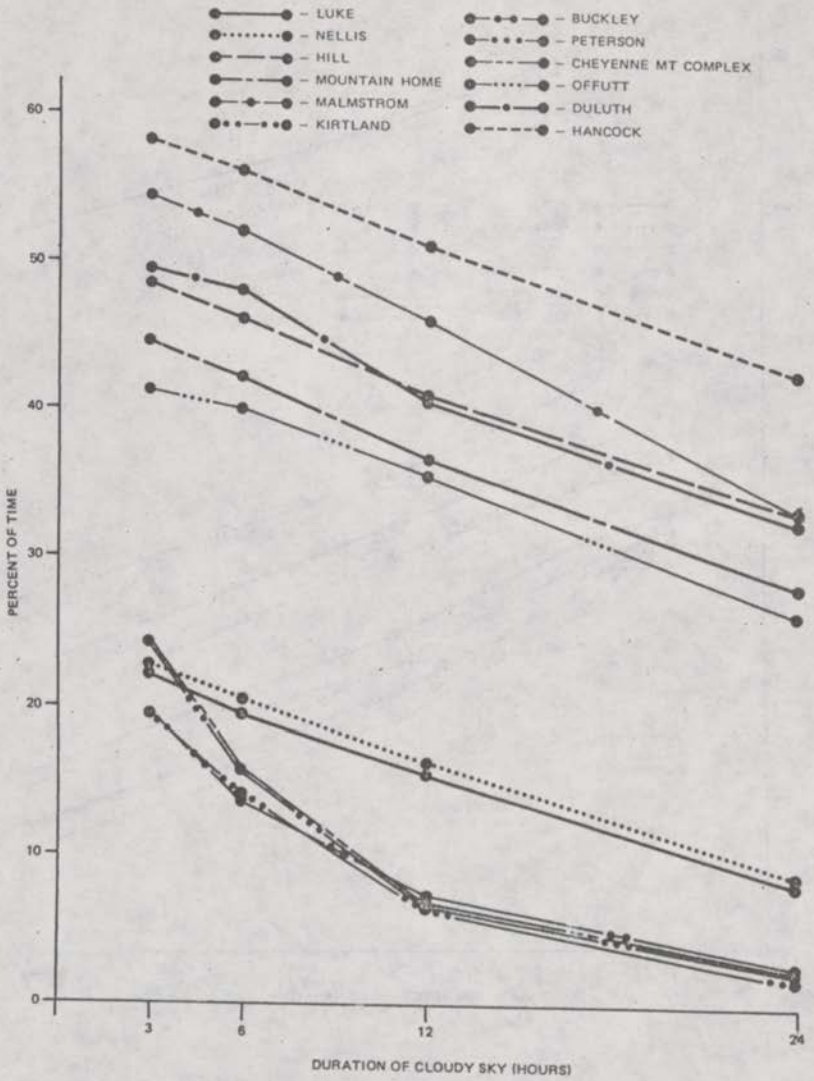
Mean Number of Days Rainfall Exceeds 0.01 Inches



Percent Probability of Cloud-Free Line-of-Sight at 10° Elevation Viewing Angle



Clear Sky Conditions, Yearly Averages



Cloudy Sky Conditions, Yearly Averages

Consolidated Space Operations Center

Question. Has a comprehensive cost analysis been made for each of the three proposed sites including acquisition, construction, and operation and maintenance costs? What is the breakdown of these costs? What are the assumptions and justifications for these estimates? Were factors such as community impact, security, and existing administrative, support and R&D communities factors entered into this estimate?

Answer. A construction cost analysis was performed at each of the candidate sites. Attached is a breakdown of the estimated construction costs for each of the three candidate sites: Malmstrom Air Force Base, Montana; Peterson Air Force Base/Colorado Springs area, Colorado; and Kirtland Air Force Base, New Mexico. Such factors as community impact, security, and existing administrative, support and R&D communities are being evaluated during the site surveys and decision process.

INITIAL ESTIMATED MCP
SITE COSTS

Methodology: The CSOC facility estimated costs were developed during the site survey by the A&E contractor based upon a conceptual baseline and are Rough Order of Magnitude (ROM) only. The conceptual baselines were generated from site peculiar location and configuration requirements. The costs are computed using DOD area construction cost factors based upon a Los Angeles cost factor of 1.0. These cost factors are:

- Malmstrom AFB, Great Falls, Montana - 1.04
- Peterson AFB, Colorado Springs, Colorado - .88
- Kirtland AFB, Albuquerque, New Mexico - .86

The costs shown are in FY 78 dollars with FY 82 dollars in parenthesis, computed using an escalation factor of 1.39. The site costs were developed to show the comparative costs and cost relationships between sites, and are not intended to show absolute values. Every attempt was made to insure consistency in costing from site to site for comparative cost purposes. The following paragraphs first reflect a summary of the total cost, and second, a summary cost breakdwon of each of the candidate sites.

Summary Estimated Costs

Malmstrom AFB

Option A (SAGE and New Tech Bldg + Remote Antenna Field) = $80M ($111.2M)

Option B (New Facility with Bldgs 145 & 1445 + Collocated Antenna) = $86M ($119.5M)

Peterson AFB

New Facility East of PAFB = $78M ($109.0M)
Does not include land acquisition costs.

Kirtland AFB

Manzano Facility + Remote Antenna Field = $68.5 ($95.1M)

Summary Estimated Cost Breakdown

Malmstrom AFB

Option A:

CSOC Baseline Buildings	$71.5M
Utilization of Existing Facilities	
- Value of Space Saved	<10.2>
- Cost of Modification	3.7
Site Peculiar Preparation	7.3
EMP Protection	7.7
CSOC Total	$80.0M ($111.2M)

Option B

CSOC Baseline Building	$71.8M
Utilization of Existing Facilities	
- Value of Space Saved	<4.0>
- Cost of Modification	.4
Site Peculiar Preparation	9.9
EMP Protection	7.9
CSOC Total	$86.0M ($119.5M)

Peterson AFB

CSOC

CSOC Baseline Building	$60.6M
Utilization of Existing Facilities	
- Value of Space Saved	<.63>
- Cost of Modification	.03
Site Peculiar Prepearation	11.4
EMP Protection	6.6
CSOC Total	$78.0M ($109.0M)

Kirtland AFB

CSOC

CSOC Baseline Building	$59.0M
Utilization of Existing Facilities	
- Value of Space Saved	<6.3>
- Cost of Modification	2.0
- Site Peculiar Preparation	7.3
EMP Protection	6.4
CSOC Total	$68.4M (95.1M)

CONSOLIDATED SPACE OPERATIONS CENTER

Question: Were the assumptions, requirements, or method of costs analysis changed at any time during the many years of this program? Please state all the requirements and changes.

Answer: The initial site selection surveys performed by the Air Force Systems Command addressed a facility to perform only satellite control. The initial siting criteria was then reviewed and validated by Headquarters United States Air Force (HQ USAF) to insure its applicability to a Consolidated Space Operations Center (CSOC) facility that included a Shuttle capability. HQ USAF then conducted a site survey on the final three candidate sites to specifically update previously gathered data; to determine the base support impact of CSOC on each candidate site; to initiate informal environmental impact assessments; and to specifically identify existing facilities that could be used to reduce the need for new construction. The Architectural and Engineering Contractor employed by the Air Force Systems Command during the initial site surveys was also used by the HQ USAF survey team to update costing data. Aside from adding the Shuttle capability, the initial facility requirements and siting criteria remained essentially unchanged.

Question: In addition to costs, what other factors determined the selection process? Please list the priorities in the determination of site selection.

Answer: In addition to costs, a number of technical, geographic, and support criteria were developed to evaluate each candidate site. Attached is a listing of the criteria used in the Consolidated Space Operations Center site selection. Each of the final three candidate sites were further evaluated for operational and organizational concerns. All three locations met the basic geographic, environmental, support and resource siting criteria. However, the Peterson AFB/ Colorado Springs area is the preferred site because of the unique operational and organizational advantages which accrue from its proximity to the Space Defense Operations Center (SPADOC) located at the Cheyenne Mountain Complex near Colorado Springs.

CSOC SITING CRITERIA

TECHNICALLY DICTATED CRITERIA:

1. Interior Continental United States: CSOC should be sited far enough inland from coastal waters and international boundaries to minimize potential for interruption of space-ground communications.

   Rationale: Potential compromise of and/or interference with CSOC communications represent a threat to its ability to support vital DOD space missions and resources. Based on an analysis of anticipated threats and projected state-of-the-art technology for satellite antenna design in the mid-1980's, the specified distances will provide sufficient protection to satellite uplinks and downlinks.

2. Electromagnetic Radiation (EMR) Hazard: The CSOC antenna field must be sufficiently distant from aircraft traffic patterns to minimize (1) hazards to aircraft, and (2) physical blockage of the antenna beams. In addition to the space provided by the basic CSOC site plan, a safety buffer zone extending 1000 feet outside the antenna field must be provided to prevent encroachment by future building construction which could result in EMR hazards to personnel.

   Rationale: Electromagnetic emissions from the CSOC antennas can potentially affect aircraft avionics or activate electro-explosive devices (EEDs), endangering aircraft safety. Conversely, communications between satellites and CSOC antennas might be interrupted when an aircraft flies through the beam. In addition, increasingly stringent EMR standards are being promulgated to protect human health and safety. In addition, CSOC antennas must have an unobstructed field of view at relatively low elevation angles.

3. Adequate Defense Satellite Communications System (DSCS) Satellite Visibility: Both Defense Communications Agency (DCA) Pacific communications satellites should be visible from the site. The preferred elevation angle is 10 degrees or greater, and the nominal minimum angle established by DCA is 5 degrees.

   Rationale: DSCS satellites are used for communications with the Remote Tracking Stations (RTSs). Visibility of both Pacific satellites (WESTPAC and EASTPAC) reduces the number of multiple hops to RTSs, thereby increasing communications reliability and decreasing overall DCA satellite and system loading.

4. Radio Frequency (RF) Quiet: The CSOC antenna field must be away from known sources (e.g., radars) of electromagnetic energy of power density sufficient to disrupt operations.

   Rationale: Nearby sources of electromagnetic and radio frequency interference (EMI and RFI) potentially degrade or interrupt CSOC communications via satellite. Conversely, CSOC antenna emissions might interfere with nearby ground-based electronics equipment.

5. Minimize Physical Threats: Locate CSOC away from populated areas, roadways, and public areas.

   Rationale: Siting CSOC so as to limit awareness of, and restrict proximate access to the facilities improves security.

6. Sufficient Acreage: A minimum of 107 acres must be provided for the basic CSOC site plan. (With 1000 ft EMR and security buffer, acreage total is 440.)

Rationale: The area incorporating and surrounding the CSOC facilities must be large enough to avoid interference among the antennas and buildings, to provide physical security and physiological safety, and to accommodate likely expansion.

7. Minimum Natural Obscura: Nearby facilities and terrain features must not obscure the line of sight between the antennas collocated at the CSOC and the satellites with which they communicate.

   Rationale: Elevation angles for the CSOC antennas range as low as 3 degrees. Local obscura compromise and potentially negate the ability of CSOC to carry out its support mission.

8. Minimum Natural Disaster: CSOC must be sited outside areas with high potential for natural disasters.

   Rationale: A principal justification for the CSOC program is the vulnerability of the existing Satellite Test Center to earthquakes and Johnson Space Center (JSC) to floods/ hurricanes. Siting CSOC in an area prone to natural disasters such as floods, earthquakes, tornados, or hurricanes contravenes the objective of reduced vulnerability.

GROWTH MANDATED CRITERIA:

9. Maximum Clear, Dry Weather: CSOC should be sited in an area providing maximum cloud-free, precipitation-free, and moisture-free lines-of-sight between its antennas and orbiting communications satellites.

   Rationale: A potential requirement for the mid-1980's is the accommodation of greatly increased mission data rates between satellites and space ground systems. These very high data rates (up to several gigabits) require extremely large bandwidths which can only be achieved by using millimeter wave or laser communications. Such high frequency waves are severely attenuated by water vapor, precipitation, etc., to the extent that disruption to communication links can occur. Therefore, the facility must be sited in an area which provides the maximum practical clear, dry weather in order to perform its mission.

10. Tracking and Data Relay Satellite System (TDRSS) Visibility: Siting the CSOC within the footprint of the TDRSS satellite would allow location of a TDRSS ground entry point at the CSOC.

    Rationale: During the mid-1980s, TDRSS will provide the prime communications link between the Space Transportation System (STS) Orbiter and the facility controlling DOD STS missions. The high data rate transfer and near worldwide coverage capability of TDRSS can be used by DOD satellites for continuous payload readout and immediate realtime satellite command and control capabilities. A TDRSS terminal at the CSOC could also provide a backup for the NASA terminal at White Sands.

11. Expansion: CSOC must be located such that additional land is available contiguous to the basic 107 acre site.

    Rationale: Although adequate space is provided by the basic site plan for expected expansion of technical and support buildings and for associated antenna structures, necessary security and safety buffer zones require the ready availability of sufficient land.

SUPPORTABILITY/ENVIRONMENTAL CONSIDERATIONS:

12. Transportation: CSOC should be sited within 50 miles of an airport with regularly scheduled and direct airline service

to San Francisco/San Jose, Los Angeles, Houston and Washington, D.C.

Rationale: Personnel must be able to travel between the facility and other agencies (Satellite Test Center I, Space Division, contractor, JSC, USAF headquarters, etc.) without excessive delays. This is an important requirement in view of the rapid response required during satellite malfunctions and other contingencies which require the immediate transport of technical support personnel from Program Offices and contractors.

13. Military Base: CSOC should be sited on or within 50 miles of an active military installation.

Rationale: An active military installation provides support for military personnel such as hospital, medical, dental, commissary, personnel, exchange and other services. Facilities support such as civil engineering services, security, and fire protection can also be provided if the new facility is located on or sufficiently close to a military installation. Fifty miles is considered a reasonable maximum and is representative of approximately one hour's driving time.

14. Regional Support: CSOC should be sited in an area which provides a source of technically trained personnel, community support services, cultural attractions, recreational areas and educational opportunities.

Rationale: The operations concept for the facility requires large numbers of highly trained technical contractor personnel. Available community support and facilities should be sufficient to attract and retain the caliber of personnel required to support the mission.

15. On Federal Property: Siting CSOC on federal property is desired.

Rationale: The cost and time necessary to procure non-federal property may be unacceptable in view of the time constraints on the CSOC implementation schedule.

16. Existing Facilities Available: CSOC should be sited in a location which permits use of existing buildings/facilities,

Rationale: Use of existing facilities could significantly reduce cost. However, this criterion is dependent on the specific facilities available, modification costs, and other technical considerations.

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LORING AIR FORCE BASE, MAINE

Senator HUDDLESTON. I believe that completes our oral questioning for this afternoon.

One other item, however. Senator Muskie has inquired about a couple of items relating to Loring Air Force Base in Maine. I think we will submit questions to you for response unless you are prepared to respond now. He is concerned about dormitories and the housing problems confronting the personnel at Loring.

General GILBERT. Yes, sir. We are very concerned about that. As you know, Loring was on a list of bases being studied for closure. Now the decision has been made to retain it. There are many things that need to be done in the operation and maintenance area as well as the MCP area at Loring.

We did include some items, but most of them were associated with security in the 1981 program. In all honesty, there was just no way we could work any more in to that program. Therefore, we are planning some additional work there in the out years. I would be glad to respond to the letter for the record.

[The information follows:]

The following is in response to the issues raised in Senator Muskie's letter: The dormitory requirements were identified after the fiscal year 1981 program was submitted to the Congress. Both dorms, each estimated to cost $5.9 million, are being considered for future year programs and will be balanced against other Air Force needs and priorities. The project for the taxiway extension was not received in time to evaluate for the fiscal year 1981 MCP. We now intend to thoroughly review this requirement to determine appropriate funds programming action. Many projects to improve operational, maintenance and personnel facilities including the Loring base survivability package are currently under review by the Air Force as part of the fiscal year 1982–86 Program Objective Memorandum (POM) development process. In making our decisions on these projects, we must balance the needs of Loring against other Air Force priorities in order to remain within established budget levels. The matter will be given full consideration.

Senator HUDDLESTON. Thank you very much.

Thank you very much, gentlemen, for your testimony today. We will be in touch, I am sure.

General GILBERT. Thank you, sir.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. The subcommittee will be in recess until Tuesday, a week from tomorrow.

[Whereupon, at 4 p.m., Monday, March 10, the subcommittee was recessed, to reconvene Tuesday, March 18.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

TUESDAY, MARCH 18, 1980

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

The subcommittee met at 2:05 p.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator Huddleston.

DEPARTMENT OF DEFENSE

DEFENSE AGENCIES

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

CONSTRUCTION PROGRAMS

Senator HUDDLESTON. The subcommittee will come to order.

This afternoon we are continuing our hearings into the fiscal 1981 request for military construction funds. Our particular interests in this session will be construction programs in support of the defense agencies and family housing/quality of life programs.

The defense agencies' request for fiscal 1981 is $235.7 million for projects of the Defense Intelligence Agency, Defense Logistics Agency, Defense Mapping Agency, National Security Agency, and Secretary of Defense activities, including the Department of Defense Dependent Schools.

The fiscal 1981 family housing budget request is slightly more than $2 billion for the construction of new units as well as restoration of old units and operation and maintenance for all housing.

You are proposing significant increases in the construction of new unaccompanied enlisted personnel housing in fiscal 1981, consisting of the construction of 9,567 new spaces and the modernization of 5,962 spaces at a cost of $222.3 million. In addition, you propose to construct 135 new spaces and to modernize 89 spaces for unaccompanied officer personnel at a cost of $5.3 million, for a total cost of $227.6 million.

Finally, you are requesting $71.5 million for community support facilities including gyms, religious, education, and recreation buildings and child care centers. Finally, you are requesting $48.4 million for dependent schools.

We will examine each of these areas this afternoon. I welcome our witnesses.

PREPARED STATEMENT

We will begin with Mr. Fliakas. We are glad to have you back with us. We will insert your prepared statement at this point and you may summarize you statement.

[The statement follows:]

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

Mr. Chairmen and Members of the Committees: It is a pleasure to appear before your Committee today to present the Fiscal Year 1981 Defense Agencies Military Construction Program. The total Fiscal Year 1981 authorization request is $293,860,000. The compares with $160,330,000 for comparable programs (excluding NATO Infrastructure) enacted for fiscal year 1980, and increase of $133,530,000. The prime reasons for the larger program this year are the request for $106.2 million for the Defense Intelligence Analysis Center and increases in the programs under the Office of the Secretary of Defense. The total Fiscal Year 1981 appropriation request is $235.7 The appropriation request differs from the authorization request in that full authorization of the Defense Analysis Center is being requested while appropriation is requested for only that portion of the work expected to be accomplished in Fiscal Year 1981. Additionally, appropriation is requested for two dependents school projects that were previously authorized but not funded.

I would now like to mention briefly each of the components that comprise this year's request.

Defense Intelligence Agency

Authorization	$106,000,000
Appropriation	32,700,000

The request will provide full authorization and the first phase of funding for a new Analysis Center for the Defense Intelligence Agency at Bolling Air Force Base, Washington, D.C. The second phase costing $73.5 million will be included in the Fiscal Year 1982 appropriations request.

Defense Logistics Agency

Authorization	$11,360,000
Appropriation	11,360,000

The $11.4 million will provide for 11 construction projects to acquire and improve storage facilities for the Defense Logistics Agency.

Defense Mapping Agency

Authorization	$1,500,000
Appropriation	1,500,000

The Defense Mapping Agency is requesting $1.5 million for building alterations at their Hydrographic/Topographic Center in Brookmont, Maryland.

National Security Agency

Authorization	$8,439,000
Appropriation	8,439,000

The $8.4 million requested by the National Security Agency will provide for a building addition at the headquarters, Fort George G. Meade, Maryland, a project at Kunia, Hawaii and one project at classified location outside the United States.

Office of the Secretary of Defense

Authorization	$131,861,000
Appropriation	133,201,000

Included under the Office of the Secretary of Defense request, are two projects for classified activities for $20.0 million, an alteration project at the Defense System Management College at Fort Belvoir, Virginia, for $0.5 million and $64.4 million for the European Command Static War Headquarters Building at a classified location. Also being requested is $47.0 million in authorization for 12 projects and $48.4 million in funding for 14 projects for the Office of Dependents Schools outside of the

United States. Two projects, elementary schools at Ludwigsburg and Bad Hersfeld, Germany were authorized but not funded in Fiscal Year 1980.

Contingency Fund

Authorization	$30,000,000
Appropriation	30,000,000

The Department of Defense is requesting $30.0 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.

Unspecified Location, Minor Construction

Authorization	$4,500,000
Appropriation	4,500,000

The $4.5 million will satisfy exigent project requirements costing $500,000 or less, which currently cannot be identified, but based on historical data, will develop and will be required prior to the availability of subsequent year construction funds.

Planning and Design

Authorization	
Appropriation	$14,000,000

This portion of the budget request includes $14.0 million for planning and design.

Mr. Chairmen, I appreciate the opportunity to present the Fiscal Year 1981 Defense Agencies Military Construction Program to your Committees. If you or members of the Committees have questions regarding this program, I will be pleased to discuss them at this time.

DEFENSE AGENCIES CONSTRUCTION BUDGET

Mr. FLIAKAS. Thank you, Mr. Chairman.

Mr. Chairman, we have two rather discrete areas here. What I would like to do, with your permission, is to first take up the defense agencies' part of the military construction budget. Then, if I may, I would like to switch teams on you and talk later, with a separate statement, of the quality of life, community facilities, housing, and the other activities that you mentioned.

Senator HUDDLESTON. All right.

Mr. FLIAKAS. We also have representatives of the defense agencies here, the directors and/or their representatives. They have very brief statements that they would like to offer also.

Senator HUDDLESTON. Very good. We will proceed in that manner.

Mr. FLIAKAS. Thank you, Mr. Chairman.

BUDGET REQUEST

The total fiscal year 1981 appropriation request for the defense agencies' military construction program is $235 million. The appropriation request differs from the authorization request in that full authorization of the Defense Intelligence Analysis Center is being requested, while appropriation is requested for only that portion of the work expected to be accomplished in fiscal year 1981.

Mr. Chairman, what I am doing is just briefing my statement. I will submit it in its entirety for the record.

Senator HUDDLESTON. Fine, it will be included in the record in its entirety.

Mr. FLIAKAS. I would like to very briefly mention each of the components that comprise this year's defense agency request. For the Defense Intelligence Agency, the appropriation request is $32.7

million. The request will provide full authorization, and the first phase of funding for a new analysis center for the Defense Intelligence Agency at Bolling Air Force Base here in Washington. The second phase, costing some $73 million, will be included in next year's appropriations request.

For the Defense Logistics Agency, $11.3 million will provide for 11 projects to acquire and improve storage facilities for the DLA.

For Defense Mapping Agency, $1.5 million for building alterations at their Hydrographic/Topographic Center in Brookmont, Md.

For the NSA, National Security Agency, $8.4 million providing building additions at the headquarters at Fort Meade, Md., a project at Kunia, Hawaii and a project at a classified locations outside the United States.

For the Office of the Secretary of Defense, $133 million. Two projects are included for classified activities, worth $20 million, $64 million for the European Command Static War Headquarters Building, which I understand this committee would prefer to take up when we discuss the NATO construction requirements, and $48 million in funding for 14 projects for the Office of Dependent Schools outside of the United States.

For the Secretary of Defense Contingency Fund, $30 million, for emergency construction authorization and funding to provide for construction deemed vital to the security of the United States.

Finally, there is $4.5 million for minor construction, for exigent project requirements costing $500,000 or less, and also $14 million for planning and design.

Mr. Chairman, that completes a very abbreviated overlook, overview of the military construction defense agencies program. If you have any general questions, I would be happy to respond at this time, after which I would like to introduce each one of the defense agency representatives.

BUDGET BREAKDOWN FOR INFLATION AND PROGRAM GROWTH

Senator HUDDLESTON. Fine. Just a few general questions on your budget preparation methods. What portion of your fiscal 1981 request is for inflation and what for program growth?

Mr. FLIAKAS. The defense agencies and the military departments as well, the Army, Navy, Air Force, and Marine Corps, reflect a 9 percent per year inflation factor in their estimates. If we were to deduct the inflationary factor of some 9 percent, it would leave about $214 million, or an increase of about $120 million over last year.

Senator HUDDLESTON. The accuracy of the figure will be determined by the accuracy of what the actual inflation rate is.

Mr. FLIAKAS. That is correct, sir. As you know, in the last 2 years we have been hit pretty hard by inflation. Our estimates have fallen shy, really, and our estimates have fallen shy of the actual bid experience. In the first half of this year we have already had a record number of cost variations as a result of the bidding, so I look for a tough year this year, Mr. Chairman.

NATO INFRASTRUCTURE FUNDING

Senator HUDDLESTON. What was the purpose of breaking out the NATO infrastructure funding from the defense agencies' account for fiscal 1981?

Mr. FLIAKAS. It was primarily, Mr. Chairman, one of compatibility. Two years ago, and prior to that, when we had no-year appropriations, the U.S. program was compatible with the NATO system, but beginning in 1979, Congress converted these to multiyear appropriations with a 5-year obligation life, and the NATO system, as you know, Mr. Chairman, is just too cumbersome and laborious to adapt to a multiyear appropriation. In order to avoid the kind of problems that we have had in the past, we elected to request and provide in this year's bill a return to a no-year appropriation with a separate title.

We feel that this is being very selective. We would not seek to do this across the board, but because of the peculiar nature of having to do business with NATO countries, who, you may know, are not on an obligation basis as we are. They are on an expenditure basis. In many instances because of cost overruns or scope changes we may have bills presented for obligation of U.S. funds for projects that are 5 or more years old.

So, we think the systems are just not compatible. It is for that reason that we sought a change.

PROBLEMS WITH 1980 PROJECT BIDS

Senator HUDDLESTON. You mentioned the difficulty with some of the bids coming in on the 1980 projects. What is the status of the program for 1980 at this point?

Mr. FLIAKAS. I will provide more specifics for the record, Mr. Chairman. The information that I have is that only one project, I believe, a DLA project, has actually been awarded to date. The 1980 program, of course, has a compressed program, and as you recall, because of the problems I mentioned last year, with the 1979 NATO program, we had to defer defense agency projects. We felt the priority ought to be given to the obligation of those projects because, through the cooperation of your committee, we were able to pay those back after we reprogramed in order to take care of the NATO problem last year.

You recall, sir, that last year we asked for transfer authority. This committee, along with the other Appropriation Committee, provided some $39 million Air Force funds to pay back, in effect, the funds we borrowed from defense agencies in order to complete the NATO program last year.

So, we gave first priority to completion of those 1979 projects. I believe that to date we only have one 1980 project awarded, and that is a small DLA project.

[CLERK'S NOTE.—The Department subsequently informed the staff that the information was substantially correct.]

Senator HUDDLESTON. Do you anticipate any substantial reprograming requests?

Mr. FLIAKAS. No, sir. We hope to complete the program as we have it.

EMERGENCY CONSTRUCTION

Senator HUDDLESTON. Now, you have significantly increased the request for emergency construction over last year's appropriated amount. What was the reason for this?

Mr. FLIAKAS. Sir, last year we requested $20 million for the Secretary of Defense contingency fund, but were provided in appropriations only $5 million. As of today, we have available to the Secretary, and this is the only flexibility he has, some $14 million, including the $5 million that was appropriated in 1980. I have already tentatively given approval for $8.6 million against that $14 million, which means that for the rest of this year the Secretary has absolutely no flexibility.

With things happening in the world today, as we have discussed with you, and I recognize that we won't be able to address all of those things, for example, in the Persian Gulf of the Indian Ocean, through this fund, but we feel that we are dangerously close to depleting it. We feel that $30 million, which was the figure that we provided in the President's budget when we made up the program submission last winter, would have been sufficient in a normal world.

We think that would be the minimum required to at least provide for some of the things that we have discussed. For example, as you know, the Secretary has approved the establishment of a rapid deployment task force at McDill Air Force Base, which is a very valid requirement. On the basis of that direction for a construction requirement that would normally qualify for this kind of funding, we don't have the funds to construct them.

It is essentially, sir, we feel, that there are these projects that come up during the course of the year that are considered vital to the security of the United States, and the Secretary should have some flexibility. Naturally, we do report the use of that authority to the committee.

Senator HUDDLESTON. Does it enable you to move more rapidly if that becomes necessary?

Mr. FLIAKAS. Yes, sir.

OUT-YEAR PROGRAMS

Senator HUDDLESTON. What effect, if any, did the decrease in last year's planning and design funds have on your out-year programs?

Mr. FLIAKAS. Sir, because of some program realinements and the fact that we have a very small program, I believe that it should not be a very significant problem. I am not sure of that answer, and I would like to expand on it for the record, if I may.

Question. What effect, if any, did the decrease in last year's planning and design funds have on your out-year programs?

Answer. Design funds appropriated for the fiscal year 1980 program were $12.0 million or $2.0 million less than requested. As the result of project deferrals or cancellations in the fiscal year 1980 construction program, the fiscal year 1980 design funds necessary to complete the work were lessened. The net effect is that funds provided are sufficient.

Senator HUDDLESTON. All right. We will proceed, then, with the rest of the witnesses. Mr. Fliakas, will you please present them.

Mr. FLIAKAS. All right, sir. If I may ask General Tighe, the Director of the Defense Intelligence Agency, to speak to his program.

Defense Intelligence Agency

STATEMENT OF LT. GEN. EUGENE F. TIGHE, JR., U.S. AIR FORCE, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

PREPARED STATEMENT

Senator Huddleston. General, we are glad to have you with us. Your prepared statement will be inserted in the record at this point and you may summarize.

[The statement follows:]

PREPARED STATEMENT OF LT. GEN. EUGENE F. TIGHE., JR. USAF

DIRECTOR, DEFENSE INTELLIGENCE AGENCY

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Lieutenant General Eugene F. Tighe, Jr., Director of the Defense Intelligence Agency. I appreciate this opportunity to present for your consideration the urgent requirement for construction of the Defense Intelligence Analysis Center.

In accordance with the guidelines contained in the House Appropriations Committee report on the FY 1980 Military Construction Appropriation Bill. The FY 1981 appropriation request is for $32,700,000 of the total $106,200,000 requested authorization. The remainder will be requested in FY 1982. This facility will replace space held under non-renewable lease, unsafe temporary buildings that house about half the work force and permit consolidation of currently scattered operations. These problems must be resolved without further delay.

DIA MISSION

The Defense Intelligence Agency was established in 1961 by the Secretary of Defense under the provisions of the National Security Act of 1947, as amended. The Agency is primarily responsible for managing the intelligence production activities of the DoD, as well as producing intelligence to satisfy the requirements of the National Command Authorities (NCA), Unified and Specified Commands, and the Military Departments. The Defense Intelligence Agency is charged with reviewing, validating, prioritizing, and tasking of Department of Defense military intelligence collection requirements. This responsibility includes the levying of military intelligence collection requirements on actiivties outside the Department of Defense such as the Central Intelligence Agency, Department of State, and other collection activities. Finally, the Defense Intelligence Agency manages all DoD automated intelligence systems and develops training and career programs for all DoD general intelligence personnel.

The Agency performs these functions under distressing working

conditions. Because of these conditions, there is a constant risk that our intelligence operations could be curtailed during crucial situations.

BACKGROUND

About half the DIA work force, and vital electronic data processing and communications equipment, are housed in outdated wood frame buildings that are structurally unsound and economically beyond repair. These buildings can not be improved to comply with fire and safety standards. These conditions present a risk of disruptive intelligence failures during crisis situations. Limitations in our existing facilities preclude us from modernizing in pace with technological advancements, particularly in electronic data communications systems, photographic processing, and imagery analysis.

Expiring and exceedingly expensive lease arrangements for housing vital precision photographic laboratories serving the Intelligence Community threaten the continuity of those operations.

Our analytical operations are currently hindered by dispersion of facilities. In time of crisis, the problem becomes more pronounced. Continuous busing of analysts and other personnel between the various locations results in a loss of valuable analytical time.

Another major concern is that our academic program to train professionals is conducted in dilapidated facilities that are not conducive to quality training.

EXISTING FACILITIES

DIA currently is located at six scattered facilities: Arlington Hall Station, Anacostia Annex, the Cafritz Building, Pomponio Plaza, the Navy Yard, and the Pentagon.

At Arlington Hall Station the Agency is confronted daily with facility maintenance problems, unsafe working conditions, and a growing risk of structural failures that threaten personnel, vital computer equipment valued at more than $23 million and a sophisticated communications center linking a worldwide intelligence network. The buildings are wood frame temporary structures of World War II vintage. They cannot be effectively

sealed against rainfall, and flooding is a common occurrence. Temperature and humidity fluctuate unacceptably. The boiler plant has exploded twice in the last four years.

Buildings housing the Defense Intelligence School at Anacostia Annex are of the same vintage as those at Arlington Hall Station but are in worse condition. The buildings are not weatherproof and classroom conditions in the winter are distressing. The School is the last remaining tenant in the path of demolition that will convert the property into parkland. Security is a major problem. The property is held under a permit with the Department of Interior and METRO plans to use a portion of the property for parking.

The Cafritz Building is a converted warehouse in the Pentagon City tract. It houses precision photo processing laboratories, film files and the personnel management staff for the Agency. It is held under a non-renewable lease expiring in November 1982, and is to be demolished to clear the property for high rise development. An extension of the lease is needed to permit the photo laboratories to move in July 1983 and become operational in the new facility by January 1984. Building planning efforts are aimed at providing space for these photo laboratories soon enough to avoid extraordinary measures by the government to preclude interruption of photo operations.

The management of human intelligence collection, and estimative and scientific intelligence production operations are performed in the Pomponio Plaza building in Rosslyn. The building is another leased facility. It is a potential security risk, with sound transmission through floor slabs, classified document handling by means of public elevators and a threat of surveillance from surrounding high rise office buildings. Another problem with this location, as with Arlington Hall Station, is the constant travelling of analysts between other Agency locations.

At the Washington Navy Yard we have a photographic interpretation group, collocated with CIA.

The Pentagon houses the DIA Command Element, current intelligence,

the National Military Intelligence Center, collection management, plans, policy and support.

Some management elements currently stationed in the Pentagon will move to the new building. The Command Element, which must maintain daily contact with OSD and the Joint Staff, the National Military Intelligence Center, which is collocated with the National Military Command Center, and current intelligence operations will remain in the Pentagon. A small support contingent will also remain.

THE DEFENSE INTELLIGENCE ANALYSIS CENTER CONSOLIDATION PLAN

The Defense Intelligence Analysis Center is designed for construction at Bolling Air Force Base on a 48-acre tract north of MacDill Boulevard which is an extension of the Portland Street entrance off the I-295 and South Capital Street corridor.

The building is designed to house 2739 personnel in a gross area of 845,920 square feet. The design concept envisioned these major objectives:

Productivity: The facility system will station analysts and the support they require in a way that will achieve a high order of efficiency in the production of intelligence. Support systems and traffic circulation patterns will be laid out to bring support to the analysts.

Technology: Design will seek to harness advancing technological developments and achieve economies in supporting these objectives:

Conserve energy by reducing or eliminating dependence on fossil fuels. Provide an automated building management system to regulate the use of energy. Employ systems to recover and recycle scarce resources. Strike the best possible balance in cost/benefit ratios to protect the environment, promote pollution abatement and provide a safe working environment.

Finished designs confirm that construction will achieve these objectives and save approximately $9.85 million annually. The facility is organized vertically to minimize walking distances and create desirable adjacencies between analytical and support elements. A major time saving feature of the facility is a vertical service core that will provide support and service functions for analysts at each floor, such as mail, library and other services, supplies, equipment maintenance, vending and a

pneumatic classified waste disposal system connected to the energy plant. For environmental protection there is a contaminated waste treatment system within the facility to prevent toxic effluents from escaping into the air and water. This system is expected to save about $1 million annually by avoiding the dangerous and expensive alternative of trucking toxic substances away from the facility. We are advised that EPA considers the system a model for employment in industrial operations in the 1984 time frame. Heating and cooling will be met under normal conditions by recapturing waste heat from illumination and equipment operations and through solid waste incineration for steam generation, resulting in savings of over $1 million annually in fossil fuels. A small supply of fuel will be maintained for emergency electrical power generation during any protracted commercial electrical power outage. An uninterruptible power source will be available for brief power irregularities and outages. Systems will also be employed to recover increased amounts of precious metals from photo processing operations and recapture some chemicals for reuse in film development.

Industrial functions and a cafeteria will be housed on the ground level. The industrial functions include photo processing laboratories, a print plant, computer complex, communications center, maintenance shops, storage and loading docks. Intermediate levels provide space for management, a library, the Defense Intelligence School and an auditorium. Upper levels house analytical operations which occupy about one-half the total building space.

Ninety-five percent of the building is secured by sound rated walls and doors protected by alarm devices.

After consolidation at Bolling, DIA will vacate facilities at Arlington Hall Station, the Cafritz Building, Anacostia Annex and Pomponio Plaza. Photo interpretation activities will remain at the Navy Yard.

It is estimated that consolidation at Bolling will be achieved in June 1984 with approval of the project in FY 1981. Photo processing equipment and computers are scheduled to occupy the new facility in July 1983 followed by the remainder of the Agency in January 1984, bringing to an

end the risks imposed by leases that are running out and worsening environmental conditions in temporary buildings.

ALTERNATIVES TO NEW CONSTRUCTION

There are two potential alternative approaches to new construction in acquiring facilities: Use other government buildings or lease. Both have been subjected to continuing examination over the past five years and neither is feasible in the foreseeable future.

Use of Other Permanent Government Buildings: There are no unoccupied government buildings, military or GSA, available or expected to become available in the National Capital Region (NCR). An investment of $136 million would be needed to refit space for our analysis center and to erect a new facility for displaced functions. In addition, there will be sizeable relocation and disruption costs. Three or more additional years of planning would be needed, with attendant cost increases. In the inventory of government buildings in the NCR there are 20 large enough to house DIA. None is available without displacing other agencies.

Leasing: There are no unoccupied leased buildings in the NCR. Surveys accomplished by the government and associations representing building owners and managers show a current occupancy rate of about 95 percent in privately owned office space in Washington. These surveys also show that no privately owned space is apt to become available for tenants with more than 100 employees. Furthermore, Congress and OMB have placed severe constraints on GSA authority to acquire additional privately owned buildings for leasing. If a privately owned building were constructed to meet required security specifications and leased to GSA for our use, rental costs would be about $186 million in an eleven year period. The Defense Intelligence Analysis Center, planned for construction on government-owned land, is predicted to pay for itself in the same period. Furthermore, rental rates for privately owned office space in Pomponio Plaza have increased more than 40 percent from FY 1979 to 1980. This trend is expected to continue.

CONSIDERATION OF ALTERNATIVE CONSTRUCTION SITES

A total of 58 separate site evaluations was accomplished in 36 localities, comprising all available property in the National Capital

Region. When such things as availability of the property, proximity to the Pentagon, accessibility, supporting utilities, and site development costs were considered, only six were deemed suitable.

They were Arlington Hall Station, Bureau of Public Roads at McLean, Navy Yard Annex in Washington, D.C., the Pentagon, Bolling Air Force base, and Fort Belvoir. After careful evaluation, the Bolling site was considered most suitable.

THE BOLLING SITE

The installation is compact. It is approximately three miles in length and averages two-thirds of a mile in width. Its compact configuration minimizes costs of extending utilities to the building site. Access to the site is adequate. The landform is level, simplifying the site development effort. The reservation is secure, bounded by a fence line and water frontage, and guarded by military personnel. It is free from encroachment by potential high rise development. Adequate utility services can be provided. Development of the site for the Defense Intelligence Analysis Center is embodied within the Bolling/Anacostia Environmental Impact Statement filed with the Council on Environmental Quality in July 1973 and with the updated Environmental Impact Assessment filed with the National Capital Planning Commission in 1977.

BENEFITS

The Defense Intelligence Analysis Center, when constructed, will save about $9.85 million. Without considering inflation or interest, the cost of construction will be amortized over an eleven year period. As mentioned earlier, a lease for the same period is estimated to cost $186 million. The new facility at Bolling is expected to have a residual value of $157 million after forty years of use.

INCREMENTAL FUNDING

We are requesting full authorization of $106.2 million in FY 1981, and our appropriations request is divided over a two year period with $32.7 million for FY 1981 and $73.5 million for FY 1982. A single contract will be awarded and construction will be continuous. Phased construction to

provide a fully operational segment of the project with each appropriation request would be exceedingly expensive and would delay occupancy of the new facility. Revised design plans would be required and would have to be coordinated again with the National Capital Planning Commission, the Commission of Fine Arts and all other regulatory bodies.

In summary:

A facility to house our defense intelligence analysis operations is urgently needed to:

Avoid an ever present risk of disruptive military intelligence failures with possible injury to personnel due to deteriorating temporary buildings.

Provide new space for vital operations housed in leased facilities that are to be demolished by the owner.

Consolidate our facilities.

New construction at Bolling is the most cost effective course of action. Design for the new facility is complete.

Mr. Chairman, I have with me Mr. Carl H. Norton, Assistant Director for Resources and Systems, and Mr. James H. Bowman, Special Assistant for Facilities. We will be pleased to respond to any questions you may have.

SLIDE PRESENTATION

General TIGHE. In addition to my submitted statement for the record, Mr. Chairman, I would like briefly to go through a few slides that will describe my petition for an approval of the funds to go ahead with the construction of the new building for the Defense Intelligence Agency at Bolling Air Force Base in the fiscal year 1981 budget.

Senator HUDDLESTON. Fine.

General TIGHE. May I have the first slide, please?

The Defense Intelligence Agency, I feel, is a very vital part of the Nation's resource in intelligence, both at the national level and certainly throughout the Department of Defense. We feel at the present time a great number of our functions are at risk because not only of inadequate and unsafe conditions, but those conditions which are conducive to tragedy and to loss of security.

They become increasingly acute before us, and the need to consolidate our function at the permanent facility cannot be ignored. I hope today that I can describe the center plan for construction in such a way that you will get the view that I have of my widely separated agency here in Washington, D.C.

When I talk about the fact that the program has been long needed, I would remind that we have requested appropriations for such a center, in 1964, 1965, 1968, and 1970, for construction at Arlington Hall Station and in 1976, at Bolling Air Force Base, where the Government was attempting to consolidate Federal facilities. We face the imminent loss of leased space housing, our main industrial plant, the photo laboratories, particularly requires a very great amount of our attention.

The conditions in some of our buildings, as I said, are very unsafe. We are housed there at Arlington Hall Station and down here at the Anacostia Annex in World War II temporary wood frame buildings.

ARLINGTON HALL

Senator HUDDLESTON. For my own edification, where is Arlington Hall? I should know that, but I don't.

General TIGHE. It is off Route 50 about 1½ miles beyond Fort Myer. Before World War II, it was a girls' school, and during the war the Army Security Agency took it over and started using the main school building. Soon barracks were built around it. It is those barrack-type buildings that DIA now occupies.

Senator HUDDLESTON. All right. Thank you.

LOCATIONS OF DIA OPERATIONS

General TIGHE. The six scattered locations that DIA operates from means that I have an awful lot of my operation traveling from one point to another. As a matter of fact, 480 to 500 of my people travel to various and sundry places to do their duty each day, to meet with committees of their counterparts in the other agencies, DIA, CIA and NSA, and so forth.

I think especially of great concern to me is the fact that they are all carrying very highly classified intelligence with them, and I have great concern for that kind of movement of these classified documents around the town.

This shows where those various locations are. The Cafritz building, down near the Pentagon and National Airport, is the site of my main industrial facility. I have photo interpreters working at Building 213, which is in the Navy Yard. My Defense Intelligence School is in the old Navy Complex, which we call World War II revisited, over here in Anacostia. And the leased space at Pomponio Plaza for my attaché management, scientific and technical, and estimative intelligence staffs.

At Arlington Hall we have not only the largest number of our analysts, but we also have our computer processing and a great amount of our printing and library functions. This is what is happening to some of those World War II buildings at Arlington Hall and at Anacostia Annex. Particularly what you are seeing as you look back to the second and third timbers separating from the outside walls. The joist has slipped off its support and the walls have had to be brought back to a vertical position with cables and turnbuckles.

The fact that our boiler plant in Arlington Hall is in a very flimsy location was the cause of a great fire, which of course affects our whole operation there, including our very, very important com-

puter system. Operations are in kind of a flood-plain area at Anacostia. That brings us, of course, a big water problem there all the time. This shows what is typical of our subflooring when we have one of those high water situations, and of course that is typical of an old World War II barracks, the seeping effect just about every time we have a hard rain.

We have safety hazards. We have people who are working directly in front of live steam lines. We have various and sundry safety devices around. They are certainly insufficient to what could be a tragic location, where we have not only a fire hazard, but extraordinarily expensive equipment located.

Here you see what we have to do with our safes. We found out that it would cost about $17 million to strengthen the floors of the buildings at Arlington Hall sufficient to take those heavy safes. Actually, the floor loading capacity is less than 65 pounds per square foot. Ordinary office space is about 100 pounds per square foot.

What we have done in cooperation with the building engineers, is aline them with the columns in the center of the facility, so the greatest strength of the floor is used. This gives an artist's conception of the center. I am not sure it will ever look that good, but it is beautiful to us, and what we hope to see at Bolling Air Force Base.

Actually, what you are seeing here is a central support core, the highest part of the structure. In that will be the delivery systems for services, supplies, materials, and printed products. This is another view of the model.

Here we are seeing the overall plan for which the Congress has appropriated the planning money. We have completed about $6 million of planning for it. We don't expect to require any fossil fuels in the building. It would use a system of taking care of all waste to both heat and cool the building. We hope that that will save a considerable amount of energy down through the years ahead.

Senator HUDDLESTON. Will this accommodate all of your operation, then?

CAPABILITY OF FACILITY

General TIGHE. Yes. The facility will handle about 2,700 of our people, and we will still have the photo interpreters working in the Navy Yard, with the CIA, and we will have the National Military Intelligence Center and my headquarters offices in the Pentagon, but it will house the bulk of our analysis, and all of our school and industrial operations.

We have, of course, had to plan this building with all of the commissions one must plan with in this city, the Commission of Fine Arts, the National Capital Planning Commission, the city of Washington, D.C., the Environmental Protection Agency, and so forth, and each of them finally has granted their approval, although there have been modifications of plans down through the years. We are asking, of course, for the amount in the budget sufficient to carry us into the first part of a continuous construction program and a single award. That amount is about $32 million this year, and about $73 million next year.

We believe that we can get the project awarded by December of this calendar year if we get approval in the fiscal year 1981 budget.

We believe that we can beat the lease, which is expiring on our main photo facility out at the Cafritz Building in the 1983 era, and they would be the first people to move in. Gradually we would in 1984 complete the move of all of our people and have it fully operational in June of 1984.

The savings we have forecast for this building amount to an annual amount of $9.85 million. We believe we can amortize the construction cost in 11 years and all of the first costs in 12. The residual value of this building is estimated to be $157 million in 40 years.

The efficiency, however, and all of the attractiveness of being able to hire people into a decent home for very important analysis is in my view extraordinarily significant.

PREDICTED ANNUAL SAVINGS

Senator HUDDLESTON. How did you arrive at that savings figure, General?

General TIGHE. I will furnish all of the components for it, but it has to do with the alternatives in terms of what we are paying now in lease cost. It has to do with travel, cost avoidance as far as heating, cooling, and so forth. We are talking about saving 1 million gallons of burner oil per annum. We are talking about pollution abatement. We are talking about equipment rental, and a drop in the telephone equipment rentals.

We are talking about a reduction in the number of guards required, which is going to really drop significantly, and alarm systems, and so forth, for one facility as opposed to a great number of temporary facilities throughout the town.

I believe, as a matter of fact, my formal statement has considerably more detail than that. If it does not, I will furnish additional material for the record.

Senator HUDDLESTON. Very well.

[The information follows:]

The predicted annual savings

	Millions
Savings in host tenant costs	$3.87
Increased productivity through consolidation	2.04
Energy savings	1.65
Pollution abatement savings	1.00
Reduction in administrative telephone service	0.12
Reduction in guard service	.71
Reduction in alarms	.46
Total	9.85

ALTERNATIVES TO BUILDING

General TIGHE. We have looked through all these years at a significant number of alternatives to this building. We realize it is a very expensive one. We have looked for Government buildings in a very wide area. We have, of course, examined anything that had anywhere near the amount of floor space. We have, of course, found nothing that is available.

We also note that the Congress, of course, is considerably against the buying or acquiring of a leased facility that is built for us by

somebody else. We note that if we were to get a privately leased building in this town for our requirements, that the rental costs would probably be more than $186 million over the 12-year period that we are talking about here. So, we believe that since we can pay for that building in that amount of time, it is a very effective project.

There is impact of denial of the request, of course. We will have immediately to spend considerable study on finding an alternative to our current photo lab at Cafritz. That is going to be part of the Pentagon City complex. We are going to have to make sure that we do not risk the disruption of any of the functions that occur there. We will, of course, also have to then start the process again of trying to find some kind of an alternative, which will probably, if we are to get equal or better facilities, require that new construction of some kind be encouraged or through some kind of a lease.

Of course, we find over the years we pay a terrible price for the leased property that we already have, the Pomponio Plaza area being a very good example. So, I ask your support. We believe it is extraordinarily important that the Defense Intelligence Agency have a common interchange between the national intelligence producers here and, as you know, we are significantly involved in supporting the activities of all houses of Government.

We expect to remain as supportive as we have been in the past. We have a school that depends largely on the quality of visiting professors that are available here in the Washington, D.C., area. The majority of our students come from this area. So, the alternatives of having this any place outside the Washington area would be most unattractive in terms of travel, and getting the kind of quality that we can get by the very location of these high Government officials in this area.

I will be very happy to answer any questions.

Senator HUDDLESTON. That is a very good presentation. I do not think you leave any doubt about the desirability or I might even say the necessity of this particular project, although it is a big ticket item. Because of the cost, we have to look at it longer and harder than we might otherwise. However, since I serve on the Intelligence Committee, I have as much appreciation for your problem as most.

I would like to be very helpful to you in this.

DATE OF COST ESTIMATES ON CENTER

Let me ask, when were the cost estimates made on the center?

General TIGHE. The most recent ones, in September 1979, sir.

Senator HUDDLESTON. Do you feel those figures will hold up through the bidding process with inflation like it is?

General TIGHE. We used, of course, the inflation rates that OSD asks, and I notice we had through midconstruction, which is about June 1982, 23.6 percent allowed, which seems an awful lot. I don't know whether or not I could forecast any better than that on the inflation rate.

STATUS OF CONSTRUCTION IN DISTRICT AREA

Senator HUDDLESTON. Do you know what the construction situation is in the District area at the present time?

General TIGHE. It is fairly much the same. We sampled other cities, for example. To test equivalent costs, for example. The construction costs for the building here are compatible to what they would be in Houston under the same specifications. We tried a couple of other cities. Atlanta, Ga., for example, which is considered a fairly low cost area.

Senator HUDDLESTON. In spite of high interest rates and whatever, it doesn't appear that construction in the area has declined a whole lot. I am sure home building has but perhaps not other construction. I was wondering if that would have any effect on the bids.

General TIGHE. I would suggest that probably if you count the number of cranes around town, it might be a good time to start this construction.

Mr. FLIAKAS. I might add, Mr. Chairman, in this case we are very far along in design. We do have a great deal more confidence in the design and in the cost estimates as a result. As the general indicated, this project will be able to be awarded fairly early in the fiscal year. The design is just about complete.

General TIGHE. Yes; it is.

Senator HUDDLESTON. That would be before the end of this calendar year?

Mr. FLIAKAS. Yes. Assuming the funds are available to us in October, we should be able to hit the street and get a leg up on that construction.

Senator HUDDLESTON. Does this building have technically unique features as far as security, soundproofing, et cetera, that contributes to the cost?

General TIGHE. Yes, it does, and of course that adds significantly to its cost. The soundproofing and security systems provided and other unique features for the whole building added about $18 million to the cost.

Senator HUDDLESTON. General, I think you have pretty well covered this matter. We will do the best we can to get you started.

General TIGHE. Very good. I thank you for your support, sir.

Mr. FLIAKAS. I would like to add, Mr. Chairman, that the building being located at Bolling Air Force Base is compatible with the National Capital region plan we have developed for this area. The overall plan is to consolidate over 80 activities that we have throughout the National Capital region into 20 or 30 locations, and we have filed this plan with the National Capital Commission, the Planning Commission. The city of Washington has agreed to it.

So, we are pretty far along in the planning. All we need now is the authorization for the funds.

STATUS OF LOW-INCOME HOUSING PROJECT

Senator HUDDLESTON. I understand at one time there was some talk of locating a low-income housing project. What has happened to that?

Mr. FLIAKAS. At that time, it was Mayor Washington who did indicate that the northern part of that area, the Anacostia side, should be provided to the city. Ever since flying stopped there at Bolling the city has coveted that area, but about 3 years ago we convinced the city that the cost would be prohibitive to put housing there. Also, the attraction of a major work center such as DIA would also provide benefits to the area. We have had traffic studies made. We have had studies made with regard to the impact on the vicinity, and the former mayor, Mayor Washington, approved the project and endorsed it completely.

Since the new mayor has been in office, we have heard absolutely no objections from them. The National Capital Planning Commission has approved the plan. So has the Commission on Fine Arts. We feel that we have touched all the bases.

General TIGHE. It is quite interesting, Mr. Chairman, that they approved everything, even the texture of the outside material of the building, which we submitted in samples. Carter Brown just approved it. His Commission just approved that material.

Senator HUDDLESTON. It is esthetically acceptable?

General TIGHE. Yes. It is cheap also. [General laughter.]

Senator HUDDLESTON. Thank you, General. Thank you very much.

DEFENSE LOGISTICS AGENCY

STATEMENT OF COL. LAWRENCE R. SMITH, STAFF DIRECTOR, INSTALLATION SERVICES AND ENVIRONMENTAL PROTECTION, DEFENSE LOGISTICS AGENCY

PREPARED STATEMENT

Mr. FLIAKAS. Mr. Chairman, I would like to ask Colonel Smith, the Staff Director for Installation Services and Environmental Protection, Defense Logistics Agency, to come forward.

Senator HUDDLESTON. Fine. Colonel, your prepared statement will be placed in the record at this point.

[The statement follows:]

PREPARED STATEMENT OF COL. LAWRENCE R. SMITH, STAFF DIRECTOR FOR INSTALLATION SERVICES AND ENVIRONMENTAL PROTECTION, DEFENSE LOGISTICS AGENCY

Mr. Chairman and members of the committee, I am appearing today in support of the Agency's fiscal year 1981 military construction program to request approval of seven projects totaling $10,130,000. Two of the projects are for correction of pollution problems and fire protection deficiencies at two of our fuel terminals. The first is for the defense fuel support point at Norwalk in California (page 12) and provides for sealing of dikes around tanks and other work required to insure positive containment in the event of spills or leaks. This project also includes installation of a foam injection feature to the fire suppression system. The second fuel terminal project is at Searsport, Me. (page 15) and provides for floating pans on tanks to control vapor emissions and also improvement of the fire suppression system. Two of the projects are energy conservation investment projects and provide for installation of energy management control systems at defense electronics supply center at Dayton, Ohio (page 10) and the defense personnel support center at Philadelphia, Pa. (page 17). These two projects will permit monitoring and control of energy consumption in the high energy use buildings of the centers. The next project provides for improvements to our subsistence cold storage facilities located at the army's ocean terminal at Bayonne, N.J. (page 19). Project provides for expansion of facility capability through enclosing of docks, construction of addition to allow consolidation of administrative and other functions and other improvements. The sixth and last project for inside the United States is a project (page 22) required to accommodate a changeover in computer equipment at the defense technical information center at Cameron station in Alexandria, Va. The project provides for space necessary to accommodate new equipment, while accommodating existing equipment, in order to permit continued operation of this activity, which is totally dependent on computer operations. The last project for the agency (page 46) is located in Germany and provides for replacement of covered storage space and improvement of open storage areas and bins at the defense property disposal office at Bitburg.

The DIA program also includes 4 projects for minor construction at specified locations for a total of $1,230,000.

DOMESTIC AND FOREIGN PROJECTS

Colonel SMITH. Mr. Chairman, I am appearing today in support of the Defense Logistics Agency fiscal year 1981 military construction program to request approval of seven projects, six inside the United States and one in Germany. Two of the projects are for correction of pollution problems and fire protection deficiencies at two of our fuel terminals. Two of the projects are energy conservation investment projects. The fifth project provides for improve-

ments to our subsistence cold storage facility, which is located at Bayonne, N.J.

The sixth and last project inside the United States is required to accommodate a changeover in computer equipment at the Defense Technical Information Center located at Cameron Station. The last project for the agency is located in Bitburg, Germany, and provides for replacement of covered storage and improvements to open storage areas at our property disposal area.

Sir, a detailed statement has been provided to the committee along with backup documentation, and with your permission I would like to avoid reading it at this time.

Senator HUDDLESTON. We will include the entire statement in the record.

Colonel SMITH. Are there any questions, sir?

Senator HUDDLESTON. Just some general questions.

ENERGY CONSERVATION PROJECT

You have programed $730,000 for an energy conservation project for the Defense Electronics Supply Center at Dayton. What is the amortization period of this project?

Colonel SMITH. Approximately 4.97 years, sir.

Senator HUDDLESTON. Does it involve changing the type of fuel you use, or will you be using less?

Colonel SMITH. It uses less and gives us a better facility in utilizing the energy that we are now creating there in a more effective manner. We will have an annual savings of approximately $146,700 per year, sir.

DEFENSE FUEL SUPPORT POINT

Senator HUDDLESTON. Turning to the Defense Fuel Support Point in Searsport, Maine, was consideration given to replacing the fire suppression system with a fresh water system?

Colonel SMITH. Yes, sir. Analysis of the use of the city of Searsport water system for fire protection showed the system to be inadequate to provide the quantity of water necessary for fire protection. In addition, based upon a study that we conducted in 1977, and updated each year since then, it is approximately 16 percent less costly to do it by the salt water system versus using fresh water from the city of Searsport.

Senator HUDDLESTON. I guess there is no difference between the effectiveness of salt water and fresh water as far as fire is concerned.

Colonel SMITH. No, sir.

EXPANSION OF ADP FACILITIES

Senator HUDDLESTON. You requested $850,000 to expand ADP facilities at the Defense Technical Information Center. After the 6-month dual operation period for the computers, how do you intend to utilize the vacated space?

Colonel SMITH. To make space available for the new ADP equipment and personnel currently in the area, which would be relocated temporarily. Once we make the changeover they will relocate back into the area where the old equipment is now being used, sir.

Senator HUDDLESTON. So all the space will be utilized.

Colonel SMITH. Yes, sir.

Senator HUDDLESTON. Have funds for the new computer at the Defense Technical Information Center been authorized and appropriated?

Colonel SMITH. They have not been authorized or appropriated as of yet, sir. Lease money for the new computer is contained in our fiscal year 1983 program and purchase funds are included in our POM for fiscal year 1984.

Senator HUDDLESTON. Is that to give time for the expansion to take place?

Colonel SMITH. Yes, sir.

Senator HUDDLESTON. Before we order the equipment?

Colonel SMITH. To order the equipment, the RFP, and also do the construction. This is taken into consideration.

Senator HUDDLESTON. Colonel, thank you very much. I think we have covered that.

Colonel SMITH. Thank you, sir.

DEFENSE MAPPING AGENCY

STATEMENT OF MAJ. GEN. WILLIAM L. NICHOLSON III, USAF, DIRECTOR, DEFENSE MAPPING AGENCY

PREPARED STATEMENT

Mr. FLIAKAS. Mr. Chairman, the Director of the Defense Mapping Agency, General Nicholson.

General NICHOLSON. Good afternoon, sir.

Senator HUDDLESTON. General, welcome.

General NICHOLSON. We have a brief statement for entry into the record, with your permission, sir.

Senator HUDDLESTON. It is so ordered.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. WILLIAM L. NICHOLSON III, USAF, DIRECTOR, DEFENSE MAPPING AGENCY

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to discuss with you the Defense Mapping Agency's Military Construction Program for fiscal year 1981. Our program is a single project here at our Hydrographic/Topographic Center in suburban Maryland. The estimated cost of this project is $1.5 million.

The Agency requires this project to support an additional $5 million in equipment needed to produce maps and charts to meet specific contingency needs. These products were previously recognized as validated requirements but our limited production capability precluded satisfaction of the requirements under previous priorities. Certain of these products have now been assigned very high production priorities for the near term to support the Rapid Deployment Force. The equipment is programmed to be used by 45 of the 150 additional personnel recently authorized the Agency to accomplish this type of production. This project is proposed at this time so that facilities will be available when the new equipment arrives. Any delay in this project would necessitate delaying delivery of equipment with the resultant delay in production of high priority products required in the near term to support the Rapid Deployment Force. This project involves converting warehouse space into map library space and then converting the existing library into equipment space with the stringent temperature and humidity controls necessary for the effective equipment operation.

We believe this project is essential if this Agency is to support the Armed Forces of this Nation and solicit your support. I'd be happy to answer any questions you may have.

General NICHOLSON. We have a request for one project this year $1.5 million to house technical equipment and people at our Potomac River plant, in support of the new requirements for the Rapid Deployment Force.

Senator HUDDLESTON. Was this item added after the announcement on the Rapid Deployment Force?

General NICHOLSON. Yes, sir, it has been added.

Senator HUDDLESTON. Are you currently doing this type of work? If so, where are you doing it at the present time?

General NICHOLSON. The requirement that has been developed focuses on the Persian Gulf area. At the time that the RDF was approved, our effort in that area was minimal. Our prime effort has been dedicated to support the strategic missile systems that will be procured, and other more critical areas, prior to the estab-

lishment of the RDF. With the establishment of the RDF and the focus on the Persian Gulf area, it became necessary to obtain additional people, additional money, and this project, in order to house approximately 45 people and 13 pieces of new technical equipment to produce the digital data which will be shipped to our San Antonio and Providence field offices to produce charts to support the Persian Gulf operations.

CRUISE MISSILE

Senator HUDDLESTON. What about the introduction of the cruise missile? Will that impact on your workload?

General NICHOLSON. Not on this workload, no, sir. We have a fence built around that capability in order to meet our projected IOC's.

Senator HUDDLESTON. Do you foresee any increased workload or any increased construction requirements with regard to the introduction of the cruise missile?

General NICHOLSON. Not based upon current and known requirements. If those requirements increase beyond what we anticipate, there could be construction projects in the future. If there is a significant augmentation of the Defense Mapping Agency in terms of either equipment or people, then we face a need for additional construction.

Mr. FLIAKAS. Mr. Chairman, General Nicholson, of course, is speaking from the standpoint of the Defense Mapping Agency, and the mapping requirements.

Senator HUDDLESTON. That is what I was referring to also.

Mr. FLIAKAS. Obviously, we do have other construction requirements.

Senator HUDDLESTON. I understand. I am just talking about General Nicholson's area.

I think that covers it, General.

General NICHOLSON. All right, sir. Thank you very much.

Senator HUDDLESTON. Thank you.

National Security Agency

STATEMENT OF THEODORE L. NEWBERG, CHIEF OF INSTALLATIONS, OFFICE OF INSTALLATIONS AND LOGISTICS, NATIONAL SECURITY AGENCY/CENTRAL SECURITY SERVICE

PREPARED STATEMENT

Mr. Fliakas. Sir, the National Security Agency Chief of Installations, Mr. Newberg, has a brief statement on behalf of his project.

Senator Huddleston. All right.

[The statement follows:]

Prepared Statement of Theodore L. Newberg, Chief of Installations Office of Installations and Logistics, National Security Agency/Central Security Service

Mr. Chairman and members of the Committee, The National Security Agency requests approval for fiscal year 1981, three construction projects at a total cost of $8,450,000.

The first project is for the construction of an addition to Operations Building No. 3 at Fort Meade, Maryland, at a total cost of $5,067,000. The National Security Agency has recently undertaken initiatives to upgrade its capabilities [deleted]. This proposed addition is to correct this situation.

The second project is for alterations to a Remote Operating Facility at Kunia, Hawaii, at a total cost of $2,700,000. [deleted.]

The third project is for the construction of operations facilities for Interim Ladylove Deployment at a classified location and at a total cost of $674,000. This project will provide facilities for the interim deployment of a new operational electronic system which is targeted for use by mid 1982. The interim installation will be housed in equipment vans and will be followed by a complete system installation to be housed in a new operations building which is proposed in the NSA fiscal year 1983 construction budget.

This concludes the NSA fiscal year 1980 Construction Program for which $8,450,000 is requested.

BUDGET REQUEST

Mr. Newberg. Mr. Chairman, the National Security Agency requests approval, for fiscal year 1981, of three construction projects at a total cost of $8,450,000.

The first project is for the construction of an addition to Operations Building No. 3 at Fort Meade, Md., at a total cost of $5,067,000. The National Security Agency has recently undertaken initiatives [deleted]. This proposed addition is to correct that situation.

The second project is for alterations to a Remote Operating Facility at Kunia, Hawaii, at a total cost of $2,700,000. [Deleted].

The third project is for the construction of operations facilities for interim Ladylove deployment at a classified location and at a total cost of $674,000. This project will provide facilities for the interim deployment of a new operational electronic system which is targeted for use by mid-1982. The interim installation will be housed in equipment vans and will be followed by a complete system installation to be housed in a new operations building which is proposed in the NSA fiscal year 1983 construction budget.

This concludes the NSA fiscal year 1980 construction program for which $8,450,000 is requested.

Senator HUDDLESTON. Thank you very much. I think because of the nature of your project and the fact that you have outlined it pretty well, we will forego any questions at this time. If we have them between now and markup, we will arrange to cover them in a secure fashion. Thank you.

Mr. NEWBERG. Thank you, Mr. Chairman.

Mr. FLIAKAS. Thank you, Mr. Chairman.

DOD Dependents Schools

STATEMENT OF DR. ANTHONY CARDINALE, DIRECTOR, DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

PREPARED STATEMENT

Mr. Fliakis. Our final witness is Dr. Cardinale, who is the Director of the Department of Defense Dependent Schools.

[The statement follows:]

Prepared Statement of Dr. Anthony Cardinale, Director, Department of Defense Dependents Schools

Mr. Chairman and Members of the Committee: It is a privilege to appear before you to present the Department of Defense Dependents Schools (DODDS) fiscal year 1981 Military Construction (MILCON) Program.

Over the past several years, the Department of Defense has been severely criticized by Congressional Committees, the General Accounting Office, the North Central Association of Schools and Colleges which accredits DODDS schools, and other organizations concerned with the extremely poor condition of many of the DODDS facilities. Within the Defense community itself, senior commanders have repeatedly expressed concern over the impact the schools have on morale and retention.

Many of the 277 schools, which serve approximately 140,000 DODDS students, do not meet even minimum standards established for stateside schools. DODDS has made significant progress in upgrading these schools, and eliminating those that are substandard, overcrowded, and unhealthy. Much more still needs to be done.

During the past two years, DODDS has made an assessment of the condition of its schools. It has identified and consolidated current essential requirements worldwide for school construction projects totaling approximately $500,000,000. After decades of neglect, it is essential that inadequate school facilities be replaced as rapidly as possible.

Funding of $48,351,000 is requested for 14 urgently needed school construction projects that are included in the current DOD fiscal year 1981 MILCON Program. These projects, which are currently under final design, are summarized as follows:

Country	Number of projects	Project cost
Bermuda	1	$2,580,000
Germany	6	16,841,000
Japan	3	16,780,000
Korea	3	10,500,000
Republic of Philippines	1	1,650,000
Total	14	48,351,000

The Department of Education Organization Act, P.L. 96-88, which was signed by the President on October 17, 1979, requires the transfer of DODDS from DOD to the new Department of Education within three years. It is requested that no action be taken to prevent, delay, or jeopardize the programming, design and construction of DOD dependent school projects, overseas during the transition period.

I thank you, Mr. Chairman, for this opportunity to appear before your committee and seek your assistance in our efforts to bring our school facilities up to acceptable standards.

HIGHLIGHTS OF STATEMENT

Dr. CARDINALE. Good afternoon, Mr. Chairman.

If I may, with your permission, Mr. Chairman, I would like to just briefly highlight the main points of my statement.

Senator HUDDLESTON. The statement has been inserted in the record. You may proceed.

Dr. CARDINALE. During the past years the DOD Dependents Schools have been criticized by various congressional committees, by the General Accounting Office, and by the North Central Association of Schools and Colleges. This is the association that accredits all of our high schools and is now in the process of accrediting the elementary and middle schools as well.

We find that a great many of our 277 schools that serve approximately 140,000 children do not meet the minimum standards that we would accept here in the United States. Many of them are substandard. Many of these schools and classrooms are overcrowded, and many of them, I hasten to say, are unhealthy and in my judgment unsafe for students.

Over the last year or so, in consolidating our requirements, we estimate that we need approximately $500 million for the complete renovation of these schools or construction of these schools on a worldwide basis. We are asking in our fiscal year 1981 MILCON program for $48,351,000 to finance 14 urgently needed school projects, one in Bermuda, six in Germany, three in Japan, three in Korea, and one in the Republic of the Philippines.

With that, Mr. Chairman, I would be happy to answer any questions.

DOE CONTROL OF DOD DEPENDENT SCHOOLS

Senator HUDDLESTON. Fine. When is the Department of Education expected to take control of the DOD Dependent School System?

Dr. CARDINALE. The Department of Education Organization Act, Public Law 96-88, was signed by the President on October 17, 1979. This act requires the transfer of the DOD Dependents Schools to the Department of Education within 3 years. A complete transfer plan will be submitted to the Congress in October 1980. Subject to approval of the plan by the Congress, the phase in of the DOD overseas Dependents Schools is tentatively scheduled to be completed by October 1, 1981.

Senator HUDDLESTON. What will your responsibility be as far as the physical facilities and construction? Does that go to the Department of Education also?

Dr. CARDINALE. The Department of Defense will still be the construction agent for overseas school construction projects, but the programing, budgeting, and planning will be done by the Department of Education.

Senator HUDDLESTON. The construction will still be in your budget. Is that right?

Dr. CARDINALE. No, sir, it will be on the part of the Department of Education's budget beginning with fiscal year 1982.

Mr. FLIAKAS. We will perform the service, sir, for a fee.

Senator HUDDLESTON. For a fee? You want to be paid to do what you are doing for nothing now? [General laughter.]

Mr. FLIAKAS. There is no free lunch. [General laughter.]

Senator HUDDLESTON. Some of these projects, if they are approved, will be in various stages of construction at that time. Are you still going to be able to effect a transition, do you think?

Dr. CARDINALE. Yes, sir, I don't see any difficulty there, Mr. Chairman, because we have the Corps of Engineers and the Air Force facilities people performing the function for us. As it is now, the cost of the construction is part of the DOD budget. These funds will remain in the 1980 and 1981 budgets for the Department of Defense.

As I mentioned a little earlier, beginning in fiscal year 1982, the Department of Education will program for all aspects of the overseas program.

PROGRAMS IN GERMANY

Senator HUDDLESTON. Now, two of these requested projects in Germany have previously been authorized but not appropriated. Will the authorized amount be adequate to accomplish the project considering inflation and another developments?

Dr. CARDINALE. Yes, sir. We have had this rechecked by the Corps of Engineers, who do most of the work for us, and they have said the figures are still valid figures.

Senator HUDDLESTON. Has the restriction on the number of dependents overseas been taken into account?

Dr. CARDINALE. Yes, sir. That is one of the first things we looked at very carefully. Thus far, the enrollments are holding pretty much to our predictions. We have no indication that there will be any significant reduction in the number of command sponsored, school age dependents at these locations.

HOUSING UNITS AT OSAN AIR BASE, KOREA

Senator HUDDLESTON. Osan Air Base in Korea, there are 200 new family housing units on stream. When will those units be occupied and where will the children attend school if they are occupied before the schools are constructed?

Dr. CARDINALE. I understand, Mr. Chairman, approximately 105 of those housing units will be completed very, very shortly, some time in the latter part of this month or the early part of April. The rest will be completed in November 1980. The very, very young children, we are talking about kindergartners, first, second, and third grade students, will use temporary classrooms at Osan.

The rest of the children, unfortunately, will have to be bused daily some 40 miles away to the elementary school in Seoul.

Senator HUDDLESTON. Is that a U.S. facility in Seoul?

Dr. CARDINALE. Yes, sir.

Senator HUDDLESTON. At best, we are going to have a very difficult period for a while.

Dr. CARDINALE. That is right, Sir.

Senator HUDDLESTON. Will the new building accommodate both the younger students and the older ones?

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Dr. CARDINALE. Not all sir, only students from kindergarten through eighth grade. High school students will still be bused to Seoul.

Senator HUDDLESTON. Have discussions been initiated with the Government of the Republic Of Korea regarding the possibility of host nation support for the schools?

Dr. CARDINALE. Yes, sir, it has. It is my understanding that the Korean Government has taken a very strong position that facilities at Osan Air Base are solely the responsibility of the U.S. Government.

Senator HUDDLESTON. OK. Thank you very much, sir.

Dr. CARDINALE. Thank you, Mr. Chairman.

Mr. FLIAKAS. Mr. Chairman, that completes our list of witnesses on the defense agencies' portion of the military construction budget. With your permission, I would like to switch teams and invite representatives of the Army, Navy, and Air Force to join me, at which time I have a short statement that I would like to highlight for you regarding the quality of life, housing, and community facilities.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Very good. We have several questions relating to the high energy laser test facility which we will submit for the record. Otherwise, we can proceed to the request for family housing.

[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

Senator Huddleston: What is the status of bids on the high energy laser research facility at White Sands, New Mexico?

Answer: The solicitation has been cancelled.

Senator Huddleston: When was the contract to be awarded and when was construction scheduled to begin under the original advertisement?

Answer: With bid opening on 6 March 1980, contract award was planned for 1 April and start of construction 10 days after contract award.

Senator Huddleston: If the scope of the project is reduced, what type of research will be eliminated or scaled down?

Answer: The principal reduction will be a decrease in the fluid supply system's storage capacity such that only 15 seconds of laser run time will be available without resupply, vice the 100 seconds originally planned. With respect to Navy anti-ship missile defense scenarios, the principal effect will be the necessity for frequent resupply. /deleted/.

Senator Huddleston: If the scope of the project is reduced, will only the Navy research be accommodated? If that happens, what are the plans for the Air Force program?

Answer: A reduced scope project will provide all necessary facilities for the Navy project at the MAR (Multifunction Array Radar) site of the High Energy Laser Systems Test Facility, as was true of the original project as appropriated. The design is compatible with the Air Force MRAT program but additional special facilities may be required, e.g. an additional pointer/tracker tower, and will have to be requested in a future year's MILCON request. Construction of facilities for the Joint Short Range Test (JSRT) program, using a pulsed carbon dioxide laser at North Oscura Peak, White Sands Missile Range, have been cancelled, due to technical difficulties with the laser and funding reductions in both MILCON and RDTE programs.

Senator Huddleston: If certain Capistrano capabilities are moved to White Sands, will this provide the same capability for research as originally envisioned at White Sands or will this represent a reduced scope of research?

Answer: The Capistrano fluid supply system will provide 15 seconds of laser run time. The original design would have provided 100 seconds of laser run time.

High Energy Laser Systems Test Facility

Question: Why was the Army Corps of Engineers' estimate so far below the bids received by six companies? What were the major factors in the differences?

Answer: The low base bid for the High Energy Laser Systems Test Facility was $50,787,000 as compared to the Government's estimate of $32,598,199. A preliminary investigation indicates

that the reasons, in part, for the difference between these two figures are as follows:

a. The contractor's bid was based upon supplying solid stainless steel tanks, whereas the Government's estimate was based upon stainless steel liner type construction.

b. The contractor's bid for refurbishing certain surplus tanks being furnished by the Government was significantly higher than the Government's estimate for transportation, manifolding, and cleaning.

c. The contractor included a high cost escalation factor for stainless steel piping in his bid, whereas the Government's estimate included only a modest cost escalation factor.

d. The Government underestimated the cost for concrete.

e. Fuel cost escalation was not considered in the Government's estimate, whereas the contractor included such an adjustment in his bid.

f. The contractor's bid included higher values for equipment rental, small tool expenses, and quality control.

g. Builder's risk insurance and bond were higher in the contractor's estimate.

h. In addition to the above, the subcontractor's overhead and profit and the prime contractor's overhead and profit were significantly higher in the bid. These items are generally computed as percentages of the other cost elements and, therefore, have a compounding effect on the final bid amount.

Further efforts are being made to ascertain all the factors to which the disparity between the Government's estimate and the contractor's bid is attributable. In any case, it appears that the above factors constitute a major portion of the difference.

High Energy Laser Systems Test Facility

Question: When will the equipment for the facilities be ready for operation? When would have the facility been ready for operation if the bids were within the appropriations limit?

Answer: If the contract for the High Energy Laser Systems Test Facility were awarded as scheduled (April 1980), the construction (MILCON) would have been completed and ready for occupancy in October 1982. Installation of the high energy laser system equipment would then require about /deleted/.

Question: The Department has testified before various committees of the Congress that the high energy laser test program and this facility are vital national security programs. The Congress has agreed with this assessment. Is the Department planning to request authorization to reprogram other construction funds in an effort to keep this program on schedule? If so, when can the Congress expect this request? If not, then what does the department intend to do with this vital program?

Answer: The Department is examining all options in terms of proceeding within available authorization and funds, ranging from reprogramming to reducing scope. Should it prove not possible to attain a facility of required scope within available resources, we would plan to seek relief through the legislative process at the earliest opportunity. Until these options have been fully explored, we are unable to provide a specific timetable as to submission either of a reprogramming request or proposed legislation, if required. We do feel that the High Energy Laser System Test Facility is of sufficient importance and urgency that the goal of completing construction in October 1982 should be adhered to if at all possible.

INSTALLATIONS AND HOUSING

FAMILY HOUSING/QUALITY OF LIFE PROGRAMS

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

PERSONNEL FACILITIES

Mr. FLIAKAS. Mr. Chairman, I am pleased to present the portion of the personnel facilities in the Department of Defense military construction program for fiscal year 1981 that could be considered as contributing to the quality of life of our military personnel.

Joining me today are General Read of the Army, Admiral Iselin of the Navy, General Gilbert of the Air Force, who you have indicated are familiar faces.

With respect to the quality of life, this embraces a number of programs and individual projects designed to create an environment which recognizes that our Armed Forces personnel are our most important assets. While precise correlations are not easily drawn, the human dimension of military service, the job, living, and recreational conditions of service life is generally regarded as a highly pertinent variable in the recruitment, retention, discipline, morale, and readiness of military members.

Efforts to improve the quality of service life epitomizes the Department of Defense commitment to treat its military personnel equitably, with compassion, concern, and consideration. From a facilities standpoint, these efforts include the whole range from housing to community facilities, not only for service members, but for their families as well. I would like to speak to each of these briefly.

FAMILY HOUSING

Although I previously submitted a comprehensive statement for the record on military family housing, I would like to outline some of the more important segments of the program. Family housing is a major influence on morale and performance of our married service members. Accordingly, we believe adequate living conditions for families will enhance the effectiveness of our military forces.

The fiscal year 1981 program has been developed to meet the critical housing needs through construction of new housing units, leasing of private community housing and improving and maintaining our large inventory of existing onbase housing assets in a manner which will efficiently and effectively use the resources requested.

The request for appropriation for military family housing for fiscal year 1981 amounts to $2,098,456,000, an increase of $475 million, primarily for new construction, improvements to existing housing, and operation and maintenance.

A comparison of this year's proposed appropriation for military housing with pertinent element breakouts for the previous 2 years is shown on page 3 of my statement.

In 1981, the DOD request for construction of new family housing units will continue our efforts to reduce the buildable programable deficit at installations experiencing buildups and in areas with excessive housing costs. With the support of this committee, significant progress has been made in reducing the deficit. The need for additional onbase military construction, however, recognizes that housing starts in the private sector do not meet the low- and moderate-income needs of this country.

The family housing authorization request contains a new construction program of 2,651 units at 12 locations for a total of $158,891,000. This program, which contains 2,296 units for CONUS installations, 350 units overseas, and 5 units at a classified location, will accommodate the most urgent needs for new construction.

The fiscal year 1981 improvements program of $108,840,000 includes $46,969,000 for energy conservation projects. These programs are essential for modernization of the existing inventory and improved energy efficiency in our family housing units. As an overview, the projects in the fiscal year 1981 energy conservation program are self-amortizing, with an average payback of less than 6 years.

Unaccompanied personnel housing has been and continues to be one of our most important programs. We believe that improved housing for unaccompanied personnel will provide both immediate and long-range benefits through increased reenlistment and heightened morale.

For unaccompanied enlisted personnel housing, the fiscal year 1981 program proposes to construct 9,567 new spaces and to modernize 5,962 spaces for a total cost of $222.3 million. Additionally, fiscal year 1981 program proposes to construct 135 new spaces and to modernize 89 spaces for unaccompanied officer personnel at a total cost of $5.3 million.

We strongly urge your continued support of this very important program.

COMMUNITY SUPPORT FACILITIES

The category of community support facilities in the military construction program is also an important category that contributes to the well-being of individual service members and may generally be considered as an integral portion of the quality of life of military service. These programs encompass facilities for physical conditioning, religious pursuits, education, recreation and child care.

The fiscal year 1981 military construction program includes $71.5 million for community support facilities and $48.4 million for dependents schools overseas. You just heard Dr. Cardinale speak of that program.

The Congress recently requested that the Department of Defense clarify the funding policy for community support facilities. A letter which addresses the concomitant responsibilities of the Federal Government to provide basic community facilities to meet military requirements and those of our service personnel to fund other recreational facilities through nonappropriated fund sources was

sent to the chairman, Senate Appropriations Committee, last month.

It provides a list of the various types of morale, welfare and recreational facilities and a recommended fund source for their construction. All projects in the fiscal year 1981 request are in consonance with this recommended funding policy.

In sum, we support well-justified community support projects that are proposed by the military departments and insure that these projects are given priority compatible to construction of basic military faciities.

In conclusion, I am appreciative of this opportunity to appear before you today to present the Department of Defense fiscal year 1981 military construction program relating to housing and community support facilities.

PREPARED STATEMENT

Thank you. I would like to have my prepared statement placed in the record, Mr. Chairman.

Senator HUDDLESTON. Thank you very much, sir. Your statement will be placed in the record, without objection.

[The statement follows:]

PREPARED STATEMENT OF PERRY J. FLIAKAS

DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

Mr. Chairman and Members of the Committee:

I am pleased to appear before this Committee to present those personnel support facilities in the Department of Defense Military Construction Program for Fiscal Year 1981 that could be considered as contributing to the quality of life of our military personnel.

QUALITY OF LIFE

Quality of Life embraces a number of programs and individual projects designed to create an environment which recognizes that our Armed Forces personnel are our most important assets. While precise correlations are not easily drawn, the human dimension of military service -- the job, living and recreational conditions of service life -- is generally regarded as a highly pertinent variable in the recruitment, retention, discipline, morale and readiness of military members. Efforts to improve the quality of service life epitomizes the Department of Defense commitment to treat its military personnel equitably, with compassion, concern, and consideration. From a facilities standpoint, these efforts include the whole range from housing to community facilities, not only for service members, but for their families as well. I would like to speak to each of these briefly.

FAMILY HOUSING

Although I previously submitted a comprehensive statement for the record on military family housing, I would like to outline some of the more important segments of the program. Family Housing is a major influence on morale and performance of our married service members. Accordingly, we believe adequate living conditions for families will enhance the effectiveness of our military forces. Based on this premise, it is the objective of the Department of Defense to assure that married members of the military services have suitable housing in which to shelter their families.

The Department of Defense relies on suitable private housing for military families to the extent it is available in communities near military installations. Where remaining requirements cannot be accommodated

by a combination of additional community construction and existing on-base housing assets, we request Congressional support in addressing the deficiencies which exist. In this context, the FY 1981 program has been developed to meet the critical housing needs through construction of new housing units, leasing of private community housing, and improving and maintaining our large inventory of existing on-base housing assets in a manner which will efficiently and effectively use the resources requested.

The request for appropriation for military family housing for Fiscal Year 1981 amounts to $2,098,456,000. The total program we are presenting exceeds this amount by $17,300,000 which represents the amount of anticipated reimbursements. This request compares with $1,623,122,000 for Fiscal Year 1980, an increase of $475.3 million primarily for new construction, improvements to existing housing, and operation and maintenance.

A comparison of this year's proposed appropriation for military family housing with pertinent element breakouts for the previous two years is shown below. The trend in the pattern of housing construction reflects the renewal of these programs for areas requiring new units to accommodate families where present and planned community support is unavailable and where it is necessary to modernize existing on-base housing. The patterns also reflect the need to continue the maintenance of our sizeable inventory in acceptable condition, and the cost increases we are experiencing in the operational areas.

FAMILY HOUSING DEFENSE
SUMMARY OF SELECTED PROGRAM AMOUNTS
($000)

	Actual FY 1979	Estimated FY 1980	Requested FY 1981
New Construction	85,863	-0-	158,891
(No. of units)	1,712	(-0-)	(2,651)
Improvements	43,622	1,000	108,840
Design and Advance Planning	2,890	-0-	8,369
Leasing	78,947	86,665	118,244
(Average occupied leases)	(15,697)	(18,048)	(21,197)
Debt Payment	155,580	154,835	153,656
Operation and Maintenance	1,376,747	1,396,022	1,567,756
(Operation)	(621,169)	(678,895)	(791,955)
(Maintenance)	(705,578)	(717,127)	(775,801)
Less: Resources Applied	- 13,784	- 16,400	- 17,300
Total Family Housing	1,679,865	1,622,122	2,098,456
Homeowners Assistance	1,500	1,000	-0-
Grand Total	1,681,365	1,623,122	2,098,456

In Fiscal Year 1981, the Department of Defense request for construction of new family housing units will continue our efforts to reduce the buildable programmable deficit at installations experiencing buildups, and in areas with excessive housing costs. With the support of this committee, significant progress has been made in reducing the deficit. The need for additional on-base military construction, however, recognizes that housing starts in the private sector do not meet the low and moderate income needs of this country.

Now I will discuss briefly some of the aspects of the family housing program which I believe are of particular interest and significance.

CONSTRUCTION

The family housing authorization request contains a new construction program of 2,651 units at 12 locations for a total of $158,891,000. This program, which contains 2,296 units for CONUS installations, 350 units overseas, and 5 units at a classified location, will accommodate the most urgent needs for new construction. The CONUS portion of the program will provide 994 units to relieve housing deficiencies where communities are too small to provide sufficient housing support and 1,302 units to assist families assigned to installations in high cost urban areas. These units are almost entirely in support of the junior enlisted families, with only 1% of the CONUS program supporting junior officer and senior enlisted families. The overseas portion will accommodate families unsuitably housed at Lajes Field, Azores, and Incirlik Air Base, Turkey. Families assigned to these remote foreign locations are experiencing hardships resulting from structurally inadequate and marginally habitable private community housing. Additionally, families at Incirlik are occupying badly deteriorated, inadequate government owned trailers. As a general highlight, the new construction request also includes a project for a defense housing complex in the South Bay region of San Francisco in line with our policy to maximize use of resources where it is feasible to centralize administration in behalf of two or more military services.

The FY 1981 improvements program of $108,840,000 includes $46,969,000 for energy conservation projects. These programs are essential for modernization of the existing inventory and improved energy efficiency in our family housing units. Examples of our proposed effort are projects to install automatic ignition devices on gas fired furnaces and night set-

back thermostats. Additionally, as a result of a successful test program, we are expanding an essentially new effort by the installation of central control switches on air conditioning units. As an overview, the projects in the FY 1981 energy conservation program are self-amortizing, with an average pay back of less than six years.

DOMESTIC AND FOREIGN LEASING PROGRAMS

The Domestic and Foreign Leasing Programs, under specific criteria and cost limitations, authorizes the leasing of housing in the civilian community for assignment to military personnel as public quarters. These are important supplements to our balanced effort to assure adequate housing for military servicemen and their families in the community and on-base.

In developing the FY 1981 program, we reviewed family housing leasing with the intent to structure this element in a manner which would retain effective statutory control, minimize the administrative workload, and provide maximum flexibility within the current program criteria.

The current authorization of 10,000 units is sufficient to accommodate our domestic family housing leasing requirements for Fiscal Year 1981. To off-set the impact of housing cost escalation on the program, we are proposing a domestic leasing program maximum cost limitation of $515 per unit per month. This is commensurate with the increase in the "rent" portion of the consumer price index of approximately 8%. Although this increase will accommodate the majority of the domestic leasing requirements, the extreme housing costs in certain areas, which exceed even the proposed maximum cost limitation, would still restrict the program in CONUS. Accordingly, to improve the flexibility of the program, and lessen the administrative burden, we are proposing that the Secretary of Defense be authorized to lease not more than 500 units with a maximum per unit cost not to exceed $600 per month.

Foreign leasing of family housing is authorized under the general authority of Section 2675 of Title 10 of the United States Code. We believe that in selected overseas locations, the leasing of existing housing and lease-construction agreements represent a viable alternative to new construction. The authorization for foreign lease units for the Department of Defense was reduced by Congress to 17,000 units in FY 1980. Although an increase in the total number of foreign lease units is not being requested,

the extreme housing costs in foreign areas will have an adverse impact on the execution of the program under the current maximum cost limitation. Accordingly, in Fiscal Year 1981 we are requesting an increase in the statutory maximum cost limitation based on an experienced escalation in rents of approximately 15 percent.

UNACCOMPANIED PERSONNEL HOUSING

Unaccompanied personnel housing has been and continues to be one of our most important programs. We believe that improved housing for unaccompanied personnel will provide both immediate and long-range benefits through increased re-enlistment and heightened morale. For unaccompanied enlisted personnel housing, the FY 1981 program proposes to construct 9,567 new spaces and to modernize 5,962 spaces for a total cost of $222.3 million. Additionally, FY 1981 program proposes to construct 135 new spaces and to modernize 89 spaces for unaccompanied officer personnel at a total cost of $5.3 million.

We must provide decent and reasonable living conditions for the unaccompanied personnel in the military services and strongly urge your continued support of this very important program.

COMMUNITY SUPPORT FACILITIES

The category of community support facilities in the military construction program is also an important category that contributes to the well-being of individual service members and may generally be considered as an integral portion of the quality of life of military service. These programs encompass facilities for physical conditioning, religious persuits, education, recreation, and child care. The FY 1981 military construction program includes $71.5 million for community support facilities and $48.4 million for dependents schools overseas.

In the past, some of these facilities have been funded with appropriated military construction funds while others were funded by the Military Departments with non-appropriated funds. The Congress recently requested that the Department of Defense clarify the funding policy for community support facilities. A letter which addresses the concommitant responsibilities of the Federal Government to provide basic community facilities to meet military requirements and those of our service personnel to fund other recreational facilities through non-appropriated fund sources was sent to the Chairman, Senate Appropriations Committee on February 16,

1980. It provides a list of the various types of morale,welfare and recreational facilities and a recommended fund source for their construction. All projects in the FY 1981 request are in consonance with this recommended funding policy.

We support well-justified community support projects that are proposed by the Military Departments and insure that these projects are given priority compatible to construction of basic military facilities. We feel that military construction programs must represent a balanced approach to the multitude of competing requirements and therefore must include facilities which will enhance the life of military service members. We solicit your support of the Department of Defense request for community support facilities.

CONCLUSION

In conclusion, I am appreciative of this opportunity to appear before you today to present the Department of Defense FY 1981 Military Construction Program relating to housing and community support facilities which are of interest to your Committee. I have with me members of the Military Departments who also have short statements which may be of interest to you. Upon completion of their statements we are all available to answer any questions you may have.

Thank you.

Senator HUDDLESTON. Do individual members want to make a statement or just respond to our questions?

Mr. FLIAKAS. I believe each would like to make a short statement.

General Read.

Department of the Army

STATEMENT OF MAJ. GEN. WILLIAM E. READ, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

BUDGET REQUEST

General Read. Mr. Chairman, I am General Read, Assistant Chief of Engineers, Office of Chief Engineers, Department of the Army. I am pleased to appear before the committee to briefly summarize that portion of the Department of the Army's budget requested to improve the quality of life of our soldiers.

Our request will provide housing for married personnel and their families, housing for unaccompanied personnel, and community-type facilities to meet the needs of the military community living on or near Army installations.

I will address our request for troop housing and support facilities first, followed by community facilities and concluding with a discussion of our family housing request.

TROOP HOUSING AND COMMUNITY FACILITIES

In the areas of troop housing and community facilities, our request contains over $148 million for 44 projects, worldwide. Of that amount, some $114 million is requested for troop housing and supporting facilities. This amount will provide improved quarters for 5,867 soldiers and unit-level administrative and supply facilities.

A significant aspect of our request for troop housing this year is the $15,500,000 we have requested for relocatable barracks to house soldiers assigned to the 2d Infantry Division in Korea.

The existing barracks in that area are deplorable. They outlived their economic life years ago. Some $34 million will provide community facilities which includes construction or alteration of nine physical fitness centers, construction of two child care centers, construction or alteration of two dining facilities and construction of other facilities such as auto self-help garages.

The Army's portion of the family housing request includes what the Army believes to be a balanced program to: One, provide additional housing assets for our junior enlisted personnel, two, improve, operate and maintain our current inventory, three, lease private community housing when Government ownership is inappropriate; and four, provide energy savings initiatives to government-owned housing assets.

FAMILY HOUSING

The family housing request includes new construction at the three most needy CONUS installations, Forts Ord, Polk, and Stewart, where housing for junior enlisted personnel is not available within their financial capabilities. The construction at Fort Ord

recognizes the high cost of land and construction in the area and the inability of the private market to provide affordable housing for the junior enlisted soldiers.

At Forts Polk and Stewart new construction acknowledges that new housing starts in the private sector do not meet the needs of low- and moderate-income families in this country and that HUD programs in rural areas are not providing support needed for the large number of military personnel.

ENERGY PROJECTS

The major portion, about $27 million, 63 percent, of the Army's fiscal year 1981 family housing improvement program has been directed toward the energy conservation investment program. The remaining $15 million plus, 36 percent, will provide for essential modernization of the existing inventory. The energy projects have been developed to improve the energy efficiency of our currently owned assets and to reduce energy consumption in compliance with the President's directives.

The operation and maintenance requirements of the Department of the Army include funds for indirect family housing support costs. The funds requested, about $575 million, are urgently needed to keep pace with the rising costs of utilities, services and maintenance for Government-owned assets.

DOMESTIC AND FOREIGN LEASING

The domestic and foreign leasing programs provide an important supplement to Army's family housing programs. In areas where it is infeasible to build, leasing provides the military member with suitable housing. The program is especially important in areas where high rental rates prevail due to either high construction costs or the paucity of rental units.

The foreign leasing program provides the Army with a flexibility that Government-owned assets do not permit. Army commanders in foreign countries have stated that the provision of adequate family housing is one of the highest priorities of the peacetime Army and that leasing is currently the most viable method to provide this much needed support to the military families.

MEDICAL AND DENTAL FACILITIES

Another area which will most certainly enhance the quality of life of our soldiers but which will be discussed at a separate hearing is the effort we have programmed to improve Army medical and dental facilities. Equally important to the overall satisfaction a soldier derives from service are the conditions under which he works.

The Army's program for operations, training, maintenance and production facilities recognizes this fact. One project which I believe is worthy of highlighting at this point is our request for funds to construct a facility to reconstitute milk for our forces in Korea.

This project is considered by the 8th Army as its number one priority in this year's program. The existing facility is structurally unsound due to deterioration and is no longer economically repair-

able and health and sanitation deficiencies can no longer be economically corrected.

READINESS IMPROVEMENT

To improve our readiness, we believe it is imperative to provide a standard of living in the Army community which will cause our young soldiers to look at extended active military service as an attractive career. Certainly, satisfaction in one's job, modern equipment and inspired leadership go far toward promoting that goal; however, we must not lose sight of the fact that the improvements in facilities I discussed earlier contribute in large measure to a young soldier's perception of military service as a way of life.

Our fiscal year 1981 military construction program is molded not only to support the Army's mission, improve readiness and comply with energy conservation and pollution abatement requirements, but to move toward adequate living conditions and facilities for our soldiers and their families as well.

This concludes my summary.

Thank you.

Senator HUDDLESTON. Thank you, General. Admiral?

DEPARTMENT OF THE NAVY

STATEMENT OF REAR ADM. D. G. ISELIN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, DEPARTMENT OF THE NAVY

QUALITY OF LIFE INITIATIVES

Admiral ISELIN. Good afternoon, Mr. Chairman.

I appreciate the opportunity to comment on the Navy's military construction budget supporting quality of life initiatives. The Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps have this year directed an increased emphasis on people programs, programs intended to improve the quality of life of our service members.

It is hoped that one result of this emphasis will be improvement in the retention of highly qualified Navy and Marine personnel. Military construction can improve the quality of service life by providing new and modernized barracks, better health care facilities, safer and more efficient work spaces, and community facilities which are so important to the morale and welfare of our service members.

ADDITIONAL BARRACKS SPACES

This year's budget requests $84.5 million for the construction of 4,566 new barracks spaces and the modernization of another 1,141 barracks spaces for the Navy and Marine Corps. Providing modern, semiprivate or private accommodations for enlisted personnel during their years on shore duty is one clear signal of our concern for their welfare.

MEDICAL CARE

The provision of quality medical care is required to fulfill commitments made to Navy and Marine Corps personnel and their dependents, since the time they began military service. As we meet our obligation to provide quality health care, we make service life more attractive and thereby make progress in solving our retention problems.

This year's request includes $25 million in appropriations for a replacement hospital in San Diego, Calif., and $23 million for modernization of the existing hospital at the National Naval Medical Center, Bethesda, Md. For San Diego, the total estimated cost is expected to be $293 million, the amount of the authorization request this year.

MODERNIZATION OF WORKPLACE

A clean, healthful workplace is as essential to our military personnel as to their civilian counterparts. The quality of the workplace has a direct impact on the productivity of those working within it. The Marine Corps military construction program in-

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cludes $13.3 million to improve facilities for maintenance of tank equipment, electronic and communication equipment, and ground support equipment.

The Navy program includes $22.6 million for modernizing the workplace of our highly skilled sailors engaged in the intermediate maintenance of ships at two of our major naval bases. This construction is in addition to the $14.6 million requested to improve the work environment for civilian and military personnel under our occupational safety and health program.

In time of constrained budgets, operational facilities take precedence over community facilities. However, a decision to defer these facilities may be counterproductive in that inadequate community facilities have a negative impact on morale and thus on the retention of qualified personnel.

Therefore, an attempt is made to include some funding in each budget for a limited number of community facilities that are essential to the morale and welfare of our service members and their families.

This year we are requesting $15.7 million for three chapels, a youth center, a swimming pool, a community services center, a theater, personnel support facilities, and an educational services complex.

ENHANCEMENT OF PEOPLE PROGRAMS

In summary, Mr. Chairman, our military construction request of $184 million out of a total $703 million is to enhance our people programs so important to the quality of life of our service members. We care about the welfare of our service members. We must be perceived by them to care.

Thank you.

Senator HUDDLESTON. Thank you, Admiral.

General Gilbert.

DEPARTMENT OF THE AIR FORCE

STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR, ENGINEERING AND SERVICES, OFFICE OF THE DEPUTY CHIEF OF STAFF, LOGISTICS AND ENGINEERING, DEPARTMENT OF THE AIR FORCE

FAMILY, TROOP HOUSING AND QUALITY OF LIFE

General GILBERT. Mr. Chairman, I am pleased to present the Air Force family housing, troop housing and quality of life programs for fiscal year 1981.

We in the Air Force give a high priority to the provision of adequate housing for our members because we know that nothing save strong leadership is more conducive to high morale than adequate housing. We do that only when local housing is not available for our families.

In carrying out that theme, we are asking this year for authorization of appropriation for military family housing in 1981 in the amount of $639,883,000. This amount will enable the Air Force to achieve its objectives in the family housing area during fiscal year 1981.

These objectives are to operate and maintain our existing assets, to carry on a lease program to supplement the houses in our onbase housing inventory, and to improve the livability of existing family houses at our Air Force bases, and this year for the first time in several years, to construct additional housing at two foreign locations overseas. Additionally, our appropriation request provides funds for minor construction work in our existing family housing inventory, planning funds for the design of various projects in family housing, and, of course, to make our debt payments on Wherry and Capehart houses.

NEW CONSTRUCTION PROGRAMS

In the way of new construction, we are asking this year for 350 units at two locations, 200 units at Incirlik, Turkey, and 150 units at our base at Lajes in the Azores. Not included in the Air Force total are 100 units for our base at Sunnyvale, Calif. These units are included in a larger project with the Navy where they are going to construct 270 units at Moffett Naval Air Station in California.

In improvements, we are asking for 26 projects where we will renovate and modernize 3,887 housing units. In energy conservation, we are asking for 66 projects under which 30,192 units will be improved energy conservation-wise. This is carrying on the Air Force energy conservation investment program that we have had under way for several years.

In the way of leasing, we are asking for funds in our fiscal year 1981 program to cover 6,340 leases; 1,550 for use in the CONUS, and 4,790 for use in Europe and Korea. Finally, we are asking for

sufficient funds to operate and maintain our existing inventory of 146,847 housing units worldwide.

In our unaccompanied personnel housing, a program that the Air Force has really put high emphasis on now for several years, we are asking for $42.2 million so that we can continue to upgrade and provide new, where that requirement exists, bachelor unaccompanied personnel housing for our people.

It has become painfully apparent that it is increasingly difficult to attract and retain top quality people. The younger generation perceives a decline in the quality of military life and benefits. It behooves the leadership to turn this perception around. We can do this, certainly, by improving the quality of life for our people.

In the way of community facilities, Mr. Chairman, we have a program for $18.3 million for community-type facilities. These are principally for morale and welfare of our forces, and they include facilities both overseas and in the continental United States.

RELIGIOUS EDUCATION FACILITIES

Our program includes religious education facilities at Griffiss Air Force Base in New York and a chapel center at Misawa Air Base in Japan. We are also asking for two gymnasiums, one at Brooks Air Force Base in Texas, and one in the Netherlands.

A library is another item in our community support program for Dover Air Force Base, Del., and then a personnel services support center at Robins Air Force Base in Georgia. The remaining community facilities, although they are not directly enhancing the quality of life, do not directly enhance the quality of life, they do provide adequate support facilities to protect our base facilities and resources.

These include such things as some fire stations and security police facilities. In addition, we have an ambitious medical program for 1981 where we are attempting at several of our locations to provide adequate treatment facilities for our military members and their dependents.

We feel that good health care facilities are conducive to and enhance a professional medical program for the treatment of our Air Force people.

Mr. Chairman, this concludes my brief statement. I will file the entire statement for the record, with your concurrence.

RELOCATABLES

Senator HUDDLESTON. Thank you very much, General.

I have some general questions, as well as some specific ones. I will start with General Read.

You mentioned the relocatables that you are planning for Korea. That, I am sure, is related to the possible policy of some withdrawal from Korea. Does that give you the ability to recover substantially the cost of these new facilities?

General READ. Yes, sir. That is the reason we chose to go this route. We have reached the point over there where the facilities we have are no longer economically repairable. They should be replaced in kind, but we feel that the most prudent way to go is with the relocatables. That will give us the option, should the decision

be made to withdraw, to recapture some of the investment that we have made.

Senator HUDDLESTON. Are relocatables being used to any extent anywhere else in the services?

General READ. I can't speak for the other services. We have put relocatables into Korea before and we have a model there that has been found to be very satisfactory to the people using it.

Senator HUDDLESTON. I just wondered if it is a viable approach at various installations, even in this country, where from time to time we change our requirements.

General READ. In our experience we haven't been changing that much in the CONUS lately, sir. We do have one other item in this year's budget for relocatables in Europe. Again, this is tied to a situation where we expect that there is a likelihood that there may be a movement, and we wanted to be sure that we could properly accommodate both the need that exists today and in the immediate future and also be able to recapture investment.

Mr. FLIAKAS. Mr. Chairman, we have had some experience with relocatables. The Air Force has built relocatable housing, both in this country and overseas. We have had some measure of success in relocating them. They are expensive to move. After a while, they can perhaps only be moved once, at best twice.

There is a possibility that in our request for additional funds, that we may be seeking to move some relocatables in connection with our buildup, for example, in the Azores. We have moved some housing in Japan when we closed down one of the communications areas at Chitose. But it proved to be expensive.

We did salvage a residual value and we made good use of those houses.

Senator HUDDLESTON. What about Turkey?

Mr. FLIAKAS. The problem there is political, Mr. Chairman. We have some relocatable housing there. Perhaps General Gilbert can expand on this, but my understanding is that the Government would not permit us to move those housing units down to Incirlik where we have a real need. So in this year's budget request before you, you have a new construction requirement at Incirlik.

General Gilbert?

General GILBERT. Yes; Mr. Chairman, what Mr. Fliakas says is correct. When we closed Karamursel, the Government would not allow us to remove those houses. However, at Incirlik, where we are programing 200 units for this year, we are looking at relocatable housing, and have, in fact, visited about three industries in this country to determine the feasibility and, if you will, the advisability of making this project relocatable.

I have not found anything yet that really tells me that it is a viable thing to do in Turkey because of transportation costs and erection costs at that end. Indications are you may be no better off than you would be to use local building materials to build a more permanent structure.

However, if we do want to use relocatables on this project, it is my understanding that we do indeed have an agreement that we can bring them in from the Turkish Government.

Senator HUDDLESTON. So it is under consideration.

General GILBERT. Indeed it is, sir.

Senator HUDDLESTON. Has the Navy used this type of construction, Admiral?

Admiral ISELIN. The Navy has not directly gone into relocatables, although we have used about six buildings over the years. We have relocated them from Thailand to Atsugi, Japan, and Diego Garcia, they were barracks buildings. They are better than old buildings but they are not as good as new buildings. And as Mr. Fliakas has indicated, they are good for about one movement.

Senator HUDDLESTON. It is apparent that you have all had enough experience with them to make judgments as to whether they fit a particular case or not. But I think it is well to consider the total economic question, too.

COMMAND-SPONSORED DEPENDENTS OVERSEAS

Last year, as you know, the Armed Services Committee placed a limitation of 325,000 on the number of command-sponsored dependents stationed overseas. How has this limitation been divided among the services?

Mr. FLIAKAS. Mr. Chairman, it is my understanding that the allocation has not been yet finalized. There has been a number of discussions, and, of course, there are negotiations, I suppose, among the services and the Department of Defense. The ceiling is effective on October 1, 1980.

It is my understanding that we are at about that limit now, but how the final allocation comes out, I will have to provide that when that decision is made.

Senator HUDDLESTON. Have you given enough consideration to it to be able to anticipate the impact it will have on mission assignments abroad?

Mr. FLIAKAS. Sir, I would venture to say that it is going to cause the individual and his family far more difficulty than from an overall departmental viewpoint, either from facilities or from the standpoint of carrying on the mission.

Now, if, in order to adhere to an arbitrary ceiling, that tours have to be shortened, then I understand that the Army especially may have some real difficulty in filling certain MOS's, certain skills. Perhaps General Read could elaborate on that, but that is my understanding.

Senator HUDDLESTON. It would take away some of your flexibility, I assume. That probably would apply to the other services, too.

General READ. Yes, sir, what he indicated is correct. We, of course, are watching it very closely and are not really able to make a judgment as of this minute because we haven't gotten our allocation.

LEASING OF FAMILY HOUSING UNITS

Senator HUDDLESTON. I understand there is a statutory limit on the amount that can be paid for leasing of family housing units. Can you stay within the $310 per unit per month for fiscal 1980?

Mr. FLIAKAS. Each of the services may want to answer from their point of view, but I would like to ask Mr. Meehan of my staff to provide a general response.

Mr. MEEHAN. Mr. Chairman, it is really not a question of can we. We must because that is the statutory limitation. It is difficult to

maintain an average of $310 a month primarily because we are addressing the recruiting program when we are talking of the domestic program. The rental housing in the high cost metropolitan areas is making it extremely difficult.

As I recall the data provided to me recently, the services have had to cut back on the number of leases in the high cost metropolitan area because of the $310 limitation.

Senator HUDDLESTON. How do you calculate that average?

Mr. MEEHAN. The average, as I understand it, is being calculated basically by dividing the total dollars put into the leasing program by the number of leases in effect.

Senator HUDDLESTON. Does it include utilities?

Mr. MEEHAN. Yes; it includes utilities. All costs associated with the lease. Yes,sir.

Senator HUDDLESTON. That does put a crimp on it.

Mr. FLIAKAS. We have asked for some relief in this year's authorization bill, Mr. Chairman, primarily for the reason Mr. Meehan mentioned, that this program benefits people on independent duty, those people who are away from an installation or an activity such as recruiters or people who are doing work with ROTC, let's say, instructors or the like, people who are not assigned to a base or post.

Most of these jobs, of course, are in high cost areas. For this purpose we have asked for some relief to exempt from the maximum statutory costs a number of leases that we would be able to have some flexibility in the assignment.

Senator HUDDLESTON. I believe you are asking for an increase to about $510. Is that right, for 1981?

Mr. MEEHAN. For 1981 the maximum would go from the present $475 a month to $515 a month, and authorization-wise, we are requesting relief from maintaining a statutory average to provide more flexibility.

DIFFICULTIES BY INDIVIDUAL SERVICES

Senator HUDDLESTON. Have the individual services had difficulties here?

Mr. FLIAKAS. General Gilbert?

General GILBERT. Yes, sir, we have. We just think it is too low for the realities of what we face in trying to lease houses with everything we have to include in that. As Mr. Fliakas said, not only the shelter rent but the operation and maintenance of the house. It is just entirely too low.

Senator HUDDLESTON. Does the service make the selection of the unit and then pay, or is this a reimbursement proposition for the individual?

Mr. FLIAKAS. No, it is a Government lease with the landlord.

Senator HUDDLESTON. The Government does it itself.

Mr. FLIAKAS. Yes.

Senator HUDDLESTON. General Read?

General READ. I would like to join in and say it is a considerable difficulty. I think you are aware of the fact that what you get is what you pay for. If you stay within that, you just drive down the quality of the type of facility that the individual can get.

Also, it starts delving into the proximity of him or her to the workplace, which is also a factor.

I would like, if I may, to ask Colonel Boyle from my office if he has something to add to that. He works with this very closely.

Colonel BOYLE. Sir, with respect to lease impact, we are getting some feelings from the recruitment areas in two areas. Normally the first impact is of a high cost area. The general state of the economy is now driving up the costs elsewhere and they are not able to maintain an average between high cost and low cost areas in the outlying communities.

So it has an overall impact on their ability to meet housing requirements.

General READ. I might add from our standpoint in the Army, manning the force is our top priority, too, so our recruiters are absolutely essential.

Senator HUDDLESTON. So you are going to need some extra money, as well as the increased limits to accomplish this. You couldn't take the increased limits without more funding or without cutting down substantially on the number of units.

Mr. FLIAKAS. This is correct, Mr. Chairman. And in the 1981 O. & M. portion of the family housing appropriation, that does reflect our needs. We are talking about domestic leases here in terms of the number that the services do expect to execute and maintain during this period.

I believe that Admiral Iselin would like to add to your past comments.

Senator HUDDLESTON. Fine. Admiral.

Admiral ISELIN. I would like to ask Captain Wile of my office to give you his comments.

Captain WILE. I would echo the comments that have been made as to the difficulty of maintaining a meaningful leasing program within the current average. On several occasions I have had to ask Navy people to accept houses with fewer bedrooms than that for which the individual was entitled to by the size of his family, in order to provide him with a place to live that was within the statutory limit we have to live with.

I would also say the Department of the Navy would heartily endorse the DOD fiscal year 1981 legislative proposal to relieve us from the requirement of having to meet a stated average lease cost, and to provide relief from the maximum cost for a certain number of units.

Senator HUDDLESTON. Thank you very much.

LEASING OF FURNISHINGS

Now, last year the conference reached an agreement to reduce the furnishings leased in overseas areas by $50 million. What impact has this had on dependents overseas in the family housing program?

Mr. FLIAKAS. May I ask Mr. Meehan of my office to comment?

Mr. MEEHAN. Sir, generally the impact of reducing costs affected, for the most part new furniture buys. This in turn impacts on the amount of what we refer to as loaner sets available, being able to provide temporary support to people who are stationed overseas and are awaiting the arrival of furniture. This, of course, impacts

other defense areas of the budget with regard to payment of temporary living allowances and things of this nature.

So it was a drastic impact. Possibly the services could be more specific in giving examples of the situation.

Mr. FLIAKAS. General Read?

General READ. If I may, I will call on Colonel Boyle again.

Colonel BOYLE. Sir, the impact is in the overseas area and the peculiarity that the overseas real estate doesn't come along with the normal appliances that you find in U.S. establishments. So we are providing refrigerators, ranges, washers, and dryers in the overseas areas. The reduction in funds has limited our capability to provide that sort of appliance to the new leases that are coming on line.

Senator HUDDLESTON. Do the other services have a comment on the overseas problem?

General GILBERT. I would echo what has been said. But in addition to that, the thing that we find extremely difficult is that in the overall generic term "furnishings" includes appliances. When you add the applicance inventory with the furnishings, we have close to a $200 million investment with the level of funding we have at this time, we can't protect that investment through our maintenance and repair efforts nor are we able to replace our furnishings and appliances prior to total wearout.

We are being forced to offer our people furnishings that I normally would not want anyone to use.

Senator HUDDLESTON. Is your experience similar to that, Admiral?

Admiral ISELIN. Yes, sir. In general, although we have less overseas locations than the other services.

PROPERTY TAXES TO FOREIGN GOVERNMENTS

Senator HUDDLESTON. Also last year the conferees directed the Department to begin immediate negotiations to eliminate payment of property taxes on family housing to other nations. What is the status of those negotiations, Mr. Fliakas?

Mr. FLIAKAS. Mr. Chairman, we have referred this proposition to what is called an interagency committee on tax relief that is chaired by a State Department representative, and it is my understanding that negotiations have been opened with the FRG, the Federal Republic of Germany. I don't know the status of those negotiations. I can report to the committee what, if any, success they have made. Hopefully, sometime this summer we will be able to give some kind of status report.

It was pointed out that on the advice of counsel, we are continuing to pay the taxes.

Senator HUDDLESTON. Maybe we can correct that in the future.

Mr. FLIAKAS. Yes, sir.

AVAILABLE HOUSING IN BRITAIN

Senator HUDDLESTON. The committee understands that in the United Kingdom, the British military is moving out of some quarters to purchase their own homes. They have offered the use of

these family quarters to U.S. forces in England. Can you give us the details of that situation?

Mr. FLIAKAS. I would like to ask either the Navy or Air Force or both to respond.

Admiral ISELIN. I will give one response. Then I will check with Captain Wile to see if he has others. In the London area we currently have about 100 Navy families in leased British Government housing. One of the lease requirements is a 61-day evacuation notice. Everyone is then a little uncertain as to how long they can really stay there, although the English have told us that even if they have to move the personnel, they would find them other quarters in the area.

We thought recently we might be able to get 30 more units made available to us. As of last week, however, it looked as though we will not get a firm commitment on the additional 30. So we are not as optimistic about getting more units now as we might have been 6 months ago.

Again, these are relatively small numbers out of our total requirement in the United Kingdom.

I would like to ask Captain Wile if he has anything to add to that.

Captain WILE. No, sir, I think that covers the situation.

General GILBERT. We also occupy a kind of government housing under the Greater London Housing Council's control. However, these housing projects are very location-restricted. At the places where our greatest need exists, like Bentwaters, Woodbridge, and several other Air Force locations throughout the United Kingdom, there is no government housing available for our use.

STATUS OF INADEQUATE SPACES

Senator HUDDLESTON. Mr. Fliakas, the budget request contains some $227 million for housing for both unaccompanied officers and enlisted personnel, and this amount will provide approximately 15,000 new and modernized spaces for personnel. How many inadequate spaces still remain to be replaced or refurbished? Are you making any progress on the backlog?

Mr. FLIAKAS. Yes, sir. Each year, of course, depending on the ability to provide for these kinds of facilities within overall budget target ceilings, we have tried to make some headway. We do have a substantial program this year for both new construction and modernization.

I can give you, sir, an overall DOD total and then provide for the record a service break.

Senator HUDDLESTON. Fine.

Mr. FLIAKAS. We have a total DOD upgrade requirement of 116,000 units. These are spaces for barracks spaces or unaccompanied personnel spaces. We consider that they do not meet minimum standards.

Question. Provide a service breakout of bachelor housing deficiencies.

Answer. There is a deficit of approximately 18,000 permanent party spaces throughout the Air Force. Additionally, we have approximately 69,000 spaces to be upgraded, which includes this year's request.

DIFFERENCES BETWEEN STANDARDS

Senator HUDDLESTON. What are the differences between those standards?

Mr. FLIAKAS. Well, sir, we have what we might consider our minimum occupation standards that provide a certain number of square feet per living space. For example, for an enlisted E–4, let's say, we prescribe 90 square feet. This is something that was established with the Surgeon General's Office. When I was in the Army 35 years ago, it was 55 square feet, so we have made some progress since then.

New construction standards now would permit, for example, a shared bath. We might consider a structure that we have in the inventory that has a gang head or a gang latrine, which still provides the minimum living space to be of minimal occupancy standards. We don't construct to those standards but we have them in the inventory.

Obviously, we can't get rid of all of them. So to the extent that we can modernize them, we will upgrade them.

In addition to the figures that I mentioned, we feel that we have an actual shortfall of 195,000 spaces.

Senator HUDDLESTON. That is 195,000?

Mr. FLIAKAS. Yes, sir. So that would indicate, then, if we count everything, a total deficit of some 446,000.

Senator HUDDLESTON. That is a pretty sizable backlog.

Mr. FLIAKAS. Yes; it is.

HOUSING REQUEST FOR RDF

Senator HUDDLESTON. Now, within the 15,000 new and modernized spaces, are any of these directly attributable to the Rapid Deployment Force?

Mr. FLIAKAS. I would say not, but I would ask the Air Force. You don't have any, do you, General Gilbert?

General GILBERT. No, sir, not in this program, sir.

Senator HUDDLESTON. What about the quality of life facilities? Are they attributable to the RDF?

General GILBERT. No.

Senator HUDDLESTON. Then can we expect a supplemental or revised request this year for military construction, for the RDF?

Mr. FLIAKAS. Sir, I am anticipating what we will provide to the Congress in terms of a supplemental or an amendment in order to meet the objectives that we have spoken to you about in other sessions regarding the initiatives in the Indian Ocean and in the Persian Gulf. I would expect that the emphasis on a supplemental would be for operational facilities and the absolute minimal requirements that we can provide or must provide in remote areas, which, of course, will have to include berthing and some quality of life, dining facilities, recreational facilities, and the like.

But it would be minimal. I would guess it would be the 1982 program that would address the majority of community requirements.

Senator HUDDLESTON. Are the standards the same for all the services?

Mr. FLIAKAS. We have a Department of Defense standard in order to provide uniformity, but within those standards, of course, each of the services has a little bit different application.

Mr. HUDDLESTON. I would like you to submit for the record data on the percentage of the proposals and the requests that are designed to meet the minimum adequacy standards and those that are designed to meet the new construction standards.

Mr. FLIAKAS. All right, sir.

[The information follows:]

All fiscal year 1981 Department of Defense unaccompanied personnel projects meet minimum standards of adequacy and 94 percent of the modernization projects are designed to meet OSD new construction standards. The Services program all unaccompanied personnel projects to comply with OSD construction standards as set forth in DOD Construction Criteria Manual 4270.1M.

BEQ'S MEETING MINIMUM STANDARDS

Senator HUDDLESTON. Would each of the services have an idea of the percentage of their BEQ's that meet the minimum standards?

Mr. FLIAKAS. Are you speaking of the inventory, sir, or of the budgetary request? Of course, the budget request with regard to new construction is uniform. That is, it provides so much square feet per man. Modernization requirements tend to be more varied because it has to take into consideration the structure, the configuration of the rooms and the like. So in all cases, we cannot meet the new construction standards but we try to meet as many as we can.

Now, with respect to the existing inventory, I will ask each of the services to indicate what percent of their inventory is minimal and what meets the standard.

Senator HUDDLESTON. That is what we would like to have. If you don't have it with you, we will include that in the record.

General READ. Sir, I am not sure whether I have it with me or not. Let me see. Can you address that percentage?

Senator HUDDLESTON. Why don't we just include that in the record?

Colonel BOYLE. The percentage of our inventory that is adequate? I don't have that available.

General READ. If you will, let us provide that for the record.

Senator HUDDLESTON. Fine.

If each of you, will do that, that will be helpful to us to get a better handle on the problems that we are confronted with.

[The information follows:]

General READ. Approximately 48 percent of the Army's total bachelor enlisted quarters inventory does not meet current construction standards, such as authorized space and certain amenities.

Captain WILE. Nearly 80 percent of the Navy's existing Unaccompanied Personnel Housing meets Department of Defense minimum adequacy criteria for permanently assigned shore-based personnel. Approximately 50 percent of these spaces were constructed or modernized in the past ten years to meet Department of Defense new construction criteria.

General GILBERT. Approximately 124,000/194,000 or 60 percent of the total permanent party and transient spaces are adequate by current and new construction standards.

MARINE CORPS HOUSING BUDGET

Senator HUDDLESTON. Now, I notice the Marine Corps budgets some 50 to 60 percent of their military construction funds for BEQ's. This appears to be a pretty large percentage of a relatively small request. What is the reason for this and how does it compare with the other services?

Mr. FLIAKAS. General Trundy of the Marine Crops is available. I would like to ask him to respond.

General TRUNDY. Mr. Chairman, that is correct. We are applying approximately $51 million of a $78 million program into items such as the new UEPH's, a dining facility and one chapel. I have those figures that you are asking for as far as the minimal and new construction standards.

Senator HUDDLESTON. Fine.

General TRUNDY. Approximately 53 percent of our spaces are adequate, or 58,541 existing adequate spaces of a 110,576 total requirement, which means we have an unfunded space requirement of 52,035. I will certainly agree that it is not a balanced program. We are not applying the moneys that are necessary for maintenance and operation type projects additionally, we are not applying the dollars that are required to support the morale, welfare and recreation of our troops.

But it is a priority which the Commandant and previous commandants have established, to improve the quality of life of the young marine. First is habitability, next, work environment, and finally, once we get ahead of the program, we hope to be able to start applying some of those dollars into morale, welfare, and recreation quality of life projects.

We do have a program for improving our UEPH's so that in approximately 10 years from this date we should be at a manageable level. We hope by that time we will be able to see the light.

Senator HUDDLESTON. Fine. Thank you, General.

QUALITY OF LIFE ITEMS

Now, in the quality of life items, I notice several gymnasiums are scheduled and other physical fitness centers, especially in Germany. We will look at the German program in greater detail when we look at NATO. But what is the overall policy for funding gyms and recreation centers, and is the use of these facilities increasing?

Mr. FLIAKAS. I hope so, Mr. Chairman. We think that it is a responsibility of the Department of Defense and of the Federal Government, if you will. We consider it a basic responsibility that the provision of community facilities, which includes not only recreation and physical fitness but morale and welfare facilities, should be funded with appropriated funds.

We believe that we must provide an environment that is conducive to a well-rounded, well-conditioned, happy individual, if you will. We feel it is not only the job site but his home environment, as well. We tend to look at the welfare of our people from a total standpoint.

This would include a complete community environment, even including, of course, not only recreational facilities but religious pursuits and educational facilities, as well. Now, those facilities

that are revenue producing, such as the exchanges and the commissaries. As you know, commissaries are constructed out of surcharges and funds that are made available from that surcharge.

Other revenue-producing facilities, such as bowling alleys and exchanges, are constructed by the use of nonappropriated funds except in areas that are considered to be hazardous, for example, in combat zones or as part of facilities that are constructed with military construction funds, appropriated funds, for example, a hospital that might also include a library or an educational facility or a chapel.

I meant a small exchange that would have, for example, a revenue-producing capability. We have looked at all these kinds of facilities. We have provided the committee a listing of them with a recommended fund source. Gymnasiums, field houses, physical activities, for example, we believe are, as I indicated, are a necessity to create this total environment. We recommend that it be appropriated funds that would be used to construct them.

I can go down this list or I will submit it for the record. The recreation centers, dayrooms, multipurpose auditoriums, theaters, family assistance service centers, child care centers, swimming pools, libraries. We have the whole range of facilities that are included in this list.

Now, things like an arts and crafts center or an automotive self-help garage, we believe should be nonappropriated funds. I will leave that with the committee.

Senator HUDDLESTON. Do you have sufficient nonappropriated funds or enough generated to cover needs for this type of facility?

Mr. FLIAKAS. No; that is one of the rubs. We try not to look at availability of funds as a guide, although in the past, that certainly has been one of the considerations, the nonavailability of service-generated or soldier-generated funds that would provide for sufficient funds to go around.

The nonappropriated funds, as I understand it, are centrally administered. They don't necessarily revert back to the people that generated the source, the funds themselves. The Deputy Assistant Secretaries for military personnel allocate those nonappropriated funds for various purposes.

We have built, for example, with the use of nonappropriated funds, at Lajes temporary living quarter. I know that one of the contentious items in the past has been child care centers.

We believe, Mr. Chairman, that in today's environment, with an increasing marital rate, so many of our in-service people that have child care responsibilities, and these are not just women. There are many males that have child care responsibilities. Working wives is a phenomenon that just must be reckoned with.

The fact is because many of our lower graded people just can't make it without moonlighting or having working spouses, this requires the availability of these child care centers. We think it is a necessity. We think it is our responsibility to provide them. We do have reflected in this year's request, I believe, two. Both are in the Army program, one overseas and one at Fort Hood, Tex.

MAINTENANCE AND OPERATION OF CENTERS

Senator HUDDLESTON. Those are construction funded. What about the maintenance and operation of these centers? Is that out of appropriated funds, too, or have you tried to make them self-sufficient?

Mr. FLIAKAS. I will expand on this for the record. I will find out for sure. But my impression is that people that are employed, for example, a supervisor that is trained in child care activities, for example, salaries may be provided through the use of our appropriated funds. And the utilities, let's say, the maintenance of the property and the facility, is also provided through appropriated funds. Is that not right?

[The information follows:]

Directors of the Centers are paid with appropriated funds but all other employees are paid with nonappropriated funds. Maintenance, repair, and equipment (tables, lounges, etc.) are funded with appropriated funds. Nonappropriated funds are authorized for these items when appropriated funds are not available.

General READ. Yes, sir, that is about right.

If I may, I would like to ask General Joyce, who works closely with this, to address this issue.

Senator HUDDLESTON. Fine. General.

General JOYCE. Mr. Fliakas has stated correctly. Most of the centers have one appropriated funds supervisor in this case in the utilities and maintenance who are there to take care of that. They generally function and pay the salaries of the rest of the employees through the charges.

General READ. I might add that at the Fort Hood facility, and I have visited that one, the only person there on the appropriated fund schedule is the supervisor.

GYMNASIUM USE

If I may, I would like to come back to your initial comment on Germany and the gymnasiums. We, of course, are the ones who are the largest requesters of gymnasiums in Germany. Everywhere I go I find these things are tremendously popular and heavily used.

I might point out that one of the difficulties we have in Germany with the pay structure is, of course, the opportunities for entertainment available for our people. With the devaluation of the dollar over there, it is very tough for them to enjoy the countryside as they have in previous times.

So we feel it is even more important than it would have been earlier to provide them an outlet for their free time.

General GILBERT. May I address gymnasiums from the Air Force standpoint, Mr. Chairman?

Senator HUDDLESTON. Yes, General.

General GILBERT. We consider them extremely important. We require our people be physically fit and therefore believe that we have a responsibility to provide them the place, that place being a gymnasium, to maintain that physical fitness. I might add that on an Air Force base, we have many shift workers because so much maintenance is done at night, as well as other activities that go on around the clock.

Our gymnasiums at most locations are highly used. As a matter of fact, OSD has developed a criterion for gymnasiums to size the courts that you have in it, racquetball and other courts that are normally housed in a gymnasium, and rightly so.

But we could use a lot more than we are authorized to build because of the heavy participation in gymnastic-type sports today.

General TRUNDY. Mr. Chairman, I would like to make one comment also. I just came from a nonappropriated fund meeting about an hour ago. We spent the better part of 45 minutes talking over the funding of gymnasiums and trying to feel out the climate of the Congress, whether "gymnasium" is a saleable word to use, or whether we should call them "physical fitness centers" or "combat training centers" or whatever.

It all boils down to a building that young men can go into and undertake some physical endeavor.

Senator HUDDLESTON. Call it combat training. [Laughter.]

General TRUNDY. They all smell the same. [Laughter.]

The point is, that the people on the nonappropriated fund board, which consists of general officers at headquarters, look to our military construction programs for relief. They don't see any gymnasiums because we obviously are not going to place a gymnasium above a tank park. We don't have any tank parks. So they ask what can we possibly do? They can't afford to fund a gymnasium from the limited nonappropriated funds. They don't want to set a precedent.

So we really do have a dilemma here. Even if we had the money, we would probably not put it into a gymnasium because of the priority of other requirements funds. It is a real problem.

Senator HUDDLESTON. I hope you can find a way to disguise it properly. Some Englishman said that the wars of the empire were won on the playing fields of Oxford or something to that effect. There was some justification for having extra physical activity. I remember my own tour. We used the gymnasium a lot in our off time. We created a lot of basketball stars. [Laughter.] Some who matriculated to Kentucky. [Laughter.] But I wasn't one of them. [Laughter.]

I was a good spectator, though.

CHAPELS AND RELIGIOUS FACILITIES

On the question of your chapels and religious facilities, do you take into account the fact that some bases are near population centers where civilian facilities are available, or do you just consider your base as a self-contained unit and try to provide full facilities?

Mr. FLIAKAS. Admiral Iselin.

Admiral ISELIN. Sir, the Navy policy is to encourage church attendance. We consider whatever is available in the community in developing the size of our facilities. Our facilities are primarily for personnel on base although we do provide for those that are not available in the community.

Senator HUDDLESTON. Is that the policy of the other services?

General GILBERT. Yes, sir. We certainly rely on the civilian churches because of the number of our families who must live off base because of lack of on-base family housing. Therefore, we size

our on-base facilities to accommodate the population and the average attendance that we require at on-base chapels.

General READ. We do similarly. I might point out an interesting phenomenon. You will find out that many people who live on the base, because they have a very strong denominational tie, will go off the base for their services, and you will find an awful lot of our people who are of necessity living off the base but have a strong tie to the chapel opportunity will come back on the base for chapel attendance.

CHILD CARE CENTERS

Senator HUDDLESTON. Another question on your child care centers. I notice the Army is the only service requesting appropriated funds for child care centers. Is this problem peculiar to the Army or do the Navy and Air Force have another system?

Mr. FLIAKAS. Well, sir, I believe from my review of this activity, that the Army has developed the most sizable backlog and has the greatest need for this. There has been some reluctance in the past because of an uncertain policy with regard to how they should be provided to program these, but now the Department of Defense has gone on record, I believe this will encourage each of the services to address their backlog.

In the past, because we have had a mixed bag, if you will, with regard to our approach to these kinds of facilities, and as you travel around—and I am sure you have noticed this on your visits to various bases—in most visits, sir, we have taken otherwise available facilities and converted them for these purposes.

I think both the Air Force and the Navy have used this approach and have pretty much satisfied their requirements, from what I have seen. Each of them are looking at this requirement, and there probably will be a larger submission in future years.

I think the Army, though, is going on record with us as having the largest requirement.

General READ. Sir, we have roughly 90 percent of our approximately 250 used facilities which do not meet the necessary standards. This is what creates the problem that we have, and it is a large one: One that we can't accommodate with nonappropriated funds.

I would like, if I may, to let General Joyce add anything to that.

General JOYCE. Sir, we have, first of all, the most facilities. We have the oldest ones. We also have this large population that over the last several years has ended up with 40 percent of the junior enlisted people being married. Right now we have about 35,000 military people that are married to other people in the military. We have 18,000 single parents and we have about 2,000 in-service couples with children that are within the Army itself.

We have sort of raised this population in recent years of married junior service members who have got a requirement for something to do with their children so they can go on duty themselves. That is aside from the poverty factor, the fact that a lot of them are in an area at or near the poverty area. They can't really afford first-class facilities.

The Army has something like 300 troop-bearing installations in Europe alone and has about 100 child care centers over there that

are set up to accommodate the needs of the people that are stationed over there.

I should add we have devoted about $3 million this year out of our nonappropriated budget to rehabilitating some of the worst cases, principally in Europe, renovating them, trying to get them to meet the minimum health and safety standards.

But both in Europe and the United States, we are operating strictly according to the health and safety precautions. They are in a very bad state of repair and they need redoing.

Mr. FLIAKAS. Thank you.

Admiral ISELIN. Mr. Chairman, the Navy has converted a number of buildings at certain locations, as Mr. Fliakas indicated. However, we have the same problem as has been described by the other services with working wives. In particular, we have the problem at bases from which we deploy units. For example when we deploy submarines and they are gone for a period of time, or when we deploy ships from homeport for 6 or 9 months, or when we deploy Seabee battalions for 8 months at a time, the families are left home alone.

In many of these cases, the women left at home are working mothers, with a strong need for child care centers. We anticipate coming in with several child care centers, maybe as many as four or six, next year.

Senator HUDDLESTON. The Air Force, General?

General GILBERT. Yes, sir. Up to this point, we have either converted the existing facilities or built some child care centers from nonappropriated funds. But our problem is getting to be very similar to those described here this afternoon by the Army and the Navy.

I would suspect that because of limited nonappropriated funds and the many things that we need those funds to do in support of the morale and recreation activities, we will be looking hard at an alternate fund source for our child care centers.

Senator HUDDLESTON. How about the Marines, General?

General TRUNDY. General Gilbert summed up our position very well.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Gentlemen, I think this completes the questioning for today. I appreciate very much your attendance. We will have some additional questions to submit for the record.

[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

Question: As you are aware, last year the Armed Services Committee agreed to put a limitation of 325,000 on the number of dependents stationed overseas. How has this limitation been divided among the Services?

Answer: The total number of dependents in foreign countries has been divided among the Services as follows:

Army	168,000
Navy/Marine Corps	34,000
Air Force	123,000
Total	325,000

Question: With regard to the dependent limitation, has the Department run into problems with the assignment of new missions in overseas areas?

Answer: Not at the present time, however, the restrictive nature of the ceiling could yield an adverse impact on the morale of military personnel required to live overseas as a result of future mission assignments. It will be more difficult for us to achieve a high retention ratio if service members must experience prolonged family separation. Increasing unaccompanied shorter tours for our more experienced personnel could adversely affect accomplishment of present missions.

Question: I understand that there is a statutory limit on the amount paid for leases of family housing units. Can you stay within the $310 limit per unit per month for fiscal 1980?

Answer: Yes, we have stayed within the $310 average per unit cost. But we were only able to do so by severely limiting the execution of leases in high cost areas.

Question: Continuing in this area, was the Department able to meet the $300 per month limit imposed during fiscal 1979?

Also, please explain how you calculate the average price per unit under the limitation. How are utilities figured into this amount?

Answer: The Department's per month average did not reach the $300 level during Fiscal Year 1979.

During Fiscal Year 1979 the average cost was attained by dividing total costs by the total number of leases in effect during that year. However, we have revised the method of computation for Fiscal Year 1981 and the average cost will now be attained by dividing total costs by total unit months. Compliance with statutory averages and maximums will then be met only by drastically reducing the number of higher cost leases. Lease costs include all operation and maintenance, including utilities.

Question: In the conference last year between this Subcommittee and our House counterpart, an agreement was reached to reduce the amount for furnishings and leases in overseas areas by some $50 million. What effect has this reduction had on dependents overseas and the family housing program?

Answer: The effect of this reduction on the Navy and Marine Corps has been minimal because of their limited overseas family housing operations, however, the Army and Air Force with their

large dependent populations felt and will continue to feel an extreme hardship. Appliances and furnishings well past their useful economic life are presently being utilized and the cost of repairs to these items is excessive. As far as the foreign leasing program is concerned, the reduction has had a severe effect. In major foreign population centers the costs of leasing standardized and representational housing are such that the reduction has caused a cut back which could adversely affect morale and retention. Continuation of these restrictions in future fiscal years will only magnify the problem.

Question: In last year's bill, conferees directed the Department to "begin immediate negotiations to eliminate payment of taxes on family housing to other nations." What is the status of these negotiations?

Answer: The Department directed the Interagency Committee on Foreign Tax Relief to research this issue and make recommendations that would ultimately become part of the formal negotiation process. They have done so and informal negotiations are currently underway with both the United Kingdom and the Federal Republic of Germany (FRG) to resolve this problem which could have serious long-term repercussions.

Question: Mr. Secretary, it has come to the attention of this Subcommittee that in the United Kingdom the British military are moving out of quarters to purchase their own homes to take advantage of the inflation in the United Kingdom. It is further understood that the British government has offered the use of these family quarters to the U.S. forces stationed in England. Would you please provide us some detail on this proposal?

Where are the quarters; can they be of use to our military personnel; and what is the status of negotiations on this issue?

Answer: Both the Air Force and Navy are utilizing British Ministry of Defense (MOD) housing at the present time. It appears that the MOD has about 12,000 houses in excess of their needs due to a reduction in demand by their military members and base closures. The Status of Forces Agreement (SOFA) between the U.S. and the United Kingdom has for several years made excess MOD housing available to U.S. forces. The Air Force presently contols 648 MOD houses. The MOD has offered the Air Force more units than they could possibly accept because (a) many of the houses were beyond a one-hour commuting distance; (b) some of the houses were grossly inadequate and (c) the cost to the U.S. to modernize some of the units was not fiscally advantageous. The location of the units under Air Force control is as follows:

RAF Alconbury	23
RAF Bentwaters	104
RAF Greenham Common	48
RAF Fairford	275
RAF Lakenheath/Mildenhall	140
RAF Upper Heyford	58
TOTAL	647

The Navy does not have a formal agreement with the United Kingdom on the use of the excess housing, however, Navy personnel have privately leased approximtely 100 MOD units in the London area. Negotiations for a formal agreement entailing Naval usage of the units have not met with success at this date.

Question: During consideration of the fiscal 1980 bill, the mortgage insurance premiums on Capehart and Wherry housing units came under fire from the GAO and the House Military Construction Appropriations Subcommittee. In conference, we restored some $1.8 million to the Serviceman's insurance premiums. This year you have requested $831,000, an increase of $769,000 above the $62,000 approved last year for the Armed Services Housing Mortgage Insurance Fund.

a. Would you explain this enormous increase and what is the status of a proposed transfer of these insurance premiums to the Department of Housing and Urban Development?

Answer: The requested amount ($831,000) represents a fully funded program and was budgeted prior to negotiations with the Department of Housing and Urban Development (HUD). During April of this year we formally requested from HUD relief from payment of Capehart and Wherry MIP's as dictated by Congress. At the present time our request is still under consideration by HUD.

Question: Your request for fiscal 1981 includes a substantial increase in new family housing construction ($158.8 million in FY 81; no request in FY 80).

a. Would you please go over each project and explain why we are getting back into new construction? What criteria did you use in determining where these new units would be built?

Answer: The following is the list of new family housing construction projects as submitted in our budget request:

Component/Location	Mission	Scope	Cost (Millions)
ARMY			
Fort Ord, California	Headquarters Complex	500	30.81
Fort Polk, Louisiana	Infantry Division	200	11.17
Fort Stewart, Georgia	Infantry Division	200	9.72
NAVY			
El Toro, California	Marine Corps Air Station	300	17.48
New London, Connecticut	Submarine Mission Support	400	24.61
Brunswick, Maine	Naval Air Station	62	3.96
Norfolk, Virginia	Atlantic Fleet Support	232	12.09
MARINE CORPS			
Yuma, Arizona	Marine Corps Air Station	132	8.05
AIR FORCE			
Incirlik, Turkey	USAFE Mission Support	200	11.72
Lajes Field, Azores	Antisubmarine Warefare Support	150	9.77
NATIONAL SECURITY AGENCY			
Classified	Classified	5	.47
DEPARTMENT OF DEFENSE			
Moffett Field, California	Navy Antisubmarine Warfare/Air Force Research and Development	270	19.04
		TOTAL	158.89

The criteria used to determine this request included (1) the inability of the private sector and HUD to provide the required family hosuing, (2) the family housing requirements surveys and (3) insufficient military controlled housing assets. Our request for new construction funding is directly related to a lack of the required family housing at communities adjacent to the above listed localities.

Bachelor Enlisted Quarters (BEQ)

Question: Mr. Fliakas, you have testified that your budget request contains some $227 million for housing for both unaccompanied officers and enlisted personnel and that this amount will provide approximately 15,000 new and modernized spaces for your personnel. How many inadequate spaces remain to be replaced or refurbished? How does DoD plan to accomplish this?

Answer: The DoD upgrade requirement is currently 116,000 units. These are units that do not meet our minimum standards. Each year, depending on targeted budget ceilings we are attempting to reduce this figure. This year, we again have a substantial program for both new construction and modernization.

Question: Within the 15,000 new and modernized spaces, are any of these directly attributable to the Rapid Deployment Force concept?

Answer: None of the 15,000 new and modernized spaces are attributable to the Rapid Deployment Force concept.

Question: What, if any, "quality of life" facilities are in this budget request which are part of the concept for a Rapid Deployment Force?

Answer: None.

Bachelor Enlisted Quarters (BEQ)

Question: Can we expect a supplemental or a revised request this year for military construction with regard to "quality of life" facilities for the Rapid Deployment Force -- for example, at Key West, Florida?

Answer: No, Sir.

Bachelor Enlisted Quarters (BEQ)

Question: Mr. Secretary, I understand that the Defense Department has minimum adequacy standards and also new construction standards with regard to Bachelor Enlisted Quarters (BEQ). Would you please explain the differences between these standards to the Committee?

Question: Minimum adequacy standards provide 90 sq feet each to E-6 and below with a maximum of 4 E-4s and below to a room, or 2 E-5s/E-6s to a room. Central baths are provided. Senior NCO (E-7 and above) are provided 200 sq ft, private rooms with a private bath. Construction standards provide for a 270 sq ft room with bath for 3 E-4s and below (90 sq ft each), 2 E-5/E-6s (135 sq ft each), or 1 E-7 or above (270 sq ft). The installation commander is authorized to involuntarily assign E-6s and below to accommodations which do not meet minimum adequacy standards when the condition of military necessity or lack of community assets dictate such assignment.

Bachelor Enlisted Quarters (BEQ)

Question: Within these standards, please explain to the Committee how the troops are actually housed. What are the square foot requirements per individual; how many personnel are assigned to a room; and so forth?

I would like each of the Services to explain how this criteria differs from service-to-service.

Answer: The DoD criteria follows:

Minimum Criteria	Minimum Per Person Sq. Ft.	Number of Personnel
Recruits		Open-bay barracks
Corporal & below (E1 to E4)	90	4 (central bath)
Sergeant (E5 - E6)	90	2 (central bath)
Senior NCO (E7 - E9)	200	1 (private room & bath)

The minimum criteria are implemented as follows:

Air Force - The Air Force has 180,000 permanent duty enlisted dormitory spaces. Approximately 95% of these personnel live two per room. Room size in the majority of their facilities dictates double occupancy to comply with the 90 net square foot per person requirement. The remaining people are housed three per room.

Navy - For recruits, open-bay barracks are constructed. For all others, a room containing 270 square feet net is constructed and loaded with either three E1-4 personnel, two E5-6 personnel, or one E7-9 personnel.

Marine Corps - The design for all new construction and the majority of modernization projects is 270 square feet with a private bath and toilet. This accommodates three Corporals and below, two Sergeants, or one staff NCO.

Army - Minimum adequacy standards provide 90 square feet each to E-6 and below with a maximum of four E-4's and below to a room, or two E5-6's to a room. Central baths are provided. Senior NCO (E-7 and above) are provided 200 square foot private rooms with a private bath.

Bachelor Enlisted Quarters (BEQ)

Question: What percentage of the BEQ's in this budget request are geared to the minimum adequacy standards and what percentage to new construction standards?

Answer: 100% of the Army, Navy, and Marine Corps requests are geared to meet new construction standards. Conversely, 100% of the Air Force's requests are designed to meet minimum adequacy standards (their 2400 spaces are, however, upgrades and not new construction).

Bachelor Enlisted Quarters (BEQ)

Question: Are you requesting any new facilities which meet only the minimum adequacy standards?

Answer: No.

Bachelor Enlisted Quarters (BEQ)

Question: I would like the Services to respond to this next question -- Have you completed your programs to meet the minimum adequacy standards for your BEQ's?

If not, what percentage of your facilities remain to be completed?

Answer: No the following is a breakdown by service of the percentage of BEQ's which have not yet met the minimum adequacy standards:

Army	12%
Air Force	23%
Marine Corps	45%
Navy	64%

Question: I understand that the Marine Corps budgets some 50 to 60 percent of their military construction funds for BEQ's. This appears to be a very large portion of a relatively small request. How does this compare with the other Services, and what has been passed-by to continue building BEQ's at this rate?

Answer: Both the Navy and Marine Corps have significant deficiencies in their BEQ programs when compared to the Army and Air Force. In the case of the Marine Corps, Operational and Maintenance programs have been deferred while BEQ construction continues at an accelerated rate, particularly for junior enlisted personnel.

Child Care Centers, Gymnasium, Religious and Recreation

Question: Mr. Secretary, I see in your budget request for fiscal 1981 several gymnasiums or physical fitness centers, especially in Germany. We will go into the program for Germany in greater detail when we look at the NATO program, but would you explain in some detail your overall policy for funding gyms and recreation centers?

Is the use of these facilities increasing? If so, why?

Answer: It is a matter of basic DoD policy that we have a responsibility for the provision of community facilities, which includes not only recreational and physical fitness centers, but also other types of facilities that help maintain a high level of morale and add to the welfare of our personnel. It is our belief that projects such as these should be funded with appropriated monies. We also believe that a proper environment is conducive to a well-rounded, physically fit, and well-adjusted individual. This is a part of our total commitment to the individual both while he is on duty and while he is at home.

Child Care Centers, Gymnasium, Religious and Recreation

Question: What is the Defense Department's policy for funding recreational facilities such as auto hobby shops, etc., out of appropriated versus non-appropriated funds?

Answer: Recreational facilities such as automotive self-help garages, arts and crafts centers, etc., normally are funded with non-appropriated monies in CONUS and appropriated monies outside the United States.

Child Care Centers, Gymnasium, Religious and Recreation

Question: How much are you requesting in this budget for religious facilities? What does this contribution encompass?

Answer: $7.08 million is being requested for chapels and religious education centers.

Child Care Centers, Gymnasium, Religious and Recreation

Question: With regard to religious pursuits, I realize, of course, that some locations do not have facilities in the surrounding areas to meet the needs of the military members and their dependents. In larger, more populated areas, however, do you have a policy to encourage military personnel to go off-base for religious endeavors? I would think this would be one way of bringing the military and civilian community more closely aligned, as well as realizing a savings in military construction costs.

Answer: We do encourage our personnel to utilize churches in the civilian sector, and where they are available, they are heavily used, both by on-base and off-base service members. There is a preference, however, by some of our personnel for the traditional on-base chapels.

Child Care Centers, Gymnasium, Religious and Recreation

Question: Would you explain the Department's policy with regard to using appropriated funds for Child Care Centers?

Answer: We believe that adequate child care facilities for our military personnel are essential if we are to maintain a high retention ratio which affects our readiness capability. Therefore, we believe it is proper for us to use appropriated monies for this function.

Child Care Centers, Gymnasium, Religious and Recreation

Question: How are funds appropriated for maintenance and operation of these Centers?

Answer: Maintenance, repair, and equipment (tables, bathrooms, etc.) are funded with appropriated monies. Nonappropriated monies are authorized for these items when appropriated funds are not available.

Directors of the Day Care Centers may be paid with appropriated funds but all other employees are paid with nonappropriated monies.

Child Care Centers, Gymnasium, Religious and Recreation

Question: How do you determine the rate to be charged per child?

Answer: The amount to be charged is determined at each installation and is generally established to cover nonappropriated fund operating costs. The thrust being that child care centers are to be operated on a break-even basis.

Child Care Centers, Gymnasium, Religious and Recreation

Question: I note that the Army is the only service requesting appropriated funds for Child Care Centers. Is this a particular problem with the Army and does the Army have more single parents and military couples with dependent children?

Answer: The Army does have the largest backlog, in this area. Approximately 90% of their Day Care Centers, both CONUS and world-wide, are considered to have extreme physical deficiencies. This problem is exacerbated by a continued influx into the Army of personnel with child care responsibilities and lack of financial

means to provide for their care. The other services are, for the time being, modernizing their facilities, but in future fiscal years we will be requesting additional appropriated funds for this purpose.

Child Care Centers, Gymnasium, Religious and Recreation

Question: Do you believe the All-Volunteer Force has created some of the problems concerning Child Care Centers?

Answer: For the most part, the increased demand for Child Care Centers is due to other factors, e.g., the increase in the number of working spouses and the military pay structure.

Child Care Centers, Gymnasium, Religious and Recreation

Question: Are the services enlisting people with dependent children?

Answer: Yes.

Question: Without trying to be discriminatory, is there a Department policy concerning enlistments of first-term personnel with dependent children?

Answer: No, but we are presently developing such a policy.

Child Care Centers, Gymnasium, Religious and Recreation

Question: What effect on readiness can be attributed to the shortage of adequate Child Care Centers?

Answer: That is difficult to answer in a quantitative sense. We believe that any factor affecting the morale of our military personnel is going to have a resulting effect on our retention ratio, thereby affecting our readiness capability.

Tinker AFB, Oklahoma, Acquisition of HUD Housing

Question: The conferees agreed that the Air Force should construct family housing on-base versus picking up the off-base HUD housing. The conferees expected to see the request for on-base housing as a part of the FY 81 budget. Can you explain why the construction was not included in this budget?

Answer: The monies were not requested in the FY 81 budget request because sufficient funds are available to construct the family housing project from prior year unobligated construction funds.

Servicemen's Insurance Premiums

Question: The conferees funded only on-going premiums. What actions have you taken to discontinue allotment of new premiums? When were these actions taken?

Answer: We advised HUD on March 26, 1980 that we would pay MIPs on newly insured or converted Section 222 mortgages through March 31, 1980 and not beyond.

Furnishings Account

Question: The conferees reduced from the FY 80 budget request the amount of funds to be provided for furnishings. What are your current projections of funds to be used for each purchase of

appliances; purchase, moving and handling of new furniture; and for maintenance and repair of existing furniture? Have you applied limitations on amounts of each of these by Service? Is each Service living within those limits? Is this causing any management problems? What are they?

Answer: The current projection of FY 1980 obligations required to purchase appliances and move, handle, maintain and repair the existing inventory is given below:

	($ in millions)	
Purchase of Appliances and Furnishings	23.4	
Moving and Handling of Furnishings and Appliances	31.6	1/
Maintenance and Repair of Furnishings and Appliances	27.8	
Total	82.8	

1/ The cost accounting systems used by the Services does not differentiate between moving and handling of new furniture and moving and handling of furniture currently in the inventory, therefore, this figure is the total figure estimated for moving and handling.

OSD has imposed limitations on furniture and appliance purchases on the Army and Air Force, since these were the services with the largest furnishings procurement programs. These limitations are subject to Revised Statute 3679, therefore, each service must live within the limits imposed.

The Congressional reduction for furnishings has caused management difficulties, the largest of which centers on the long lead time required between order and receipt of large procurement orders. A significant portion of the furnishings requirements addressed in the FY 1980 budget request had to be ordered in FY 1979 in order to adhere to valid replacement schedules established many months before. These orders have since been delivered making it necessary to increase the amount allocated for appliance purchases.

Foreign Currency Fluctuation, Construction, Defense

Question: The conferees provided $125 million in FY 80 to help cover adverse impact of unfavorable currency exchange rates. Have you a good estimate of the amount of funds required in FY 80 to cover this cost for family housing? How much of the $125 million in the FCF, C, D are you alloting to MFH in each construction and O&M? The FY 81 budget would be too late to help with your O&M problem, but it could have helped the construction portion. How much added FCF, C, D would you need to cover construction? Are there any restrictions that would preclude your applying prior year unobligated MFH construction funds to this problem?

Answer: $24 million has been allocated to the Family Housing Management Account, for O&M only. No additional funds are needed for foreign currency fluctuation to cover construction, provided funds available from prior years can be moved forward to defray the associated additional costs.

Domestic Leasing

Question: The FY 80 authorization has increased the average statutory limitation per unit to $310. Are you having any trouble maintaining within that average?

Answer: Use of the approved gross method of averaging makes it possible for us to maintain the $310 average stipulated in the FY 80 authorization bill, but not without hardship. We have not been able to execute some leases authorized and a number of leases

have been cancelled at change of occupancy time because we could no longer afford to keep them. The gross method of averaging permits us to divide the total dollars obligated during the fiscal year program by the gross number of units under lease contract during the same fiscal year.

Question: With the unforeseeable rates of utility cost increases, how do you project costs to remain within the limits, i.e., what lessor target figure do you use at the initiation of the fiscal year?

Answer: Most domestic leases are written so that the lessor pays the utility bills and recovers his expenditure in the rent. When utility bills are not paid by the lessor for planning purposes we estimate that utility bills will equate to 30% of shelter rent. The 30% figure is used for project average lease cost computations. Again, to meet rising utility costs, we have had to cancel some leases at change of occupancy time and not execute others allocated to us.

Question: Did you remain within the $300 statutory average limitation in FY 79?

Answer: We did remain within the $300 limitation for FY 79 but only because we were authorized to use the gross method of averaging.

Question: What was the actual average experienced in FY 79?

Answer: The average lease cost for FY 79, using the gross method of computation, was $245.

Question: What statutory average limitation could you live with in FY 81?

Answer: $380.

Foreign Leasing

Question: Provide for the record, the same data as pertains to adherence to statutory average limitations overseas. Your request in FY 80 for an increase in the number of foreign leases permitted from 18,000 to 20,000 resulted in a reduction of this statutory limit to 17,000 units. As you see it now, how many foreign lease authorizations will be used in FY 80? How many do you expect to use in FY 81?

Answer: Almost all, for both fiscal years.

Computation of Average Lease Cost

Question: What factors go into the calculation of lease costs?

Answer: Lease cost comprises the total of charges for shelter rent, utilities, and maintenance.

Question: Tell us exactly how you determine the number of leases in effect for any given fiscal year, i.e., how do you compute the lease that is in effect for less than the entire fiscal year in question?

Answer: Using the gross method of computing average lease cost, a lease that is in effect during any part of the year for which the average is being computed is counted as being in effect for the full 12 months of that year. Using the weighted month method of calculation, a lease that is in effect for less than the full computation year figures in the computation for only those months that it was actually in effect.

Section 809, Loring AFB

Question: The committee added a provision prohibiting realignment of Loring AFB. How much MFH O&M and improvement effort will be funded for Loring in fiscal years 80 and 81? Will this allow the housing to achieve the status that it would have retained had a tentative realignment decision not been made?

Answer: The Air Force plans to fund $1.94 M for improvements and $8.26 M for repairs of family housing at Loring AFB during Fiscal Years 1980 and 1981. This effort will not bring the housing up to the level which could have been attained if necessary work had not been deferred during the period when base realignment was being considered. Substantial improvement and repairs on over 1,400 additional Wherry units and improvements/amenities on nearly 400 Capehart and appropriated units are still required and will be programmed in Fiscal Year 1982 and future years to the extent that funds are available.

Questions Submitted by Senator Magnuson

Water Pit Facility, Puget Sound Naval Shipyard, Bremerton, WA

Question. The Navy issued an Environmental Impact Assessment on the proposed water pit facility for Bremerton's Naval Shipyard. It is my understanding that the Council on Environmental Quality's guidelines for federal projects establishes that Environmental Impact Statements be prepared for those projects which are "controversial." Given the sensitivity of the nuclear waste issue, why was only an Environmental Impact Assessment performed for the proposed water pit facility?

Answer. In conjunction with planning for this facility, and in conformance with Navy procedures for implementing the National Environmental Policy Act, an Environmental Impact Assessment for the proposed water pit facility was prepared. As indicated in the environmental assessment, environmental concerns have been recognized since the beginning of the Naval Reactors' program and have formed the basis for the stringent radiological and environmental control program for such facilities as well as for the nuclear-powered ships themselves. Since these same stringent controls will be continued in the existing facilities and in the proposed water pit facility, no significant radiological environmental effects are expected from future shipyard operations with the proposed facility. This conclusion is not one based on a cursory review, but upon over 25 years of experience in handling nuclear work in an environmentally sound manner. The full technical expertise of the Naval Nuclear Program backs up the validity of this conclusion. It is in this context, therefore, that the environmental assessment concludes that an environmental statement is not considered required for the planned water pit facility.

At the request of the Region X Office of Environmental Protection Agency, the Navy reviewed with them the water pit facility project, the Navy's Environmental Impact Assessment for this project, and the environmental aspects of the Naval nuclear propulsion program. As a result of this review, the

Environmental Protection Agency has advised the Commander of the Puget Sound Naval Shipyard by letter dated March 14, 1980 that they consider the Environmental Impact Assessment for the water pit facility to be "technically adequate and we concur with the shipyard's finding that the proposed project will not have significant environmental consequences." A copy of the letter follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION X
1200 SIXTH AVENUE
SEATTLE, WASHINGTON 98101

REPLY TO ATTN OF: M/S 443

MAR 14 1980

Captain J.H. Boyd, Commanding Officer
Puget Sound Naval Shipyard
Bremerton, Washington 98314

Dear Captain Boyd:

The Environmental Protection Agency has completed its review of the Environmental Impact Assessment (EIA) which the Bremerton Naval Shipyard issued in January 1978 on the proposed Water Pit Facility. This review was carried out in response to a citizen request.

In addition to the EIA we also reviewed EPA and Navy reports on the radiological effects of Shipyard operations and on Navy nuclear operations in general. Also, on 5 March 1980 representatives of the Shipyard and Navy headquarters briefed EPA personnel regarding the Navy's environmental assessment process and, the design of the project, including features designed to minimize the risks of accidents.

Based upon this review and the discussions with Navy personnel we have concluded that the Environmental Impact Assessment is technically adequate and we concur with the Shipyard's finding that the proposed project will not have significant environmental consequences.

Given the sensitivity of the public to nuclear power issues, in the future when the Shipyard prepares an environmental assessment on a nuclear facility it may wish to give it a wide circulation in order to facilitate timely public review. Such an approach would be consistent with the new regulations governing the implementation of the National Environmental Policy Act and, we assume, with the Navy's corresponding regulations.

If your staff has any questions about our review or desire to arrange discussions regarding future environmental assessments on a project specific basis, they may call Daniel Steinborn, our EIS Review Team Leader, at (206) 442-1285.

Sincerely,

L Edwin Coate for

Donald P. Dubois
Regional Administrator

Question: There are now about 1600 military personnel at Bangor. By 1985, this number will rise to close to 6,000. It is expected that about 4,000 of these personnel will be married and in need of family housing. Will Navy be able to meet this need?

Answer: Including personnel assigned to ships undergoing overhaul there are currently nearly 8,000 military personnel assigned to the Bangor/Bremerton area. It is anticipated that the majority of married officers and senior enlisted personnel attached to the submarines scheduled to arrive in FY 81 will seek ownership in the community sector.

Question: How much housing, by type, is presently available to personnel stationed in the Bremerton area? in the Bangor area? What sort of units are available for families? for unmarried personnel? Are the off-base housing possibilities in the two areas priced within the budget of personnel employed by the Navy? Can any shortages in base housing be supplemented by housing in the surrounding area?

Answer: On-base family housing currently numbers 1525 units: 700 at Jackson Park, Bremerton; 699 at Bangor; and 126 at various sites throughout the area. (See attachment (1) for detailed account of housing). An additional 100 units at Bangor, funded in the FY 78 program, will be coming on line in August 1980. All the family housing meets DoD standards of adquacy.

Unaccompanied personnel housing (UPH) is located at NSY Bremerton, NRMC Bremerton, NUSWES Keyport and NAVSUBASE Bangor. The majority of the UPH at NSY is adequate although inadequate housing exists for approximately 275 personnel. Voluntary assignment to inadequate UPH may be made for personnel assigned to ships undergoing overhaul. All UPH at NAVSUBASE is adequate; a new UPH facility for 88 enlisted was recently completed at the NRMC; and both adequate and substandard UPH exists at Keyport. The total number of adequate spaces in the Bremerton/Bangor area is 1732.

As elsewhere, near centers of Navy populations, the housing market in the Bremerton/Bangor area is becoming increasingly tight. High interest rates and inability to obtain financing for multi-unit rental projects have caused a steady decline in construction. Community vacancy rates have declined within the past year from 6% to approximately 2.5%. The average sale price of a 3-bedroom single family dwelling is approximately $55,000.

Family Housing at NAVSUBASE Bangor
serving the Bangor/Bremerton complex

total - 1525 adequate units (3 inactive)

Designation by bedroom:

Officers - total:		192
	2 bdrms	37
	3 bdrms	89
	4 bdrms	40
	5 bdrms	26
Enlisted - total:		1333
	2 bdrms	540
	3 bdrms	560
	4 bdrms	233
	5 bdrms	0

Housing categories:

Fund - 1970+	1142
Fund - 1950 - 1969	274
Capehart	16
Fund - Prior to 1950	93

Locations:

Bangor	699
Jackson Park	700
Indian Is.	14
Kingston	12
Keyport	25
Winslow	16
Olalla	12
Bremerton PSNS	43
Bremerton NSC	4

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Question: What kind of condition are the base units in? Is work to rehabilitate the base housing presently underway, or planned? Do the Bachelor Enlisted Quarters, particularly at Bremerton, meet basic health and safety standards? Is the family housing being well maintained? What does the Navy plan to do to address the safety hazard posed by plastic window-screen clips which harden and crack with age and exposure to weather?

Answer: Total family housing inventory:

1142	units were built in 1970+
274	units were built in 1950-1969
16	units were built in 1950-1969 (Capehart)
93	units were built prior to 1950
1525	

The 1142 units built after 1970 are in excellent condition. Whole House Repair projects for 74 units of Fund 1950-1969 and 87 units of Fund prior to 1950 were awarded in Sept. 1979 and are on-going with an estimated completion date of July 1980. There are 100 new units coming on line between now and August 1980. Total dollars spent for operation and maintenance in FY79 was $2,225 per unit, or $3,386,450 for the total inventory of 1525 units. Maintenance cost alone was $1,228 per unit. Attachment (1) provides a list of projects that are on-going and due for completion in July 1980.

All Unaccompanied Enlisted Personnel Housing (UEPH) in use in the Bremerton/Bangor area meets health and safety standards. The UEPH open bay facility at Bremerton, although structurally sound, is rated inadequate because an economic analysis has determined that the facility could not economically be modernized to new construction criteria (private rooms and baths). The primary use is to house enlisted transients and personnel assigned to ships undergoing overhaul. Berthing barges are also utilized for housing overhaul crews at the shipyard.

There are no known criteria which establishes the minimum amount of force necessary to dislodge an insect screen. There is great concern for the window screens "easy" removability in a fire or emergency egress situation.

The most rational approach may be educational. How to keep children away from proximity to the dangers of an open window is the problem to be solved.

Safety in family housing is basis of an ad hoc survey that is currently underway. The specifics of window safety will be addressed as soon as relevant data is received.

On-Going Repair Projects to Family Housing

Project #	Description	Cost
HR-1-79	Whole house repair to 7 units prior-to 1950 Bremerton, WA	$ 24,800
HR-2-79	Whole house repair to 50 units Public Quarters 50-69 Bremerton, WA	$ 96,900
HR-3-79	Whole House Repair to 24 units prior-to 1950 Keyport	$100,000
HR-4-79	Whole house repair to 12 units Public Quarters 50-69 Kingston	$ 59,000
HR-5-79	Whole house repair to 14 units prior-to 1950 Indian Head Island	$ 41,200
HR-6-79	Whole house repair to 12 units prior-to 1950 Bremerton, PSNSY	$152,000
HR-7-79	Whole house repair to 12 units Public Quarters 50-69 Olalla	$ 51,900
HR-8-79	Repair other real property	$272,000
	Repair Total	$797,800
HC-4-73	Other real property (provide storm drainage)	$500,000
	GRAND TOTAL	$1,297,800

Question: What plans does the Navy have to meet housing needs of personnel in the future, when the Trident base is activated? Will there be adequate facilities to house the personnel when the submarines begin to arrive next year?

Answer: It is anticipated that the majority of married officers and senior enlisted personnel attached to the submarines scheduled to arrive in FY 81 will seek ownership in the community sector.

Overseas Taxes and Permits

Question: The conferees directed the Department to begin negotiations to eliminate payment of taxes. Give us a chronological rundown of actions taken and progress made. Were any taxes paid with FY 80 funds? What have you done about the permit program?

Answer: The Department directed the Interagency Committee on Foreign Tax Relief, whose chairman is a State Department official, to research this issue and make recommendations that would ultimately become part of the formal negotiation process. The committee has been meeting on a regular basis for several months and informal negotiations are currently underway with both the United Kingdom and the Federal Republic of Germany (FRG) to resolve this problem. Because the issue has not yet been resolved through the formal diplomatic process the decision was made to continue payment of the taxes through FY 80.

The permit program is operating as directed by the conferees and it continues to be an integral part of our overall evaluation of the foreign leasing program.

Foreign Leasing

Question: We have heard that in the United Kingdom, the British military are moving to purchase their own homes to take advantage of inflation return on their investment. We have heard that this has stimulated the British to offer some of their on-base family housing for U.S. military use. Please tell us of any such offers or even any approaches along this line by the British government or military. Please indicate the potential number of units that could become available through this source. Where you do not consider such units as meeting our minimum standards, identify specifically by location and reason.

Answer: Both the Air Force and Navy are utilizing British Ministry of Defense (MOD) housing at the present time. It appears that the MOD has about 12,000 houses in excess of their needs due to a reduction in demand by their military members and base closures. The Status of Forces Agreement (SOFA) between the U.S. and the United Kingdom has for several years made excess MOD housing available to U.S. forces. The Air Force presently controls 648 MOD houses. The MOD has offered the Air Force more units than they could possibly accept because (a) many of the houses were beyond a one-hour commuting distance; (b) some of the houses were grossly inadequate and (c) the cost to the U.S. to modernize some of the units was not fiscally advantageous. The location of the units under Air Force control is as follows:

RAF Alconbury	23
RAF Bentwaters	104
RAF Greenham Common	48
RAF Fairford	275
RAF Lakenheath/Mildenhall	140
RAF Upper Heyford	58
Total	648*

The Navy does not have a formal agreement with the United Kingdom on the use of the excess housing, however, Navy personnel have privately leased approximately 100 MOD units in the London area. Negotiations for a formal agreement entailing Naval usage of the units have not met with success at this date.

*The location of the MOD units that do not meet the above mentioned Air Force minimum standards involves an answer of enormous detail and at this point in time is not available to us.

Thank you very much.

SUBCOMMITTEE RECESS

The subcommittee, then, stands in recess until Monday, March 24, at 2 p.m., when we are scheduled to have a joint hearing with the Armed Services Committee on energy policy.

Thank you very much.

Mr. FLIAKAS. Thank you, Mr. Chairman.

[Whereupon, at 4:10 p.m., Tuesday, March 18, the subcommittee was recessed, to reconvene at 2 p.m., Monday, March 24.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

WEDNESDAY, MARCH 26, 1980

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

The subcommittee met at 2:33 p.m., in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator Huddleston.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE CHIEF OF ENGINEERS

STATEMENT OF MAJ. GEN. WILLIAM E. READ, ASSISTANT CHIEF OF ENGINEERS

SUBCOMMITTEE PROCEDURE

Senator HUDDLESTON. The subcommittee will come to order.

This afternoon we are continuing our hearings into the fiscal year 1981 request for military construction and family housing. Our subject for this session is facilities in support of general purpose forces.

Additionally, we will spend some time on the airlift, sealift and related logistic requirements.

I think we will proceed with the statements that you gentlemen have. You may either summarize or present them in their entirety, however you want to proceed. Then we will have some questions on these subjects.

Thank you.

PREPARED STATEMENT

General READ. Mr. Chairman, I am General Read, Assistant Chief of the Engineers, Department of the Army.

With your permission, I would like to put my statement in the record and summarize some aspects of it.

Senator HUDDLESTON. Without objection, the entire statement will be in the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. WILLIAM E. READ

ASSISTANT CHIEF OF ENGINEERS, OFFICE, CHIEF OF ENGINEERS

DEPARTMENT OF THE ARMY

Mr. Chairman and members of the Committee: I am Major 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 that portion of the Army's FY 81 Military Construction budget request which supports Army General Purpose Forces. For our purposes today, we have defined General Purpose Forces as those deployed overseas in Europe and the Pacific region. Also included in this category are those units and installations subordinate to the U.S. Army Forces Command (FORSCOM) and the U.S. Army Training and Doctrine Command (TRADOC) based in the United States.

Certain categories of facilities, such as supply and medical are the subject of separate hearings. However, since many of the projects in those categories directly support general purposes forces, I will also mention them here.

This year's budget contains a request for appropriation of $276,830,000 to support and sustain the readiness of US Army forces in Europe. To improve our operations and training facilities there, our budget seeks $24,620,000 for activities such as flight simulators, a simulated city for training in Military Operations in Urban Terrain (MOUT), Battalion headquarters and classrooms, and the upgrade of various ranges and training areas. A major initiative to improve force readiness in Europe which is supported by our request is the addition of artillery tubes in our 155 millimeter and 8 inch artillery battalions. Force readiness cannot be achieved without fully operational, well maintained equipment. To that end, we are requesting $106,820,000 to construct new or upgrade existing maintenance facilities in Europe. These facilities include unit level tactical equipment shops as well as support level maintenance facilities, and will have a very positive effect on the units equipment readiness and their ability to train and fight. Since no Army can sustain itself without logistics support, our request for Europe contains $22,670,000 for facilities in the supply category. Included in this category are improvements to our petroleum storage and handling facilities, plus uploading of selected units basic loads of ammunition, to enable them to reach their designated General Defense Plan positions in time to fight. To sustain and improve the welfare of our forward deployed force in Europe, we are requesting $21,850,000 for medical and dental facilities at seven locations throughout Germany. We are also seeking $83,550,000 for the construction of new barracks, dining and community facilities. These facilities foster readiness by creating an environment where a soldier's needs are recognized, causing him to favorably consider remaining in the Army beyond his first enlistment. As a command, the US Army, Europe is the Army's largest consumer of energy. To economize in that area, we are requesting $14,420,000 to invest in improved utilities systems and energy conservation.

To improve and sustain the US Army forces deployed in the Pacific area, this years budget contains $63,620,000 for forces deployed in Korea, $3,000,000 for US Army, Japan, $5,800,000 to support activities at the National Missile Range, Kwajalein and $89,270,000 for Hawaii.

The major thrust of this year's request for Korea is in support of our combat forces, or the 2nd Infantry Division, stationed there. The conditions under which those soldiers must live and work are deplorable. Their barracks and maintenance facilities outlived their economic life years ago and the utilities systems are grossly overtaxed and, in many cases, unsafe. To improve the lot of the combat soldier in Korea, this year's request contains $15,500,000 for relocatable barracks, $10,400,000 for relocatable tactical equipment shops and $9,900,000 to upgrade the water supply, treatment and distribution system in the Camp Casey area. The new barracks and utilities system will materially improve the environment where our soldiers live and the tactical equipment shops will

provide a profound improvement in our ability to work on our equipment, especially during the harsh winters.

The balance of our request for Korea is in support of forces and activities which will remain unaffected by any decision regarding withdrawal of the 2nd Division. Most notable of the projects for this residual force are $12,000,000 to construct liquid fuel storage facilities, other storage facilities at Camp Carroll for $3,340,000, a milk plant at airfield K-16 for $3,950,000 to support US Forces throughout Korea, a dental clinic at Yongsan for $1,850,000 and various utility upgrade projects.

The project in this program for Japan is a $3,000,000 ammunition storage facility at Kawakami, on the island of Honshu.

We are seeking $5,800,000 to modernize barracks, construct a live explosive storage facility and provide water pollution abatement facilities on Kwajalein, in support of our activities there.

To support the Western Command, or WESTCOM, located in Hawaii, this years request contains $4,770,000 for tactical equipment shops, petroleum storage facilities and live-fire ranges. Also in Hawaii is our largest single project this year, the expansion and alteration of Tripler Army Medical Center, for $84,500,000. This is the only medical center in the Pacific region and must satisfy the total Department of Defense medical center requirements there. Additionally, the Veterans Administration, the Public Health Service and other federal hospital users rely on the hospital to serve their various tertiary care needs.

The United States Army Forces Command, or FORSCOM has the mission of maintaining its subordinate units in a combat ready posture, deployable on short notice. In support of the FORSCOM mission, its subordinate installations and units, we are seeking $183,270,000. Over half of this request is for operations and training facilities and maintenance facilities, both of which contribute directly to the combat readiness of our deployable forces. Some major aspects of our request in these areas include equipment maintenance facilities at Fort Bragg, North Carolina for $9,000,000; at Fort Carson, Colorado for $29,850,000; at Fort Polk, Louisiana for $10,500,000; at Fort Stewart, Georgia for $14,850,000; and flight simulators at Fort Hood, Texas for $5,000,000. The request for FORSCOM includes $9,950,000 for health clinics at Fort Ord and Fort Hunter-Liggett, California and at Fort Sam Houston, Texas. Adequate housing for unaccompanied soldiers and military community facilities are a major factor not only in the morale and welfare of our soldiers, but in their decision to remain in the Army. We are seeking $36,270,000 in this category in FORSCOM.

The mission of Training and Doctrine Command, or TRADOC, is to manage the individual training of our soldiers and officers in the US Army schools system, develop new battlefield doctrine and techniques and blend the requirements of new equipment and doctrine with the organization and manning of Army units. To support the TRADOC mission, its installations and units, we are seeking $98,150,000. Within that request, we have $28,000,000 for operations and training facilities. Included is a $6,300,000 project to augment the training facilities at Fort Benning, Georgia, the construction of a cargo handling training facility for $4,500,000 at Fort Eustis, Virginia, a $7,900,000 applied instruction facility at Fort Leonard Wood, Missouri and instructional support facilities at Fort Sill, Oklahoma, for $4,100,000. Our request for TRADOC also includes $29,260,000 for medical facilities. The major activity supported within this request is a $27,500,000 addition to and functional alterations of Lyster Army Hospital, Fort Rucker, Alabama. The addition will provide, among other things, facilities for training Army Flight Surgeons, the Army Aerospace Medicine Residency Training Program and aeromedical education and physiological training

This concludes my brief presentation of the FY 81 Military Construction Program as it supports the Army's General Purpose Forces. As in previous years, the detailed project justification supporting our request is contained in the

material which has been furnished to the Committees. The projects are arranged in command and station sequence.

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

BIOGRAPHICAL SKETCH

MAJOR GENERAL WILLIAM E. READ

Major 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 company size engineer units in Europe and Korea. 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 Isreal; 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

Senator HUDDLESTON. Continue please, General.

General READ. I am pleased to appear before the committee today to present a portion of the Army's fiscal year 81 military construction budget request, which supports the Army general purpose forces.

For our purposes today we have defined general purpose forces as those deployed overseas in Europe and the Pacific region. Also included in this category are those units and installations subordinate to the Army Forces Command, or FORSCOM, and the U.S. Army Training and Doctrine Command, or TRADOC, based in the United States.

Certain categories of facilities, such as supply and medical, are the subject of separate hearings. However, many of the projects in those categories directly support general purpose forces.

This year's budget contains a request for appropriation of $276,830,000 to support and sustain the readiness of our U.S. Army Forces in Germany. These projects cover a wide spectrum of facilities.

To improve and sustain the U.S. Army Forces deployed in the Pacific area, this year's budget contains $63,620,000 for forces deployed in Korea; $3,000,000 for U.S. Army, Japan; $5,800,000 to support activities at the National Missile Range, Kwajalein; and $89,270,000 for Hawaii.

SUPPORT OF U.S. FORCES IN KOREA

The major thrust of this year's request for Korea is in support of our combat forces, or the 2nd Infantry Division, stationed there. The conditions under which these soldiers must live and work are deplorable. Their barracks and maintenance facilities outlived their economic life years ago and the utilities systems are grossly overtaxed and, in many cases, unsafe.

To improve the lot of the combat soldier in Korea, this year's request contains $15,500,000 for relocatable barracks, $10,400,000 for relocatable tactical equipment shops and $9,900,000 to upgrade the water supply, treatment and distribution system in the Camp Casey area.

The new barracks and utilities system will materially improve the environment where our soldiers live and the tactical equipment shops will provide a significant improvement in our ability to work on our equipment, especially during the harsh winters.

The balance of our request for Korea is in support of forces and activities which will remain unaffected by any decision regarding withdrawal of the 2nd Division.

WESTCOM, HAWAII

To support the Western Command, or WESTCOM, located in Hawaii, this year's request contains $4,770,000 for tactical equipment shops, petroleum storage facilities and live-fire ranges.

FORSCOM MISSION SUPPORT

The U.S. Army Forces Command, or FORSCOM, has the mission of maintaining its subordinate units in a combat ready posture, deployable on short notice. In support of the FORSCOM mission, its subordinate installation and units, we are seeking $183,270,000.

Over half of this request is for operations and training facilities and maintenance facilities, both of which contribute directly to the combat readiness of our deployable forces. Some major aspects of our request in these areas include equipment maintenance facilities at Fort Bragg, N.C. for $9,000,000; at Fort Carson, Colo. for $29,850,000; at Fort Polk, La. for $10,500,000; at Fort Stewart, Ga. for $14,850,000; and flight simulators at Fort Hood, Tex. for $5,000,000.

The request for FORSCOM includes $9,950,000 for health clinics at Fort Ord and Fort Hunter-Liggett, Calif. and at Fort Sam Houston, Tex. Adequate housing for unaccompanied soldiers and military community facilities are a major factor not only in the morale and welfare of our soldiers but in their decision to remain in the Army. We are seeking $36,270,000 in this category in FORSCOM.

TRADOC MISSION

The mission of Training and Doctrine Command, or TRADOC, is to manage the individual training of our soldiers and officers in the U.S. Army schools system, develop new battlefield doctrine and techniques and blend the requirements of new equipment and doctrine with the organization and manning of Army units.

To support the TRADOC mission, its installations and units, we are seeking $98,150,000. Within that request, we have $28,000,000 for operations and training facilities. Included is a $6,300,000 project to augment the training facilities at Fort Benning, Ga., the construction of a cargo handling training facility for $4,500,000 at Fort Eustis, Va., a $7,900,000 applied instruction facility at Fort Leonard Wood, Mo., and instructional support facilities at Fort Sill, Okla., for $4,100,000.

Our request for TRADOC also includes $29,260,000 for medical facilities.

This concludes my brief presentation concerning the Army's general purpose forces. Now I would like to make a few brief comments concerning that portion of the fiscal year 1981 military construction budget requested for facilities related to logistics, air and sea-lift and supply.

FACILITIES IN LOGISTICS, AIR- AND SEA-LIFT AND SUPPLY

This year we are seeking some $104 million for upgrade or construction of facilities in these categories, of which about $44 million was included in our discussion of general purpose forces, as we consider them directly related to our mission performance and operational capability overseas.

Related projects include liquid fuel storage facilities in Korea and Hawaii $12,920,000, ammunition igloos and petroleum handling facilities in Germany $3,300,000, and warehouses in Korea $3,340,000. Of the remaining $60 million, all but $3 million of this is in the United States.

UPGRADE AND CONSTRUCTION PROGRAMS IN U.S.

Some of the major aspects of this request include $1,750,000 for an electrical power distribution system at Ft. Ritchie, Md. to improve the reliability of the CONUS based communications system; $1,800,000 for administrative area improvements at the Army terminal at Sunny Point, N.C., to enhance the port operation there; $6,100,000 for a Frost Effects Research Facility at Hanover, N.H. to expand our knowledge of construction techniques in cold regions; $3,000,000 to improve the security of the ammunition depot at Kawakami, Japan; $9,250,000 for an addition to the guided missile maintenance facility at Letterkenny Army Depot, Pa., which performs overhaul of certain systems, such as the improved Hawk and Nike-Hercules systems; $8,610,000 for flood protection and alteration of administrative buildings for the headquarters of the Army Armament Materiel and Readiness Command at Rock Island Arsenal, Ill.; $5,200,000 for a small arms maintenance and storage facility at Ft. Benning, Ga.; and $2,000,000 for accommodations for the Joint Tactical Communications Office of the Tri-Service Tactical Communications Program [or TRI-TAC] at Fort Monmouth, N.J.

This concludes my brief presentation of that portion of the fiscal year 1981 military construction program for facilities in the category of logistics, air and sea lift and supply. 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.

Senator HUDDLESTON. Thank you very much, General.

Admiral Iselin.

Department of the Navy

Naval Facilities Engineering Command

STATEMENT OF REAR ADM. D. G. ISELIN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, DEPARTMENT OF THE NAVY

ACCOMPANIED BY:

BRIG. GEN. R. T. TRUNDY, DIRECTOR, FACILITIES AND SERVICES DIVISION, U.S. MARINE CORPS

PREPARED STATEMENT

Admiral Iselin. Mr. Chairman, I am pleased to be here this afternoon and to review briefly the Navy's military construction budget in support of general purpose forces and sealift, airlift and supply functions.

I would like to submit the full statement for the record and simply give you a briefing.

Senator Huddleston. Thank you.

[The statement follows:]

PREPARED STATEMENT OF REAR ADM. D. G. ISELIN, CMDR.
NAVAL FACILITIES ENGINEERING COMMAND
DEPARTMENT OF THE NAVY

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 RICHARD T. TRUNDY, UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS PORTION OF THE BUDGET.

FISCAL YEAR 1981 MILITARY CONSTRUCTION APPROPRIATION

THE APPROPRIATIONS REQUEST IS $703 MILLION IN NEW OBLIGATIONAL AUTHORITY. FOR COMPARISON, THE FISCAL YEAR 1980 APPROPRIATION WAS $567 MILLION.

PRESENTATION HIGHLIGHTS

FIRST, I HAVE SOME BRIEF COMMENTS ON A TOPIC OF SPECIAL INTEREST TO THE COMMITTEE. THE BALANCE OF MY STATEMENT CORRELATES THE MISSION OF THE NAVY WITH THE PROJECTS REQUESTED IN THIS YEAR'S BUDGET.

SPECIAL TOPIC

CONSTRUCTION CONTRACTING

CONSTRUCTION COSTS HAVE RISEN AT A RATE OF SLIGHTLY GREATER THAN ONE PERCENT PER MONTH FROM 1 OCTOBER 1978 TO 1 OCTOBER 1979. CURRENT PROJECTIONS ARE THAT CONSTRUCTION COSTS WILL CONTINUE TO RISE AT APPROXIMATELY THIS SAME RATE OVER THE NEXT FISCAL YEAR. WITH THIS INFLATION RATE, ADVANCING THE BIDDING AND AWARD DATE OF A PROJECT WILL GENERALLY REDUCE ITS CONSTRUCTION COST. INITIATING DESIGN EARLY HAS ALLOWED THE NAVY TO ADVANCE BIDDING AND CONSTRUCTION CONTRACT AWARD DATES OVER THE LAST SEVERAL FISCAL YEARS.

THE CONGRESS EXPECTED BENEFITS TO ACCRUE FROM EARLIER DESIGN AND THESE BENEFITS ARE BEING REALIZED. LAST YEAR, WE ADVISED OF EXPECTED PROBLEMS IN EXECUTING THE FISCAL YEAR 1979 MILITARY CONSTRUCTION PROGRAM. WITH SIX REPROGRAMMINGS FOR FISCAL YEAR 1979,

WE WERE STILL ABLE TO PLACE UNDER CONTRACT 91 PERCENT OF THE PROJECTS OF THE FISCAL YEAR 1979 PROGRAM WITHIN THE FISCAL YEAR. I CONSIDER THIS A VERY SIGNIFICANT ACHIEVEMENT AND MY ENGINEERING FIELD DIVISIONS HAVE BEEN COMMENDED FOR THEIR PERFORMANCE.

MISSION SUPPORT CONSTRUCTION

THE BUDGETED AMOUNT BY MISSION IS TABULATED FOR THE MARINE CORPS AND NAVY IN A SUPPLEMENT TO MY STATEMENT. SINCE MANY INSTALLATIONS HAVE MORE THAN ONE MISSION, THE INSTALLATIONS AND THEIR PROJECTS ARE IDENTIFIED BY THEIR PRIMARY MISSION.

STRATEGIC FORCES

THE NAVAL SUBMARINE BASE, BANGOR, WASHINGTON, AND THE NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA, ARE INSTALLATIONS WITH A MISSION OF DIRECT SUPPORT TO STRATEGIC FORCES. OTHER INSTALLATIONS WITH A SUPPORT MISSION TO STRATEGIC FORCES ARE THE POLARIS MISSILE FACILITY, CHARLESTON, SOUTH CAROLINA; NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA; NAVAL ACTIVITIES DETACHMENT, HOLY LOCH, SCOTLAND; AND THE NAVAL STATION, GUAM, MARIANA ISLANDS. THIS YEAR $34.2 MILLION IS REQUESTED FOR INSTALLATIONS WITH A DIRECT STRATEGIC SUPPORT MISSION. THE AMOUNT REQUESTED, AT OTHER BASES WITH A MISSION IN SUPPORT OF STRATEGIC FORCES, IS $15.8 MILLION. AT THE NAVAL SUBMARINE BASE, BANGOR, WASHINGTON, $7.6 MILLION OF THE REQUEST WILL PROVIDE A COVER FOR THE DRY DOCK TO PERMIT MEETING THE 18-DAY REFIT SCHEDULES, UNDER ALL WEATHER CONDITIONS, A FACILITY FOR INSPECTING AND REFURBISHING LAUNCHER EQUIPMENT, FACILITIES IN SUPPORT OF A CONSTRUCTION BATTALION UNIT AND PERSONNEL SUPPORT FACILITIES. THE BALANCE, $8.6 MILLION OF THE $16.2 MILLION REQUEST, IS PROVIDED FOR COMMUNITY IMPACT ASSISTANCE SUPPORT.

FOR THE NAVAL SUBMARINE SUPPORT BASE, KINGS BAY, GEORGIA, $18 MILLION IS REQUESTED TO PROVIDE OPERATIONAL AND PERSONNEL SUPPORT FACILITIES AND UTILITIES.

FOR THE OTHER INSTALLATIONS WITH A SUPPORT MISSION TO STRATEGIC FORCES, THE PROJECTS WILL PROVIDE: (1) AT THE POLARIS MISSILE FACILITY, ATLANTIC, CHARLESTON, SOUTH CAROLINA, REINFORCED CONCRETE MAGAZINES

FOR STORAGE OF TRIDENT (C-4) MISSILE/MOTORS, REENTRY BODIES AND SMALL ORDNANCE, AND FACILITIES FOR INDUSTRIAL WASTE COLLECTION AND TREATMENT; (2) AT THE NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA, FACILITIES THAT WILL PROVIDE SUPPORT TO STATION PERSONNEL AND STRATEGIC FORCE PERSONNEL. THE FACILITIES ARE A CHAPEL AND RELIGIOUS EDUCATION BUILDING, A BARRACKS TO PROVIDE ADEQUATE BILLETING FOR MARINES THAT PROVIDE SECURITY FOR THE NAVAL WEAPONS STATION AND POLARIS MISSILE FACILITY, ATLANTIC, AND A WATER SUPPLY IMPROVEMENT PROJECT THAT WILL BENEFIT BOTH THE WEAPONS SYSTEMS SUPPORT AND STRATEGIC FORCES SUPPORT MISSIONS OF THE STATION.

NO REQUESTS ARE MADE IN THIS BUDGET FOR THE NAVAL ACTIVITIES DETACHMENT, HOLY LOCH, SCOTLAND, OR THE NAVAL STATION, GUAM, MARIANA ISLANDS.

GENERAL PURPOSE FORCES

FOR MARINE CORPS AND NAVAL INSTALLATIONS HAVING A PRIMARY MISSION OF SUPPORT OF GENERAL PURPOSE FORCES, $135.6 MILLION IS REQUESTED. THE MOST SIGNIFICANT PROJECTS ARE AT THE NAVAL AIR STATION, ALAMEDA, CALIFORNIA; MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA; MARINE CORPS AIR STATION, EL TORO, CALIFORNIA; NAVAL AIR STATION, LEMOORE, CALIFORNIA; MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA; MARINE CORPS AIR STATION, CHERRY POINT, NORTH CAROLINA; NAVAL AIR STATION, OCEANA, VIRGINIA; NAVAL STATION, KEFLAVIK, ICELAND, AND NAVAL STATION, ROOSEVELT ROADS, PUERTO RICO. FOR MARINE CORPS INSTALLATIONS, A MAJOR PORTION OF THE REQUEST IS FOR ENLISTED BARRACKS THAT WILL BE ADDRESSED BY BRIGADIER GENERAL TRUNDY IN HIS STATEMENT.

FOR THE NAVY, THE SIGNIFICANT PROJECTS ARE: (1) AIRCRAFT SUPPORT FACILITIES AT THE NAVAL AIR STATION, ALAMEDA, CALIFORNIA, THAT WILL MODIFY THREE HANGARS FOR OPERATIONS AND MAINTENANCE OF C-130 AIRCRAFT WITH AN AIRBORNE COMMUNICATIONS MISSION THAT SUPPORTS STRATEGIC FORCES; (2) PIER IMPROVEMENTS AT THE NAVAL AIR STATION, ALAMEDA, CALIFORNIA, THAT WILL PROVIDE ELECTRICAL UTILITIES ON ONE PIER TO PERMIT AIRCRAFT CARRIERS TO SHUT DOWN THEIR ELECTRICAL GENERATING PLANTS WHILE IN PORT; (3) ENGINE TEST CELLS AT THE NAVAL AIR STATION, LEMOORE, CALIFORNIA, NEEDED FOR TESTING JET ENGINES FOR THE F/A-18 AIRCRAFT IN AN ENVIRON-

MENTALLY ACCEPTABLE MODE; (4) A BARRACKS THAT WILL PROVIDE 504 SPACES FOR E1-E4 PERSONNEL AND REDUCE SEVERE OVERCROWDING OF PERSONNEL, AND LAND ACQUISITION TO PREVENT DEVELOPMENT INCOMPATIBLE WITH THE MISSION OF THE NAVAL AIR STATION, OCEANA; (5) A NEW DUAL PURPOSE AIR TERMINAL TO SEPARATE MILITARY AND CIVILIAN FUNCTIONS, A BARRACKS TO PROVIDE ADEQUATE BILLETING FOR 154 SENIOR ENLISTED PERSONNEL, AND THE SECOND PHASE OF GEOTHERMAL HEATING TO CONVERT TO GEOTHERMAL ENERGY THE ENERGY SOURCE FOR HEATING AND DOMESTIC HOT WATER, ALL AT THE NAVAL STATION, KEFLAVIK, ICELAND, AND (6) SANITARY SEWAGE COLLECTION AND TREATMENT FACILITIES AT THE NAVAL STATION, ROOSEVELT ROADS, PUERTO RICO, TO BRING SEWAGE TREATMENT PLANTS, AND OCEAN OUTFALLS, AND COLLECTION SYSTEM UP TO ENVIRONMENTAL PROTECTION AGENCY STANDARDS.

AUXILIARY FORCES

THE REQUEST FOR AUXILIARY FORCES IS $35.9 MILLION FOR NAVY INSTALLATIONS PERFORMING INTELLIGENCE, COMMUNICATIONS, AND RESEARCH AND DEVELOPMENT MISSIONS. THE MOST SIGNIFICANT PROJECTS ARE AT THE NAVAL COMMUNICATION STATION, KEFLAVIK, ICELAND; NAVAL RESEARCH LABORATORY, DISTRICT OF COLUMBIA; NAVAL WEAPONS CENTER, CHINA LAKE, CALIFORNIA; AND THE PACIFIC MISSILE TEST CENTER, POINT MUGU, CALIFORNIA. AT THE NAVAL COMMUNICATION STATION, KEFLAVIK, AN ANTENNA TOWER PROJECT WILL UPGRADE VERY LOW FREQUENCY TRANSMISSIONS AND PERMIT GREATER UTILIZATION OF THIS STATION'S TRANSMITTING CAPABILITIES.

FOR THE NAVAL RESEARCH LABORATORY, DISTRICT OF COLUMBIA, A FACILITY ENERGY IMPROVEMENTS PROJECT WILL UPGRADE STEAM AND CONDENSATE LINES AND INSTALL HEAT RECOVERY AND RECIRCULATION SYSTEMS AND OTHER ENERGY CONSERVATION IMPROVEMENTS.

AT THE NAVAL WEAPONS CENTER, CHINA LAKE, A WEAPONS SYSTEMS SUPPORT PROJECT WILL PROVIDE A SINGLE CONSOLIDATED FACILITY FOR ENGINEERING SUPPORT FOR INTEGRATION OF NEW WEAPONS SYSTEMS DURING THE SERVICE LIFE OF NAVY'S MOST ADVANCED ATTACK AND FIGHTER AIRCRAFT. ANOTHER PROJECT FOR LAND ACQUISITION WILL ACQUIRE THE APPROPRIATE INTEREST IN PRIVATE LANDS UNDERLYING TWO ESTABLISHED LOW-LEVEL,

HIGH-SPEED AIRCRAFT APPROACH CORRIDORS VITAL TO MAJOR TEST RANGE OPERATIONS.

AT THE PACIFIC MISSILE TEST CENTER, POINT MUGU, A WEAPONS SYSTEM SUPPORT PROJECT WILL PROVIDE SPACE FOR ENGINEERING PERSONNEL ENGAGED IN NON-DESTRUCTIVE LABORATORY TESTING PERFORMED IN CONJUNCTION WITH FLIGHT TESTING OF AIRBORNE WEAPON SYSTEM TACTICAL HARDWARE AND SOFTWARE. A FACILITY ENERGY IMPROVEMENTS PROJECT AT POINT MUGU WILL INSTALL ECONOMIZER SYSTEMS TO REDUCE AIR CONDITIONING REQUIREMENTS AND PROVIDE ENERGY EFFICIENT EXTERIOR AND INTERIOR LIGHTING SYSTEMS.

. MISSION SUPPORT FORCES

FOR GENERAL PURPOSE MISSION SUPPORT FORCES, $110.3 MILLION IS REQUESTED. THE MOST SIGNIFICANT PROJECTS ARE LOCATED AT DEFENSE INSTALLATIONS, MARIANA ISLANDS; THE CHARLESTON, NORFOLK, SAN DIEGO, NAVAL STATIONS; NAVAL AMPHIBIOUS BASE, LITTLE CREEK, VIRGINIA; NAVAL SUBMARINE BASE, NEW LONDON, CONNECTICUT; NAVAL FACILITY, BRAWDY, WALES, UNITED KINGDOM; NAVAL SUBMARINE SUPPORT FACILITY, SAN DIEGO, CALIFORNIA; AND NAVY SUPPORT FACILITY, DIEGO GARCIA, INDIAN OCEAN.

THE LAND ACQUISITION PROJECT FOR DEFENSE INSTALLATIONS, MARIANA ISLANDS, WILL ACQUIRE LEASEHOLD INTERESTS IN APPROXIMATELY 18,000 ACRES OF LAND. THIS ACQUISITION WAS AGREED TO IN 1975 AS A PART OF COVENANT TO ESTABLISH THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

FOR THE NAVAL STATION, CHARLESTON, SOUTH CAROLINA, A SHORE INTERMEDIATE MAINTENANCE FACILITY PROJECT WILL PROVIDE A FACILITY FOR CONSOLIDATING SHOPS AND PROVIDE NEW AND IMPROVED SPACE FOR WORKING ON FFG-7 AND DD-963 SHIPS. AN ELECTRICAL DISTRIBUTION PROJECT WILL PROVIDE ADEQUATE AND DEPENDABLE QUANTITIES OF ELECTRICAL POWER TO PIERS "N" AND "P".

AT THE NAVAL AMPHIBIOUS BASE, LITTLE CREEK, VIRGINIA, A PROJECT FOR A CONVERSION OF THE STEAM PLANT FROM OIL FIRING TO COAL FIRING WILL RESULT IN THE SAVING OF APPROXIMATELY 150,000 BARRELS OF OIL ANNUALLY.

FOR THE NAVAL SUBMARINE BASE, NEW LONDON, CONNECTICUT, A UTILITIES IMPROVEMENT PROJECT WILL PROVIDE A NEW UNDERGROUND FRESH

WATER FIRE PROTECTION SYSTEM TO REPLACE UNDERSIZED AND DETERIORATED SALT WATER SYSTEM AND TO PROVIDE SERVICE TO NEWLY DEVELOPED AREAS.

AT THE NAVAL STATION, NORFOLK, VIRGINIA, A PROJECT FOR A SHORE INTERMEDIATE MAINTENANCE FACILITY WILL PROVIDE A CONSOLIDATED SHOP TO PROVIDE INTERMEDIATE MAINTENANCE SUPPORT TO APPROXIMATELY 80 SHIPS TO BE HOMEPORTED IN NORFOLK BY 1985.

FOR THE NAVAL FACILITY, BRAWDY, WALES, UNITED KINGDOM, AN EQUIPMENT BUILDING EXPANSION PROJECT WILL ALTER AND EXTEND A FACILITY FOR RECEIPT OF NEW EQUIPMENT.

AT THE NAVAL STATION, SAN DIEGO, CALIFORNIA, A SHIP WASTEWATER COLLECTION ASHORE PROJECT WILL PROVIDE SEWAGE COLLECTION LINES ON PIERS 10, 11, AND 12.

FOR THE NAVY SUBMARINE SUPPORT FACILITY, SAN DIEGO, A BARRACKS PROJECT WILL PROVIDE SPACES FOR 336 E1-E4 PERSONNEL.

FOR THE NAVY SUPPORT FACILITY, DIEGO GARCIA, INDIAN OCEAN, A FIRST INCREMENT DREDGING PROJECT WILL PROVIDE FILL MATERIAL FOR EXPANSION OF FACILITIES PROGRAMMED IN FUTURE YEARS. THIS EXPANSION WILL INCREASE CAPABILITIES FOR SUPPORT OF A WIDER RANGE OF FORCES DEPLOYED IN THE INDIAN OCEAN.

CENTRAL SUPPORT FORCES

THE REQUEST IS $212.6 MILLION FOR FACILITIES CONSTRUCTION AT CENTRAL SUPPORT FORCES INSTALLATIONS. THIS IS SUBDIVIDED TO PROVIDE $111.3 MILLION, $43.4 MILLION, AND $49.9 MILLION FOR SUPPLY AND MAINTENANCE, TRAINING, AND MEDICAL INSTALLATIONS, RESPECTIVELY. FOR SUPPLY AND MAINTENANCE INSTALLATIONS, THE SIGNIFICANT PROJECTS ARE LOCATED AT THE NAVAL MAGAZINE, LUALUALEI, HAWAII; PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON; NAVY FUEL ANNEX, CASCO BAY, MAINE; CHARLESTON NAVAL SHIPYARD, CHARLESTON, SOUTH CAROLINA; NAVY PUBLIC WORKS CENTER, GREAT LAKES, ILLINOIS; NAVAL SUPPLY CENTER, NORFOLK, VIRGINIA; NAVY PUBLIC WORKS CENTER, PEARL HARBOR, HAWAII; PHILADELPHIA NAVAL SHIPYARD, PHILADELPHIA, PENNSYLVANIA; NORFOLK NAVAL SHIPYARD, PORTSMOUTH, VIRGINIA; AND NAVY PUBLIC WORKS CENTER, SAN FRANCISCO, CALIFORNIA.

AT THE NAVAL MAGAZINE, LUALUALEI, HAWAII, A NEW BARRACKS PROJECT, OUTSIDE OF THE EXPLOSIVE BLAST HAZARD ZONE, WILL PROVIDE SPACES FOR PERSONNEL NOW LIVING IN A BARRACKS WITHIN THE BLAST ZONE.

FOR THE PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON, A PROJECT FOR A WATER PIT FACILITY WILL PROVIDE THE SHIPYARD WITH A CAPABILITY TO REFUEL NUCLEAR AIRCRAFT CARRIERS.

FOR THE NAVAL FUEL ANNEX, CASCO BAY, MAINE, AN OIL SPILL PREVENTION PROJECT WILL PROVIDE CONTAINMENT FACILITIES AND IMPROVEMENTS TO TANKS TO PREVENT OIL AND FUEL SPILLS FROM ENTERING THE GROUNDWATER TABLE.

AT THE CHARLESTON NAVAL SHIPYARD, CHARLESTON, SOUTH CAROLINA, A PLATING SHOP ALTERATIONS PROJECT WILL CONVERT PLATING PROCESSES FROM CYANIDE BASE ELECTROLYTES TO OTHER SYSTEMS. THE PIPE CLEANING FACILITY PROJECT WILL PROVIDE ADEQUATE FACILITIES NECESSARY FOR ENVIRONMENTAL PROTECTION AND SAFE HANDLING OF EQUIPMENT IN THE PIPE SHOP. A THIRD PROJECT WILL REMOVE NONINDUSTRIAL FUNCTIONS FROM THE NEW PIER "C" AREA AND CONVERT THE VACATED SPACE FOR DIRECT SUPPORT OF SHIP REPAIR WORK AT PIER "C".

FOR THE NAVY PUBLIC WORKS CENTER, GREAT LAKES, ILLINOIS, A FACILITY ENERGY IMPROVEMENTS PROJECT WILL UPGRADE THE STEAM DISTRIBUTION SYSTEM AND ACCOMPLISH OTHER ENERGY CONSERVATION IMPROVEMENTS THAT SHOULD RESULT IN $1.4 MILLION IN SAVINGS ANNUALLY.

AT THE NAVAL SUPPLY CENTER, NORFOLK, VIRGINIA, A HAZARDOUS MATERIALS STORAGE AND HANDLING FACILITY PROJECT WILL PROVIDE CONSOLIDATED SAFE STORAGE FACILITIES FOR HAZARDOUS AND FLAMMABLE MATERIALS WITH MODERN SAFEGUARDS FOR PERSONNEL SAFETY AND SEGREGATION OF INCOMPATIBLE ACIDS, CAUSTICS, AND OTHER MATERIALS.

FOR THE NAVY PUBLIC WORKS CENTER, PEARL HARBOR, HAWAII, A UTILITIES IMPROVEMENT PROJECT WILL PROVIDE ALL OF THE UTILITIES NEEDED TO PERMIT SHIPS' BOILERS AND GENERATION EQUIPMENT TO BE SHUT DOWN WHEN BERTHED AT "MIKE" WHARVES.

AT THE PHILADELPHIA NAVAL SHIPYARD, PHILADELPHIA, PENNSYLVANIA, A BERTHING WHARF REHABILITATION PROJECT WILL REPLACE A WHARF BULKHEAD

THAT COULD COLLAPSE WITH SEVERE DISRUPTION TO THE OPERATING CAPABILITY OF THE SHIPYARD.

FOR THE NORFOLK NAVAL SHIPYARD, PORTSMOUTH, VIRGINIA, A PLATING FACILITY IMPROVEMENTS PROJECT WILL CORRECT DEFICIENCIES IN THE PRESENT FACILITY TO ELIMINATE HAZARDS TO PERSONNEL FROM TOXIC AND EXPLOSIVE CHEMICALS. A BARRACKS PROJECT WILL PROVIDE 444 SPACES FOR PERSONNEL ASSIGNED TO SHIPS UNDERGOING OVERHAUL WHICH DO NOT HAVE HABITABLE BERTHING SPACES DURING OVERHAUL.

AT THE NAVAL SUPPLY CENTER, OAKLAND, CALIFORNIA, A WHARF UTILITIES PROJECT WILL PROVIDE ALL OF THE UTILITIES NEEDED TO PERMIT THE SHUT DOWN OF THE BOILERS AND GENERATING PLANT OF TWO REPLENISHMENT OILERS AND ONE AUXILIARY REPAIR SHIP.

FOR THE TRAINING INSTALLATIONS, THE SIGNIFICANT PROJECTS ARE LOCATED AT THE MARINE CORPS RECRUIT DEPOT, PARRIS ISLAND, SOUTH CAROLINA; THE FLEET COMBAT TRAINING CENTER ATLANTIC, DAM NECK, VIRGINIA; THE NAVAL TRAINING CENTER, ORLANDO, FLORIDA; THE NAVAL SUBMARINE TRAINING CENTER, SAN DIEGO, CALIFORNIA; AND THE NAVAL AIR STATION, WHITING FIELD, FLORIDA.

AT THE MARINE CORPS RECRUIT DEPOT, PARRIS ISLAND, SOUTH CAROLINA, AND THE FLEET COMBAT TRAINING CENTER ATLANTIC, DAM NECK, VIRGINIA, TWO MODERNIZATION PROJECTS FOR ENLISTED PERSONNEL HOUSING WILL UPGRADE EXISTING INADEQUATE FACILITIES.

AT THE NAVAL TRAINING CENTER, ORLANDO, FLORIDA, AN AIR CONDITIONING MODERNIZATION PROJECT WILL REPLACE INDIVIDUAL ROOM AIR-CONDITIONING UNITS WITH CENTRALIZED ROOF-MOUNTED UNITS.

FOR THE NAVAL SUBMARINE TRAINING CENTER, SAN DIEGO, CALIFORNIA, AN OPERATIONAL TRAINER FACILITY WILL PROVIDE ADEQUATE SPACE TO HOUSE NEW TRAINING DEVICES BEING PROCURED FOR INSTRUCTION OF SUBMARINE CREWS.

EXISTING AIRFIELD PAVEMENT AT THE NAVAL AIR STATION, WHITING FIELD, FLORIDA, IS DETERIORATED, JEOPARDIZING LANDINGS AND EXPOSING AIRCRAFT TO FOREIGN OBJECT DAMAGE. AN AIRFIELD PAVEMENT RESTORATION PROJECT

WILL UPGRADE ASPHALT PAVEMENT ON THE NORTH FIELD RUNWAYS USED IN SUPPORT OF FLIGHT TRAINING OPERATIONS.

ALSO UNDER THE CENTRAL SUPPORT FORCES MISSION CATEGORY ARE THOSE INSTALLATIONS HAVING MEDICAL SUPPORT AS THEIR MAIN FUNCTION. THIS YEAR'S PROGRAM INCLUDES TWO SIGNIFICANT PROJECTS. THE FIRST IS FOR $23 MILLION TO COMPLETE THE MODERNIZATION OF THE EXISTING HOSPITAL AT THE NATIONAL NAVAL MEDICAL CENTER, BETHESDA, MARYLAND. REHABILITATION AND CONSOLIDATION OF SPACES IN THE EXISTING HOSPITAL ARE REQUIRED TO UPDATE THE REMAINING OBSOLETE HEALTH CARE FACILITIES. MAXIMIZING USE OF EXISTING HOSPITAL BUILDINGS WAS BASIC TO THE NATIONAL NAVAL MEDICAL CENTER'S MODERNIZATION PROGRAM. THE REPLACEMENT HOSPITAL WILL BECOME OPERATIONAL IN OCTOBER 1980. THIS YEAR'S REQUEST WILL MODERNIZE PORTIONS OF THE EXISTING HOSPITAL BUILDING FOR OUTPATIENT, PATIENT SUPPORT, ADMINISTRATION AND SERVICE FUNCTIONS, AND COMPLETE ALL OF THE REPLACEMENT HOSPITAL CONSTRUCTION. OTHER SPACE REMAINING IN THE EXISTING HOSPITAL WILL BE ALTERED AND MODERNIZED IN FUTURE YEARS TO CONSOLIDATE OTHER MEDICAL ORGANIZATIONS NOW HOUSED IN SUBSTANDARD TEMPORARY FACILITIES.

THE SECOND PROJECT IS FOR THE FIRST PHASE OF THE NEW HOSPITAL AT THE NAVAL REGIONAL MEDICAL CENTER, SAN DIEGO, CALIFORNIA.

THE EXISTING HOSPITAL, WHICH PROVIDES MEDICAL CARE FOR APPROXIMATELY 370,000 PERSONNEL IN THE SAN DIEGO NAVAL COMMUNITY, IS LOCATED ON A CROWDED SITE ON THE EDGE OF BALBOA PARK. BUILDINGS DO NOT MEET CURRENT SEISMIC DESIGN CRITERIA AND HAVE INSUFFICIENT ROOM FOR EXPANSION. COSTS OF MODERNIZATION AND RECONSTRUCTION AT THE PRESENT SITE, WHILE TRYING TO KEEP THE EXISTING HOSPITAL OPERATIONAL WOULD BE PROHIBITIVE. THE NEW HOSPITAL WILL BE CONSTRUCTED ON A SITE ADJACENT TO THE EXISTING HOSPITAL.

LAST YEAR, THE HOUSE APPROPRIATIONS COMMITTEE ENCOURAGED THE MILITARY DEPARTMENTS TO SEEK FULL AUTHORIZATION FOR MAJOR FACILITIES, WITH INCREMENTAL FUNDING. THE NAVY ENDORSES THIS APPROACH. THEREFORE, WE ARE REQUESTING FULL AUTHORIZATION FOR THIS PROJECT THIS YEAR IN THE AMOUNT OF $293 MILLION WITH AN APPROPRIATIONS REQUEST OF $25 MILLION. THIS FIRST PHASE WILL PROVIDE INITIAL SITE PREPARATION, SOME FOUNDATIONS AND SOME UTILITIES.

POLLUTION ABATEMENT

IN THIS YEAR'S BUDGET, $26.3 MILLION IS REQUESTED FOR WATER POLLUTION ABATEMENT. THE NAVY HAS MADE SIGNIFICANT IMPROVEMENTS IN SANITARY AND INDUSTRIAL WASTE SEWERAGE SYSTEMS, SHIP WASTEWATER COLLECTION ASHORE, OIL SPILL PREVENTION FACILITIES, AIR EMISSION IMPROVEMENTS, AND SOLID WASTE DISPOSAL SYSTEMS WITH THE $595 MILLION OF AUTHORITY AND APPROPRIATIONS PROVIDED SINCE 1968. WE HAVE BROUGHT 99 PERCENT OF OUR AIR EMISSIONS INTO COMPLIANCE, ELIMINATED ALL OPEN DUMPS, AND INCREASED OUR SHORE ESTABLISHMENT'S SANITARY WASTE SECONDARY TREATMENT FROM 62 PERCENT TO OVER 90 PERCENT. THE FISCAL YEAR 1981 POLLUTION ABATEMENT REQUEST INCLUDES $10 MILLION FOR OIL SPILL PREVENTION FACILITIES, $10 MILLION FOR SANITARY SEWERAGE SYSTEMS, AND $5 MILLION FOR PIER SEWERS. IT IS ESTIMATED THAT $40 MILLION ANNUALLY OVER THE NEXT FIVE YEARS WILL BE REQUIRED TO ALLOW THE NAVY TO COMPLY WITH EXISTING AND PROPOSED LAWS. AREAS WHICH WILL RECEIVE ATTENTION AS ENVIRONMENTAL PROTECTION AGENCY AND STATE REGULATIONS ARE FINALIZED INCLUDE PRETREATMENT OT TOXIC WASTES, HAZARDOUS WASTE DISPOSAL FACILITIES, SOLID WASTE RECYCLING FACILITIES AND INDUSTRIAL WASTE PRETREATMENT FACILITIES.

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 1980 ARE COMPLETED, IT IS ESTIMATED THAT THEREAFTER THESE IMPROVEMENTS WILL SAVE THE EQUIVALENT OF 1,800,000 BARRELS OF FUEL OIL ANNUALLY. THE $53 MILLION REQUESTED THIS YEAR WILL SAVE THE EQUIVALENT OF APPROXIMATELY 350,000 BARRELS OF FUEL OIL ANNUALLY. THIS INVESTMENT WILL RESULT IN AN ANNUAL COST

AVOIDANCE OF APPROXIMATELY $10 MILLION AND WILL AMORTIZE THE INVESTMENT IN 5.4 YEARS.

OCCUPATIONAL SAFETY AND HEALTH CONSTRUCTION

WE ARE REQUESTING $14.6 MILLION FOR CONTINUATION OF THE NAVAL OCCUPATIONAL SAFETY AND HEALTH PROGRAM. SURVEYS HAVE IDENTIFIED ADDITIONAL DEFICIENCIES IN OCCUPATIONAL SAFETY AND HEALTH STANDARDS, AND THESE SURVEYS ARE CONTINUING TO REFINE AND VALIDATE SPECIFIC REQUIREMENTS. IT IS ESTIMATED THAT AT LEAST $25 MILLION PER YEAR IN MILITARY CONSTRUCTION FUNDS AND ANOTHER $15 MILLION IN OPERATIONS AND MAINTENANCE AND OTHER PROCUREMENT FUNDS WILL BE REQUIRED OVER THE NEXT FIVE YEARS TO CORRECT THE DEFICIENCIES THAT ARE BEING IDENTIFIED.

BACHELOR HOUSING

THE NAVY IS PLACING GREATER EMPHASIS ON THE PROVISION OF HABITABLE SPACES FOR ENLISTED PERSONNEL WITH A REQUEST OF $42.9 MILLION THIS YEAR FOR 2,647 SPACES. PROVIDING MODERN, SEMI-PRIVATE OR PRIVATE ACCOMMODATIONS FOR ENLISTED PERSONNEL DURING THEIR YEARS ON SHORE DUTY, IS A CLEAR SIGNAL OF INTEREST IN THEIR WELFARE. WHEN COMPARED TO LIVING IN AN OPEN-BAY BARRACKS, THESE ACCOMMODATIONS WILL MAKE A SERVICE CAREER MORE ATTRACTIVE. IN FISCAL YEARS 1977 AND 1978, FUNDING FOR BACHELOR ENLISTED SPACES AVERAGED $15 MILLION. IN FISCAL YEARS 1978 AND 1979, FUNDING AVERAGED $35 MILLION FOR BACHELOR ENLISTED SPACES. OVER THE NEXT FOUR YEARS, IT IS EXPECTED THAT $50 MILLION OR GREATER WILL BE REQUESTED FOR BACHELOR ENLISTED SPACES.

SUMMARY

THE NAVY'S FISCAL YEAR 1981 MILITARY CONSTRUCTION BUDGET IS STRUCTURED TO ACHIEVE AN APPROPRIATE BALANCE BETWEEN MISSIONS OF THE NAVY, ENHANCING PEOPLE PROGRAM OBJECTIVES, AND PROVIDING A CONTRIBUTION TO THE SOLUTION OF NATIONAL ENERGY AND ENVIRONMENTAL PROBLEMS.

SUPPLEMENT # 1

MILITARY CONSTRUCTION BY MISSION

	NAVY			MARINE CORPS			TOTAL		
	Number of Bases	($000)	%	Number of Bases	($000)	%	Number of Bases	($000)	%
STRATEGIC FORCES (101)	3	47,070	6.7	-	-	-	3	47,070	6.7
GENERAL PURPOSE FORCES									
GENERAL PURPOSE (202)	15	119,210	17.0	9	77,780	11.1	24	196,990	28.0
AUXILIARY FORCES	11	35,887	5.1	-	-	-	11	35,887	5.1
INTELLIGENCE&COMMUNICATIONS (303)	(6)	(10,147)	(1.4)						
RESEARCH&DEVELOPMENT (306)	(5)	(25,740)	(3.7)						
MISSION SUPPORT FORCES	19	113,230	16.1	-	-	-	19	113,230	16.1
STRATEGIC (401)	(1)	(2,910)	(0.4)						
GENERAL PURPOSE FORCES (402)	(18)	(110,320)	(15.7)						
CENTRAL SUPPORT FORCES	47	199,553	28.4	2	13,030	1.9	49	212,583	30.2
SUPPLY&MAINTENANCE (507)	(26)	(119,333)	(17.0)	-	-	-	(26)	(119,333)	(17.0)
TRAINING,MEDICAL&OTHER PERSONNEL PROGRAMS (508)	(21)	(80,220)	(13.3)	-	(13,030)	-	(23)	(93,250)	(13.3)
TRAINING	(14)	(30,360)	(4.3)	(2)	(13,030)	(1.9)	(16)	(43,390)	(6.2)
MEDICAL	(7)	(49,860)	(7.1)	-	-	-	(7)	(49,860)	(7.1)
TOTAL	95	514,950	73.3	11	90,810	12.9	106	605,760	86.1
EXIGENT MINOR CONSTRUCTION								21,500	3.1
CONTINUING AUTHORITY								75,740	10.8
TOTAL FISCAL YEAR 1981 APPROPRIATIONS REQUEST								703,000	100.0

SUPPLEMENT # 2

MISSION AND MAJOR COMMAND PROGRAMS

MAJOR COMMAND	STRATEGIC FORCES (101)	GENERAL PURPOSE (202)	AUXILIARY: INTELLIGENCE AND COMMUNICATIONS (303)	AUXILIARY: RESEARCH AND DEVELOPMENT (306)	MISSION SUPPORT: STRATEGIC (401)	MISSION SUPPORT: GENERAL PURPOSE (402)	CENTRAL SUPPORT: SUPPLY AND MAINTENANCE (507)	CENTRAL SUPPORT: TRAINING (508)	CENTRAL SUPPORT: MEDICAL (508)	TOTAL ($000)
MARINE CORPS		77,780						13,030		90,810
ONR				7,300						7,300
CNO	34,160					32,070		100		66,330
CINCLANTFLT		89,480				51,360				140,840
CINCPACFLT		29,730				26,780	7,090			63,600
CNET								30,260		30,260
BUMED									49,860	49,860
CNM	12,910			18,440	2,910	110	112,243			146,613
TELCOM			8,477							8,477
NSGC			1,670							1,670
TOTAL	47,070	196,990	10,147	25,740	2,910	110,320	119,333	43,390	49,860	605,760
EXIGENT MINOR CONSTRUCTION										21,500
CONTINUING AUTHORITY										75,740
TOTAL FY 81 APPROPRIATIONS REQUEST										703,000

BIOGRAPHICAL SKETCH

REAR ADMIRAL DONALD G. ISELIN
CIVIL ENGINEER CORPS
UNITED STATES NAVY

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 Naval Facilities Engineering Command 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, President 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. He is an Honorary Member of the American Institute of Architects.

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.

BUDGET REQUEST

Admiral ISELIN. For Marine Corps and Naval installations having a primary mission of support of general purpose forces, $135.6 million is requsted. For the Marine Corps installations, as you see, General Trundy is here, and a major portion of their request is for enlisted barracks that were addressed by General Trundy in his previous statement.

NAVY PROJECTS

For the Navy, significant projects are pier improvements at the Naval Air Station, Alameda, Calif., to provide electrical utilities and permit aircraft carriers to shut down the generating plants while at port. We are asking for jet engine test cells at the naval air station in Lemoore, Calif. for the FA–18 Aircraft. We are asking for a barracks that will provide 504 spaces for E–1 to E–4 personnel and reduce severe overcrowding at the naval air station in Oceana.

We are asking also at Oceana for additional land acquisition to prevent the development of incompatible uses that are now encroaching us nearby. We are asking for a new dual purpose air terminal to serve both military and civilian functions at Keflavik, Iceland, for a barracks at Keflavik to provide adequate berthing for 154 senior enlisted personnel, and a completion of our second phase of geothermal installation there.

GENERAL PURPOSE MISSION SUPPORT FORCES

For our general purpose mission support forces, $110 million is requested. The most significant projects are at the naval station in Charleston, S.C., where we are requesting a shore intermediate maintenance facility project that will consolidate shops and provide new space.

We are working on the new FFG–7 frigates and the DD–963 destroyers. We also at Charleston are requesting an electrical distribution project to provide adequate and dependable quantities of electrical power.

The naval station at Norfolk, a project for shore intermediate maintenance facility similar to that at Charleston, will provide consolidated shop spaces for approximately 80 ships to be home ported in Norfolk starting in about 1985.

For our naval facility in Brawdy, Wales, in the United Kingdom, we are requesting an equipment building expansion project to alter and extend a facility for new equipment in there.

For the Navy submarine support facility in San Diego, we are requesting a barracks project with spaces for 336 E1 through E4 personnel.

CENTRAL SUPPORT FORCES

For central support forces we are requesting $111 million for supply and maintenance installations, and for our significant projects forces we are requesting $111 million for supply and maintenance. The significant projects are at the naval magazine at Lualualei, Hawaii, and we are requesting a new barracks project which is outside of the explosive blast hazard zone and will provide spaces

for personnel who are now living in a barracks within the blast zone.

At the Puget Sound Naval Shipyard in Washington, we are requesting a project for a water pit facility that will provide the shipyard with a capability to refuel nuclear aircraft carriers.

At the Charleston Naval Shipyard in South Carolina, we are requesting a plating shop alterations project to convert plating process from cyanide base to an alternate system. We also have at Charleston a pipe cleaning project that will provide adequate facilities to provide environmental protection and safe handling of equipment in that pipe shop.

The third project in Charleston will remove nonindustrial functions from the new pier "C" area and convert the vacated space for direct support of ship repair work at pier C.

For the naval public works center at Pearl Harbor, we are requesting a utilities improvement project to provide all of the utilities that will be needed at the "Mike" wharves to permit ship boilers and generation equipment to be shut down when they are berthed.

At the Philadelphia Naval Shipyard, we are requesting a berthing wharf rehabilitation to replace a deteriorating wharf bulkhead that in fact could collapse if we don't get to work on it quickly, and which will provide necessary berthing space.

At the Navy shipyard in Norfolk, Va., we are requsting a plating facility improvements project to correct deficiencies that will eliminate hazards to personnel from toxic and explosive chemicals.

We also have there in Norfolk a 444-space barracks project for personnel assigned to ships undergoing overhaul when those ships do not have habitable berthing spaces during the overhaul period.

At the supply center in Oakland, a wharf utilities project will provide all of the utilities we need to permit the shutdown of boilers and generating plant equipment of two replenishment oilers and one auxiliary repair ship.

The Navy's fiscal year 1981 military construction budget in support of general purpose forces, airlift, sealift and supply functions is structured to achieve increased readiness, enhancement of people programs, and support of new weapons systems.

That concludes my summary, sir.

Senator HUDDLESTON. Thank you, Admiral.

General Gilbert.

Department of the Air Force

Engineering and Services

STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR OF ENGINEERING AND SERVICES DEPARTMENT OF THE AIR FORCE

PREPARED STATEMENT

General Gilbert. Thank you, Mr. Chairman.

I, too, although my statement is short, will summarize and then file the entire thing, with the concurrence of the committee.

[The statement follows:]

59-461 O - 81 - 15

PREPARED STATEMENT OF MAJ. GEN. WILLIAM D. GILBERT

DIRECTOR OF ENGINEERING AND SERVICES

U. S. AIR FORCE

STATEMENT

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. IT IS AGAIN A PLEASURE TO APPEAR BEFORE YOUR COMMITTEE TO PRESENT YET ANOTHER IMPORTANT PORTION OF OUR FISCAL YEAR 1981 MILITARY CONSTRUCTION APPROPRIATIONS REQUEST.

INASMUCH AS WE WILL BE DISCUSSING OUR PROGRAM FOR AIRLIFT AND SUPPLY LATER ON TODAY, WITH THE COMMITTEE'S PERMISSION, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO SUMMARIZE OUR REQUEST IN THESE TWO AREAS ALONG WITH OUR REQUEST FOR GENERAL PURPOSE FORCES.

GENERAL PURPOSE FORCES

OUR PROGRAM THIS YEAR INCLUDES $133.9 MILLION IN SUPPORT OF GENERAL PURPOSE FORCES AND PRIMARILY INCLUDES PROJECTS IN THE TACTICAL AIR COMMAND, UNITED STATES AIR FORCES IN EUROPE AND PACIFIC AIR FORCES. CONSTRUCTION IN THESE COMMANDS IS BECOMING INCREASINGLY IMPORTANT IF WE ARE TO KEEP THE CAPABILITIES AND READINESS OF OUR GENERAL PURPOSE FORCES AT THEIR HIGHEST STATE.

IN OUR PROGRAM FOR FY 1981 IS A NEW SMALL AIRCRAFT MAINTENANCE DOCK FOR $3.35 MILLION AT SEYMOUR JOHNSON AFB, NC. THIS PROJECT REPLACES UNSAFE WOODEN FACILITIES THAT ARE NEEDED TO PERFORM HEAVY REPAIRS, RECLAMATION AND MODIFICATIONS TO F-4 AIRCRAFT. IF ADEQUATE MAINTENANCE SPACE IS NOT PROVIDED, ASSIGNED AIRCRAFT READINESS TASKS COULD BE SEVERELY LIMITED.

OTHER IMPORTANT PROJECTS ARE AT SHAW AFB, SC, WHERE WE ARE REQUESTING $1.1 MILLION FOR A NEW MUNITIONS UPLOAD PAD. THIS PROJECT IS NECESSARY TO PROVIDE A SAFE AREA FOR UPLOADING LIVE MUNITIONS ON FIGHTER AIRCRAFT.

MENTIONED AT PREVIOUS HEARINGS, BUT STILL PART OF OUR GENERAL PURPOSE FORCES MODERNIZATION PROGRAM, ARE $19.9 MILLION FOR THE GROUND LAUNCH CRUISE MISSILE (GLCM) IN EUROPE, AND $3.2

MILLION FOR GLCM TRAINING FACILITIES AT DAVIS-MONTHAN AFB, ARIZONA. THESE LATTER FACILITIES ARE ESSENTIAL TO TRAIN PERSONNEL WHO WILL OPERATE AND MAINTAIN THE NEW SYSTEM IN EUROPE.

FINALLY, WE HAVE REQUESTED NUMEROUS FACILITIES IN KOREA, JAPAN AND THE PHILIPPINES TO ENHANCE OUR GENERAL PURPOSE FORCES. THESE INCLUDE QUICK-TURN FACILITIES, DANGEROUS CARGO PADS, DOORS ON AIRCRAFT SHELTERS, JET FUEL STORAGE AND FACILITIES TO SUPPORT OUR TACTICAL FORCES, SUCH AS UNACCOMPANIED PERSONNEL HOUSING, RELIGIOUS AND RECREATION FACILITIES, ENERGY CONSERVATION AND UTILITIES.

AIRLIFT FORCES

OUR AIRLIFT PROGRAM IS DESIGNED MAINLY TO SUPPORT OUR MILITARY AIRLIFT COMMAND MISSION, AND INCLUDES PROJECTS IN THE U.S. AND OVERSEAS TOTALLING $35.6 MILLION.

THE SIGNIFICANT PROJECTS IN OUR REQUEST INCLUDES HYDRANT FUELING SYSTEMS AND APRON ADDITIONS AT MCCHORD AFB, WA FOR $1.2 MILLION TO ACCOMMODATE THE NEW C-141B AIRCRAFT. THIS AIRCRAFT, WHICH IS 23 FEET LONGER THAN THE C-141A, WILL CARRY 30 PERCENT MORE BULK AND WILL ALSO HAVE AN AIR REFUELING CAPABILITY. EXPANDED GROUND SUPPORT FACILITIES ARE NATURALLY REQUIRED TO SUPPORT THE EXPANDING ROLE OF THIS IMPORTANT CARGO AIRCRAFT.

ALSO INCLUDED IN A PAVED ASSAULT LANDING STRIP WITH ACCESS TAXIWAYS AT CLARK AB, PHILIPPINES FOR $2.2 MILLION. THIS PROJECT IS NEEDED TO TRAIN C-130 CARGO CREWS TO PRACTICE SHORT FIELD OPERATIONS IN THE SAME MANNER REQUIRED OF THEM DURING CONTINGENCIES. THIS TRAINING IS NOW DONE AT A FIELD ONE HALF FLYING HOUR FROM CLARK, WHICH WILL BE CLOSED TO OUR USE IN THE NEAR FUTURE.

FINALLY, OUR AIRLIFT PROGRAM INCLUDES FLIGHT SIMULATOR TRAINING FACILITIES AT FOUR LOCATIONS FOR $7.4 MILLION. THE TRAINERS ARE ESSENTIAL TO MAINTAINING CREW PROFICIENCY IN THE C-130 CARGO AIRCRAFT, AN IMPORTANT ASSET OF OUR CARGO FLEET.

SUPPLY

THE LAST AREA I WOULD LIKE TO DISCUSS WITH YOU IS OUR REQUEST FOR SUPPLY FACILITIES IN FY 1981. AT $38.5 MILLION, THIS PROGRAM INCLUDES PROJECTS IN SUPPORT OF THE AIR FORCE LOGISTICS COMMAND.

OUR ABILITY TO FIGHT A WAR FOR ANY PERIOD OF TIME IS DETERMINED BY OUR AVAILABILITY AND RESUPPLY OF WEAPONS, EQUIPMENT, SPACE PARTS, MUNITIONS AND OTHER CONSUMED SUPPLIES. IN FY 1981, WE ARE REQUESTING FUNDS AT HILL AFB, UTAH IN THE AMOUNT OF $1.5 MILLION TO ENHANCE THE CARGO HANDLING CAPABILITY OF THE LOGAIR MISSION - AN OPERATION THAT DIRECTLY SERVES 19 INSTALLATIONS AND INDIRECTLY SERVES 100 OTHER INSTALLATIONS.

ANOTHER MAJOR SUPPLY PROJECT IS AT ROBINS AFB, GA, FOR AN AIRCRAFT FINAL ASSEMBLY AND CHECKOUT FACILITY. THIS IS AN INDUSTRIAL TYPE FACILITY FOR THE F-15 AIRCRAFT, AND IS USED TO PERFORM DEPOT LEVEL SYSTEMS PREPARATION, TEST AND POST FLIGHT ADJUSTMENTS ON HYDRAULICS, ELECTRONICS AND FUEL SYSTEMS AFTER THE AIRCRAFT IS OVERHAULED OR MODIFIED.

THE REMAINING PROJECTS IN THE SUPPLY CATEGORY ARE TO PROVIDE SUPPORT FACILITIES AT OUR LOGISTICS BASES, AND INCLUDE UNACCOMPANIED PERSONNEL HOUSING, A PERSONNEL SERVICES CENTER AND ENERGY CONSERVATION INITIATIVES.

MR. CHAIRMAN, THAT CONCLUDES MY PREPARED STATEMENT. I AM READY TO PROCEED WITH ANY QUESTIONS YOU MAY HAVE.

BUDGET REQUEST

General GILBERT. It is a pleasure for me to be here today to present the Air Force's fiscal year 1981 Military Construction Appropriation Request in general purpose forces, airlift, sealift and supply.

Our program this year includes $133.9 million in support of general purpose forces. It primarily includes projects in the Tactical Air Command, U.S. Air Forces in Europe, and Pacific Air Forces. Construction in these commands is becoming increasingly important if we are to keep the capabilities of readiness of our general purpose forces at their highest state.

In our program for 1981 is a small aircraft maintenance dock at Seymour Johnson Air Force Base, N.C. This is to replace an unsafe wooden facility, and it is phase II, I believe, of a three-phase program to replace those unsafe wooden facilities that are literally propped with power line poles in the center.

That is to provide us covered maintenance space for the F–4 fighter aircraft.

Other important projects include Shaw Air Force Base, S.C., where we are asking for a new munitions upload pad, and this is to provide a safe area for uploading live munitions on fighter aircraft. In addition, we are asking for $19.9 million for the ground launch cruise missile in Europe, and $3.2 million for the GLCM training facilities at Davis-Monthan Air Force Base in Arizona.

These latter facilities are essential to train personnel who will operate and maintain the new system throughout Europe.

Finally, we have requested numerous facilities in Korea, Japan and the Philippines to enhance our readiness in those areas. These include some quick-turn facilities at Osan Air Base, dangerous cargo pads, doors on aircraft shelters, jet fuel storage, and facilities to support our tactical forces, such as unaccompanied personnel housing, religious and recreation facilities, as well as energy conservation and utility systems.

AIRLIFT FORCES

Now, in the airlift forces, which are designed mainly to support our military airlift command mission, we are including about $35.6 million, both in CONUS and overseas. And some of the significant projects in that category include a hydrant refueling system and apron additions at McChord Air Force Base for $1.2 million.

That is to accommodate the stretch version of the 141 aircraft which is undergoing a stretch to the fuselage.

It will be about 23 feet longer than the existing 141, and from that we will get 30 percent increased capacity and bulk cargo carrying capability. Also, it will have an air refueling capability after the modification.

Also included in military lift command are a paved assault landing strip and access taxiway at Clark Air Base in the Philippines for $2.2 million. This project is needed to train C–130 cargo crews to practice short field operations in the same manner required of them during contingencies. It will be used by our crews at Clark as well as our crews at Yokota Air Base in Japan.

Finally, our airlift program includes flight simulator training facilities at four locations for $7.4 million, and these trainers are essential to maintaining crew proficiency in 130 cargo aircraft.

SUPPLY

In the area of supply we are asking for $38.5 million, and it includes projects in support of Air Force Logistics Command, primarily. Included are projects at Hill Air Force Base in Utah in the amount of $1.5 million to enhance cargo handling capability of that LOGAIR mission at the Hill Depot.

Another major item is at Robins Air Force Base, Ga. for an aircraft final assembly and checkout facility. This is an industrial-type facility for the F–15 aircraft and is used to perform depot-level systems preparation test and post-flight adjustments on hydraulics, electronics and fuel systems after the aircraft is overhauled or modified.

The remaining projects in the supply category are to provide support facilities at our logistics bases and include unaccompanied personnel housing, a personnel services center, and several energy conservation initiatives.

Sir, this concludes my statement and we are now ready to respond to questions from the committee.

Senator HUDDLESTON. Thank you, General.

General Trundy, do you have anything to add?

General TRUNDY. Mr. Chairman, we provided our statement at the joint hearings, but I would like to briefly summarize a couple of sentences. Our total program is $78,770,000, of which nearly $51 million is dedicated to quality of life; that is, UEPH's, a chapel and a dining facility. The remainder are operations and maintenance facilities.

Senator HUDDLESTON. Thank you, sir.

Let me pose some questions, first of all, that would apply to each of you. You have requested a variety of different types of facilities in support of the general forces. In view of the many different types of requirements, how do you set your priorities or how do you determine which facilities will be included in the budget?

BUDGET AUTHORIZATION PROCESS

What is the process you go through, General Read?

General READ. Sir, first we receive certain guidance from the Office of the Secretary of Defense. Then we issue certain guidance within the Army to our field activities. At the Department of the Army level, we have certain considerations that cause us to take certain actions.

In particular, pollution abatement is a legal requirement, so we make sure that we accommodate that. Energy, of course, is treated very highly and is not greatly dissimilar in terms of it meeting criteria for projects.

Then, of course, we have to ensure that certain things such as new weapons systems or pieces of equipment are integrated so that we keep their integrity. For example, if we are in the process of buying a simulator, we want to make sure that we marry up and

have a facility in which it can be housed to insure the full benefit of the decision to secure the simulator.

At the same time we have the field developing, at the installation level, their requirements, which they submit to their major commands, where they are screened and prioritized with a little broader view and recognition of financial constraints within which they are working.

The major commands then provide them to the Department of the Army, here again they are screened and prioritized, in this instance by a group that we call the Construction Requirements Review Committee. This is a committee in which all of the major activities of the Department of the Army are represented.

We work here on what I call a proponent basis. For example, for the projects that concern bachelor housing, a representative from the Director of Personnel would be the responsible proponent. If there are operations and training projects, then the Deputy Chief of Staff for Operations would be involved. For supply operations, it would be the logistician, that type of thing.

This gives a very broad coverage, from which we develop a prioritized indication of projects for the Army. These are reviewed by a our Program and Budget Committee, which is at the Major General level. It is then scrutinized by the very top management of the Army, and subsequently our lists are reviewed by the Office of the Secretary of Defense and by the Office of Management and Budget.

So I would make the observation that to be in the Army's budget submission, the projects must survive a very rigorous screening and prioritization process.

MISSION OBJECTIVES

Senator HUDDLESTON. Where do the mission objectives fit into that? Do you start from that point?

General READ. Yes, sir. I would observe that the mission is intertwined throughout the process. I think there is a sense of mission throughout the Army. At every level when the assessments are being made, that is one of the things that is foremost in the minds of the individuals who are looking at this.

This is how our Construction Requirements Review Committee makes some semblance of order out of a large number of different types of projects.

Senator HUDDLESTON. That review committee tries to dovetail everything into what missions are of various elements.

General READ. Yes, sir.

Senator HUDDLESTON. So it is not just whatever project appears to be favorable to some particular segment or some particular installation.

General READ. No, sir.

Senator HUDDLESTON. It has to have some mission-related function.

General READ. Yes, sir. I think there is a certain synergism involved here. For example, in the Army a top priority is manning the force. We have got to have people to really be a ready force and accomplish our mission. Without them, we can't get there.

Now, if we consider, then, where the individual soldier has to work and play and live, then those things make a contribution to the people we are going to be able to get in and, even more important, those we are going to be able to keep in.

Then in a similar manner, there are our training facilities. The soldiers respond very well to training. It is very difficult for the training to be good and for it to turn them on and to be effective if they are doing it in an attic in Germany. So that by giving them good training in an adequate training facility, then we contribute to really the primary function that we have in peacetime as being trained to go to war.

We also get that person's recognition that we are a first class organization and are interested in making sure he can do his job.

Senator HUDDLESTON. Admiral Iselin, what is the Navy's procedure?

FUNCTION OF NAVY RESOURCE SPONSORS

Admiral ISELIN. Mr. Chairman, we go through essentially the same basics that the Army does. We have in the Navy a group of senior personnel called resource sponsors. Each resource sponsor determines within that assigned block of money that he gets how he is best going to accomplish his total mission.

They usually develop their programs by a system of internal trade-offs. For example, the Air Warfare Resource Sponsor makes decisions on how much of his side money he will devote to aircraft procurement, how much to missiles, how much to carriers, how much to repairs, how much to plant maintenance, how much to replenishment, how much to black box equipment and how much to military construction.

If he decides to program resources to military construction, let's say to building a new maintenance hangar for the FAT, then that is a decision to defer some other competing requirement. So he is continuously measuring those elements of the program that he is willing to support, which will make his mission come closest to fruition that he foresees.

We also have something similar to what General Read indicated. We have kind of a balance wheel on this. At MILCON we call it an assessment sponsor for military construction. This is to ensure that the various needs for buildings that are wearing out that might not come totally to the attention of the resource sponsor are also looked at, and that the program across the whole Navy as it is put together is in reasonable balance.

So you have the warfare sponsors, who are resource sponsors, attempting to aline what they will devote to MILCON as the best way to achieve their mission. Then you have a MILCON look to see that these things are in balance.

Senator HUDDLESTON. Thank you, sir.

General Gilbert.

General GILBERT. Mr. Chairman, although I am the youngest service representative here today, the Army stole my system.

[General laughter.]

AIR FORCE PROGRAM

General GILBERT. We go through pretty much the same sponsorship program described by the Army and the Navy, where once again we ask our field commands to submit their requirements by categories of facilities, readiness, strategic and down the line until we get to things like personnel, facilities, a quality of life facilities.

That comes to the staff then and a board sits in session with what we think our budget cap is going to be and alines the program by priority, taking into consideration the Secretary of Defense's guidance where he specified certain things to be included in the Air Force program, then looking at national systems, and we have had some of those of recent years, and incorporating them, such as Space Shuttle, then looking at new weapons systems that must be provided facilities to bed them down, both missile and aircraftwise.

Finally we come down to the command submittals. Of those command submittals, we try to integrate the most urgent, pressing ones that are most mission related, and include them in the program until we flush it out, and at the same time, if you will, trying to keep some balance between our strategic and general purpose forces. Certainly both are required to do the mission.

At the same time, we are trying to make sure, because of the Air Force's concern for people and believing that a reasonable place to work, live and play is important to retention, to incorporate those kinds of items that contribute to morale, recreation and welfare in our program in each year, too.

Senator HUDDLESTON. Thank you.

General Trundy, do you want to get in on that?

MARINE CORPS PROGRAM

General TRUNDY. Mr. Chairman, as a separate service of the Department of the Navy, of course our program must very much be closely alined with that of the Department of the Navy. As a member of the Department of the Navy, we, of course, respond to guidance from the law, Congress, DOD, from SECNAV and from CMC. However, we do allow the priorities to be established by the individual commanders and they are integrated into a total Marine Corps program.

The project needs are validated by my staff and me personally. We go to the field and visit each of the activities, which I am certain is a convenience that the other services are not able to do because of their size.

These projects, after they have been validated and brought back to our headquarters, then go before two boards. The first board that looks at them looks very closely at the technical aspects and the validity of the projects. The second board, which consists of all general officers, looks at these projects, the overall missions and roles of the Marine Corps and the readiness of the Marine Corps.

In their judgment, they then prioritize the list of projects. As an example, this year there are 16 projects throughout the Marine Corps they feel will most readily assist our readiness and our capability to conduct a mission.

Senator HUDDLESTON. Thank you.

GENERAL FORCES

What is the principal thrust of the fiscal year 1981 request in support of general forces? Are you trying to increase readiness, bed down new systems or improve training, or just what do we start from?

READINESS OBJECTIVES

General READ. Sir, in the case of the Army, of course increasing readiness is of paramount importance to us. I think this year a concerted effort was made to insure somewhat of a balance consistent with the objectives that we had for the budget, which were to man, equip, train, mobilize, deploy and sustain the Army forces. If we do that, we effectively contribute, we believe, to the total readiness of the Army.

Senator HUDDLESTON. Across the board. Admiral?

Admiral ISELIN. Sir, we have probably three major areas: people program objectives, readiness, and bed down of new weapons. Between the Navy and the Marines, we have $84 million in new barracks spaces. In readiness, our two new maintenance activities at Charleston and Norfolk are prime examples, as well as pier improvements.

In the area of new weapons bed down, our F-18 facility in Lemoore and the operational training facilities at El Toro are examples.

Senator HUDDLESTON. General Gilbert.

General GILBERT. Most of our requirements in this year's program are in two categories, I think. Where you have mentioned three, for our training facilities, certainly they contribute to readiness; but the predominance of our program is to better prepare our forces to accomplish their mission in peacetime and to respond to contingencies.

I think concurrent with that, though, we are attempting to provide a high quality of life insofar as we can do that with adequate facilities, to the people who contribute to the readiness posture of the Air Force.

Senator HUDDLESTON. General Trundy, do you have anything to add?

General TRUNDY. No, sir, Mr. Chairman, other than the fact already metioned, that we are applying about $51 million of our $78 million in quality of life, and the remainder in maintenance and ops. We don't have a program. We would like to say that we do, but until we can improve our quality of life——

Senator HUDDLESTON. It sounds like you are doing some catch-up there.

General TRUNDY. Yes, sir.

CONSTRUCTION BACKLOG

Senator HUDDLESTON. Is most of the backlog in construction associated with general purpose forces, and in what area is the backlog the greatest?

General READ. Sir, in the Army it would be in the general purpose forces which include $6.3 billion and in the areas of training, medical and other general personnel activities where our back-

log exceeds $4 billion. This is followed by the central supply and maintenance category, which is estimated at over $2.4 billion.

Senator HUDDLESTON. Admiral Iselin.

Admiral ISELIN. We too, sir, have about 40 percent of our backlog in general purpose. Our No. 1 is central supply and maintenance facilities at $2.5 billion. Training medical and personnel activities is at $1.3 billion, and strategic forces is at $1 billion.

Senator HUDDLESTON. General Gilbert.

General GILBERT. About 35 percent of our backlog is in general purpose forces, Mr. Chairman. The remainder is in strategic forces. To relate that to dollars, if we speak in terms of forecasting the MX system and the category of our backlog when we look at the out years, that represents a total backlog of about $31 billion. Of course, $21.6 of that is for the MX, and the remainder is in other strategic and general purpose forces.

We also have a considerable backlog in unaccompanied enlisted personnel housing. and our utility systems throughout the Air Force, most of them are getting to the age now where they must have some modernizing and updating in order to continue to serve our Air Force bases.

Senator HUDDLESTON. General Trundy.

General TRUNDY. Sir, our backlog is about 100 percent general purpose forces, $2.3 billion.

DEPLOYMENT OF NEW WEAPONS SYSTEMS

Senator HUDDLESTON. Which of your projects for fiscal year 1981 are in support of deploying new weapons systems? General Read.

General READ. Sir, in the Army, no specific ones this year. However, certain of our ranges are being upgraded in such a way that they will be capable of supporting the new systems.

Senator HUDDLESTON. Are there any relocations of current systems involved in your expenditures?

General READ. A relocation of new weapons systems?

General HUDDLESTON. Of current weapons systems.

General READ. I think the only one that I could identify in response to that would be some projects in Europe for facilities that will permit us to increase the number of artillery tubes in certain of our batteries over there.

General HUDDLESTON. Admiral Iselin.

Admiral ISELIN. Yes, sir. We have an operational training facility at Barbers Point for the new 3P Charlie control weapons system. We have engine test cells and support facilities for the F18 at Lemoore, and all of our projects at the new submarine base in Bangor and those that are for the new Triton rocket systems.

Senator HUDDLESTON. You have a pretty substantial load there with new systems and new deployments.

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. General Gilbert, you mentioned the GLCM's in Europe. What else?

General GILBERT. In addition to GLCM, which is about $23 million, CONUS and Europe, then we have several projects that are bedding down new airplanes, the 141 in its stretch version at McChord that I mentioned earlier, and then several locations for

F16's and F15 aircraft, as well as A-10's that are coming off the production line now.

Senator HUDDLESTON. So it does constitute a pretty substantial figure in your planning and in your budget.

General GILBERT. Yes, sir.

TRAINING FACILITIES

Senator HUDDLESTON. General Read, you have requested $1.8 million for a military operations on urbanized terrain training range at Fort Bragg. Do you have similar training facilities elsewhere?

General READ. Not exactly like this one, sir. We have certain facilities in the United States and abroad which are not anywhere near as extensive as this, in which we do some of this type training. But they are not exactly like the ones we have in this year's program.

Senator HUDDLESTON. What is involved in this kind of training?

General READ. In this particular type training, we are seeking to teach our soldiers and their units to operate in built-up areas because we anticipate in a large number of areas around the world, this will be very important. It is to train not only the individual soldier but the unit to be able to function properly in that area.

Senator HUDDLESTON. We will have some inner city troops?

General READ. I beg your pardon, sir?

Senator HUDDLESTON. You will have some troops for the inner city.

General READ. Sir, I choose not to express it in those terms.

Senator HUDDLESTON. What will you actually be constructing, then, with these particular funds that you are requesting?

General READ. Sir, the project at Fort Bragg will provide representative portions of urban terrain, which will permit the soldiers to get that type of training so they can weld together the various types of skills they have to employ in this kind of environment. Included in the package is a mock sewer system with manholes connected with basemented buildings, a mock water tower and buildings that will permit even a helicopter landing.

Senator HUDDLESTON. So you are going to build a mock urban area, in the same way you built villages that resembled other areas we were dealing with such as Vietnam.

General READ. Yes, sir. I think this is true. I would make the distinction that we did not go to the extent in those for Vietnam that we are talking about here. Most of those were basically facades. They did not have any of the details and much of the inner workings so that the individual soldier did not have to cope with some of the real things you actually experience in metropolitan areas as we know them today, such as the sewerage systems and the extensive partitions in the buildings.

Senator HUDDLESTON. Are you going to create traffic jams and that sort of thing?

General READ. Sir, it is my experience with the innovation of our commanders in the field that they will create all sorts of circumstances out there. Of course, you are absolutely correct, it is very difficult to move in metropolitan areas and there are certain tech-

niques that are unique there that we have to be familiar with to best employ our forces.

Senator HUDDLESTON. Do you anticipate that there will be other bases where you put this kind of facility?

General READ. Yes, sir, I would.

TACTICAL EQUIPMENT SHOPS

Senator HUDDLESTON. Every year we seem to have several tactical equipment shop requests. Is there a particularly large backlog in this area?

General READ. Yes, sir, we have a very large backlog in this area. It approximates $1.8 billion in equipment shop requirements for both the CONUS and the deployed forces.

Senator HUDDLESTON. What impact is this having on the maintenance of equipment?

General READ. Very extensive, sir, in that when you don't have the right environment in which the individual must work on his equipment, he doesn't do it as quickly or as well. You don't get the same availability of equipment for the person at the other end who would be wanting to use it.

That, of course, is a measurable thing from our standpoint of readiness.

MAINTENANCE FACILITIES

Senator HUDDLESTON. What types of maintenance on equipment generally cannot be performed outside or at least in inclement weather?

General READ. Most of our maintenance could be performed outside, except for certain things, such as fuel systems, optical systems, hydraulic and pneumatic systems, which require a clean room. However, certain things such as brake systems and things of that nature need some kind of a sheltered area to protect you so you can do the job.

However, when we are working with these pieces of equipment, maintaining them in a day-in, day-out peacetime environment, you really pay a price when you are trying to do some of that in the ice and snow and mud.

TYPES OF VEHICLES SERVICED

Senator HUDDLESTON. What types of vehicles will the proposed tactical equipment shop at Fort Bragg handle?

General READ. Sir, at Bragg we will have tactical vehicles, construction equipment, general purpose equipment, and communications electronic equipment.

Senator HUDDLESTON. What about at Fort Carson?

General READ. Tactical vehicles, tanks, personnel carriers, self-propelled artillery, towed artillery, construction equipment, general purpose equipment, special weapons or training devices, and communications electronics.

Senator HUDDLESTON. What about Fort Polk?

General READ. At Polk it will be similar to Carson except for the special weapons or training devices equipment.

Senator HUDDLESTON. How about Fort Stewart?

General READ. Similarly, the same as Carson. Again, except for the special weapons or training devices and the missiles.

Senator HUDDLESTON. At Fort Benning?

General READ. At Fort Benning we will have tactical vehicles, tanks, personnel carriers, self-propelled artillery, towed artillery, and general purpose equipment.

STANDARD TACTICAL EQUIPMENT FACILITIES

Senator HUDDLESTON. Are these tactical equipment facilities fairly standard or do they vary according to the equipment involved or other factors?

General READ. In general, the tactical equipment shops are fairly standard. We have an Army technical manual which provides space planning guides for maintenance facilities. It specifies the criteria for space planning in their development. We also have a revised standard design guide that is under development that will be published in the near future.

I should point out that they will vary by type. For example, tracked vehicles will require larger bays, and wider doors than will wheeled vehicles. And depending upon the nature of the tracked vehicles and the weight of the power packs that are in them, for example, that will dictate the size of the hoisting cranes for lifting those types of items.

But we are seeking to standardize to the maximum degree that we can in these types of facilities.

CONSTRUCTION AT FORT CAMPBELL

Senator HUDDLESTON. Now, you have requested $3.3 million for a company administration supply/arms buildings at Fort Campbell.

General READ. Yes, sir. This project consists of three buildings with a combined total of approximately 35,000 square feet. One building will accommodate three company-size units. The other two buildings will accommodate two company-size units each.

About 5,000 square feet are allocated to each company to provide for administrative functions. This is the command and control and career counseling, reenlisting, training and education and things that have to be done, and for the supply functions, which are clothing, field gear, laundry and organizational equipment items.

Then the last is the maintenance and storage of individual and crew serve weapons. I might point out that at Fort Campbell we put in a number of new barracks and dining facilities so that we have a good place for the soldiers to live. We did not get a chance to build all the company administrative supply and arms facilities to go with those. These effectively will help us to move towards filling that out.

WOODLAWN BRIDGE

Senator HUDDLESTON. I think you have done a good job on the barracks modernization and new construction there. Can you explain the need for the Woodlawn vehicular bridge project at Fort Campbell?

General READ. Sir, that bridge is structurally sound but its alinement is just absolutely terrible. It provides an extremely hazardous approach and exit at both ends. We have had numerous traffic

accidents and fatalities over a period of time. The latest resulted in three people killed in October of 1979.

In addition, the existing bridge has been flooded at least three times since 1956, which caused the approaches to be washed out. It is the only road that connects the cantonment area and a family housing area of over 230 units, a tactical air field complex, outlying training areas, U.S. Highway 79 and some recreational areas.

It is an extremely bad road. I think you may have been down it. I have been down it only in good weather and it scares me even in that condition.

Senator HUDDLESTON. So it is a safety project.

General READ. It is a safety project, sir.

PROJECT REQUESTS IN KOREA

Senator HUDDLESTON. We discussed the rather large request for Korea at an earlier hearing. But to get back to it just for a second, can you say that each project requested is necessary to maintain our readiness and our capabilities there?

General READ. Yes, sir, I would. In the case of a number of the items that I mentioned in my opening statement having to do with the 2d Infantry Division, it is pretty apparent for those soldiers, when you consider the barracks where they stay, their tactical equipment shops and their health and welfare.

It may not be as clear, but when you look at one of the projects such as the milk plant at K-16, this particular project is the one that the command considers its top priority, because to be able to give milk products to our forces over there is so important. That particular facility is unsanitary, structurally unsound and just needs to be replaced.

Its contribution is not as obvious; but, sir, in my judgment it makes a tremendous contribution to their readiness and their capabilities.

EUROPE RESTATIONING PLAN

Senator HUDDLESTON. In Germany your requests are somewhat extensive for training, maintenance, production, and supply. Are all of these requests consistent with the so-called master restationing plan for Europe?

General READ. Yes, sir, they are. We have had the people in Europe review all of them against that plan.

Senator HUDDLESTON. You requested a number of training facilities for Germany. Do comparable facilities already exist in the United States for each of these requests?

General READ. One of the facilities over there is the Hohenfels simulated city, which is comparable to the one we have just spoken about at Fort Bragg. So that one is not yet available in the United States. One other exception might be the multipurpose range at Boeblingen. This is a facility that we are considering for possible construction of something similar to it in the CONUS training base.

Of course, like many of our training facilities in CONUS, which are of World War II vintage, a lot of them do need upgrading.

Senator HUDDLESTON. Why must so many of these training facilities be constructed in Germany? Isn't most training actually done in the United States before personnel are sent to Germany.

TRAINING LOADS

General READ. They receive some, sir, but not all of the tasks are taught in the CONUS training base. The majority of the skills of our soldiers must be learned and sustained in the units of which they are members. For example, of 143 critical tasks required of an infantryman, which is military occupational specialty or 11-B-10 40 are taught in the CONUS training base. This requires that 103 critical skills be taught in the units.

The percentage of critical tasks taught at the CONUS training base, will vary depending upon the number for different MOS's. But this indicates that the majority of the individual critical tasks must be taught in their units. And, of course, their unit training must come from having been a member of and training with the unit.

It is critically important to us that we have the capability of training the people there in Europe.

Senator HUDDLESTON. What would be the least training that a person sent to Germany would have before going over?

General READ. Sir, the least trained soldier sent to Germany would be an individual who had just completed initial entry training and is qualified in an MOS. This individual requires additional individual training plus the unit training to be fully qualified in his MOS, for example someone who just finished the armor AIT at Knox and was assigned immediately thereafter to one of our armor divisions in Europe.

BASIC TRAINING CYCLE

Senator HUDDLESTON. Do you still have a basic training cycle and then you advance, or how does he go through the training cycle?

General READ. Sir, we still have basic training and some advanced individual training in advance of the unit training. We also have what we call OSUT, one station unit training, for certain of the particular skills, and Knox is an example of that. An individual soldier who is going to be ultimately in armor, would go through one station training and get, if you will, an amalgamation of the basic and AIT together.

Senator HUDDLESTON. Do they start part of his tank training at the beginning as opposed to having a period of time when it is nothing but basics, which is pretty much what I had, if I recall correctly?

General READ. Sir, I have not looked at the exact program of instruction on that lately, but I will. Let me, if I may, check, and make sure. If it is different I will correct it.

When he first comes in, it is pretty much the same irrespective of what he is going to do. But you are able to orient earlier toward the skill that he is going to get, like armor, and start introducing aspects of that earlier than if he was just in straight basic training.

Senator HUDDLESTON. That would make sense, it seems to me.

General READ. Sir, if I may, I would like to add a point to the discussion of the necessity of the training facilities in Europe. The best analogy I can come up with is if somebody plays a sport like golf or tennis you learn a basic skill but you really need to continue it, to develop the skill. Then, of course, once you have gotten it, you may have been good today, but if you don't keep at it, then you are going to lose that skill.

That is what we think is so essential for our soldiers, especially the ones in our deployable and our deployed forces, that they maintain a high level of capability and readiness.

SIMULATED CITY (HOHENFELS)

Senator HUDDLESTON. I suppose you have to keep them active, if you are going to maintain a state of readiness. What would be the difference in the proposed simulated city at Hohenfels compared to the one at Fort Bragg? They are essentially the same kinds of facilities, aren't they?

General READ. They are similar, sir, in what we are trying to do, to train to be able to fight in builtup areas. But the one at Hohenfels is concrete and masonry, whereas the one at Bragg is cinderblock. The one at Hohenfels is to provide training for a heavy maneuver force, whereas the one at Bragg is for light infantry.

For example, we have to have streets at the one at Hohenfels that will sustain the heavy armor vehicles, whereas at Bragg we have soil cement for the streets. The other difference is in the basic approach.

In the one at Hohenfels, it is European, in nature, because that is where those people are deployed. The one at Bragg is more generic, where more cubes and straight edges are used without an orientation to a particular culture because the deployment of the unit there might be to any number of places.

FACILITIES DESIGNED FOR EQUIPMENT SUPPORT

Senator HUDDLESTON. Your request for production and maintenance facilities in Germany is also quite extensive. What equipment are these facilities designed to support?

General READ. Sir, they will support our tactical vehicles, tanks, personnel carriers, self-propelled artillery, towed artillery, construction equipment, communications and electronics items, missiles, general purpose equipment and special weapons. But any specific project will be oriented on what the units particular mission is.

Senator HUDDLESTON. There are quite a number. Is this resulting from an increased amount of equipment or new types of equipment, or are you trying to overcome a backlog?

General READ. Sir, it is similar to the question with multiple answers, and the answer is all of the above.

Senator HUDDLESTON. Are they all consistent with the master restationing plan?

General READ. Yes, sir.

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LASER RESEARCH, A. P. HILL

Senator HUDDLESTON. You requested a laser test facility for A. P. Hill. I thought most of our laser research was being done at White Sands. What is the purpose of the A. P. Hill facility?

General READ. Sir, the Department of Defense has established a triservice, high energy laser test facility at White Sands Missile Range. That facility is used for developmental testing of laser weapons.

The laser test facility which is requested at A. P. Hill will support the Army's research and development efforts involving laser rangefinders, laser designators, and other systems involving relatively low power, nonlethal lasers. This research is conducted by a division of the Army's Night Vision Laboratory located at Fort Belvoir, Va.

Camp A. P. Hill was selected because it is the closest site where a suitable test facility could be established. The temperate climate with the resultant haze, ground fog, and vegetation at A. P. Hill is ideal for this type of testing.

Senator HUDDLESTON. How extensive are the Army's laser test facilities at this point?

General READ. At A. P. Hill they are not very extensive, not anywhere near as extensive as we will probably see them evolving over a period of time. We are doing quite a bit, as I indicated, in night vision work, in our night vision laboratory. We have come up with some very innovative things that we are working with even in the training areas where we can employ the lasers to identify target hits when we have soldiers competing one on one or unit against unit.

Senator HUDDLESTON. Is this an area where we can expect increased activity in the future?

General READ. Probably some, but I wouldn't visualize it as a real large increase, sir.

ELECTROMAGNETIC TEST FACILITY

Senator HUDDLESTON. You requested an electromagnetic test facility at Fort Huachuca, Ariz. Do you have other electromagnetic test facilities for the Army?

General READ. The facility which is requested at Huachuca is for electromagnetic environmental testing. This testing is required to insure that the new electronic equipment which will be developed will operate properly without interfering with other friendly electronic equipment, and that it will also operate in spite of enemy electronic warfare activities.

Partly the testing is being accomplished under contract in a contractor-furnished facility at Tucson which is some 78 miles from our electronic proving ground at Huachuca. That proposed facility will give us a Government-owned facility and be much more efficient and effective for us.

AMMUNITION UPLOAD PROJECTS

Senator HUDDLESTON. You requested $13.8 million for ammunition upload facilities in Germany. What was the purpose of this request?

General READ. Sir, the principal purpose is to increase the readiness of our forces. This money will construct permanent facilities at selected battalion garrison locations to allow for the upload of our large caliber main gun ammunition on combat vehicles.

The upload of this ammo will reduce the battalion response times under deploying from garrison locations for wartime fighting positions. I might also add we have what we call quickloaded some of these units already. The concern we have is that it puts us in a position of violating certain safety considerations. It forces our people to provide additional security that is a very heavy requirement on people, and it causes them to have to work on equipment in pretty undesirable locations.

Senator HUDDLESTON. Shouldn't this be an infrastructure-funded project?

General READ. Sir, it is not currently approved for infrastructure funding. It is not now eligible. We have requested eligibility for this particular type of item, and we will seek precautionary refinancing of the project in the event that eligibility is granted at a later time.

The other aspect of this, though, and I think we had a chance to give your staff some briefings in this regard, is the availability of infrastructure funds is so constrained in the time period as we look forward, that it would be hard even if it were an infrastructure item to get it in anywhere near the time frame in which we need it.

We are not totally satisfied it would be economically advantageous, depending on what other nations did in this regard.

FUEL STORAGE, KOREA

Senator HUDDLESTON. What about your request for $12 million for liquid fuel storage in Korea? What is the purpose of this project?

General READ. Sir, this project will replace the existing aboveground, bolted steel storage tanks with cut and cover welded tanks. The existing tanks are over age and really require replacement. The project also envisions increasing the storage capacity in Korea to cover requirements which currently cannot be stored there.

Senator HUDDLESTON. Will this be for requirements beyond Korea itself?

General READ. No, sir. The intent of the project is for Korea.

Senator HUDDLESTON. Just for Korea. What precautions will be taken to secure the stored fuel?

General READ. The tank farm will be protected by perimeter fencing. The personnel of the petroleum distribution system in Korea will provide security for it. Also, the fact that it is going to be underground will provide an increased security and survival aspect.

FORT KNOX PROJECTS

Senator HUDDLESTON. Have you information with you that would permit you to review the Fort Knox projects for me?

General READ. Yes, sir.

Senator HUDDLESTON. In a provincial way?

General READ. We have five projects for Fort Knox in this year's program, a central wash rack facility for $5.4 million, and four small energy conservation projects totalling $810,000. The wash rack project includes the central wash rack itself and improvements to 11 existing wash racks.

Senator HUDDLESTON. Is that a continuation of a program?

General READ. That is correct, sir. This is a followon of an earlier year program in which we ran into financial difficulties and were not able to fully accommodate that Project. In this particular case, this project is going to satisfy, the operational need we have for maintenance to wash the equipment, and also the environmental requirement to comply with the statute.

The energy projects will save an estimated $314,000 in the first year and will amortize themselves anywhere from 1.1 to 12.7 years.

DUAL-PURPOSE TERMINAL IN ICELAND

Senator HUDDLESTON. Thank you very much, General.

Now, turning to the Navy, Admiral, you have requested $20 million for a dual-purpose terminal in Iceland. This seems like a rather large request for a facility whose principal use, as I understand it, would be in wartime. Could you give us some justification for this project?

Admiral ISELIN. Yes, sir, I can. There are some significant benefits to the U.S. from this cost-shared project, both in peacetime and in wartime. First of all, I would like to point out that we have entered into formal agreements with Iceland with respect to this particular action.

First of all, in October 1974, a memorandum of understanding was signed by the two Governments which stated that the United States will seek to take such mutually agreed measures as will effectively separate the civilian air terminal from the base facilities in the Keflavic agreed area.

Then in July of 1979, the two Governments signed an agreement which stated that the United States agreed to provide not more than $20 million for payment of its total contribution to the new dual-purpose airport.

Now, the specific benefits that would accrue to us, first of all, are improved security on our own flight line by removing to the other side of the field all commercial operations.

Second, we would obtain the existing terminal building, which we could apply to full-time military use and thereby precluding $4 million or $5 million of additional facilities.

Third, a valuable mobilization asset is acquired, with over half of the cost borne by the Government of Iceland.

Fourth, in time of war or emergency, all commercial operations will cease. U.S. military will assume control of and operate the facility.

In designing the facility, and we are doing the design on it, we are incorporating those features that would come into use in wartime, such as communication ducts, shielding, emergency power. Upon mobilization for war, Iceland would obviously receive a heavy influx of forces from several services.

While the details are classified, these forces would be involved in defense of this strategic island and air defense for the naval forces

in the North Atlantic. So a readily available asset such as this terminal would be important to have a use in support of these forces. So we see it both in peacetime and wartime.

Senator HUDDLESTON. Generally during peacetime it will be used as a commercial airport facility?

Admiral ISELIN. That is correct. It will be separated from our operations.

NAVAL SHIPYARD REHABILITATION: PHILADELPHIA

Senator HUDDLESTON. You have a very large request, $10 million, for berthing, wharf rehabilitation of a naval shipyard in Philadelphia. What is involved in this project?

Admiral ISELIN. This project will replace almost 2,000 feet of sheet piled bulkhead. It forms a section of the northern perimeter of our Philadelphia Naval Base. That bulkhead was built in 1905. It is severely deteriorated and it is really in danger of collapse.

In fact, the area behind the bulkhead is now condemned. We have had sinkage in the area there. We cannot run any of our heavy vehicles through there. One of our real concerns is that we have the primary utility lines serving the entire yard, including a cooling system for the main powerplant buried immediately behind this bulkhead.

A collapse there, of course, would really interfere with our operations. So we feel compelled to act as soon as possible to forestall a potential problem. This project also includes the demolition of four old piers which at this moment are separated from the bulkhead area. They have so deteriorated that elements of them have collapsed.

We have got to remove those, clear out that area, and when we build this new 2,000 feet of bulkhead we will be able to berth the ships that many years ago had been able to berth in these now detached piers. So we not only protect our existing property; we will gain the berthing that we require.

SIMA PROGRAM

Senator HUDDLESTON. For several years the Navy has been pursuing the SIMA program. What is the SIMA program. What is the status of that program now?

Admiral ISELIN. Sir, we did receive funds in fiscal 1979 for San Diego and in fiscal 1980 for Mayport. Both of those projects are now under construction. This year, as you noted, we are requesting two more projects, one at Norfolk and one at Charleston.

With the approval of those two, we will be just over half the program. We will have five projects left to go. They will be at Little Creek, at Pearl Harbor, at New London, at San Diego, and to finish up at San Diego, and then to finish up at Pearl Harbor.

Senator HUDDLESTON. Have you had any complaints from the private sector regarding the program?

Admiral ISELIN. No, sir, I think primarily because the workload associated with the mix of our new ships that are now coming in to the inventory will continue to require a substantial reliance on the private sector for support work in the rebuild of individual compo-

nents, as well as for both these intermediate maintenance facilities and for our tenders.

Senator HUDDLESTON. What type of intermediate maintenance is usually undertaken?

Admiral ISELIN. On our new ships, sir, one of the driving factors was to reduce the number of people on ships. So we have what you might call operational maintenance, not much more than I would do with my automobile to check to see that it was in general operating condition. But if it started to have some difficulties short of needing a major overhaul, then the SIMA would take care of it.

In addition to that, each SIMA has the same kind of a thing that I am sure we both have for our automobiles, which is a preventive maintenance booklet. Certain things are scheduled at certain times. These will be performed by the SIMA rather than carrying those people on board the ship.

U.S. CONTRACTOR WORK IN DIEGO GARCIA

Senator HUDDLESTON. Several interested parties are seeking a preference for U.S. contractors to do the dredging work at Diego Garcia, assuming they can do it within the budgeted amount. Did the Navy anticipate U.S. bids when it made its estimate there?

Admiral ISELIN. Yes, sir, we did anticipate bids in developing our estimate. We compared our recent bid experience on various dredging jobs. We have noted that in almost all instances, the U.S. contractors in the areas where we have been bidding overseas lately have been bidding higher.

We do have one case where one U.S. contractor was at the bottom in the money, but we have looked at what we feel to be a reasonably economic figure for the dredging and have used that in our estimates.

Senator HUDDLESTON. Would the Navy have objections to some kind of preference for U.S. contractors?

Admiral ISELIN. We think it could give us quite a bit of problem, sir, because when we are working this far away from the United States, or, in fact, this far away from any other area, it turns out that the people who will be manning that dredge will most likely be local people. The supply that they have would come from local shores rather than from the United States. The backup support they would have would be from known systems rather than from foreign systems that were managed by the U.S. contractors.

So our experience has been that you can get substantially more economical jobs in dredging from people who are much closer to that area. That is not to say that a U.S. contractor who was willing to recognize those points and set up suboffices could not be in competition. We have had one recently where he was only about 3 percent out of the money. But at the same time that man was 3 percent out of the money, we had two others who were more than 50 percent over several low bids.

So we are talking substantial differential sums. That is why we would prefer truly to go on an international bidding without putting any additional expenses on a U.S. contractor.

NAVY INVESTMENT IN UTILITIES

Senator HUDDLESTON. The Navy seems to be making a rather large investment in utilities. Is there any particular reason for that?

Admiral ISELIN. Yes, sir. We have a substantial piece of that backlog that we were talking about earlier in utilities. Most of our utility systems were put in in World War II because that is when we built up most of the bases. They are now approaching 40 years of age. That is truly the physical as well as the economical life of many of those systems.

So if we are not moving ahead of the systems, they are going to be moving ahead of us. We are right now not quite in a breakdown replacement, but the systems that we are coming forward with are those that have given us considerable amounts of trouble and our analyses tell us it would be much cheaper to replace them now than to wait a year or two or three.

Senator HUDDLESTON. We have discussed the Northern Mariana land lease requirements before. I just ask again if you think the $28 million requested in the budget will be the principal cost associated with the land lease. The question is whether we are likely to see additional requests later for this.

Admiral ISELIN. Sir, as far as the land acquisition is concerned, I feel confident that the $28 million figure will handle the land lease. With respect to additional requests later, if there were such they would relate to the buildup of facilities on that land.

As you know, we are looking at current land lease as a contingency protection for us. We do not have in the near term plans for facilities, but in the longer term it is possible that we could come for facilities but I would not see any more land lease needs.

Senator HUDDLESTON. Thank you, Admiral.

SUPPORT OF GENERAL PURPOSE FORCES

General Trundy, just a couple of questions. You have already indicated where the major part of your request is going and at the same time indicated that obviously some areas would have to be neglected until those requests were satisfied. What is the biggest problem area with regard to facilities in support of marine general purpose forces?

General TRUNDY. Actually, sir, I believe it is our backlog in the habitability program, trying to improve the quality of life. We have dedicated, as you know, considerable money over the past 10 years. We expect this program to extend over the next several years also as a directed program. Of course, a program of this type produces the amount of funds available for other types of projects. Operational and maintenance projects have been deferred.

The Marine Corps requirements for other than quality of life have suffered, though more from the lack of overall funding than as a result of the overall emphasis on the quality of life programs. Therefore, the biggest problem area is with regard to the facilities in support of general purpose forces, directly related to limited resources available.

Senator HUDDLESTON. What effect will that neglect have on the readiness of your general purpose forces?

General TRUNDY. Sir, the effect is very difficult to quantify. However, we have historically maintained a high state of readiness. However, the efforts that we put into this have caused our Marines to work much longer hours than that which is desired. We give them help, we use ingenuity, and, of course, there is tremendous dedication by our troops.

I think it is certain that if improved working conditions and living conditions were to avail themselves, our readiness would improve, and accordingly, hopefully, our retention of those quality troops would also follow along.

TANK MAINTENANCE FACILITY AT LE JEUNE

Senator HUDDLESTON. Can you tell us exactly the type of tank maintenance facility you want to replace at Camp Le Jeune?

General TRUNDY. Yes, sir, Mr. Chairman. I have provided you a set of photographs which show the existing facilities. The existing facilities are temporary metal buildings. The apartment areas are sand and mud. Some work areas are slabs outdoors with poor drainage and poor lighting, if any, for night maintenance.

The new project will provide track and wheel shops and armory tow maintenance, electronics communications shop, radiation storage, fueling facilities, equipment parking, and classroom and administration areas.

Senator HUDDLESTON. That is a pretty extensive replacement. How many buildings are involved there?

General TRUNDY. There are about six buildings involved, sir, $7.7 million.

Senator HUDDLESTON. Do these old buildings go back to World War II?

General TRUNDY. Yes, sir, they do.

FACILITIES FOR XM-1 TANK

Senator HUDDLESTON. Will these new facilities be adequate for the new tank, the XM-1?

General TRUNDY. Yes, sir, they will.

Senator HUDDLESTON. If it comes there. Do you have a figure on the cost per tank maintained in the facility there?

General TRUNDY. Yes, sir, I do, Mr. Chairman. The M-61 tank, which is our main battletank in the Marine Corps today, the price tag is $707,600. The XM-1 tank price in 1982 dollars is $1,498,000.

Senator HUDDLESTON. $1 million per.

General TRUNDY. $1.5 million.

Senator HUDDLESTON. It seems like when I was driving them, they were about $35,000. There wasn't as much money around in those days, either. [General laughter.]

Senator HUDDLESTON. What new weapons system other than aircraft do the Marines expect to come online which will require new facilities for the general purpose forces?

General TRUNDY. At this time, Mr. Chairman, there are no new weapons systems programed in the Marine Corps. Of course, the XM-1, as we have just discussed, is a possibility, but determination has not been made.

RAPID DEPLOYMENT FORCE

Senator HUDDLESTON. What about the high-speed refueling system at Cherry Point, N.C.? Is this related to Rapid Deployment Force?

General TRUNDY. Yes, sir, it is.

Senator HUDDLESTON. With regard to the administration's plan for this RDF, will the Marines need facilities to support the maritime prepositioning of ships?

General TRUNDY. Sir, there are no projects in the Marine Corps program solely in support of the RDF, but in the Marine Corps as well as the other members, RDF requirements have been addressed by the Department of the Navy, the Secretary of Defense and the Joint Chiefs of Staff.

Senator HUDDLESTON. But none has been designated specifically for the Marines.

General TRUNDY. No, sir, although there are some recent discussions going on as recent as this morning as to requirements that would support that. But we have not programed that.

FACILITIES IN PACIFIC REGION

Senator HUDDLESTON. I would note that you haven't requested any facilities in the Pacific. One would expect that there might be a need for facilities to support the general purpose forces outside the United States. Would you comment on that?

General TRUNDY. Yes, sir. The WESTPAC facility requirements are far from being satisfied. However, our funding constraints require projects for WESTPAC from being included in this year's budget. We depend heavily on the Japanese Government for WESTPAC construction.

The Marine Corps has offered 35 projects totaling $124 million for consideration by the Japanese Government in the GOG fiscal year 1980 and 1981 facilities improvement programs. Present indications are that only quality of life and environmental-type projects will be considered for funding.

We will include projects to correct remaining deficiencies in future requests as projected funding permits. The priorities are determined without regard to location but solely on total Marine Corps needs. Priorities are established and initiated by activity commanders and integrated to total Marine Corps program.

Senator HUDDLESTON. You mean you make the request first of the Japanese, and if they don't want to build them, you come back to us?

CREST ISLE PLAN

General TRUNDY. Of course, we have gone through this evolution since the Okinawa reversion in 1972. What we have done in the past is in the Crest Isle plan or the plan that was developed over those years to replace facilities caused by relocation of U.S. units, they did in fact program those, plan them and build them for us.

They have made overtures to us in the past 2 years for various projects which we have where we have identified deficiencies. However, as I stated recently, those projects have been along the habitability, quality of life, that type of project. We have given them a wish list, in fact a $124 million list, of 35 projects. They are very

seriously considering these. So we hope that in the future they may give us some strong consideration.

Senator HUDDLESTON. But if they don't, and the projects are important enough, you will come back here, I suppose.

General TRUNDY. It will have to stand up on our own merit against other projects and CONUS.

OPERATIONAL TRAINERS

Senator HUDDLESTON. Considering the need to conserve energy, I think that operational trainers should be a high priority item. I know that you requested one facility at El Toro for an F-18 trainer. Do you have a backlog of trainer facility requirements, General?

General TRUNDY. No, sir, Mr. Chairman, we do not have a backlog per se. The facilities are programed to meet the trainers' delivery date. We do have a schedule of delivery dates for the future. Generally speaking, we program them a couple of years ahead of time, but we do not have a backlog at this time. There are no other trainers programs.

Senator HUDDLESTON. Do you have trainers for equipment other than aircraft?

General TRUNDY. No, sir, we do not.

Senator HUDDLESTON. OK, thank you, General.

READINESS PROJECTS IN KOREA

General Gilbert, you have requested several projects in Korea, too. Are all of these projects associated with readiness?

General GILBERT. Five of the six are directly associated with readiness, Mr. Chairman, the sixth one being an unaccompanied enlisted personnel dormitory at Kunsun. If I could for just a moment, I would address that.

We catch ourselves in a game of catchup as far as personnel facilities are concerned.

As a matter of fact our people in Korea are still living under many years of outdated criteria so far as square feet per person is concerned. There we have our people jammed into about 70 square feet per person, and even many of those accommodations are absolutely inadequate.

At both Kunsun and Osan, we must not only provide additional facilities but do a considerable amount of upgrading of our personnel facilities at those two locations. As I said, five of the six projects are for readiness directly in the areas of POL storage, which can be and is currently a critical item should we go to an augmented force level in the Korean theater.

Then at Osun, of course, we are attempting to protect our aircraft at that location because it is the most vulnerable airbase we have in Korea to an air attack from North Korea.

FLIGHT SIMULATORS AND FACILITIES

Senator HUDDLESTON. You requested a number of flight simulators and flight simulator facilities. Can you use simulators to train for all your systems?

General GILBERT. Yes, sir. As a matter of fact, to one degree or another you can. As a matter of fact, the last few years we have requested simulator facilities that pretty well cover the types of aircraft we have in the Air Force.

Senator HUDDLESTON. To what extent can they be used, or, in other words at what point must you get out of the simulator and into the real thing?

General GILBERT. We don't have a set percentage, although every crew member does enhance his proficiency by having time every month in a simulator. The amount of that time depends really on the mission and the type of aircraft that he is in, and the crew composition of the aircraft he is in.

But there is really no set standard per se across all of our simulator types and facilities, Mr. Chairman.

Senator HUDDLESTON. Do you have any cost-effective figures indicating the amount that might be saved in terms of fuel or maintenance and repair as a result of using simulators?

General GILBERT. Yes, sir. While we use simulators to increase our proficiency training and not necessarily the economics involved——

Senator HUDDLESTON. Is that the main purpose of it, efficiency rather than economy?

General GILBERT. Yes, sir, it is. But there is a high spinoff benefit as a result of their use. I can cite you for the F–4 aircraft system that we have in the Air Force. Last year we saved the equivalent of 28,000 flying hours. Now, if you equate that to their consumption at about $1.18 a gallon for POL, that alone is $56.6 million.

Then we realized another $8 million in O. & S. costs for a total of that entire system of about $64.6 million that we could quantify.

JET FUEL STORAGE FACILITIES FOR JAPAN AND KOREA

Senator HUDDLESTON. Turning to the request for additional jet fuel storage facilities for Japan and Korea, are these facilities designed to support ongoing missions or do they envision expanded operations in that area?

General GILBERT. I guess we would have to say a combination of both. That is another area that over the years we have not been able within our budget constraints to provide the POL required in a contingency in Korea. We have been at some of our locations down to 7 days, and that is a terribly little amount to have on hand because of the supply line to Korea.

It is not for an expanded force, necessarily, today, but it is to support our existing aircraft as well as to provide the storage requirements for the augmenting aircraft that would go in under a contingency in Korea.

Senator HUDDLESTON. How much POL storage do we lose in Taiwan?

General GILBERT. We are going to lose about 700,000 barrels. But I hasten to add that we are negotiating to keep that on a lease by arrangement until we can phase the additional capacity required at Kadena to offset that over the next 3 or 4 years.

Senator HUDDLESTON. Will most of this construction offset be at Kadena?

General GILBERT. Yes, sir, most of it will be at Kadena, although some of this would have been for Korea but a very small amount compared to what will be at Kadena.

Senator HUDDLESTON. What about Tinian?

General GILBERT. There are no plans for that at this time, Mr. Chairman.

QUICK TURN FACILITY AT OSUN AIR BASE

Senator HUDDLESTON. At Osun Air Base, you are proposing a quick turn facility. This is a different approach from the way you seem to handle operations in Europe. Can you explain why two different operations are used?

General GILBERT. Yes, sir, I think I can. There are two things that I think make those two operations different. One is the difference in the threat. In Korea we see a threat that says and dictates that we gain air superiority early and then use this more vulnerable quick turn facility concept, if you will.

In addition to that, we see it as the quickest way to turn airplanes in order to get the most sorties per day out of them. Conversely, in Europe the threat is for a longer period of time to our total air base. Therefore, we feel there that we must continue to return the aircraft to the shelter when they are not in the air.

Senator HUDDLESTON. You propose to add doors to existing aircraft protective shelters at Osun. Does this mean that you have completed the requirement for shelters in Korea?

General GILBERT. No, sir. There will be other increments in the future until we reach the numbers that we need there. We are not too far away, but we don't quite have shelters for all of our aircraft yet.

Senator HUDDLESTON. Why add doors in Osun when you could be providing additional shelters?

General GILBERT. I guess it is trying to carry both of the projects fairly concurrently. And if we have a phase of one and a phase of the other, they are in two different locations. That way we don't have contractors getting in one another's way in a particular work area. And as the chairman knows, our bases in Korea are very small. We are crowding an awful lot into precious little land.

Senator HUDDLESTON. How many shelters without doors would the $9 million provide?

General GILBERT. We think that would provide about 28, Mr. Chairman.

Senator HUDDLESTON. I am sorry, I missed that figure.

General GILBERT. About 28.

PRODUCTION STATUS OF ECM PODS FOR THE A-10

Senator HUDDLESTON. Now, at Myrtle Beach you have requested a facility to accommodate an electromagnetic countermeasure pod for the A-10 aircraft. We saw some ECM facility requests in the 1980 program as well. Can you tell us the production status of ECM pods for the A-10 and other fighter aircraft?

General GILBERT. Yes, sir. The facility that we have there now and in the initial days for this facility, we will use it for the ALQ-119. However, both facilities will also accommodate the larger,

more mission-capable ECM pod that is going to be delivered there in a couple of years.

These pods at Myrtle Beach will come from existing assets.

Senator HUDDLESTON. What is the availability and the planned delivery against your requirements at this time?

General GILBERT. I don't have that information, Mr. Chairman.

Mr. Robey, do you have that?

Mr. ROBEY. No, sir, I don't have that.

General GILBERT. Can I provide that for the record, please?

MYRTLE BEACH AFB—ECM FACILITY

Question. At Myrtle Beach, you have requested a facility to accommodate electro magnetic countermeasure pods for the A-10 aircraft. We saw some ECM facility requests in the FY 80 program as well. Can you tell us the production status of ECM pods for the A-10 an other fighter aircraft? In other words, what is the current availability and planned delivery against requirement?

Answer. (S) The Air Force's objective is to provide one electro magnetic countermeasure (EMC) pod for each active, ANG and AFRES fighter strike and reconnaissance aircraft. The ALQ-119 ECM pod (no longer in production) has been in the inventory for several years, while the new improved ALQ-131 ECM pod became operational in December 1979.

The overall Air Force ECM pod status follows:

	Fiscal year—						
	1980	1981	1982	1983	1984	1985	1986
Total requirement							
Procurement schedule							
Delivery schedule				[Deleted.]			
Total inventory							
Shortfall							

The Air Force plans to allocate the newer ALQ-131 pods first in USAFE then in PACAF. The CONUS aircraft will receive the ALQ-131 pods in the following priority: TAC and ANG dual-based aircraft; TAC and ANG rapid-reactor aircraft; TAC, ANG/AFRES, and AAC/ADC aircraft. The ALQ-119 pods replaced by the ALQ-131 will be redistributed to units without pods using the above priority.

Using the allocation and redistribution system outlined, Myrtle Beach will increase from 30 to 72 pods by the end of fiscal year 1980.

Senator HUDDLESTON. Yes.

FACILITIES FOR AWACS

Now, you requested facilities at Elmendorf Air Force Base for the AWACS. What is your schedule for finalizing worldwide deployment of this aircraft?

General GILBERT. I don't have a schedule. That is being looked at by the Air Force. As you know, we are deploying it to Europe and the Pacific and to Alaska. There are several studies going on now in the building as to how many of those airplanes we must retain for training and how many we should have on deployment at any one time, which will dictate probably locations that we might deploy them to in the future.

But beyond the CONUS and Alaska and Pacific and Europe, I don't know where those places might be now, Mr. Chairman.

Senator HUDDLESTON. All right. We will have some more questions on general purpose forces to submit, General Gilbert, for the record.

Let me pose just a few questions I have several on the airlift/sealift and supply situation that I think are very important. I don't know whether we will have time to go through very many of them or not. I am still fighting some kind of a bug. My discomfort, however, is probably no greater than yours, as you have to sit there and endure this. At any rate, I am not going to prolong it much longer.

DEPLOYMENT CAPABILITIES IN EVENT OF EUROPEAN HOSTILITIES

Let me ask a general question. If hostilities broke out in Europe, what would you expect to have to move in terms of personnel and equipment in the first 5 days and in the first 30 days, General Gilbert?

General GILBERT. By air, Mr. Chairman, we would have to move something over 38,000 tons of cargo.

Senator HUDDLESTON. Does that include personnel?

General GILBERT. No, sir.

Senator HUDDLESTON. That is just supply?

General GILBERT. I am actually getting into some classified information here with quoting specifics.

Senator HUDDLESTON. We will get that in an appropriate way if we find it necessary.

General GILBERT. Yes, sir.

Senator HUDDLESTON. What are the principal deployment points from the United States into NATO? Is that classified?

General GILBERT. No, sir, it is not. Our principal deployment points are unit pickup airfields, and most of those are, of course, on the east coast where most of the troops are. We would use over 100 airports for that purpose in the United States There are 90-odd reception airfields in Europe, primarily airports, in the FRG that would be available for us to drop cargo and troops.

Senator HUDDLESTON. Since most of our U.S. forces are in CENTAG, does this pose any particular logistical problem with regard to getting over land or through other allied sectors, General Read?

General READ. Sir, some challenges. However, we have technical agreements with BENELUX countries under certain NATO committees, such as the Planning Board for Inland Transportation. We have ongoing negotiations to further the support arrangements that we have.

Senator HUDDLESTON. What is the current status of POMCUS?

General READ. We have three division sets on the ground, and we, of course, have under way efforts resulting from the funding which we received in fiscal year 1979 from the committee.

SUBMITTED QUESTIONS

Senator HUDDLESTON. I am going to, with your permission, submit the remainder of these questions to you for response to the record. There may be some that we can handle in other hearings that we will have.

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

POMCUS Equipment Sets

Senator Huddleston. Will POMCUS serve principally NORTHAG or will it also be used in CENTAG?

General Read. POMCUS equipment sets are being stationed to provide the capability of using them in both NORTHAG and CENTAG.

Senator Huddleston. I have heard that in the early POMCUS exercises, there was much confusion—fuel, oil and other needed supplies were apparently not at the equipment storage site and it took some time to mobilize. Are these reports accurate? Have steps been taken to improve the situation?

General Read. I believe the problems may have been overstated. Initially, there were some problems. They have been identified. Actions have been and continue to be taken to move certain supplies to the POMCUS sites. Last fall during Exercise Eligible Receiver II, a unit from the United States was deployed to Europe without advance notice. It broke all records for drawing its equipment from the POMCUS site and deploying to an assembly area, so you can see the system is being constantly refined.

Senator Huddleston. Do infrastructure funds now cover all POMCUS activities including any maintenance shops, flexible barrier shelters and housing facilities necessary?

General Read. The SHAPE recommended draft NATO criteria for POMCUS storage sites includes three options for storage facilities: controlled humidity warehouses, stress tension structures and individual flexible barrier shelters. The draft criteria also includes supporting facilities such as maintenance facilities, guard houses, etc. Housing facilities are not eligible for NATO funding (except in a few unusual cases like remote custodial sites) and therefore have not been included in the draft NATO criteria.

I should also add, however, that I believe there may well be requirements to satisfy our total needs that are not covered by the criteria. In such cases, we will then have to seek MCA funding.

Limited Contingency

Senator Huddleston. What would be the principal difficulties in responding to a limited contingency, such as Korea, the Middle East or Persian Gulf? What factors determine whether the response comes from the East coast or the Pacific? Geography is an obvious one but what are some of the others?

General Read. Deployment and sustainment of the force. Army units can be deployed by two means; air and sea. The actual means would be determined at the time of deployment and would be based on availability of either aircraft or ships. Sustainment of the force in a bare base theater of operations such as the Persian Gulf will require a long line of resupply from CONUS until stocks can be prepositioned in the area. Other factors which determine where the forces deploy from include the type of threat and force requirements, the availability of air and sea lift and the readiness of the forces.

Senator Huddleston. To what extent would you have to rely on Reserve forces to meet airlift/sealift/supply requirements in the event of hostilities?

General Read. The answer to your question would, of course, depend largely on the level and duration of the hostilities. As you may be aware, some two-thirds of the Combat Service Support units in the total Army force, including the active Army, the Reserves and the National Guard, exist in the Reserves and National Guard. As you can see, to sustain the Army combat forces during hostilities of any extended duration would require support from the Reserve Components.

PREPARED STATEMENTS

[Clerk's note.—The following statements which relate to facilities in support of general purpose forces operating in the Indian Ocean/Persian Gulf area were submitted for the hearing record:]

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF DREDGING CONTRACTORS

Mr. Chairman, my name is John A. Downs. I am President of the National Association of Dredging Contractors. I am also Chairman of Great Lakes International, Inc., Oak Brook, Illinois. On our panel this morning with me is Mr. Richard Saul of the Transportation Institute, Washington, D. C.; and Mr. John Brown, Director of Legislative Affairs for the International Union of Operating Engineers.

We are here to present the joint views of Industry and Labor to have the dredging work for the Naval Support Facility at Diego Garcia done by American contractors. This project, as you know will involve dredging coral from the lagoon or turning basin at Diego Garcia for use as fill material for construction of runways, taxiways, storage, and other future Naval Support Facilities. The Fiscal Years' 1981 and 1982 Military Construction Appropriations Requests are for $25 million for dredging 6 million cubic yards of material plus mobilization and de-mobilization of equipment.

The Navy is planning to put this project out for international bidding. We are asking the Committee to require the Navy to restrict bids for the project to American contractors. The work can be done by American contractors within the $25 million budgetary figure. But there is no way American contractors can fairly compete for this work with foreign contractors for the following reasons:

1. American firms pay corporate income taxes on income earned abroad.
2. American workers pay taxes on personal income earned abroad.
3. Foreign labor is paid far less than Americans.
4. Most foreign contractors are subsidized by their governments, and
5. American-built dredges and equipment are more expensive than those built in foreign shipyards.

One of the strongest reasons for restricting bids to American contractors is the national interest and international balance of payments. If the work is done by foreign contractors, none of the appropriated funds will be returned to the United States or benefit the United States economy. If the work is done by an American contractor, over 80% of the appropriated dollars will be returned to the United States in the form of taxes, wages, and purchases for spare parts and equipment. Fuel cost is the only appreciable item which would not be returned.

American contractors could perform the work largely, if not all, with American crews. At the urging of Congress, and under Public Law 95-269 signed by the President in April 1978, private industry has been encouraged to build new dredges with the latest technology. As a result, industry has built a fleet of large modern hydraulic cutterhead dredges which are capable of operating anywhere in the world. There are at least 5 or 6 American dredging contractors who have the capability to economically perform this project. As a result, there would be extensive competition among the American firms in bidding the work.

We would also like to point out that the International Agreement with the British for the 99-year lease at Diego Garcia does not preclude restricting bids to United States contractors. Furthermore, the Department of Defense's own policy recognizes that contracts entered into in furtherance of the Balance of Payments Program can be accomplished by a special method of procurement known as "Balance of Payments Restricted Advertising". This procedure is conducted in the same manner as prescribed for formal advertising except that bids and awards shall be restricted to United States contractors (ASPR 6-806.2).

The Department of Defense Directive No. 7060.4, dealing with the International Balance of Payments Program for Construction in Foreign Countries, authorizes the payment of a premium over and above the project cost estimate in an amount not to exceed 50 percent of the amount of reduction achieved in IBOP costs. Additionally, on a case-by-case

basis, premium costs exceeding 50% percent may also be allowed. Since American contractors can do the work within the project cost estimate there would be no premium costs above the budgetary figures.

There is also a Committee precedent for protection of American firms. Last year, you will recall, that the Committee included a limitation on the use of funds to increase opportunities for U.S. steel firms to compete for contracts abroad.

Therefore, we urge the Committee to include the following limitation on the use of funds included in this year's appropriation bill for the Diego Garcia dredging project:

> "No part of the funds appropriated in this Act for dredging at Diego Garcia may be used for the performance of the work by foreign contractors provided that the low bid of American contractors does not exceed budgetary estimate."

There are only two other points we would like to make. To assure that the work is done at the most economical cost, the Navy should be required to solicit bids on the total 6 million cubic yard requirement for the project rather than by splitting the requirements into two fiscal year contract awards. This is the practice followed by the Corps of Engineers on multi-year projects. An appropriate provision is included in the contract making the contract subject to the continuing appropriations. Finally, we wish to assure the Committee that if there is a need to accelerate the work at Diego Garcia, the American dredging industry has the necessary capability to do so.

I appreciate, Mr. Chairman, the opportunity to testify before the Committee, and I wish to thank you. Now, the other members of our panel will present their testimony.

Estimated % of Appropriated Funds to be Returned to U.S. if Diego Garcia Dredging is Done by American Contractors

(1)	Labor (including travel & subsistance)	25%
(2)	Taxes (payroll & corporate)	15%
(3)	Supplies	15%
(4)	Depreciation, Maintenance & Marine Insurance	5%
(5)	Tugs & Other Costs to Transport Equipment	10%
(6)	Net Profit (after taxes)	10%
	TOTAL	80%

PREPARED STATEMENT OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

- U. S. MILITARY CONSTRUCTION OVERSEAS -

SINCE WORLD WAR II THE U.S. CONSTRUCTION INDUSTRY HAS PLAYED A MAJOR ROLE IN SERVING OUR NATIONS MILITARY CONSTRUCTION NEEDS OVERSEAS. DURING THIS 35 YEAR PERIOD AGC MEMBERS HAVE SUCCESSFULLY PERFORMED WORK FOR ALL BRANCHES OF THE U.S. MILITARY IN LOCATIONS ALL AROUND THE WORLD. IN MANY CASES MILITARY PROJECTS PROVIDED THE IMPETUS FOR U.S. CONTRACTORS TO VENTURE INTO THE INTERNATIONAL MARKETS AND HAVE SERVED AS A FOOTHOLD IN THESE MARKETS FOR U.S. CONTRACTORS OVER THE YEARS.

ONCE MOBILIZED IN A FOREIGN LOCATION PERFORMING MILITARY CONSTRUCTION A U.S. CONTRACTOR IS IN A MUCH BETTER COMPETITIVE POSITION TO PURSUE ADDITIONAL WORK IN THE REGION. NEVER BEFORE IN THE HISTORY OF OUR INDUSTRY'S INVOLVEMENT OVERSEAS HAVE THE MILITARY CONSTRUCTION PROGRAMS OF THE U.S. GOVERNMENT BEEN SO IMPORTANT TO OUR SURVIVAL IN THESE MARKETS. TO UNDERSTAND WHY THIS IS SO WE MUST TAKE A BRIEF LOOK AT THE BROADER INTERNATIONAL CONSTRUCTION PICTURE AND THE RELATIVE POSITION OF THE U.S. CONSTRUCTION INDUSTRY IN THESE MARKETS.

U.S. CONSTRUCTION INDUSTRY IS IN SERIOUS TROUBLE OVERSEAS. IN THE LAST 5 YEARS U.S. CONTRACTORS HAVE FALLEN FROM A POSITION OF LEADERSHIP WITH CONTRACT VOLUMES OF $21.8 BILLION IN 1975 TO A PRESENT RANKING OF 12TH WITH CONTRACT VOLUMES OF ONLY $346. MILLION, ACCORDING TO A RECENT STUDY CONDUCTED BY ENGINEERING NEWS-RECORD MAGAZINE.

THE REASONS FOR THIS DRAMATIC DECLINE ARE VARIED, HOWEVER, A MAJOR FACTOR HAS BEEN THE MARKET ENTRY OF NEW COMPETITORS WHO ENJOY STRONG GOVERNMENT BACKING AND SUPPORT. A CONTRACTOR'S RELATIVE ABILITY TO EFFICIENTLY PERFORM THE WORK IS NO LONGER A DETERMINING FACTOR IN HIS OVERALL CHANCES FOR SUCCESS. TODAY THERE IS GROWING EVIDENCE THAT COMPETITION FOR MAJOR PROJECTS OVERSEAS IS BEING CARRIED OUT BETWEEN GOVERNMENTS. THE CONTRACTOR IS ONLY A PART OF A GOVERNMENT BACKED PACKAGE WHICH INCLUDES FAVORABLE TAX INCENTIVES, PROJECT FINANCING AND GUARANTEES, POLITICAL RISK INSURANCE, EXPORT SUBSIDIES, AND HIGH LEVEL GOVERNMENT SUPPORT DURING NEGOTIATIONS WITH CLIENTS. IF WE EXAMINE THE U.S. CONSTRUCTION EXPORT PACKAGE WE FIND THAT THE RELATIONSHIP BETWEEN THE CONTRACTOR AND THE U.S. GOVERNMENT IS POORLY STRUCTURED AND NONCOMPETIVE.

THE ATTACHED DOCUMENTS CONTAIN AN A.G.C. ANALYSIS OF THE U.S. CONSTRUCTION EXPORT PACKAGE AND OUR FINDINGS REVEAL THAT IN THE KEY AREAS OF PROJECT FINANCE, POLITICAL RISK INSURANCE, COUNTER GUARANTEES FOR BID AND PERFORMANCE BONDS, AND TIED FOREIGN ASSISTANCE, THE U.S. DOES NOT PROVIDE PROGRAMS WHICH ARE AS COMPREHENSIVE NOR AS EFFECTIVE AS THOSE ADMINISTERED BY COMPETING NATIONS.

THE ATTACHMENTS ALSO CONTAIN PROFILES OF THE NEW COMPETITORS WE REFERRED TO EARLIER. THESE FIRMS ARE FROM JAPAN AND ADVANCED DEVELOPING COUNTRIES SUCH AS KOREA, TAIWAN, AND THE PHILIPPINES. FIRMS FROM THESE COUNTRIES ARE NOW LEADING COMPETITORS IN THE U.S. MILITARY CONSTRUCTION PROGRAMS OVERSEAS. THE PROFILES PROVIDE EVIDENCE OF THE NATURE AND EXTENT OF SOME OF THE GOVERNMENT SUBSIDIES AVAILABLE TO THESE FIRMS INCLUDING FINANCIAL SUBSIDIES AND GUARANTEES, 50% CORPORATE TAX EXEMPTION ON EXPORT SALES, TOTAL INCOME. EXCLUSION FOR EXPATRIATE WORKERS, AND A FIVE YEAR TAX ON HOLIDAY ON EXPORTED CONSTRUCTION MATERIALS. THE GOVERNMENTS OF THESE NATIONS ALSO EXCERCISE STRICT CONTROL OVER THE RECRUITMENT AND TRAINING OF THEIR OVERSEAS CONSTRUCTION LABOR, AND IN THE CASE OF KOREA THE GOVERNMENT HAS REPORTEDLY CONVERTED SEVERAL MILITARY BASES INTO CONSTRUCTION TRAINING CENTERS. KOREAN ARMY REGULARS ARE ALSO OFFERED EARLY DISCHARGES IF THEY SIGN UP FOR OVERSEAS CONSTRUCTION PROJECTS. THE ATTACHMENTS ALSO CONTAIN EXCERPTS OF RECENT STUDIES AND REPORTS WHICH PRODUCE EVIDENCE THAT SOME OF THESE FIRMS MAY ENGAGE IN ORGANIZED COLLUSION AND UNFAIR BIDDING PRACTICES.

THESE PRACTICES ENABLE THE FIRMS TO REDUCE THEIR CONTINGENCIES FOR RISK AND OFFER PRICES WHICH DO NOT REFLECT FREE AND FAIR COMPETITION AS PRACTICED IN THE U.S.

THE OCTOBER 31, 1978 REPORT OF THE SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS OF THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS ENTITLED INVESTIGATION OF KOREAN-AMERICAN RELATIONS CONTAINS A SECTION ON MILITARY PROCUREMENT PROBLEMS IN KOREA. THE REPORT REVEALS THAT THE

ALLEGATIONS OF SENATOR WILLIAM PROXIMIRE CONCERNING PRICE-FIXING AND BIDRIGGING ON U.S. MILITARY PROCUREMENT CONTRACTS IN KOREA WERE LARGELY SUBSTANCIATED. IN GENERAL IT WAS ALLEGED THAT CERTAIN QUASI-OFFICIAL KOREAN CONSTRUCTION ASSOCIATIONS OBTAINED U.S. GOVERNMENT COST ESTIMATES BEFOREHAND AND WERE ABLE TO ASSURE THAT NO CONTRACTOR BID LOWER THAN THOSE ESTIMATES. FURTHER, THOSE AGENCIES DETERMINED IN ADVANCE WHO WOULD GET THE CONTRACT AND ASSURED THAT NO OTHER COMPETITOR BID LOWER THAN THE SELECTED PARTY. AT LEAST WITH RESPECT TO THIS LATTER PRACTICE, THERE IS EVIDENCE OF THIS PROCEDURE BEING EXTENDED ON OVERSEAS PROJECTS BID BY KOREAN CONTRACTORS WHO ARE MEMBERS OF THE KOREAN OVERSEAS CONSTRUCTION ASSOCIATION. THE KOREAN GOVERNMENT SUPPORTS THIS COLLUSION BY ONLY GRANTING AN EXPORT PERMIT TO ONE CONTRACTOR PER JOB. THE PERMIT IS NECESSARY TO OBTAIN GOVERNMENT SUBSIDIZED BONDING GUARANTEES.

IN THE CASE OF THE JAPANESE, A RECENT STUDY OF TRANSPORTATION CONSTRUCTION IN JAPAN CONDUCTED BY BOYD C. PAULSON OF THE DEPARTMENT OF CIVIL ENGINEERING OF STANFORD UNIVERSITY, ALSO REVEALS EVIDENCE OF COLLUSION AND BIDRIGGING. UNDER A SYSTEM CALLED "DAN GO" THE CONTRACTORS CONTRIBUTE TO THE DEVELOPMENT OF THE OWNERS ESTIMATE. THE FINAL ESTIMATE AMOUNT IS ACTUALLY THE "LOW BID". THE CONTRACTORS THEN REACH AN AGREEMENT AMONGST THEMSELVES AS TO WHICH CONTRACTOR WILL RECEIVE PARTICULAR PORTIONS OF THE WORK. AGC IS OPPOSED TO THESE PRACTICES AND WE FEEL THAT THEY SHOULD BE CONDEMNED AS THEY ARE ILLEGAL UNDER U.S. LAW AND ABHORRENT TO THE AMERICAN MORAL CODE.

THE COMPETITIVE WEAKNESS OF THE U.S. CONSTRUCTION INDUSTRY IS DUE IN

TRADE POLICY, AND PROPOSE APPROPRIATE LEGISLATION WHICH WOULD ENABLE U.S EXPORTING INDUSTRIES TO COMPETE ON THE SAME FOOTING AS THEIR FOREIGN COMPETITORS.

THE ABSENCE OF COMPETITIVE EXPORT INCENTIVE MEASURES IS, HOWEVER, ONLY HALF OF THE PROBLEMS FACING U.S. CONSTRUCTION EXPORTERS. U.S. CONTRACTORS WORKING OVERSEAS ARE EXCLUSIVELY BURDENED BY A MYRIAD OF REGULATIONS AND POLICIES WHICH UNDERMINE OR LIMIT THEIR ABILITY TO COMPETITIVELY BID PROJECTS. SOME OF THESE MEASURES WERE ORIGINATED FOR THE SOLE INTENT AND PURPOSE OF CURBING OR LIMITING TRADE WHILE OTHERS, ALTHOUGH UNDOUBTEDLY INITATED FOR SOME DIFFERENT PURPOSE, HAVE ACTUALLY CAUSED THIS SAME RESULT. WE CALL THESE REGULATIONS AND POLICIES EXPORT DISINCENTIVES AND THEY INCLUDE SUCH THINGS AS ANTIBOYCOTTING, ANTITRUST, ANTIBRIBERY REGULATION, HUMAN RIGHTS AND FOREIGN POLICY CONTROLS, INTERNATIONAL ENVIRONMENTAL CONTROLS AND PERHAPS THE MOST DEVASTATING DISINCENTIVE MEASURE OF THEM ALL, THE TAXATION OF U.S. EXPATRIATE WORKERS.

THE UNITED STATES IS THE ONLY INDUSTRIALIZED NATION WHICH TAXES THE EARNINGS OF ITS CITIZENS EMPLOYED OUTSIDE THE COUNTRY. THIS EXCLUSIVE TAX LIABILITY FOR AMERICIAN WORKERS HAS CREATED AN EXTREMELY NONCOMPETITIVE BURDEN FOR THE U.S. CONTRACTOR WHICH SIMPLY CANNOT BE OVERCOME. U.S. CONTRACTORS CAN NO LONGER AFFORD TO STAFF OVERSEAS PROJECTS WITH U.S. MIDDLE MANAGEMENT AND HAVE BEEN FORCED TO EMPLOY TAX FREE WESTERN EUROPEANS.

THE USE OF SUCH THIRD COUNTRY NATIONALS CREATES MANAGEMENT INEFFECENCIES AND IS ALSO DETRIMENTAL TO OUR NATION'S TRADING INTERESTS.

THE PROCUREMENT CARRIED OUT BY THE U.S. CONTRACTOR IN THE PERFORMANCE OF AN OVERSEAS CONTRACT IS A LEADING SOURCE OF NEW EXPORT ORDERS FOR THE U.S. MANUFACTURING SECTOR AND ALSO CREATES A SPARE PARTS MARKET FOR YEARS TO COME. DUE TO THEIR UNFAMILIARITY WITH U.S. PRODUCT LINES THIRD COUNTRY MANAGERS OR ENGINEERS ARE LESS LIKELY TO SPECIFY U.S. GOODS AND MATERIALS FOR INCORPORATION IN THE WORK, IN FAVOR OF GOODS AND MATERIALS OF EUROPEAN SOURCE AND ORIGIN.

THE ATTACHMENTS CONTAIN AN A.G.C. TAX ANALYSIS WHICH REVEALS THE COMPETITIVE IMPACT OF OUR PRESENT TAX LAWS ON A PROJECT RECENTLY BID BY ONE OF OUR MEMBERS IN JORDAN. OUR STUDY REVEALED THAT THE COST OF EMPLOYING U.S. MIDDLE MANAGEMENT INSTEAD OF TAX FREE BRITISH PERSONNEL ON A $100 MILLION INDUSTRIAL CONSTRUCTION PROJECT AMOUNTED TO $3.3 MILLION. THE IRONIC FACT ABOUT THAT PARTICULAR PROJECT WAS THAT IT WOULD HAVE GENERATED APPROXIMATFLY $7 MILLION IN TAX REVENUES FROM U.S. CORPORATE AND U.S. PERSONAL INCOME TAXES. THESE REVENUES WOULD HAVE BEEN OVER AND ABOVE THE TAXES ON THE OVERSEAS WORKERS. THE ACTUAL REVENUE GENERATED FROM THE UNSUCCESSFUL BID WAS ZERO.

DUE TO THIS COMBINATION OF WEAK INCENTIVE MEASURES AND ABUNDANT DISINCENTIVE MEASURES U.S. CONTRACTORS WILL CONTINUE TO PLACE LAST IN THE INTERNATIONAL COMPETITION. WE THEREFORE FIND IT QUITE FRUSTRATING THAT OUR GOVERNMENT AFTER MATERIALLY INCREASING OUR PRICES, WOULD RESORT TO INTERNATIONAL COMPETITIVE BIDDING ON U.S. TAX SUPPORTED MILITARY CONSTRUCTION OVERSEAS. THIS TACT IS ILLOGICAL AND UNBELIEVEABLE.

WE HAVE GATHERED SOME DATA WHICH ILLUSTRATES THE EXTENT OF FOREIGN INVOLVEMENT IN OUR DEFENSE AND DEPARTMENT OF INTERIOR FINANCED

CONSTRUCTION PROGRAMS IN THE WESTERN PACIFIC. SINCE 1976 CONTRACTORS FROM JAPAN, TAIWAN AND KOREA HAVE CAPTURED IN EXCESS OF $200 MILLION IN CONTRACTS. OUR INVESTIGATION OF THE N.A.T.O. CONSTRUCTION PROGRAM INDICATES THAT EUROPEAN CONTRACTORS FACE LITTLE OR NO U.S. COMPETITION AND ARE THEREFORE LIKELY TO RECEIVE THE BULK OF THE AWARDS IN THE UPCOMING N.A.T.O. INFRASTRUCTURE PROGRAM WHICH TOTALS APPROXIMATELY $300 MILLION. WITH RESPECT TO THE POSSIBLE CONSTRUCTION OF U.S. MILITARY FACILITIES IN OMAN, KENYA, SOMALIA, AND DIEGO GARCIA TOTALING IN EXCESS OF $1 BILLION, WE HAVE BEEN ADVISED THAT THE DEPARTMENT OF DEFENSE IS CONSIDERING THE USE OF INTERNATIONAL COMPETITIVE BIDDING. THE INTERNATIONAL COMPETITIVE TENDERING OF THESE PROJECTS WOULD VIRTUALLY PRECLUDE THE PARTICIPATION OF U.S. FIRMS.

THE CONTRACTING AGENCIES HAVE DEFENDED THE USE OF THESE BUILDING PROCEDURES ON THE BASIS THAT THEY ARE NECESSARY TO ENSURE ADEQUATE COMPETITION AND THE LOWEST POSSIBLE BID FOR THE WORK. WE CANNOT DENY THAT OUR COMPETITORS ARE CHEAPER, HOWEVER, AS WE HAVE ILLUSTRATED THERE ARE OBVIOUS REASONS WHY THIS IS SO. IN ADDITION IT IS THE VERY PRESENCE OF FOREIGN CONTRACTORS UNDER SUBSIDIZED CONDITIONS IN THE PROGRAMS WHICH DISCOURAGES U.S. CONTRACTORS FROM BIDDING THE WORK.

IN OUR OPINION IT IS UNCONSCIONABLE FOR OUR GOVERNMENT TO SPEND U.S. TAX DOLLARS WITH OUR SUBSIDIZED COMPETITORS WHO PAY NO U.S. TAXES, EMPLOY NO U.S. TAXPAYERS, AND CARRY OUT VERY LITTLE DIRECT PROCUREMENT IN THE U.S.

BY AWARDING WORK TO FOREIGN FIRMS THE EMPLOYMENT, TAX, AND

TRADE BENEFITS OF THE EXPENDITURES ARE MINIMIZED. THE PRICE IS LOWER; HOWEVER, THE EXPENDITURE CONSTITUTES A NET OUT FLOW OF CAPITAL WHICH IN TURN INCREASES OUR PRESENT TRADE DEFICITS.

THE INTERNATIONAL BALANCE OF PAYMENTS REGULATIONS (IBOP), WHICH WERE DESIGNED TO OVERCOME THIS REVERSE GOLD FLOW DO NOT APPLY TO SERVICES AND ARE NOW LARGELY IGNORED BY THE CONTRACTING AUTHORITIES, AND THE GRANTING OF IBOP WAIVERS IS NOW STANDARD OPERATING PROCEDURE.

IN ADDITION TO THESE NEGATIVE TRADE CONSEQUENCES OUR GOVERNMENT IS CREATING GRAVE SECURITY RISKS BY BECOMING OVERLY DEPENDENT ON FOREIGN SOURCE PROCUREMENT. IN TODAY'S CHANGING GEOPOLITICAL ENVIRONMENT OUR NATION'S MILITARY CONSTRUCTION NEEDS OVERSEAS COULD INCREASE DRAMATICALLY IN A VERY SHORT PERIOD OF TIME. AT SOME POINT IN THE NEAR FUTURE WE MAY FIND THAT OUR FOREIGN SUPPLIERS ARE NO LONGER IN A POSITION TO SERVE OUR NEEDS. IT IS THEREFORE VITAL THAT THE U.S. CONSTRUCTION INDUSTRY MAINTAINS A STRONG AND VIABLE PRESENCE IN THE GLOBAL MARKETS. ESPECIALLY CONSIDERING THAT IF THERE IS EVER A NEED FOR GENERAL MOBILIZATION, IT WILL BE THE AMERICAN CONSTRUCTION INDUSTRY ONLY WHO WILL BE ABLE TO RESPOND ON TIME, IN PLACE WITH A CERTAINTY THAT SUCH AN EFFECT DEMANDS.

WE REALIZE THAT THE TRADE AND TAX PROBLEMS WE HAVE OUTLINED HERE TODAY DO NOT FALL WITHIN THE SCOPE OF THIS COMMITTEE. HOWEVER WE DO FEEL THAT IN LIGHT OF THE SUBSTANCIAL ECONOMIC COSTS AND SECURITY RISKS ASSOCIATED WITH FOREIGN PARTICIPATION IN OUR DEFENSE CONSTRUCTION PROGRAMS THE COMMITTEE SHOULD CONSIDER REVISIONS IN THE U.S. MILITARY

PROCUREMENT REGULATIONS. THE REVISIONS WE HAVE IN MIND WOULD SERVE TO ELIMINATE THE UNFAIR ADVANTAGES ENJOYED BY OUR FOREIGN COMPETITORS, ENSURE THE CONTINUED PARTICIPATION OF U.S. CONTRACTORS IN THESE PROGRAMS AND WOULD NOT UNDULY IMPACT THE EFFICIENCY OF THE TENDERING PROCESS.

IN THIS REGARD WE RESPECTFULLY OFFER THE FOLLOWING RECOMMENDATION FOR THE COMMITTEE'S CONSIDERATION:

SIXTY DAYS PRIOR TO THE COMPLETION OF THE FINAL DESIGN FOR ALL FOREIGN PROJECTS WITH AN ESTIMATED COST IN EXCESS OF $1 MILLION THE CONTRACTING AUTHORITY WOULD PUBLICIZE A PREBID NOTICE IN THE COMMERCE BUSINESS DAILY WHICH WOULD INVITE ALL INTERESTED U.S. CONTRACTO TO SUBMIT A LETTER OF INTEREST ACCOMPANIED BY PREQUALIFICATION DATA. IF AT LEAST 5 U.S. CONTRACTORS PREQUALIFIED TO BID, THE TENDERING OF THE PROJECT WOULD BE RESTRICTED TO THOSE FIRMS. IF FEWER THAN 5 FIRMS PREQUALIFIED THE TENDERING WOULD BE OPENED TO INTERNATIONAL COMPETITIVE BIDDING. THESE PROCEDURES WOULD REQUIRE THAT ALL COSTS ESTIMATES UTILIZED IN THE BUDGETING PROCESS BE PREDICATED ON U.S. PRICES AND NOT THE PRICES OR QUOTATIONS OF FOREIGN SOURCE SUPPLIERS.

ON EXTREMELY LARGE PROJECTS WITH TIME CONSTRAINTS WE WOULD RECOMMEND THAT THE WORK BE AWARDED THRU COMPETITIVE NEGOTIATIONS TIED TO U.S. FIRMS.

THIS CONCLUDES OUR COMMENTS ON OVERSEAS CONSTRUCTION AND WE WOULD NOW LIKE TO SAY A FEW WORDS ABOUT THE FUNDING OF OUR DOMESTIC MILITARY CONSTRUCTION PROGRAMS.

FUNDING OF THE MILITARY CONSTRUCTION PROGRAM

AGC VIEWS THE MILITARY CONSTRUCTION PROGRAM AS A MAJOR COMPONENT OF THE CONSTRUCTION INDUSTRY'S MARKET. WE BELIEVE THAT WE HAVE AN OBLIGATION TO INFORM THE CONGRESS OF OUR VIEW ON HOW THIS MARKET CAN BE MADE MORE ATTRACTIVE TO MORE CONTRACTORS. THE BENEFIT TO THE GOVERNMENT IN MAKING THIS PROGRAM MORE ATTRACTIVE INCLUDES THE PROBABILITY THAT A PROGRAM WITH CONSISTENT SPENDING LEVELS WILL APPEAL TO ADDITIONAL BIDDERS. WITH THIS INCREASED COMPETITION USUALLY COMES LOWER BID PRICES.

ONE WAY TO MAKE THE MILITARY CONSTRUCTION PROGRAM MORE ATTRACTIVE IS BY ELIMINATING THE SPORADIC LEVEL OF FUNDING THAT THE MILITARY CONSTRUCTION PROGRAM HAS BEEN RECEIVING FOR EACH OF THE PAST SEVERAL YEARS. THE FUNDING LEVELS FOR THE PAST YEARS, AS SHOWN IN ATTACHMENT A, ILLUSTRATE THE PEAKS AND VALLEYS IN THE FUNDING FOR THIS PROGRAM. ALTHOUGH WE CAN NOT ADVISE THE CONGRESS WITH ABSOLUTE CERTAINTY ON THE SPECIFIC NEEDS OF THE ARMED SERVICES FOR CONSTRUCTION PROJECTS, WE CAN AND DO URGE YOU TO EVEN THE FLOW OF FUNDS TO A MORE CONSISTENT LEVEL. THE REASON FOR THIS REQUEST IS TO PROVIDE THE CONSTRUCTION INDUSTRY WITH THE CERTAINTY OF THE SIZE AND STABILITY OF AT LEAST THIS SEGMENT OF THE CONSTRUCTION MARKET. WE BELIEVE THAT MINIMIZING THE SURGES IN THE FUNDING LEVELS WILL ENCOURAGE MORE SOUND CONTRACTORS TO BECOME MORE ORIENTED TOWARD MILITARY CONSTRUCTION PROJECTS AS THIS MARKET STABLIZES.

MX MISSILE PROGRAM

THE CONSTRUCTION OF FACILITIES FOR THE MX MISSILE WILL BE A LARGE UNDERTAKING BUT ONE THAT IS WITHIN THE CAPABILITY OF THE U.S. CONSTRUCTION INDUSTRY GIVEN THE PRESENT SCOPE OF THE PROJECT. AN EXAMPLE OF THE CONSTRUCTION INDUSTRY'S EXPERIENCE WITH A PROGRAM OF THIS MAGNITUDE IS THE MISSILE SITES PROGRAM OF THE LATE 1950'S AND EARLY 1960'S. OBVIOUSLY, SOME PROBLEMS WILL BE ENCOUNTERED, IN THE EXECUTION OF THE PROJECT, BUT THESE PROBLEMS CAN BE SURMOUNTED WITH COOPERATION OF THE GOVERNMENT IN LESSENING THE COSTLY AND RESTRICTIVE LAWS, REGULATIONS AND EXECUTIVE ORDERS WHICH UNNECESSARILY DELAY PROJECTS AND END UP COSTING THE AMERICAN TAXPAYERS AT RATES BEYOND THE BENEFITS WHICH RESULT.

(NOTE: THE ATTACHMENTS REFERRED TO IN THE STATEMENT ARE PART OF THE SUBCOMMITTEE FILES.)

SUBCOMMITTEE RECESS

Senator HUDDLESTON. I thank all of you for your participation today. We will recess at this time. Thank you.

[Whereupon, at 4:18 p.m., Wednesday, March 26, the subcommittee was recessed to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

FRIDAY, APRIL 18, 1980

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

The subcommittee met at 2:10 p.m., in room 1223, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senators Huddleston and Inouye.

DEPARTMENT OF DEFENSE

MEDICAL CONSTRUCTION PROGRAMS

STATEMENT OF VERNON McKENZIE, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)

ACCOMPANIED BY:

MAJ. GEN. WILLIAM E. READ, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

BRIG. GEN. QUINN BECKER, DIRECTOR OF HEALTH CARE OPERATIONS, OFFICE OF THE SURGEON GENERAL, DEPARTMENT OF THE ARMY

REAR ADM. D. G. ISELIN, CEC, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

REAR ADM. E. P. RUCCI, ASSISTANT CHIEF FOR PLANNING AND RESOURCES, BUREAU OF MEDICINE AND SURGERY, DEPARTMENT OF THE NAVY

BRIG. GEN. GERALD W. PARKER, DIRECTOR OF MEDICAL PLANS AND RESOURCES, OFFICE OF THE SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE

MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR, ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

BUDGET REQUEST

Senator HUDDLESTON. The subcommittee will come to order.

Today our subcommittee is meeting to hear testimony on the fiscal year 1981 request for medical facilities construction within the Department of Defense. The fiscal year 1981 request of approximately $248 million is a substantial increase over the approximately $58 million appropriated for fiscal year 1980.

Our subcommittee is anxious to be briefed on this sizable increase, particularly since we continue to hear and read of the shortage of medical personnel within the Defense Department.

INTRODUCTION OF WITNESSES

Our primary witness today is Mr. Vernon McKenzie, Principal Deputy Assistant Secretary of Defense for Health Affairs. He is accompanied by representatives from the Army, General Read and General Becker; from the Navy, Admiral Rucci and Admiral Iselin; and from the Air Force, General Gilbert and General Parker.

Gentlemen, we are glad to have you with us today. Mr. McKenzie, I understand that you have a statement covering all of the medical requests for the Defense Department. The subcommittee will hear your testimony; then if the other witnesses wish to make remarks, we will hear from them.

Mr. McKenzie, please begin when you are ready.

PREPARED STATEMENT OF VERNON MC KENZIE

Mr. MCKENZIE. Thank you, Mr. Chairman.

I have been designated to represent the Office of the Secretary of Defense in connection with these hearings on the DOD medical construction program. As you noted, I am accompanied by representatives of the military departments who will address their individual programs, but first I have a prepared statement which I would like to present to the subcommittee.

[The statement follows:]

PREPARED STATEMENT OF VERNON MCKENZIE

Principal Deputy Assistant Secretary of Defense (Health Affairs)

Mr. Chairman:

I am Vernon McKenzie, Principal Deputy Assistant Secretary of Defense (Health Affairs). I have been designated to represent the Office of the Secretary of Defense in connection with these hearings on the DoD Medical Construction Program. I am accompanied by representatives of the Military Departments who will address their individual programs, but first I have a prepared statement which I would like to present to the Subcommittee. The statement addresses health issues and activities within the Department of Defense which impact on and influence military medical health care delivery and the requirement for medical facility construction.

The primary health goal of the military health care system continues to be the requirement to support the medical needs of our military forces in the event of war. An integral part of this objective is the provision of quality care to those beneficiaries for whom the military services are responsible, by a professionally efficient, effective and satisfied medical staff, in the appropriate physical environment.

The modernization program of our health facilities continues to be a prime example of supporting the readiness objective while concurrently providing for quality medical care. We believe that this year's request for approximately $248 million will provide the funding level necessary to support this program.

Our FY 1981 request includes: four hospital additions and alteration projects; four dental clinic replacements; two dental clinic alterations; two combination medical/dental clinics; four health clinics (one with beds); one utility and life safety upgrade; the San Diego Medical Center site

preparation, phase IV, part one, of the Bethesda Medical Center project; and two other minor projects.

The health facilities construction projects in this year's request have been carefully scrutinized by the DoD Hospital Planning Review Committee to insure that our needs are met on a regional basis. We feel that the regional review process is working to help us attain a truly tiered DoD health system on a regional basis. Further, comprehensive planning has been accomplished in that all hospital projects have been presented to local health systems planning agencies for comments.

Your past support of the health facilities modernization program is appreciated and we urge your continued backing of this endeavor in order to maintain a military health care system that provides for the health and medical needs of our military system. Unless we continue to replace and upgrade our old outmoded and deteriorated facilities we will jeopardize our ability to support our mobilization and contingency plans and day to day operations.

In an effort to attain even better utilization of our existing and planned medical facilities, DoD will continue to place increased emphasis on improved sharing of medical facilities between the Services, Public Health Service, Veterans Administration, and the private sector.

The main efforts at sharing between the Federal agencies for the last two years have been pursued through the medium of the Federal Health Resources Sharing Committee (FHRSC for short) consisting of representatives of our office, the Army, Navy, Air Force, the Veterans Administration and the Public Health Services. There are subcommittees working on the following areas; CT scanning, cardiac catherization labs, cancer treatment centers, information systems, laboratory services,

removal of legislative barriers and contingency preparedness. Since all work is provided on a part-time basis, additional duty progress has been slow. Frankly, in addition, there is institutional reluctance as the considerations proceed from the theoretical to the practical. While progress has been disappointing, FHRSC has been a valuable forum and should not be abandoned yet.

There have been some concrete accomplishments. The cardiac cath lab at the Dayton VA hospital has been closed and the work absorbed at Wright-Patterson AFB. Likewise the catherization lab at Andrews AFB is to be closed by years end and the workload moved to Walter Reed and Bethesda. A proposed plan to activate radiation therapy at Eisenhower Army Hospital at Fort Gordon, Georgia, was cancelled in favor of continuing to obtain services from a civilian source in Augusta also used by the Veterans Administration. Additionally, 1156 or 22 percent of the Army's post graduates short course spaces are allocated to the Navy, Air Force, Veterans Administration or Public Health Service. There are a great many other sharing activities that are initiated and carried on spontaneously at the field level. We are in the process of cataloguing these activities and their scope. For example, the Army hospital at Fort Belvoir here in the DC area now provides inpatient care to those people formerly hospitalized at the Navy hospital at Quantico Marine Corps Base.

We hope that these early efforts will expand and grow. We intend to maintain pressure on the FHRSC and aggressively move in that direction.

Manpower requirements within the Department of Defense health care system continue to be a top priority item with primary emphasis on physician procurement and retention. Current Department of Defense physician peacetime requirements are set at 14,724, while assigned physicians on active duty are 11,446.

The Services have been aggressively working toward meeting physician recruiting goals through direct procurement of fully trained physicians from the civilian sector, and by filling the Armed Forces Health Professions Scholarship Program quotas. Additionally, quotas to the Uniformed Services University of the Health Sciences have been increased from 108 spaces to 130.

Several ongoing efforts have been designed to alleviate the shortage of military physicians. Long-term initiatives have included the current Variable Incentive Pay, construction of new facilities, malpractice legislation, and as mentioned, the AFHPSP and USUHS programs. Additional short-term steps have also been undertaken, the foremost of which is the pending Physicians Pay Act of 1980. We believe that if we continue to aggressively pursue these initiatives, physician requirements will eventually be met and maintained.

With regard to dentists, the Services have been successful in generally meeting requirements through direct procurement from the civilian sector. End FY 1979 authorizations were 5,057 with an assigned on-board strength of 5,093. A recent change in continuation pay for dentists has proven beneficial, through increased participation in the continuation pay program. The revised program now authorized 03s with three years service to receive continuation pay. Previously, only 04s with five years service were previously eligible.

In the area of support personnel, supplemental health guidance has been furnished the Services this past Febraury directing them to increase by at least ten percent the number of medical support personnel per physician in the clinical environment by FY 1982. Such an approach is designed to enhance physician productivity and improve patient accessibility.

I appreciate the opportunity to appear before this subcommittee and to address the Department of Defense Health Care Programs. After opening statements are presented by my colleagues, we will be happy to answer any questions you may have regarding the Department of Defense Health Care System.

HEALTH ISSUES AND ACTIVITIES

The statement addresses health issues and activities within the Department of Defense which impact on and influence military medical health care delivery and the requirement for medical facility construction.

The primary health goal of the military health care system continues to be the requirement to support the medical needs of our military forces in the event of war. An integral part of this objective is the provision of quality care to those beneficiaries for whom the military services are responsible, by a professionally efficient, effective and satisfied medical staff, in the appropriate physical environment.

MODERNIZATION PROGRAM

The modernization program of our health facilities continues to be a prime example of supporting the readiness objective while concurrently providing for quality medical care. We believe that this year's request for approximately $248 million will provide the funding level necessary to support this program.

BREAKDOWN OF CONSTRUCTION REQUIREMENTS

Our fiscal year 1981 request includes: Four hospital additions and alteration projects; four dental clinic replacements; two dental clinic alterations; two combination medical/dental clinics; four health clinics, one with beds; one utility and life safety upgrade; the San Diego Medical Center site preparation; phase IV, part one, of the Bethesda Medical Center project; and two other minor projects.

REGIONAL REVIEW PROCESS

The health facilities construction projects in this year's request have been carefully scrutinized by the DOD Hospital Planning Review Committee to insure that our needs are met on a regional basis. We feel that the regional review process is working to help us attain a truly tiered DOD health system on a regional basis. Further, comprehensive planning has been accomplished in that all hospital projects have been presented to local health systems planning agencies for comments.

Your past support of the health facilities modernization program is appreciated and we urge your continued backing of this endeavor in order to maintain a military health care system that provides for the health and medical needs of our military forces.

Unless we continue to replace and upgrade our old outmoded and deteriorated facilities, we will jeopardize our ability to support our mobilization and contingency plans and day-to-day operations.

INTERSERVICE USE OF MEDICAL FACILITIES

In an effort to attain even better utilization of our existing and planned medical facilities, DOD will continue to place increased emphasis on improved sharing of medical facilities between the services, Public Health Service, Veterans Administration, and the private sector.

The main efforts at sharing between the Federal agencies for the last 2 years have been pursued through the medium of the Federal Health Resources Sharing Committee, FHRSC for short, consisting of representatives of our office, the Army, Navy, Air Force, the Veterans Administration, and the Public Health Services.

WORK AREAS BEING CONSIDERED

There are subcommittees working on the following areas: CT scanning, cardiac catherization labs, cancer treatment centers, information systems, laboratory services, removal of legislative barriers, and contingency preparedness. Since all work is provided on a part-time basis, additional duty progress has been slow.

Frankly, in addition, there is institutional reluctance as the considerations proceed from the theoretical to the practical. While progress has been disappointing, FHRSC has been a valuable forum and should not be abandoned yet.

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We hope that these early efforts will expand and grow. We intend to maintain pressure on the FHRSC and aggressively move in that direction.

MANPOWER REQUIREMENTS IN HEALTH CARE SYSTEM

Manpower requirements within the Department of Defense health care system continue to be a top priority item with primary emphasis on physician procurement and retention. Current Department of Defense physician peacetime requirements are set at 14,724, while assigned physicians on active duty are 11,446.

The services have been aggressively working toward meeting physician recruiting goals through direct procurement of fully trained physicians from the civilian sector and by filling the Armed Forces health professions scholarship program quotas. Additionally, quotas to the Uniformed Services University of the Health Sciences have been increased from 108 spaces to 130.

Several ongoing efforts have been designed to alleviate the shortage of military physicians. Long-term initiatives have included the current variable incentive pay, construction of new facilities, mal-

practice legislation and, as mentioned, the AFHPSP and USUHS programs.

Additional short-term steps have also been undertaken, the foremost of which is the pending Physicians Pay Act of 1980. We believe that if we continue to aggressively pursue these initiatives, physician requirements will eventually be met and maintained.

PROCUREMENT OF DENTISTS

With regard to dentists, the services have been successful in generally meeting requirements through direct procurement from the civilian sector. End fiscal year 1979 authorizations were 5,057 with an assigned onboard strength of 5,093. A recent change in continuation pay for dentists has proven beneficial through increased participation in the continuation pay program.

The revised program now authorizes 03's with 3 years' service to receive continuation pay. Previously only 04's with 5 years' service were eligible.

SUPPORT PERSONNEL

In the area of support personnel, supplemental health guidance has been furnished the services this past February directing them to increase by at least 10 percent the number of medical support personnel per physician in the clinical environment by fiscal year 1982. Such an approach is designed to enhance physician productivity and improve patient accessibility.

I appreciate the opportunity to appear before this subcommittee and to address the Department of Defense health care programs. After opening statements are presented by my colleagues, we will be happy to answer any questions you may have regarding the Department of Defense Health Care System.

Senator HUDDLESTON. Thank you, Mr. McKenzie. Who is next?

General BECKER. I am Brigadier General Becker and I have no opening statement.

General PARKER. I am Brigadier General Parker and I have no opening statement.

Admiral RUCCI. I am Rear Admiral Rucci and I have no opening statement.

SUCCESS OF INCENTIVE PAY PROVISIONS

Senator HUDDLESTON. Do you have any figures to indicate what success the incentive pay provisions are having on retaining doctors? First of all, what kind of pay level are we talking about for a physician who comes in and stays over a period of time? How does the system work?

Mr. MCKENZIE. There are significant differences in the amount that we pay to physicians under existing law based on years of experience, grade and professional attainment. The current range goes from roughly $30,000 a year for a physician just entering his professional career and coming on active duty up to around $60,000 for 06's, a captain in the Navy, a colonel in the Army or Air Force.

General and flag officers of the Medical Corps receive several thousand dollars on top of that.

Senator HUDDLESTON. How long does it take to reach the 06 level?

Mr. McKENZIE. That too varies from time to time based on a number of circumstances; 15 to 16 to 17 years is not an uncommon period.

RECRUITMENT PROGRAMS FOR MEDICAL PERSONNEL

Senator HUDDLESTON. Do you have any special recruitment programs to attract doctors into the service?

Mr. McKENZIE. Yes. Our biggest source of recruitment has to do with our graduate medical education programs. These programs are highly regarded in the professional communities and are much sought after.

Senator HUDDLESTON. What kind of obligation does a physician undertake in terms of years when he comes into service under that program?

Mr. McKENZIE. Here again, it varies depending on his circumstances; 2 or 3 years would be the most common period of obligation. The services have extensive recruiting services that are designed to attract health professionals. They are aimed at that particular market.

The Army in particular has a large, well-organized medical recruiting service which has done very well in the last couple of years.

Senator HUDDLESTON. What has been the experience with reenlistments after the obligation period has passed?

Mr. McKENZIE. While over the years it has been disappointing, it has been significantly increasing in recent years. We think the biggest cause for the increase has been increased promotional opportunity and the pay bill that we were successful in putting through several years ago. As the effects of a new pay bill wear off over a period of time, then obviously the impact on retention is less.

In recent years we have been retaining roughly 28 percent of the young physicians who complete their first period of obligated service.

STANDARDIZATION OF MEDICAL SERVICES STRUCTURE

Senator HUDDLESTON. As I understand it, each service has a slightly different medical services structure. Has any attempt been made to structure all of the Defense Department medical facilities in the same manner?

Mr. McKENZIE. That is an age-old issue, Mr. Chairman, that periodically rears its head. My own experience with it, my recollections go back to 1947 when this first seriously arose before the Armed Services Committee in connection with the hearings on the bill that eventually became the National Security Act of 1947.

At those hearings, the then Surgeon General of the Army testified in favor of a unified medical service. At those same hearings, however, the Surgeon General of the Navy testified against such a move.

The next recollection I have is that in 1948, the following year, when the Joint Chiefs of Staff recommended to the Secretary of Defense that a study be immediately undertaken leading to a form of unification of the then two medical services.

STUDIES BY HOOVER COMMISSIONS

Both Hoover commissions, the first and second Hoover Commissions, addressed this issue. The first Hoover commission went even beyond the question of unifying the military medical services and recommended that a unified federal medical service, to include not only the military medical services but the VA health care system and the public health care system, be established.

The second Hoover Commission in its report in 1955 backed off from that broader approach and limited its recommendation in this regard to military medical services.

The most recent emergence of this issue was in the summer of 1976. At that time the Secretary of Defense considered possible ways of implementing a recommendation which had been made the previous year by the DOD-OMB-HEW joint military health care study.

That study had recommended the establishment of something which it referred to as a central entity to allocate resources, to have some form of jurisdiction over peacetime military health care services in the continental United States. The Secretary did not accept that recommendation and, in fact, each time the issue has come up it has been rejected.

Senator HUDDLESTON. Is this something that could be done by the Secretary or would it require legislation?

Mr. MCKENZIE. The Secretary does have the authority to do so if he makes a determination under Title X that it would improve the management structure of the Department.

SERVICES PROVIDED AND RECIPIENTS

Senator HUDDLESTON. Can you tell the committee what types of services are provided and to whom?

Mr. MCKENZIE. We have approximately 9 million people who are eligible for care within the military health care system. Active duty members have no restrictions on the types of care that they are authorized. They are authorized to receive any type of care that competent medical authority determines is required for them. They are the only beneficiary group who have an absolute entitlement to care.

Entitlements to care in our facilities for all of the other beneficiary groups is conditioned on the so-called space available concept.

Senator HUDDLESTON. That is for dependents and for retirees?

Mr. MCKENZIE. And their dependents and for survivors of both groups.

Senator HUDDLESTON. Survivors of retirees?

Mr. MCKENZIE. Survivors of retirees and of persons who die while on active duty. The only significant restriction on the type of care that dependents may receive is on routine dental care. Under the law that governs the entitlements, routine dental care can only be provided dependents either outside the United States or inside the United States at posts at which a determination has been made that there is an inadequate number of civilian dentists practicing in the area.

We have at the present time about 70 locations in the United States, most of them relatively small, where such a determination

has been made. So, by and large dependents are not able to obtain routine dental care at military facilities within the United States.

There is no restriction on the types of care which retired members may receive other than the so-called space available concept that I referred to earlier.

SPECIALTY PERSONNEL

Senator HUDDLESTON. And in some cases they are restricted by lack of specialty personnel, is that true?

Mr. MCKENZIE. Yes; that has been particularly true in the last few years when we have had our doctor shortage.

Senator HUDDLESTON. What is the shortage situation now? Are you making any improvements in that?

Mr. MCKENZIE. We are making improvements in that. The Armed Forces health profession's scholarship program has now been fully implemented and is starting to turn out a significant number of physicians.

We think that program, coupled with a new military pay structure which, as you know, the Congress is now reconsidering after veto of the recent bill, plus some other internal administrative policy improvements we are making will enable us to turn this thing around within the next 2 to 3 years and enable us to achieve our desired strength.

But that is not to say that there will not in individual specialties continue from time to time to be problem areas.

VARIATIONS IN MEDICAL SERVICES FROM FACILITY TO FACILITY

Senator HUDDLESTON. Are services available to each category at each facility location or does it vary from facility to facility?

Mr. MCKENZIE. No, Mr. Chairman, it varies markedly from facility to facility. Some dispensaries and clinics commonly known as troop clinics or dispensaries, except for an emergency, would only treat active duty troops. All of our hospitals on the other hand would from time to time treat members of the various subcategories of eligible personnel.

Senator HUDDLESTON. Do you establish some kind of priority system regarding who is to receive treatment first when the facilities are limited?

Mr. MCKENZIE. As a matter of fact, Mr. Chairman, the law governing the operations of the military health care system does, in effect, prescribe a priority system under which, as I indicated earlier, the active duty member has first priority.

The second priority under the law goes to the dependents of active duty members and to the survivors of deceased active duty members.

Finally, the third and last statutory priority goes to retired members and their dependents and the survivors of retired members.

Senator HUDDLESTON. Within those categories, is there any kind of priority?

Mr. MCKENZIE. There is no prioritization within those categories. It is a broad categorization and it varies from time to time and from place to place as to the extent to which it has to be implemented.

Under normal circumstances when we have good staffing there is sufficient capability so that the priority system in effect does not have to be invoked.

SERVICES BY TRIPLER ARMY HOSPITAL, HAWAII

Senator HUDDLESTON. I understand some military facilities serve more than the military population in a given area. For example, Tripler Army Hospital in Hawaii serves as a veterans hospital for Hawaii and the South Pacific area. Are there other military hospitals that have some type of dual role?

Mr. MCKENZIE. None which have quite as broad a role as Tripler which, as you indicated, is the only Federal hospital in that State in addition to having a mission involving Micronesians and certain other categories. We do have other mlitary hospitals which do provide care for more than our beneficiaries.

For example, when we built a replacement hospital in El Paso several years ago, we programed I believe between 75 and 80 beds for veteran patients so that the Veterans' Administration would not have to build a hospital in that area. That kind of arrangement also works in reverse. For example, some years ago in San Juan when the Veterans' Administration built a new hospital there, they programed beds for us which enabled us to close a small Army hospital we were operating there.

CENTRALIZED REIMBURSEMENT ARRANGEMENT

Senator HUDDLESTON. What kind of reimbursement arrangement do you have?

Mr. MCKENZIE. We do have a centralized reimbursement arrangement, centralized to the extent that each facility that provides care, for example, to the Veterans' Administration bills that Administration, their central office, for whatever services they have provided during a particular period.

Now, the rates vary from year to year but at the present time generally we are charging the VA $253 a day for care provided their beneficiaries and $25 per outpatient visit.

REACTIONS FROM LOCAL HEALTH SYSTEMS PLANNING AGENCIES

Senator HUDDLESTON. I notice from your statement that the Defense Department presents its hospital projects to local health systems planning agencies for comment. What has been the experience with that? Are you getting negative or positive responses?

Mr. MCKENZIE. Almost without exception, Mr. Chairman, we are getting positive responses. The only negative one I can think of at the moment involves a case where originally we got a positive one in relation to a particular project and subsequently the agency changed its mind and has now submitted a negative report.

Senator HUDDLESTON. Do you know of an area where military members or their dependents or retirees are overburdening the civilian medical facilities?

Mr. MCKENZIE. No, Mr. Chairman, I am not aware of any situation such as that. I think it results primarily from the fact that where we have large concentrations of beneficiaries, we have military hospitals that they have access to.

REGIONAL PLANS

Senator HUDDLESTON. Does the Department have a regional concept which will allow qualified personnel from a specific area to make use of a regional facility? For example, here in the Washington area we have military hospitals at Fort Belvoir, Andrews Air Force Base, Bethesda, and Walter Reed, and in the recent past we have closed hospitals at Quantico and Annapolis.

Is there a regional plan for the area?

Mr. MCKENZIE. Yes. As a matter of fact, in 1973 the Secretary of Defense prescribed a DOD regional medical concept under which the United States was divided up into what was then 13 regions. We have since scaled that down and made some consolidations so that at the present time we have nine regions.

Army, Navy, and Air Force medical facility commanders within each of those regions periodically meet to discuss and explore ways that they can help in cross-servicing each other and assisting in providing in one case a service that perhaps another military department was unable to provide in that area.

We think the system works reasonably well. There is a considerable amount of cross-servicing that goes on. For example, last year, almost 20 percent of the workload in Air Force hospitals consisted of Army and Navy patients. In the case of the Army, roughly 17 percent of their workload was for Navy and Air Force.

So, we do have a number of instances where patients one might say cross service lines to obtain care in a facility of another service and in fact the law that I have referred to several times this afternoon provides in effect that a member or dependent may not be denied care on the basis of service affiliation.

CHAMPUS ROLE IN HANDLING RETIREES AND DEPENDENTS

Senator HUDDLESTON. In the shortage situation that may occur for retirees and dependents, how does the CHAMPUS program fit in?

Mr. MCKENZIE. The CHAMPUS program is essentially a supplement to the military health care system. In effect, it is designed to take care of the overflow that we cannot accommodate within our system.

Senator HUDDLESTON. It allows them to use civilian hospitals?

Mr. MCKENZIE. Yes. It is a cost sharing program. Financially it is not as beneficial to the patient as getting care in our own hospitals.

Senator HUDDLESTON. What is the ratio of cost now, 75–25?

Mr. MCKENZIE. The CHAMPUS program has several cost sharing formulas, depending on the beneficiary category. For the active duty dependent who is hospitalized, it is either $27 or $28 if it is a short stay. If it is a long stay, then the formula shifts over to the same amount that they would pay if they were in a military hospital.

Senator HUDDLESTON. You mean the patient's share?

Mr. MCKENZIE. Yes, as opposed to the Government's share. The percentages you refer to apply mainly to retirees and their dependents where it is 25 percent share for the patient and 75 percent share for the Government.

Senator HUDDLESTON. Is that working pretty well?

Mr. MCKENZIE. I wish I could answer that question, Mr. Chairman, positively but the CHAMPUS program has been plagued with difficulties for several years. We think there has been a marked improvement in the past year. There have been a number of reasons why we have had difficulties in the past.

It is extremely difficult to determine in advance of the award of a contract how well a contractor will perform.

Senator HUDDLESTON. You have to enter into an actual agreement with a doctor or hospital?

Mr. MCKENZIE. We do not have agreements in a sense with individual providers of care. The contracts that I am referring to are generally with health insurance organizations such as Blue Cross, Blue Shield, Mutual of Omaha, who actually process claims and pay the bills for us.

The skill with which they do this varies markedly among the contractors and this generates a number of complaints, both on the part of our beneficiaries and on the part of the providers, the physicians, where they either think the payment is too slow in coming or else is not an appropriate amount, things of that nature.

We reached a low ebb I would say about 2 years ago but we do think it has been turned around now and significant improvements are being made.

NAVAL ACADEMY MEDICAL FACILITY

Senator HUDDLESTON. What is the status of the proposal to either upgrade or replace the present medical facility at the Naval Academy?

Mr. MCKENZIE. That action is still pending within the Department of the Navy. Our office has not received as yet any proposal one way or the other in that regard, Mr. Chairman.

Senator HUDDLESTON. So the determination has not been made whether or not to have a hospital at the Academy?

Mr. MCKENZIE. That is my understanding.

CHAMPUS AVAILABILITY TO ALL SERVICES

Senator HUDDLESTON. On CHAMPUS again, is it available on the same basis to all the services?

Mr. MCKENZIE. Yes. As a matter of fact, the CHAMPUS program applies to dependents and retirees and survivors of all seven of the uniformed services and as a special program the acronym for which is CHAMPVA that we operate for certain beneficiaries of the Veterans Administration.

DENTAL CLINIC AT SCHOFIELD BARRACKS, HAWAII

Senator HUDDLESTON. In our conference last year with the House, the dental clinic at Schofield Barracks was deferred and the Army and Navy were directed to study is feasibility of a joint facility in that area. I will ask what the status of the study is and I then will yield to the Senator from Hawaii.

Senator INOUYE. I am interested in Tripler. I am sorry that I was not here for the presentation but is there any veterans hospital in the State of Hawaii?

Mr. McKENZIE. No, sir.

NEAREST VA HOSPITAL FOR HAWAIIAN VETERANS

Senator INOUYE. Which is the nearest veterans hospital available for veterans residing in Hawaii?

Mr. McKENZIE. The nearest veterans hospital, that is a hospital operated by the Veterans Administration—I must confess my geography is not good enough to tell me whether it would be in the Los Angeles area or the San Francisco area.

Senator INOUYE. Would it be on the west coast?

Mr. McKENZIE. It would be on the mainland, yes.

Senator INOUYE. There is none in the State of Hawaii?

Mr. McKENZIE. That is correct.

Senator INOUYE. Without Tripler, obviously the men and women will have to travel at high expense to the west coast.

Mr. McKENZIE. Yes.

PRESENT CONDITION OF TRIPLER

Senator INOUYE. What is the present condition of Tripler?

Mr. McKENZIE. Tripler, as you know, Senator Inouye, is one of our older hospitals. I visited it most recently last September in connection with this year's programs.

Senator INOUYE. If I may, I would like to thank you for taking a special trip out there.

Mr. McKENZIE. Thank you. It is badly in need of alteration and renovation.

Senator INOUYE. It was built at a time I believe, sir, when one of Tripler's major concerns was being battered by naval guns and, therefore, walls, if I am not mistaken, at some points are five feet thick.

Mr. McKENZIE. Yes. Also, it was built in an era when inpatient care was in its heyday as opposed to the shifts that have occurred in the last couple of decades under which outpatient care has received much more emphasis, which means that its outpatient clinic space is grossly inadequate and is in need of alteration.

Senator INOUYE. Isn't it true also that the hospital associations often examining it have consistently insisted that the hospital be upgraded?

Mr. McKENZIE. That is correct. If we do not upgrade it, we face a serious threat of losing accreditation and approval of the graduate medical education training programs that are carried on there.

Senator INOUYE. In fact, if it weren't for the assurance by the Government that it intends to upgrade it, the association is prepared to take away their accreditation?

Mr. McKENZIE. That is correct, Senator.

Senator INOUYE. Mr. Chairman, I would like to share with you some of the little concerns we have there. Not too long ago the whole operating room section had to be closed because for some strange reason the air circulatory system was connected to the garage, so as the truck was running all the carbon monoxide was entering the operating room. This was a common occurrence.

Senator HUDDLESTON. That must reduce the need for anesthetics.

Senator INOUYE. That is right, for doctors.

The pathology lab is a scandal. I am surprised that we have not been sued yet. I would like to suggest that we either tear it down, close it up, make it a monument, which if you did would be a monumental waste of money, or build it up to serve thousands who serve not only in the Hawaii area but throughout the Pacific.

Who is qualified to receive service from Tripler? By qualified, I mean what region does Tripler encompass?

Mr. McKENZIE. In a sense it encompasses the whole Pacific area.

Senator INOUYE. That is from the Persian Gulf to Japan?

Mr. McKENZIE. It is conceivable that patients from the Persian Gulf area would be sent to Tripler. It is the largest area served by any U.S. military hospital in the world.

Senator INOUYE. I am glad that the administration is giving this high priority because otherwise I think on the basis of cost-effectiveness it is going to cost the Government loads of money shipping veterans to San Diego, to Seattle, to San Francisco and to Los Angeles, not even considering the inconvenience to our citizens.

I think we would be failing to live up to our obligations to many of the retirees who live there. I think on a per capita basis we have more retired military personnel in the State of Hawaii than any other State. Am I not correct? All of them I believe for the most part are entitled to medical services.

So, Mr. Chairman, I hope that this committee will, with great enthusiasm and vigor, as it has in the past, press this forward.

Senator HUDDLESTON. It might be that I will have to go out and look at it.

Senator INOUYE. Now is a good time.

1981 PLANS FOR TRIPLER

Senator HUDDLESTON. What are the plans in 1981 for Tripler?

Mr. McKENZIE. That is the major item, Mr. Chairman, that we have in the program. The project includes the modernization and upgrading of that facility.

Senator HUDDLESTON. What is the figure?

Mr. McKENZIE. $84.5 million.

SCHOFIELD BARRACKS STUDY

Senator HUDDLESTON. Do you have any information on Schofield Barracks? We did not get any response on the status of the study.

Mr. McKENZIE. The study has been completed. The letters transmitting it have been signed and dispatched to the committee.

Senator HUDDLESTON. When you have a doctor shortage—I assume you always have some kind of shortage—how do you determine which positions you are going to staff and which hospitals are going to be assigned the additional staff?

Mr. McKENZIE. We in the Office of the Secretary of Defense do not get involved in the assignments of individual physicians or the level of staffing at a particular facility. Each of the Surgeon General's offices makes those kinds of determinations.

Senator HUDDLESTON. Let me ask each one of the services how they handle assignments.

PERSONNEL ASSIGNMENTS BY AIR FORCE

General PARKER. Mr. Chairman, the Air Force has suffered the facts of life since about 1974 and it has been the Surgeon General's desire since that time to staff the CONUS medical centers and the overseas bases, hospitals, first, even if it is necessary at the expense of some of the smaller facilities in the States.

The reason for that is that overseas hospitals and medical units pretty much stand alone overseas and have to be fully staffed whereas in the continental United States we do have other means of taking care of our patients through local communities or through the system that we have of moving the patients from a smaller facility to one of the regional facilities to one of the medical centers.

In addition, one of the main areas from which we draw our specialty staffs is from our own training programs within our medical center and we need to have the physicians out there to perpetuate our training programs.

Senator HUDDLESTON. How about the Army?

PERSONNEL ASSIGNMENTS BY ARMY

General BECKER. It is almost the same. About January of each year the Surgeon General hosts a very serious gathering to split up the physicians for assignment.

Senator HUDDLESTON. Everybody makes a request?

General BECKER. That is right. We take the vacancies, of course, and try to fill them the best we can. The priorities go to the overseas stations for the same reason. Then come the community hospitals that are in the large troop areas. What we have done about the medical centers is staff them with the minimum required to maintain our graduate medical education training programs. You have to have a certain number of qualified staff, in other words, board certified surgeons or medical people, to maintain your training program.

Over the past few years the number assigned in those positions has decreased considerably in order to assign more people out to the Medical Department Activities (MEDAC's). If I might say so, General Pixley has been very adamant about staffing the community hospitals and not overstaffing the medical centers.

I remember one time Fort Knox came up in the deliberations and he made them go back to the drawing board and put some more out there. That is not to say it is fully staffed by any means. It is not one of the largest hospitals we have.

Senator HUDDLESTON. They had serious trouble a few years ago. Has that situation improved?

General BECKER. Yes, it has improved. It has not been cured by any means.

Senator HUDDLESTON. You think Knox is pretty well taken care of except for a few specialties?

General BECKER. Yes, orthopedics is back on its feet a little bit there.

STATUS OF FORT CAMPBELL

Senator HUDDLESTON. How about Fort Campbell?

General BECKER. That is still hurting in the surgical specialties but they have the capability in all the services. There are much longer waiting times and there has been some curtailment, if I remember right, of the retired and their dependents.

I think they can take care of almost any of the emergencies and some of the very serious cases but they are all short. I would imagine if you would cut an average for military physicians, what it is now and what it was 5 or 6 years ago, it is probably 60 percent. I could be off some but that is about right.

Senator HUDDLESTON. How about the Navy?

Senator INOUYE. Mr. Chairman, will you yield on that point?

Senator HUDDLESTON. Yes.

SHORTAGE OF SUPPORT PERSONNEL

Senator INOUYE. Isn't it true that as much as we are concerned about the shortage of physicians, we are just as much concerned about the shortage of qualified support personnel, enlisted personnel?

General BECKER. Yes. We have a problem in that area but the enlisted problem is across the board. As far as the Army is concerned, we do have a shortage of enlisted personnel. I do not know exactly what the magnitude of that is but certainly it affects all of our hospitals.

Senator INOUYE. This may not be a good example, it may be a unique situation, but 2 weeks ago I was visiting Walter Reed and had to spend some time in the department of ophthalmology. I was told that they are presently geared by equipment and by physicians to carry out eight operations per day but because of the lack of support personnel, they can only work in the morning. The only time they work in the afternoon is when they have an emergency.

Currently this is across the board as you have indicated. We have heard much about the Voluntary Army and pay scales and such. Is the Department of Defense prepared now to submit to us any ideas as to how we can cope with this? It is not just in the hospitals.

PROBLEMS IN NATO

In NATO we have been told that 20 percent of our tank gunners just cannot fire because they do not know what trajectory is all about. The Army is lacking 46,000 noncoms; 40 percent of those who enlist do not finish their period of enlistment. Something is haywire. That is putting it mildly.

General BECKER. I have heard these things also. But I am certainly not in a position to comment on them as a representative of the Surgeon General because that is a larger problem of the Army. I can assure you that we do have our share of the shortages in the medical department.

MOBILIZATION OF FIELD HOSPITALS

Senator INOUYE. If we should be for some reason involved in a conventional war of the magnitude of Vietnam, how long would it take before you could mobilize and send hospitals abroad?

General BECKER. Field hospitals, if they are prepositioned, you can have the people over there and have hospitals in the field in a

short period of time. That would be the ideal situation, of course. The No. 1 ideal situation is to have them forward stationed as we have a few field hospitals in Europe.

The next is to have the equipment prepositioned and bring the people in. I think you could do that within 10 days; you know, have them set up and ready to go.

The next thing is to ship the hospital equipment and the people themselves in aircraft. It takes quite a few aircraft to haul our combat support hospital.

Senator INOUYE. Do we have enough personnel?

General BECKER. We would have enough personnel by pushing them forward, if you will, to fill the vacancies we have in Europe and to beef up the early deploying units. What would happen is that the later deploying units would be, of course, shorted by that.

Then you would have to depend on your training base volunteers or draft or whatever you are going to use to fill up that deficiency. I am getting way out of my field when I start talking about that. I can tell you as far as early deploying units we can move out over there pretty rapidly.

Senator INOUYE. At the expense of the home front?

General BECKER. Yes, at extreme expense of the home front, the continental United States (CONUS) base we call it.

Senator INOUYE. To put it mildly, we are just not prepared? You do not have to answer that.

General BECKER. Thank you, Senator.

PHYSICIAN SUPPORT PERSONNEL PROGRAM

Senator HUDDLESTON. Mr. McKenzie, you mentioned in your statement that a program was initiated back in February to increase the support personnel by 10 percent for physicians?

Mr. MCKENZIE. Yes.

Senator HUDDLESTON. How is that program developing?

Mr. MCKENZIE. It is still too early, Mr. Chairman, to be able to assess it.

Senator HUDDLESTON. Is this program drawing people from the health professions scholarship program?

Mr. MCKENZIE. No, Mr. Chairman, this does not refer to the professionals that the scholarship program is turning out. These are what we call ancillary support personnel.

Senator HUDDLESTON. Are these people you can train yourselves?

Mr. MCKENZIE. For the most part, yes. This would also include clerical personnel so that professionals do not have to spend their time doing something that could be done by somebody with lesser qualifications but who at the moment is not available.

PERSONNEL ASSIGNMENT BY NAVY

Senator HUDDLESTON. Does the Navy have a similar procedure?

Admiral RUCCI. Actually I have little to offer over what has already been said. We consider a multitude of factors which affect the staff and distribution of our available physicians. The primary factors for the Navy, of course, are major ships at sea that we have to give high priority to, and as General Parker mentioned, our overseas and continental United States hospitals.

We also consider what alternative sources of care are available and what services would be available to our beneficiaries and also, as has already been touched upon, the importance of maintaining our training base to provide the specialties that we are so short of and to provide the other field activities with the staff that they will need; specialty services in particular. We are very much in tune with the other services.

MEDICAL FACILITIES ABOARD SHIP

Senator HUDDLESTON. How big a medical facility do you have to have on a ship such as a carrier?

Admiral RUCCI. Our medical facilities afloat vary from a large general purpose assault ship which has a general capability of about 250 patients, utilizing the spaces for marines that have been disembarked, and four operating rooms. Our major carriers have up to about a 60-bed facility with 2 operating rooms while a submarine may have a small broom closet sized space where the corpsman works out of a first aid package.

Senator HUDDLESTON. For a big ship you have a pretty good floating hospital?

Admiral RUCCI. We have a large community out there on our large carriers. It is a fair sized community.

Senator HUDDLESTON. To what extent do you utilize private physicians on a contractual basis in shortage areas?

General PARKER. Mr. Chairman, we are forced to utilize private physicians simply because we cannot obtain the resources for various factors that have been discussed previously. In particular, obstetrics and gynecology are a problem for us and radiology is also a problem for us.

SUPPLEMENTAL CARE COSTS BY THE AIR FORCE

In fiscal year 1979 the Air Force spent $12.9 million in supplemental care because of shortage of physicians and, in particular, the specialty I have mentioned. In fiscal year 1980 we estimate we will spend $11.3 million and in 1981, $11.1 million.

Senator HUDDLESTON. How about the Army's experience?

CIVILIAN PHYSICIANS IN ARMY HOSPITALS

General BECKER. Almost all of our hospitals have some civilian physicians and these have increased over what they were several years ago. We have always had a few even in Europe. We have what we call contract surgeons in the Army. These people are sometimes part time, sometimes full time. Most generally they are part time.

We have the same difficulty in radiology. We have several radiology contracts. The gross amount of that I do not know but I will provide it for the record. Of course, the major problem with having a large cadre of civilian physicians is that they are not mobilization assets. That is our major concern in that area.

[The information follows:]

CONTRACT PHYSICIANS ON HAND IN FISCAL YEAR 1979

Senator HUDDLESTON. How many contract physicians did the Army have in fiscal year 1979?

General BECKER. The Army obtains the services of contract physicians primarily under two programs. Contract surgeons who are part-time civilian physicians provide our hospitals with specialty coverage which they are not staffed to provide. They are also used to supplement the assigned military staff to provide round-the-clock emergency room coverage. During fiscal year 1979 the Army contracted for 57 physicians' man-years at a total cost of $2.8 million under this program. In addition to Contract Surgeons the Army also uses services contracts to provide a total health care service for a Medical Treatment Facility. Currently, the service that can legally be provided under this type of contractual arrangement is in the area of radiology support. During fiscal year 1979 the Army contracted for approximately 50 man-years of radiologist services at a cost of $6.3 million.

Senator HUDDLESTON. How about the Navy?

CIVILIAN PHYSICIANS IN NAVY HOSPITALS

Admiral RUCCI. Mr. Chairman, we have full-time civilian physicians for which we spend about $4 million a year and we are programing approximately $5 million on contractor services to provide the hard-to-get specialty services that we do not have available in-house.

HIGH COST OF RADIOLOGISTS

Senator HUDDLESTON. We have heard of one radiologist in the Midwest who has worked only half-days for the military, using their facilities and equipment there but been paid somewhere in the range of $400,000 a year. I do not know whether this is true or whether it is exaggerated. Do you know of any such cases?

Mr. MCKENZIE. Mr. Chairman, if I could respond on that one. It is not true. Basically we are paying rather large sums of money to provide radiology services in some of our hospitals but not to the extent that your information indicates.

We do have some contracts where more than one radiologist is involved in providing services and the amount of time that a given one may expend under this contract varies. If you work it out on a man-year basis, we are paying an average $107,000 per man-year of radiology service.

Senator HUDDLESTON. How does that compare with civilians? Do you pay the same fee?

Mr. MCKENZIE. We would probably pay more if it were not under a contract arrangement, if we were paying on an episode of care basis. It is costing us a lot more money than a military radiologist would cost us. A military radiologist, depending on his grade and amounts of service, would cost $40,000 to $50,000 versus $107,000 for one civilian man-year.

Senator HUDDLESTON. It would not be out of line with what a civilian would make in a civilian hospital?

Mr. MCKENZIE. No, sir, it would not.

ARMY CONUS AND OVERSEAS FACILITIES REQUEST

Senator HUDDLESTON. The Army is requesting approximately $153 million for medical construction in fiscal 1981. Of this amount, some $18.8 million is for seven facilities in Germany, one in Korea, and one in Panama. Are these replacement facilities or newly established clinics?

General BECKER. Mr. Chairman, these are all replacement facilities.

Senator HUDDLESTON. Do these facilities treat dependents as well as active duty members?

General BECKER. Yes, they do.

HEALTH CLINIC STAFFING IN GERMANY

Senator HUDDLESTON. What is the normal staffing for a health clinic in Germany?

General BECKER. We base the staffing on the workload and the population served, of course. With our shortage, we are averaging about two to three doctors per clinic and they are assisted by an average of two physician assistants and an occasional local national civilian physician.

GORGAS HOSPITAL, PANAMA

Senator HUDDLESTON. Where is the hospital in Panama?

General BECKER. Where?

Senator HUDDLESTON. Yes.

General BECKER. It is Gorgas. Of course, that is not a clinic at all. That is a large hospital. Balboa Heights is where it is.

Senator HUDDLESTON. That would be utilized I am sure throughout the transition period of the treaty. What happens after the year 2000?

General BECKER. We dispose of the property. That is my understanding. We are not planning to do anything with it past 1999.

DENTAL CLINICS REQUEST

Senator HUDDLESTON. You are requesting several dental clinics, both in the United States and overseas.

General BECKER. Yes.

Senator HUDDLESTON. Are these overseas dental clinics in line with the ceiling which has been imposed on the number of dependents overseas?

General BECKER. Sir, I have with me Colonel Genova, my dental expert. I would like him to answer that.

FORT RUCKER, ALA.

Colonel GENOVA. Yes.

Senator HUDDLESTON. You have two sizable projects requested in fiscal 1981. At Fort Rucker, Ala., you are requesting $27.5 million for an addition and alterations to the hospital. Tripler we have already discussed, but I will have questions for the record. Can you give us a description of the work to be done at Fort Rucker?

General BECKER. Yes, Colonel Walls is here with me. He is the project manager for this. I think he can give you a more accurate and timely description if you would like, sir.

Colonel WALLS. The project at the hospital is electromechanical upgrade and alteration of the existing facility and an addition to that facility. There is no increase in beds. Actually there is a decrease in beds by establishment of a coronary care unit, thereby deleting four beds.

Senator HUDDLESTON. How old are these facilities?

Colonel WALLS. The building was a 1967 project. However, it was inadequate by the day we moved into it. Several of the activities continued to operate in the old hospital. Then in 1973 and 1974 new missions were assigned to Fort Rucker. An Army Aeromedical Center was established there with some missions reassigned from The Surgeon General's office resulting in the Army Aeromedical education and physiological training being transferred from the Aviation School to the Aeromedical Center.

We had a Worldwide Waiver and Suspension Review Authority, for the Army Surgeon General transferred to Fort Rucker. Then we established an Army medical data repository service for monitoring of all personnel on flight status.

NEW MISSIONS CONNECTED WITH PRESENT REQUEST

Senator HUDDLESTON. Are there any new missions connected with the present request?

Colonel WALLS. Yes. The new missions I just mentioned. This project will permit these people to be relocated into the new hospital.

Senator HUDDLESTON. Is this a complete project or is another phase coming?

Colonel WALLS. This will complete the requirement for Fort Rucker.

UNDERGRADUATE HELICOPTER PILOT TRAINING

Senator HUDDLESTON. How about the controversy over the undergraduate helicopter pilot training? Has that had an impact?

Colonel WALLS. Sir, we did not size the facility with that in mind. It was sized prior to that issue arising. It has not changed; it has not been increased.

PROJECTS INVOLVING ANIMALS

Senator HUDDLESTON. In your justification book, General, for fiscal 1981, you have a section for the Army Health Services Command. However, none of the hospital projects is listed under this command. Instead there are two projects involving animals, one in Fort Detrick, Md., and one in Fitzsimmons Army Medical Center, Colo. Can you tell us about those?

General BECKER. Yes. That misconception comes from the way the Green Book is laid out, the book that you are speaking about. It is laid out by major command and the projects are listed by installations under those major commands. Many of our hospitals and clinics are tenants on these installations but do belong to the Health Services Command.

HEALTH SERVICES COMMAND

The Health Services Command owns three posts, Fort Detrick, Walter Reed, and Fitzsimmons. That is why only those two projects showed up under the Health Services Command.

The other projects truly belong to the Health Services Command. They own the hospitals. Since they are not under an installation

that comes under the Major Command, that is why they showed up that way in the book. I think that is the way the other projects are broken down. The medical projects just happened to look peculiar that way.

Senator HUDDLESTON. How about the animal facility? Is that a veterinarian facility?

General BECKER. Yes, but I do not think they are the kind you are thinking of. They are experimental animals, not for pets.

BRIG. GEN. GERALD W. PARKER, DIRECTOR OF MEDICAL PLANS AND RESOURCES, OFFICE OF THE SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE

MAJ. GEN. WILLIAM D. GILBERT, DIRECTOR, ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

MEDICAL CONSTRUCTION PROJECTS

Senator HUDDLESTON. Now to the Air Force, which is requesting $45.8 million for medical construction in fiscal 1981.

Would you describe briefly the projects that will be accomplished?

General PARKER. Yes, sir. I will ask General Gilbert to assist me in the description.

General GILBERT. Mr. Chairman, in our 1981 request there is one composite facility, two dental clinics, two clinical additions, one general upgrade for life safety deficiencies—that is Elmendorf, Alaska, and one cancer treatment facility at Wilford Hall in San Antonio, Tex.

COMPOSITE MEDICAL FACILITY

Senator HUDDLESTON. What is a composite medical facility versus a health clinic or dispensary?

General GILBERT. The distinction there, as we use it in the Air Force, is in the services provided, a composite facility being one that we provide most clinical services and some in-patient services at our installations.

Senator HUDDLESTON. Do these facilities that you refer to serve dependents and retirees as well as active duty?

General GILBERT. Yes, sir; they do.

WILFORD HALL MEDICAL CENTER, LACKLAND AIR FORCE BASE, TEX.

Senator HUDDLESTON. Now, you are requesting for the cancer treatment facility at Wilford Hall Medical Center at Lackland Air Force Base, Tex., a relatively small amount of $850,000. Has Wilford Hall recently had a sizable addition to its facilities, or is that still under construction?

General PARKER. Yes, sir; it has had a sizable increase, and the construction program is undergoing at the present time.

Senator HUDDLESTON. Was the cancer treatment facility part of the original plan?

General PARKER. No, sir; it was not, and I speak from experience, having been director of the hospital service at the time the program was starting there. At that time the efficacy of linear accelerator treatment of cancer was just coming on the horizon; it had not been decided in the radiation therapy world as to whether linear accelerator treatment was better than or the same as cobalt treatment.

We had no option at that time but to remain with the cobalt treatment program that we already had. After the construction program got in motion, then the medical world came to the opinion that the linear accelerator had certain specific treatment efficacies

that were much better than the cobalt, but could not replace the cobalt.

Therefore, in today's medicine there are two forms of treatment in the radiation therapy field. We had no option then but to add on the linear accelerator treatment modality.

FORT SAM HOUSTON, TEX., MEDICAL FACILITY

Senator HUDDLESTON. Now, there is a large Army medical facility, of course, at Fort Sam Houston. Are there facilities in that Army hospital for cancer treatment?

General PARKER. Yes, sir; there are. Those facilities that they have do not duplicate in the area of radiation therapy, do not duplicate the linear accelerator program at Wilford Hall.

Senator HUDDLESTON. Is it common to have cancer treatment centers at our major medical centers?

General PARKER. This also, Mr. Chairman, is a relatively new innovation. It has developed within the past 6 to 8 years as far as a cancer treatment center. Prior to that, in the surgical field our patients were handled for a period of time and then perhaps were moved to internal medicine, where they might be handled by hemotologists and oncologists in chemotherapy, also taking patients down to the basement of most medical facilities for radiation therapy. It became apparent that that was a cumbersome way to treat a patient, and what really needs to be done is for the experts in the field to be talking to each other in a treatment area where patients' records are kept and so forth.

So there was a conscious movement to design a cancer treatment facility, incorporating hemotology, oncology, and radiation therapy providers of care in a common area.

Since that time, current design, whether it be civilian or military, is the same way.

Senator HUDDLESTON. The Navy has requested $48 million to fund two medical projects in fiscal year 1981. Both projects stretch over several years, however, and are therefore much larger than the request appears. The projects are the National Naval Medical Center Modernization, Phase IV, and the proposed Regional Medical Center at San Diego.

First, will you give the committee a brief description of the National Naval Medical Center in Bethesda?

STATEMENT OF REAR ADM. DONALD G. ISELIN, CEC, USN, COMMANDER NAVAL FACILITIES ENGINEERING COMMAND

NATIONAL NAVAL MEDICAL CENTER, BETHESDA, MD.

Admiral ISELIN. Yes, sir. This is the final part of the modernization of the existing hospital at Bethesda to update obsolete health care facilities.

The modernization involves such spaces as the medical library, psychiatric clinic, ophthalmology clinic and radiological safety.

The basic concept of the modernization program is to use as much of the old hospital building for outpatient, patient welfare, and administration services as possible. With this $23 million project we are rehabilitating and centralizing those spaces required for accreditation of the replacement hospital and for efficient operation of the hospital.

Fire protection systems are included to meet life safety standards. Modernizing the existing building mechanical and electrical systems is also required in order to achieve energy conservation.

This is the wrapup of that element.

Senator HUDDLESTON. Is this a final phase?

Admiral ISELIN. This is the final phase to give us a new hospital. We will come back with a project in 1983, which will finish rehabilitating the old hospital at Bethesda, to permit moving into that building functions that are now housed in substandard temporary facilities at the medical center. That project will wrap it up.

Senator HUDDLESTON. Are you having any kind of accreditation problems there that influenced this project?

Admiral ISELIN. Yes, sir, very much. This year's project is required to provide us accreditation.

U.S. NAVAL HOSPITAL, SAN DIEGO, CALIF.

Senator HUDDLESTON. Now, the San Diego hospital has been somewhat controversial. It would be helpful to the committee if you would describe this proposed project in some detail. A $25 million appropriation is requested for fiscal 1981, I believe?

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. Will you give us a description of that project?

Admiral ISELIN. Yes, sir. We are really talking about a $293 million project, for which we are requesting $25 million in funding this year.

We are requesting the full amount in authorization from the Armed Services Committees. We anticipate requesting approximately $230 million in funding next year. The final $40 million would be requested in fiscal year 1986, because the project is similar to Bethesda in that there will be a backfit of existing facilities.

In July of 1971, when the Navy realized it had to do something with the relatively old hospital in San Diego, we started to prepare a master plan for the existing 77-acre site that we had for many years. We initially intended to rebuild many of the facilities, but as we got into it, we found major structural and mechanical deficiencies in some of the buildings, such that it was impossible to repair or modernize them, and it was decided that they would have to be replaced. Even some of the newer structures required considerable strengthening to conform to new earthquake resistance codes, particularly the very stringent increases that we have had to make in our design criteria because of the 1971 earthquake in the San Fernando Valley.

The high cost of rebuilding on the existing site began to give us more and more concern, and we decided to investigate the possibility of a new location to build another hospital.

In 1973, after about 1½ years of investigation, an available site in Murphy Canyon, which is about 10 miles north of the existing complex, and also 8 or 10 miles north of where most of the people live in the San Diego area, appeared to be the best location. We proceeded on that track. Although 10 miles does not sound like much when you are dealing with a city the size of San Diego, especially growing as San Diego is, it soon became more and more apparent that we would be much better off closer to the population center. We needed some way to make the present Balboa hospital site work.

We knew that we had one reasonably good building there, building 26, which was built in the late 1950's, and now houses most of the hospital functions. We didn't like to give that up. The idea came upon us, as we have done out here at Bethesda, of building right next door in Balboa Park. We thought it might be possible to build on an adjacent 40-acre plot, and then turn back to the city about 40 acres of land we owned. In other words, move the hospital to an immediately adjacent area over a 15-year period. The area that we selected is on a rather steep hillside, and is called Florida Canyon.

At not too great a differential in cost, we found we could build into the hillside, rather than stay up on top where we were and release to the city 40 acres of area called Inspiration Point, a much more highly desirable tract than the rather sparsely planted and steeply graded area in Florida Canyon.

FLORIDA CANYON

Senator HUDDLESTON. Are Florida Canyon and Balboa Park considered the same area?

Admiral ISELIN. Yes, sir. Balboa Park is 1,400 acres. We occupy 77 acres with our present facilities. Florida Canyon is another section of the park that abuts our present property.

All we would do is extend 40 acres in one direction and give up 40 acres in the other. That became our plan in 1976. We held informal discussions with city officials at that time, with the idea of the land swap. It seemed to have a lot of appeal to the Navy, city officials, and to the California delegation. That became our plan and we proceeded with it. We did receive—perhaps I should stop there and see which direction you want to go.

HELIX HEIGHTS

Senator HUDDLESTON. Let me ask you about a specific area that the committee received a letter about from some citizens in San Diego, called Helix Heights.

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. Can you give us any comment on that particular site, and why the Navy decided against the location?

Admiral ISELIN. Yes, sir. Helix Heights is a location about 2½ miles from the present site. It was not originally provided to us as a potential site to examine for the hospital. One of the reasons for that is because it is a rather complex grouping of land parcels. There is a city plot dedicated for use as a cemetery, that requires a vote of the people to change it from cemetery to non-cemetery use. It also contains a city park, much smaller, but similar to Balboa. It is about 6 acres and also requires a vote of the people to change its use.

There are 10 acres of land in a parcel that belongs to the Catholic church, undeveloped at the present time, which would have to be acquired. There are two developed areas, one with nine related families, the Jones family. On the day we looked over the site for a review of the property, we elicited immediate reaction from the family. It was in the paper the next day that they strongly resented the fact that Navy was even thinking of taking possession of their homes that the family had built over the years.

There are also three more families with parcels.

It would take a considerable period of time to put all of these parcels together into clear Navy ownership. We would have to go through negotiations first, and then condemnation proceedings would be required. Our estimate is a minimum of 2 years to put the package together. That is our biggest objection, 5 to 8 months ago, when we were first permitted to look at that property, we asked earlier whether it would be available and the city said no, as it was dedicated as cemetery land. We were already well along with design at Florida Canyon. We now have obligated close to $6 million for design at Florida Canyon.

METHOD USED IN LAND ACQUISITION

Senator HUDDLESTON. Have you actually acquired the land?

Admiral ISELIN. In Florida Canyon?

Senator HUDDLESTON. Yes, sir.

Admiral ISELIN. Yes, sir.

Senator HUDDLESTON. Was that done by condemnation?

Admiral ISELIN. It was done by condemnation in accordance with the provision in the fiscal year 1980 Military Construction Authorization Act.

Senator HUDDLESTON. Is there any indication there is going to be litigation?

Admiral ISELIN. From a legal standpoint, the district judge heard an objection by the city and ruled that the Navy has done all things properly and had the right to acquire the land. Then he was asked if the city could present additional objections. He looked at those particular objections and, in March, struck them down and said—

No, the property has properly been condemned. The Navy may take possession. I hereby give the Navy possession. They may proceed with the development of their soil borings and trenching and preliminary investigations that are required to design a foundation.

Which we have in this year's program.

Senator HUDDLESTON. Did the city change its mind? You said you met with the city officials and delegation?

Admiral ISELIN. The fiscal year 1977 Military Construction Authorization Act, contained language permitting a 75-year lease, of the property in Florida Canyon. We worked out a memorandum of understanding on that basis. The city council felt that even with the memorandum of understanding and the fact that the Federal Government could come in with a condemnation suit, which would be treated as a friendly condemnation because the terms of the settlement had already been agreed on, it was still necessary to go back to the people and get the two-thirds vote necessary to authorize any change in the use of the parkland.

The city could not operate on its own initiative but required the two-thirds vote. The city then rescinded the memorandum of understanding. It said in effect, "We have to back off and go on another basis."

The next year, 1979, there was language introduced as part of the military construction authorization bill that authorized condemnation of the property. It was that authority that we used for the condemnation.

Between the introduction of that language and the passage of the bill last November, the city did hold a referendum and put the proposition on the ballot to change the use of the parkland. It received 61 percent of the vote, which was an in-between percentage. It was not the 67 percent required for the city to voluntarily convert the land but many felt that it expressed the will of the people.

The item on the ballot, referred to leasing of the property. The city then felt it should stay with the lease, rather than with Navy ownership through condemnation.

The Navy's position is that the only authority it can exercise is the condemnation authority which has been exercised and supported by the Department of Justice, as the proper authority for us to use.

Senator HUDDLESTON. Has the State of California been involved in the negotiations?

Admiral ISELIN. No, sir; not to my knowledge.

DISPOSITION OF LAND AFTER NAVY USE

Senator HUDDLESTON. What happens to the land that you move off of, does it go back to the city of San Diego?

Admiral ISELIN. In the condemnation action the law required Navy to put up just compensation for the property, which was $3.7 million. We advised the city formally at that time that, in lieu of the $3.7 million or part of it, we would be willing to return equal acreage on Inspiration Point, which we know they want, as part of the total payment for the property.

The property we will be giving up is much superior to that which we are obtaining. We are looking at a straight trade, but there will

be a delay of about 8 years while we build the new hospital and demolish the old buildings.

Normally, we demolish old structures as part of a project. It had been our plan, and is still our desire to work with the city and find out which of the several buildings on the 40 acres they would like to have. There are several good buildings which they could use for nonmedical purposes, perhaps park administration, or a garage, and should not be demolished. The others would be demolished and we are seeking authorization to demolish those.

We would turn over clean land to them.

LOCAL SUPPORT FOR HOSPITAL AND STAFF

Senator HUDDLESTON. Do local health organizations support the need for the hospital and the staffing?

Admiral RUCCI. If I may, I will answer that, Mr. Chairman.

We have had nothing but full support throughout this project. All the various organizations, both civil and professional, in the area have been in support of this from the very beginning, recognizing its need and its importance to the Navy and to the community.

The San Diego Medical Society fully supports this project. The Comprehensive Planning Organization is in full support of it, and the local health systems agency was in complete support of it, as well, and indeed contributed to the Navy cost analysis that was conducted. Just recently, however, this agency, which Mr. McKenzie referred to earlier, has deviated from its original position, for reasons that are obscure to me. They have admittedly stated that their evaluation is incomplete and that it is not an issue of supporting or opposing the project. As I understand it, they wish to just reconsider and study additional alternatives. This is as much as I know.

Other than that, the rest of the community, both professional, civilian, and military, support the project.

STATUS OF PRESENT HOSPITAL IF NEW FACILITY NOT BUILT

Senator HUDDLESTON. If the new facility is not built, is the present hospital in danger of losing its accreditation?

Admiral RUCCI. I think losing its accreditation may be a little strong. I would say, however, that it would be in jeopardy of having full accreditation. It has in the past only been accredited for 1 year at a time, which is sort of a provisional accreditation, based on deficiencies, mostly structural.

We have devoted sufficient resources to correct the minimum requirements of the deficiencies. In the interim we have a full accreditation. If the project is delayed, of course, more money would have to be pumped into the old structures to maintain that accreditation.

Senator HUDDLESTON. Is that the only alternative? Is there any other possibility such as building a new hospital elsewhere?

Admiral RUCCI. No, sir, there really isn't. The complex is completely disfunctional and inefficient. The basic construction and the mechanical systems are so obsolete that there is no way you can

economically restore them to modern, up-to-date conditions or comply with the standards.

We have buildings there that date back to the 1920's.

Admiral ISELIN. We have a very serious concern that an earthquake would topple a number of those buildings. Several of the buildings are constructed to exactly the same specifications and construction methods as the Veterans' Administration Hospital in San Fernando that killed 46 people just 9 years ago.

So, we have great concern about moving ahead with this project.

PERSONNEL IN SAN DIEGO AREA

Senator HUDDLESTON. How many Navy personnel do you normally have in the San Diego area?

Admiral ISELIN. The active duty in the San Diego area is slightly over 100,000. It is the largest Navy homeport in the world, with 100,000 active duty personnel. Adding dependents and retirees in the area, there are over 350,000 personnel.

BEDS PROPOSED

Senator HUDDLESTON. How many beds are proposed in this hospital?

Admiral ISELIN. 560 acute care and 250 light care beds.

Senator HUDDLESTON. That will be your largest hospital?

Admiral ISELIN. Yes; it will be our largest hospital.

Senator HUDDLESTON. Admiral Iselin can give you some interesting figures about construction costs and contracts in California. You are down the coast a bit from him. Are you reasonably confident of your cost figures?

Admiral ISELIN. Mr. Chairman, we are reasonably confident. One reason for that confidence is that we are at the 35-percent design point. We have made allowances for seismic requirements, for sound attenuation requirements, and for other known special features.

The only uncertainty at this moment is the rate of inflation over the period of construction for the hospital. We have a higher rate of inflation than we had planned, in the order of a few percent. If that inflation comes down toward the end of this year, we will be okay.

Senator HUDDLESTON. Are there any peculiarities in the construction business in the area that would have an effect on it?

Admiral ISELIN. I think it was interesting that, just yesterday, I read an article that indicated the chamber of commerce felt that, if a lease could not be negotiated, then ownership of the land should be given to the Navy. They want the Navy to build the hospital.

The Building Trades Council of San Diego came out very strongly in support of moving ahead with this project in Florida Canyon, under whatever conditions of ownership were necessary, in order to provide a solid construction workload during what they see as several very lean years in San Diego.

While that is an objective for them, it may be that we are constructing this hospital in a fortuitous time.

AFFECT ON FUTURE BY SUPPLY OF PHYSICIANS FROM ASMI

Senator HUDDLESTON. Mr. McKenzie, what effect do you see in the future on the supply of physicians and medical personnel for the Uniformed Services Medical Institute that is underway?

Mr. MCKENZIE. Mr. Chairman, various estimates have been made regarding what proportion of our active duty medical corps strength will consist in future years of graduates of the Uniform Services Health Sciences. These estimates are rather surprising, I think, because one tends to think of the university as contributing only a small number of graduates each year to the military health care system; but assuming that the retention rate for this group will turn out to be much higher than it has been for groups procured through other programs——

Senator HUDDLESTON. That is the expectation?

Mr. MCKENZIE. And that is the expectation. Because of the accumulation of training obligations involved, these young physicians will have an obligation of about 11 to 12 years. In other words, over that 10-year magic hump, so to speak, for retention purposes, and given their high motivation and their background, it appears that in 15 to 20 years from now they will comprise a major portion of our active physician force.

Senator HUDDLESTON. The fact they are specifically trained for service practice, so to speak, should have a bearing, too?

Mr. MCKENZIE. Since they have in their curriculum course subjects that are of particularly military interest which would not be offered in a civilian medical school, that, too, will enhance their value to the military.

PRESENT STATUS OF ASMI

Senator HUDDLESTON. What is the status now?

Mr. MCKENZIE. The first graduating class will graduate this summer. That was a very small group, because it represented the first year's input of about 28 or 29 students. As I indicated in my prepared statement, Mr. Chairman, the Secretary of Defense has recently approved an increase from the present entering size class of 108 up to 128. So I would say that the school is definitely established and definitely on its way.

Senator HUDDLESTON. What is the experience on applications for entry?

Mr. MCKENZIE. I can provide that for the record, Mr. Chairman. I don't recall the exact data, but there is a tremendous number of applications for each vacancy each year.

Senator HUDDLESTON. Similar to the situation with the civilians, but even more so?

Mr. MCKENZIE. More so.

Senator HUDDLESTON. Will it train any personnel other than doctors?

Mr. MCKENZIE. No, Mr. Chairman. Originally, there were plans to expand the institution into some of the other disciplines, but at the present time we do not plan to have any schools other than a medical school there.

Senator HUDDLESTON. No nursing?

Mr. MCKENZIE. No nursing.

SOURCE FOR NURSES

Senator HUDDLESTON. Where do you get your nurses?

Mr. MCKENZIE. We get our nurses from civilian institutions. We are presently up to our authorized strength.

CORRESPONDENCE

Senator HUDDLESTON. I have a letter and statement dated April 17, 1980, from the mayor of San Diego concerning the proposed regional medical center which, without objection, I shall insert in the record at this point. In addition, I have a statement from the chairman of the San Diego Board of supervisors, a statement from The League of Women Voters of San Diego, a statement from the Balboa Park Defense Fund, and a statement from the San Diego chapter of the Sierra Club.

[The letters and statements follow:]

59-461 O - 81 - 20

LETTER FROM PETE WILSON

MAYOR OF SAN DIEGO

April 17, 1980

The Honorable Walter D. Huddleston
Room 1245 Dirksen Senate Office Bldg.
Washington DC 20510

Dear Senator Huddleston:

I am informed that on April 18, 1980, your committee on Military Construction will hear testimony concerning FY '81 appropriation requests for military facilities.

I had hoped to testify on the matter of acquisition by the Navy of land in San Diego for a Naval Regional Medical Center site. The Navy will request an FY '81 appropriation to commence work on this facility.

Unfortunately, I am unable to be in Washington on the hearing date. However, I would like to submit the enclosed statement for the record. If my statement raises questions, I would be happy to respond.

Yours very truly,

Pete Wilson

Pete Wilson
Mayor

PREPARED STATEMENT OF PETE WILSON

MAYOR, SAN DIEGO

Mr. Chairman and Members:

I thank the Committee for extending me the opportunity to place before it, as a representative of the people of San Diego, a statement on a matter of utmost concern.

In hope of bringing some simplicity and clarity to the matter, I respectfully submit that there is but a single issue requiring your resolution, and standing in the way of construction of a critically needed new Naval Regional Medical Facility in San Diego.

First, there is no question as to the need for construction of a new facility in San Diego. The present Naval Hospital in Balboa Park does not meet current safety standards and is in danger of losing its accreditation.

Second, there is no question as to the support for construction of a new Naval Hospital to serve not only the shore and shipboard Naval establishment in San Diego, but also a number of military dependents and retirees. Let us simply stipulate that an adequate Naval Hospital is essential both to the Navy and to the city.

Third, although you may hear from others who emphatically disagree with locating the new hospital in Balboa Park, a 61% majority of the city's voters at the last municipal election voted their approval of locating the hospital within the Park at the Florida Canyon site sought by the Navy...provided that the terms of Proposition D govern acquisition of the site by the Navy. The sole point in dispute between San Diego, a city which has long conducted a love affair with the Navy, and the Navy which we have heretofore regarded as a model corporate citizen, arises from the Navy's condemnation of a fee rather than a leasehold interest in Florida Canyon, in flagrant disregard of the expressed will of San Diego voters and of the Navy's own conduct implying support for Proposition D.

A vote for Proposition D was a vote for the terms of the memorandum of understanding which was originated and offered by the Navy to the city.

Both the memorandum of understanding and the express ballot language called for a leasehold interest to be acquired by the Navy in Florida Canyon.

The reason for the insistence of the people of San Diego on a leasehold rather than fee holding by the Navy is very simply that Balboa Park is a treasure, a unique and limited precious resource which is central both geographically and spiritually to the life of the city. It is arguably the most important recreational resource of the city. The vote for Proposition D indicates the great value which the people of San Diego place upon the Navy and specifically upon a new Naval Hospital. Their willingness to site the medical facility within this sensitive, highly desirable Park setting is in fact a high tribute to the present Hospital and its personnel.

Nonetheless, even according the full measure of deserved respect and gratitude to the existing facility and its highly competent staff, we would love it just as much were it located outside the Park. San Diegans hold a special love for Balboa Park and use and enjoy every inch of it. That is why there was such jubilation in 1976 when the Navy announced its plans to relocate the Hospital outside the Park in the Murphy Canyon area several miles to the north. The announcement proudly stated the Navy's pleasure in being able to return to park use the site of the present Hospital at Inspiration Point. That is why such resistance was occasioned by the Navy's subsequent announcement of a change in plans and a desire to secure Florida Canyon.

And it is why the City Charter of the City of San Diego in Section 55 requires a 2/3 vote of the people to authorize any change by the City Council in the use of dedicated Park land.

Proposition D expressed the willingness of the people of San Diego to relinquish for a time -- and a generous period of time at that -- the use of some 75 acres of Balboa Park needed for the purposes of recreation and refreshment to which it was dedicated. But Proposition D, in its insistence upon a leasehold by the Navy, very clearly meant that the people of San Diego want their park land back.

Yet now -- after the 61% vote for Proposition D -- that is exactly what the Navy is proposing not to do - in violation of the expressed terms of Proposition D and in flat contradiction of the Navy's clearly implied support for the terms (and not just some, but all of the terms) of the

ballot measure. An example of the Navy's support is a photograph of Rear Admiral Justin E. Langille, Commandant of the 11th Naval District and myself holding a bumper strip saying "Yes" -- Prop "D", each of us giving the approving thumbs-up sign. This photograph which reached thousands of San Diego readers and voters on the front page of the Navy Dispatch can, I think, fairly be interpreted as a sign of official Navy support for Proposition D. It goes beyond tacit acceptance. In no way can it be construed as opposition.

The condemnation of a fee interest rather than the previously authorized exchange of the Navy's ownership of Inspiration Point for a leasehold in Florida Canyon amounts to nothing less than a breach of faith of the people of San Diego.

I respectfully urge the Committee to keep faith and to honor the obligation that has been created. I urge you to vote for the appropriation but must insist that your authorization make clear that the money is to implement the condemnation of a leasehold interest.

Prepared Statement of Roger Hedgecock, Chairman

Board of Supervisors, County of San Diego

MR. CHAIRMAN AND COMMITTEE MEMBERS.

THE SAN DIEGO COUNTY BOARD OF SUPERVISORS IS RESPONSIBLE FOR AND DIRECTS A WIDE VARIETY OF REGIONAL PROGRAMS IN SAN DIEGO COUNTY, PARTICULARLY IN THE AREAS OF HEALTH AND WELFARE.

IN THE CONTEXT OF REVIEWING PROPOSALS WHICH AFFECT ALL RESIDENTS OF THE COUNTY, THE BOARD OF SUPERVISORS DIRECTED COUNTY STAFF TO REVIEW BOTH THE DRAFT AND FINAL ENVIRONMENTAL IMPACT STATEMENTS FOR THE PROPOSED SAN DIEGO NAVAL REGIONAL MEDICAL CENTER. OUR STAFF WAS FURTHER DIRECTED TO REVIEW THE PROPOSED ALTERNATIVE SITE KNOWN AS HELIX HEIGHTS.

THE BOARD OF SUPERVISORS IS CONCERNED THAT THE CURRENT SITUATION HAS PLACED IN CONFLICT THE RESIDENTS OF THE CITY, CITY-ELECTED AND APPOINTED OFFICIALS, AND THE NAVY.

THE NAVY HAS A LONG HISTORY OF BEING A GOOD NEIGHBOR AND MAINTAINING A POSITIVE RELATIONSHIP WITH SAN DIEGO. THE IMPASSE AND ANTAGONISM RESULTING FROM NAVY CONDEMNATION AND INTENT TO CONSTRUCT THIS LARGE AND COSTLY FACILITY IN THE CENTER OF OUR BALBOA PARK IS HAVING, AND CAN ONLY HAVE, A DETRIMENTAL EFFECT ON LOCAL/NAVY RELATIONSHIPS.

I AM HERE TODAY TO OFFER A COMPROMISE WHICH HAS ALREADY BEEN THOROUGHLY REVIEWED AS AN ALTERNATIVE IN THE NAVY'S EIS AND WHICH WE BELIEVE SERVES THE INTERESTS AND MEETS THE CONCERNS OF ALL PARTIES INVOLVED.

THAT ALTERNATIVE SITE IS HELIX HEIGHTS. HELIX HEIGHTS IS A SUPERIOR LOCATION IN EVERY WAY TO THE FLORIDA CANYON SITE. HELIX HEIGHTS IS FLAT, NEAR THE HARBOR, ADJACENT TO TWO FREEWAYS AND A PROPOSED LIGHT RAIL TRANSIT LINE, SEVERAL MILES EAST OF THE CRITICAL NOISE AREAS AROUND LINDBERGH FIELD (FLORIDA CANYON IS WITHIN THE 65 CNEL CONTOUR), AND ON VACANT CITY-OWNED LAND.

ON JUNE 3, 1980, SAN DIEGO CITY RESIDENTS WILL VOTE TO MAKE HELIX HEIGHTS LAND AVAILABLE FOR SALE OR LEASE FOR PUBLIC PURPOSES AND THEREBY OPEN UP THIS ALTERNATIVE SITE FOR NAVY OWNERSHIP.

IN SUMMARY, HELIX HEIGHTS SERVES EVERYONE'S INTEREST. THE NAVY GETS A SUPERIOR SITE WITH ALL OF THE ADVANTAGES OF FLORIDA CANYON AND NONE OF ITS DEFECTS; SAN DIEGO RETAINS FLORIDA CANYON FOR PARK PURPOSES WITHIN BALBOA PARK AND RECOVERS THE PRESENT BALBOA HOSPITAL SITE FOR PARK PURPOSES AS ORIGINALLY DESIGNATED.

THE PROJECT YOU ARE BEING ASKED TO FUND TODAY HAS A LONG HISTORY OF CONTROVERSY IN SAN DIEGO. THE RECENT ACTION OF THE NAVY THROUGH THE DEPARTMENT OF JUSTICE TO TAKE POSSESSION OF THE FLORIDA CANYON SITE BY CONDEMNATION ACTION HAS HEIGHTENED TENSIONS AND THAT ACTION HAS BEEN CHALLENGED IN FEDERAL COURT BY BOTH THE CITY OF SAN DIEGO AND THE CITIZENS OPPOSED TO THE LOCATION OF THE HOSPITAL IN BALBOA PARK.

IN ADDITION TO THE CONFLICT BETWEEN THE NAVY AND THE CITY OF SAN DIEGO REGARDING CONSTRUCTION OF THE HOSPITAL ON LEASED LAND AS OPPOSED TO NAVY OWNERSHIP OF THE LAND AND THE LEGAL CHALLENGE TO BUILDING AT THE BALBOA PARK SITE, OPPOSITION HAS RECENTLY EMERGED FROM THE HEALTH SYSTEMS AGENCY OPPOSING CONSTRUCTION OF A HOSPITAL AT ALL.

ASSUMING THAT YOU DETERMINE THE PROPOSED NAVAL REGIONAL MEDICAL CENTER IS ACTUALLY NEEDED AND THAT THE PROJECT SHOULD BE FUNDED AT THIS TIME, THE COUNTY OF SAN DIEGO WOULD LIKE TO OFFER THE HELIX HEIGHTS ALTERNATIVE WHICH WE BELIEVE WILL SOLVE ALL OF THE PROBLEMS WHICH CURRENTLY FACE THIS PROJECT.

THE ACTION FOR YOUR COMMITTEE TO TAKE WOULD BE TO APPROPRIATE FUNDS NECESSARY TO DESIGN THIS FACILITY FOR THE HELIX HEIGHTS SITE.

BOTH THE BALBOA PARK SITE AND THE HELIX HEIGHTS SITE ARE SUBJECT TO SECTION 55 OF THE SAN DIEGO CITY CHARTER (PARK AND CEMETERY LANDS CANNOT BE USED FOR OTHER PURPOSES WITHOUT A 2/3 VOTE OF THE CITIZENS). LAST SEPTEMBER, THE VOTERS FAVORED (BY 61%) THE LEASE OF THE BALBOA PARK LANDS FOR THE NAVY HOSPITAL

IN RETURN FOR AN EQUAL AMOUNT OF ADJACENT LAND OWNED BY THE NAVY. NEVERTHELESS, THE PROPOSITION FAILED BECAUSE IT DID NOT GAIN THE NECESSARY 2/3 VOTE. WHILE SOME LOCAL AND FEDERAL ELECTED AND APPOINTED OFFICIALS CHOSE TO VIEW THIS VOTE AS THE NECESSARY APPROVAL, THAT VIEW DOES NOT SQUARE WITH THE CHARTER REQUIREMENTS.

YOU WILL HEAR FURTHER TESTIMONY REGARDING THE ADVANTAGES OF THE HELIX HEIGHTS SITE TO BOTH THE COMMUNITY AND THE NAVY. I WOULD LIKE TO BRIEFLY LIST SOME OF THE MOST IMPORTANT ONES:

1. WHILE THE NAVY EIS REFLECTED A PRECOMMITMENT TOWARD THE FLORIDA CANYON SITE AND AGAINST THE HELIX HEIGHTS ALTERNATIVE, EVEN THE EIS ACKNOWLEDGED THAT THE HELIX HEIGHTS SITE WAS ACCEPTABLE AND HAD CERTAIN ADVANTAGES. THIS EXISTING EIS WOULD BE LEGALLY SUFFICIENT FOR APPROVAL OF CONSTRUCTION OF THE HOSPITAL AT HELIX HEIGHTS.
2. BOTH CITY AND COUNTY STAFF REPORTS RECOGNIZE THE ADVANTAGE OF THE HELIX HEIGHTS SITE. IT WOULD PROVIDE THE ADDITIONAL BENEFIT OF RETURN OF EXISTING NAVY LAND IN BALBOA PARK TO THE PEOPLE FOR PARK USE BY OUR GROWING POPULATION.
3. LAND AND CONSTRUCTION COSTS WILL BE LESS AT THE HELIX HEIGHTS SITE, THEREBY SAVING THE TAXPAYER MONEY OR FREEING FUNDS FOR COMBAT DEFENSE SPENDING.
4. THE SITE HAS EXCELLENT FREEWAY ACCESSIBILITY FROM ALL DIRECTIONS AND IS CONVENIENTLY LOCATED TO THE USER POPULATION. IT IS LOCATED CLOSE TO A PROPOSED EAST COUNTY LIGHT RAIL LINE WHICH WOULD PROVIDE EXCELLENT MASS TRANSPORTATION AND IT IS ALSO SERVED BY SEVERAL BUS LINES.
5. UNLIKE THE BALBOA PARK SITE, IT IS OUTSIDE OF THE NOISE ZONE AND THE DIRECT LANDING PATTERN TO LINDBERGH FIELD. CONSTRUCTION WOULD NOT REQUIRE EXPENSIVE SOUNDPROOFING.
6. IT WOULD NOT BE SUBJECT TO DELAY BY LEGAL ACTION SUCH AS THAT PENDING ON THE BALBOA PARK SITE.

IT IS OUR INTENTION TODAY TO OFFER AN ALTERNATIVE THAT WILL END THE SOMETIMES BITTER CONTROVERSY THAT HAS SURROUNDED THIS SUBJECT AND PROVIDE ALL PARTIES WITH THE GOALS THEY SEEK.

THANK YOU FOR THIS OPPORTUNITY TO PRESENT COUNTY OF SAN DIEGO TESTIMONY.

LETTER FROM G. M. GHORMLEY, REAR ADM., USN

DEPUTY CHIEF OF NAVAL OPERATIONS

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

IN REPLY REFER TO
Ser 453/323097
27 December 1979

Dear Mr. Zucker,

This is in response to your letter of November 21, 1979, on behalf of the County of San Diego Department of Planning and Land Use, transmitting comments on the Final Environmental Statement (FES) for the proposed new Naval Regional Medical Center in San Diego and requesting additional public hearings.

Although your comments are appreciated, the Navy does not consider the FES deficient and does not contemplate further hearings on this project. Such additional hearings are neither required by the National Environmental Policy Act (NEPA) and its implementing regulations, nor are they believed warranted at this time.

The Navy recognizes, however, that concerned citizens and certain municipal departments, such as yours, have a continuing interest in the project. A number of recipients of the FES have taken the opportunity, during the thirty day period following its publication, to review the document and provide additional comments. Your comments, together with the others received, accompanied the FES through the Navy review chain and were part of the environmental analysis presented to the Navy decision maker.

Your department's participation in this environmental review process is appreciated.

Sincerely,

G. M. GHORMLEY
Rear Admiral U. S. Navy
Deputy Chief of Naval Operations

Mr. Paul C. Zucker, Director
Department of Planning and Land Use
County of San Diego
Integrated Planning Office
County Administration Center
1600 Pacific Highway
San Diego, California 92101

League of Women Voters of San Diego

PREPARED STATEMENT OF SAN DIEGO LEAGUE OF WOMEN VOTERS

PRESENTED BY JAN HINTZMAN, PARKS DIRECTOR

The League of Women Voters of San Diego is opposed to the appropriation of $293 million for the total construction of the Navy Regional Medical Center of San Diego in Florida Canyon, Balboa Park.

While we are sensitive to the Navy's need to update its facility, we oppose construction at this site on the basis of the City Charter Provision which protects parkland from changed use except when such change is approved by a 2/3 vote of the electors.

I quote from Section 55 of the San Diego City Charter:

> All real property owned in fee by the City heretofore or hereafter formally dedicated in perpetuity by ordinance of the Council or by statute of the State Legislature for park, recreation or cemetery purposes shall not be used for any but park, recreation or cemetery purposes without such changed use or purpose having been first authorized or later ratified by a vote of two-thirds of the qualified electors of the City voting at an election for such purpose.

Please note, Mr. Chairman and distinguished members, the 2/3 vote requirement.

This provision was enacted in 1931, in response to the loss of nearly 1/4 of Balboa Park's 1400 original acres to other worthy, but non-park use. Clearly, the people of San Diego in 1931 cared so much about their parkland that they have given extra-ordinary protection to them.

Fifty years later, that Charter requirement still stands. That is, it still takes 2/3 voter approval to change park use. A simple majority vote could change this requirement, but ammendment of this provision has never been suggested. The League of Women Voters believes this clearly indicates continued support of the protection afforded parklands in our city.

Last September, the voters of San Diego failed to give 2/3 approval of changed use of Florida Canyon for the Navy Regional Medical Center. Even after a well-funded, high visibility media campaign, a 61% vote was achieved, but the ballot measure failed. It is our position that the failure of this vote be respected. By its own law, the city is unable to agree to the changed use of this park land. We respectfully request, Mr. Chairman and mambers, that you consider the Federal government's obligation to respect the citizens' participation in this decision as expressed in our law and our vote. We regret and reject any suggestion that our position upholding the Charter indicates lack of support or insensitivity to the medical needs of our military community.

The replacement of the Navy Regional Medical Center did not begin as a controversy. The Navy, in consideration of its own needs and in response to the City's expressed encouragement, first decided to reconstruct their facility outside of Balboa Park in 1973. This plan, which was mutually heralded by both the Navy and the City, was abruptly abandoned in 1976 with an announcement that the Navy would reconstruct in Balboa Park.

The Navy, while stating that the Federal government had the power to take whatever lands it deemed necessary thru condemnation, was hesitant to move forward on that course, for obvious reasons. Instead, they attempted to forge an agreement with the City, in the hopes that they could accomplish reconstruction on Florida Canyon lands.

It was at this point in 1976 that the San Diego Chapters of the League of Women Voters, Common Cause, and other citizen groups actively engaged the issue. Our position was one of opposition to the Memorandum of Understanding. The basis of this position was the City Charter provision which protects parklands.

Despite our opposition, a Memorandum of Understanding was fashioned and approved by the Navy and by the City Council. The terms of that understanding are significant. In exchange for a 75 year leasehold on 70 acres in Florida Canyon, the Navy was willing to give up fee simple ownership of 70 acres of Balboa parkland. The Navy also agreed to clear that acreage to city specifications.

The League of Women Voters, Common Cause, and others continued to object to the Memorandum of Understanding on the basis that City officials did not have the authority to agree to changed park use. We maintained that the right to change park use is reserved to a 2/3 majority of the people. In 1978, the City Council was responsive to that concern and rescinded the Memorandum of Understanding.

While condemnation remained a threat, certain Congressional representatives from San Diego in both the House and Senate were reluctant to pursue this course prior to an expression of support by the electorate.

The League of Women Voters, Common Cause and others continued to press the position that the course prescribed in our Charter be followed. A Navy request for parklands should go to the citizens of San Diego for a vote. Each time in the past when the Navy had requested land in Balboa Park, in 1937, 1939, and 1941, these lands were granted them by a 2/3 majority vote.

The Navy was reluctant to offer the matter to the voters, stating that it is "impossible for the Navy to adequately educate the public" and that the Navy was precluded by regulations to campaign on the issue. (transcript of Council Meeting, June 21, 1977.)

The Council, in June, 1979, was finally responsive to the insistance of the League of Women Voters, Common Cause, and others that a Charter vote be held. The suggestion was made at that time that the vote be framed, instead, as an "advisory vote". This suggestion was rejected by the Council as being inappropriate to the situation. A ballot measure for a Charter vote requiring 2/3 approval for passage was unanimously approved by the Council.

The vote was subsequently held in September, 1979. It did not get the 2/3 required approval. Yet certain of our locally elected officials have represented that the vote passed "politically". This interpretation of the vote was used by certain elected officials to give the impression of city support of Federal condemnation.

This appearance of city support, we believe, was necessary to accomplish the Congressional act of condemnation.

The League of Women Voters and Common Cause reject the misrepresentation that "Proposition D passed". There is no ambiquity in the Charter. Two-thirds votes either pass or they fail. They fail if not approved by a 2/3 vote. The law is either respected or it is not.

This country has a tradition of requiring a 2/3 majority expression of support on issues having long term effects such as treaties and general obligation bonds. Achievement of the full 2/3 majority is always required. It would be unheard of to suggest that a treaty was ratified because the vote "was close".

In very few instances do the people specifically reserve their right to vote on an issue. Ordinarily, the citizens look to their elected officials at all government levels for most of the decisions of government. In even fewer instances, do they require that the decisions be made by a 2/3 vote.

This reservation of the people's right to vote is a very conscious decision. In San Diego, we have reserved this right in order to protect our parklands.

Mr. Chairman, we respectfully urge this Subcommittee to recognize that the controversy of leasehold vs fee is not the central issue here. The decisive factor is whether or not the citizens of San Diego have approved the changed use of parkland in accordance with the provisions of the City Charter. They have not.

The recent condemnation proceeding is based on an erroneous impression on the part of governmental officials that the people of San Diego approved the ballot proposition in September of 1979. To proceed on the basis that a proposal was passed in accordance with Charter requirements when it actually failed, not only undermines governmental processes, but in this case dissipates efforts that should be directed

to consideration of alternative courses of action that are available to the Navy. The League takes no position on alternative sites or other alternatives. But we do sincerely believe that the upholding of the provision of the City Charter by all officials will better assure the continuance of the long tradition of good will and respect that the Navy and the citizens of San Diego have enjoyed over so many years.

Prepared Statement of Norval R. Richardson, USN (Ret.)

PROPOSED NAVAL REGIONAL MEDICAL CENTER, BALBOA PARK

The Honorable Walter Huddleston, Chairman
and Members of the subcommittee on Military Construction:

I wish to speak against constructing the Naval Regional Medical Center in San Diego's Balboa Park.

First, some background.

In 1972 the Navy announced plans to construct a new Naval Regional Medical Center on the present site in Balboa Park. As Chairman of the San Diego Chamber of Commerce Community Health Committee, I was authorized by the Chamber and the City to advise the Navy of our interest in relocating the new Naval Regional Medical Center outside Balboa Park.

To further that objective, the City agreed to trade 160 acres of prime land near the Veterans Administration Hospital for the Navy-owned land in Balboa Park.

The Navy agreed that a site outside Balboa Park offered advantages, and initiated a new site study. Murphy Canyon Heights, located about five miles north of Balboa Park, was recommended by the consultants, and adopted by the Navy in 1974.

In 1976, two years later, for reasons never made public, the Navy abandoned the Murphy Canyon Heights site, and decided instead to build in Florida Canyon, in Balboa Park. The decision to build in Florida Canyon was made without prior consultation with the City, and with full knowldege that the Department of Defense had rejected the adjacent existing site because it did not meet DOD criteria for air safety and noise.

Mr. Chairman, I believe that building a new Naval Regional Medical Center in Balboa Park would be a tragic mistake for the government, the Navy, and the City of San Diego. The arguments against this decision are many, and include:

1. The Florida Canyon site cannot meet DOD requirements for air safety and noise.

2. The cost of construction in Florida Canyon will be <u>millions</u> of dollars higher than at alternative sites, such as Helix Heights; and will require <u>more time</u> for construction.

3. Access to Florida Canyon will be difficult, create traffic problems, and will require construction of costly roads and interchange systems.

4. Construction of the Naval Regional Medical Center in Florida Canyon with its supporting road system will effectively destroy the natural habitat in Florida Canyon and the potential for full development of an integrated Balboa Park. The proposed construc-

tion drives a wedge in the center of the Park and substantially reduces the last undeveloped open space in the Park.

5. Optimum design for efficient operation must be sacrificed in Florida Canyon due to hillside construction. The American Hospital Association reports construction costs represent only 7% of the total cost of a hospital over a period of forty years. I believe studies will confirm that construction in Florida Canyon of a compromise-designed, cost-ineffective center will cost the government and taxpayers tens of millions of dollars in excess operating costs over the life-cycle of the hospital. This is reason enough not to build in Florida Canyon.

6. The history of the Naval Regional Medical Center has been one of growth and expansion ever since the first 17 acres of parkland were deeded to the Navy in 1919. Now the Navy owns 77 acres of land in Balboa Park, and has just condemned an additional 36 acres. Future expansion in Florida Canyon can be accomplished only by destruction of additional Balboa Park land.

NOW LET US EXAMINE THE PROPOSED HELIX HEIGHTS SITE

1. DOD criteria for air safety and noise can be met.

2. Construction costs and construction time will be significantly less, because this is a level site, and is not under the final approach to an airfield.

3. Helix Heights, located at the intersection of State Highways 94 and 15, and approximately one mile east of Interstate 5, and one mile west of Interstate 805, is the most accessible site for a hospital in San Diego County. It is two miles closer to the Naval Station than Balboa Park. All highway construction is complete and in operation. A proposed East County light rail transit system would serve the site with significant savings in energy.

4. The Helix Heights site is on elevated terrain, level, and vacant. Fiftyseven acres is City-owned. Landscaped cemetery property is across the street from the site, offering additional open space.

5. A hospital system designed for optimum cost-effectiveness can be constructed on Helix Heights. That would save tens of millions of dollars in operating costs over the life-cycle of the hospital.

6. The Helix Heights site has adjacent land for future expansion.

7. Subject to anticipated voter approval in June, Helix Heights could be obtained by the Navy in fee simple, or in exchange for Navy land owned and occupied in Balboa Park.

Mr. Chairman, all of the foregoing only considers the technical and fiscal aspects of the problem. I am sure your committee is aware of the growing resentment against the Navy for its plan to construct in the center of Balboa Park's Florida Canyon-- the last undeveloped open space in this busy urban park. The City and the Navy have long enjoyed good relations. It is important that these good relations continue. In years to come, the Navy and the City will consider the future of Miramar, the Marine Corps Recruit Depot, the Naval Training Station, and North Island Naval Air Station. We must demonstrate in resolving the current problem that we can solve future problems of equal or greater magnitude.

Insistence by the Navy on building in Florida Canyon will most assuredly be contested in the Courts and in the media, causing costly delays.

A new Naval Regional Medical Center on the high ground of Helix Heights will enjoy a panoramic view of Mexico to the South, the mountains to the East, and the bay and ocean to the West. The Navy and the community will point with pride to this landmark that will have more visibility than the Coronado bridge.

Mr. Chairman, you and your committee have a great responsibility--and a great opportunity. The real issue before you is not whether to own or lease parkland. The real issue is whether the people have a right to their dedicated parkland-- or the Navy the right to destroy it.

In order to save time and money, and to end the embittered impasse in which the City and Navy are presently locked, we suggest that an alternative site be selected for the Naval Regional Medical Center, outside Balboa Park.

Therefore, we urge you to amend the authorization bill for the NRMC to allow for design and construction at an alternative site, such as Helix Heights, outside Balboa Park.

SIERRA CLUB

PREPARED STATEMENT OF SIERRA CLUB, SAN DIEGO CHAPTER

PRESENTED BY LYNDELLE D. FAIRLIE, CHAIRMAN

RECOMMENDATION: We respectfully request that any appropriations for the NRMC in San Diego be contingent upon its location outside Balboa Park.

EVIDENCE: Narrated slide show. The written testimony is the text of the slide show narration and list of accompanying slides.

(NOTE: Slides and photographs were not supplied to the subcommittee.)

TEXT	SLIDES
San Diego's Balboa Park, as a site for the new Naval Regional Medical Center, is a bad choice-- for the Navy for the Park and for the taxpayers	Proposed NAVAL REGIONAL MEDICAL CENTER Balboa Park, San Diego

A park has to be in a park.
A hospital doesn't.

Let's consider why it's a bad choice for the Navy.

In 1972 the Navy sought to relocate its hospital outside Balboa Park. After studying alternative sites, they decided to build in a location known as Murphy Canyon Heights. For 3 years, the Navy made plans to build their huge complex there. But in 1976 Congressman Bob Wilson insisted the Navy drop the Murphy Canyon Heights plan and remain in Balboa Park. The Navy followed Congressman Wilson's direction.

1974
Navy wants Murphy Canyon Heights

Today you will hear primarily about two possible sites: Balboa Park and Helix Heights. This aerial photo of San Diego shows both sites. Balboa Park is the big green square near the center. Notice that the bottom left corner of the Park is cut off by a curving freeway. The present Naval Medical Center is the group of buildings just to the right of the freeway curve. The Navy wants to use half of this 77-acre present site and add 36 acres of adjacent parkland.

aerial photo of San Diego

The second site you will hear about today is Helix Heights. It is at the extreme right of the photo, near the center. Look at the bare patch of land. Now look just below it, across the freeway. Helix Heights is the 72-acre green patch bounded by freeways on its north and west sides.

Now that you have the bird's eye view, let's zero in on the present Navy medical complex. Here it is. The Navy wants to con-

tinue using at least half of this land. In 1976 the Navy said this land was unacceptable because of aircraft hazards. The medical complex is directly beneath the final approach to San Diego's busy International Airport, and the plane you see indicates how much noise pollution and potential for disaster is present at this locale.

aerial view of present Naval Regional Medical Center

jet flies over present Naval Regional Medical Center

jet flies very low over present Naval Regional Medical Center

Here is a map which the Los Angeles Times printed after the 1978 crash of a PSA plane in urban San Diego. The map shows the relationship of park, medical complex, and airport. In the white circle at bottom center is the present hospital. The dotted line shows the airport approach. The problem is obvious.

map showing NRMC directly in line with final aircraft approach to San Diego's International Airport

PSA jetliner in flight

light plane flies over NRMC

The Navy itself emphasized these problems in this 1976 Navy document. They gave evidence about the plane crash hazard and level of jet noise. The Navy said that Balboa Park was so noisy that it fell within a classification called "Composite Noise Rating Zone Three." But medical facilities need to be in quiet places. For this reason, "DoD criteria dictate that medical facilities must be sited in Zone One." Note the underlined conclusion: "The DoD has previously stated that new medical facility construction would not be approved at the Balboa Park site." Yet now, in 1980, the Navy is proposing not only many new buildings in Balboa Park, but also the continued use of Building 41--which is directly in the path of incoming planes. This site selection is still being adhered to after this 1976 PSA crash which killed more than one hundred people and wrecked an entire city block.

Department of the Navy Comments on GAO Report Code 10159 of 6 February 1976 on Policy Changes and More Realistic Planning Can Reduce Size of New San Diego Naval Hospital (OSD Case No. 4284)--Appendix II, page 62

above-named document, page 68

above-named document, page 69

photograph of Building 41 with number on side of building in shade

jet flies over Building 41

PSA jetliner in flames

PSA jetliner in flames just before impact

Here is an important question the Navy should answer before any money is appropriated: Does DoD now allow medical facility construction under major airport approach paths?

Does DoD now allow medical facility construction under major airport approach paths?

In summary, Balboa Park is a bad site for the Navy because the Florida Canyon area is dangerous and costly. Aircraft hazards, a nearby earthquake fault, and plans for building the main access road in a flood hazard zone all make the site dangerous. Building in Balboa Park is costly because lawsuits are pending and road revisions are needed. Construction costs would also be high because the land slopes. Expensive soundproofing is required because of aircraft noise.

FLORIDA CANYON SITE
Dangerous!
Costly!

Balboa Park is also a bad site for the Navy because of the dispute over who should have title to the land and potential disputes about a fair price for Florida Canyon land. Determining fair value of Florida Canyon could be a serious problem if the Navy is allowed to build on owned land. The Justice Department has already paid 3.7 million dollars for the land--however, this is only one-tenth of the appraised value of the land in 1960. The appraised value of the land would obviously be much higher now, in 1980. But the San Diego legislators have said they will block the whole project if the Navy insists on building on owned land. Our legislators want this multi-million dollar Regional Medical Center to be built on leased land! Let's look at the ownership versus leasing dispute more closely.

PAYMENT DUE
Millions more for Florida Canyon?

FLORIDA CANYON SITE
Ownership?
Leasing?

When the Navy announced its desire to build in Balboa Park's Florida Canyon, the City Council obligingly placed on the ballot a Proposition (D) which would permit the complex to be built here, on leased land. But the San Diego City Charter

proposed Florida Canyon site for NRMC

requires that any proposition affecting non-recreational use of park lands requires a two-thirds majority to pass. Proposition D received only 61% of the vote. It might have received far less had the people known the Navy's intention was to condemn the land and own it outright!

CONDEMNED!

Proposition D FAILED! Even the Navy's Balboa Park lease proposal failed to get the two-thirds vote required by the City Charter.

Proposition D FAILED!

We do not argue with the stand taken by the Justice Department, General Accounting Office, Navy, and some congressmen who insist that the Navy should own the land on which permanent buildings are to be erected. They take this stand because it has been a long-standing federal policy that expensive federal facilities be built only on owned land.

QUESTION
Does the hospital have to be in our park?

But must this owned land be in Balboa Park when there is at least one other site in San Diego which the Navy's own reports show to be "buildable"?

ANSWER
Navy should build on owned land OUTSIDE Balboa Park!

The San Diego County Board of Supervisors has suggested a compromise. They recommend that the Navy own land, but own it in Helix Heights, not Balboa Park. Here is a picture of Helix Heights. It is the bare patch of land bounded by freeways on the north and west sides.

aerial photo of Helix Heights

This is a good compromise for several reasons. For example, in June the voters will be asked to approve the sale of Helix Heights--

so this site could become available very soon. This means that the G.A.O. Report of January, 1980 is now badly outdated. The G.A.O. had thought that it would be difficult to get the Helix Heights land.

JANUARY, 1980 G.A.O. REPORT OUTDATED!

Helix is also a good compromise because it is safer and would waste less taxpayer money! There is less aircraft hazard and no lawsuits are envisioned. It would be less expensive to build on because fewer road revisions would be required. Construction costs would also be lower because there are no steep slopes and sound-proofing against noisy jets would not be needed. It is convenient because it is close to the center of Navy population. Most importantly, the Navy could own this land free and clear and Balboa Park land would not be destroyed.

HELIX HEIGHTS
Fewer hazards!
Wastes less money!

plane flies near present NRMC

Of course the Navy is not limited to just Florida Canyon or Helix Heights. The Navy already owns over 26,000 acres of land within San Diego city limits. In San Diego County, more than half the land belongs to some government agency. So, surely other sites must be available.

NAVY OWNS 26,000 ACRES
WITHIN CITY LIMITS!

In fact the Navy may be able to build on a downtown site, right on the light rail transit line San Diego has begun planning in order to save energy. This would save precious gas

used by the thousands of people who go to the facility every day.

The choice of a site outside Balboa Park is also fairer to the people of San Diego, who love their park--the home of the San Diego Zoo, the Natural History Museum, the San Diego Museum of Art, a golf course, and a tennis stadium.

Sandwiched in between these cultural and sports facilities we find Balboa Park's Florida Canyon. Here is an aerial picture of the canyon. Florida Canyon is the long green belt to the right of the Zoo parking lot. Here are some pictures of Florida Canyon. In the dry season it looks like this. After the rains it looks like this.

The City's Master Plan calls for developing Florida Canyon by eliminating this road and restoring vegetation so it would look like this. Picnic areas, bike trails, view points, and walking paths like this would be made. This stream, now condemned by the Navy, would be preserved instead of destroyed.

Balboa Park is getting crowded--in 1979 over 4 million people visited its zoo and museums alone. San Diego is the nation's ninth largest city and growing fast. San Diego has no green belt! We have only our parks.

Balboa Park - general photo

people enjoying Balboa Park

entrance to San Diego Zoo

bear in San Diego Zoo

Natural History Museum

Art Gallery

Golf course

Tennis stadium

organ pavilion

botanical gardens

Florida Canyon - general photo

Florida Canyon - aerial photo

Florida Canyon - dry season

Florida Canyon - dry season

Florida Canyon after rains

Florida Canyon flowers

Florida Canyon trees

Florida Canyon road

Photo of what Florida Canyon could look like if the Florida Canyon Master Plan were implemented

Balboa Park bike trails

Hikers in Balboa Park

Florida Canyon stream

Balboa Park crowd

Balboa Park crowd

Balboa Park crowd

Balboa Park traffic

Balboa Park aerial photo

If the Navy builds its Regional Medical Center outside Balboa Park, both the Navy and the Park will benefit. This opinion was once expressed by San Diego Mayor Pete Wilson, who is testifying today. Mayor Wilson issued this press release in 1974, when the Navy wanted to leave Balboa Park and build in Murphy Canyon Heights. Notice the underlined passage: "I am very pleased by the Navy's announcement. I think both the Navy and the City of San Diego will be well-served by the proposed move. Presently, there are no plans for use of the site of the existing hospital other than for its reversion to the highly desirable and much-needed use as intensely utilized urban park land."

plane flies over present NRMC

Balboa Park general photo

photo of Mayor Wilson's press release

The most far-reaching suggestion of all comes from the Health Systems Agency. They say that the Navy could save the taxpayers a billion dollars over 20 years if they would drop the project altogether. The Health Systems Agency contends that the Navy did not account for the 1,000 unused civilian hospital beds in San Diego. Why aren't military and civilian health care facilities more coordinated? After all, last year the House Appropriations Subcommittee on Military Constriction wrote this report. The first underlined passage says this: "G.A.O. recommended that the Committee withhold approval

BILLION DOLLAR WASTE?

1,000 UNUSED CIVILIAN HOSPITAL BEDS

Report 96-246

Report 96-246, page 30.

of future hospital construction projects until a policy on light care units has been developed and implemented." Note the last underlined passage: "...the Committee puts the Defense Department on notice that it expects this issue to be resolved prior to approval of any hospital construction spaces in the fiscal year 1981 request."

If the Navy does need a new Regional Medical Center we respectfully request that any appropriations for the complex in San Diego be contingent upon its location outside Balboa Park.

A park has to be in a park.

A hospital doesn't!

Balboa Park general photo

Balboa Park general photo

Balboa Park general photo

present NRMC

credits to contributors
PSA crash map. Copyright, 1978, Los Angeles Times. Reprinted by permission, Times map by Don Clement

SIERRA CLUB

SUMMARY OF THE PROBLEM

The Navy hospital in San Diego currently occupies approximately 77 acres in the city's Balboa Park, one of the nation's most famous urban parks. The hospital is old and the Navy wants to build a new hospital which will cost at least $293,000,000 exclusive of demolition and off-site traffic mitigation costs. This project is sponsored primarily by Congressman Bob Wilson.

In 1976 the Navy wanted to move out of Balboa Park and locate the hospital at a site known as Murphy Canyon Heights. At that time, they gave considerable evidence that they could not rebuild at the Balboa Park site because it is dangerous and noisy due to jet aircraft on the final approach to Lindbergh Field. (See Attachment 1). It was our understanding that they were also prohibited from building in the park because of Department of Defense Construction Criteria Manual 4270.1M of 1 June 1978 which states in paragraph 4-3.1:

> "RUNWAY CLEARANCE. Bachelor and family housing, temporary lodging, recreation, welfare and religious facilities designed for the assembly of groups of people and medical facilities shall not normally be sited within 4,500 feet of the centerline of active runways or of the approach zones thereof, and under no condition within 3,000 feet of the centerline."

The Navy's own study (Attachment 1) concluded that the project would cost $33 million more to build in Balboa Park than at Murphy Canyon Heights because of the extra costs associated with the sloping site and required soundproofing. As recently as September 19,1979 the Department of Defense was still standing by its 1976 assessment that the Balboa Park site is unacceptable (Attachment 2). During recent debates their spokesmen were asked how they could now propose to build in Balboa Park in violation of DoD Construction Criteria. They gave vague responses saying that the criteria are inoperative or are being revised.

Congressman Wilson blocked the favored Murphy Canyon Heights site (See Attachment #3)and supported a Navy plan to rebuild in Balboa Park using part of its current site and 39 acres of adjacent open space in the park. We feel that the choice of this site was irresponsible and capricious in that

> "RADM. Brown, who had never been in San Diego in his life prior to being assigned as CO of NRMC, looked out the window, saw vacant land, and without knowing it was Balboa Park land, advised his boss that there was land available in an "unused canyon" right next to the present hospital.
>
> The really incredible thing that happened next was that without consulting the City, any planners, or anyone sensitive to San Diego, Navy Staff in San Bruno rushed through in seven weeks a study that superseded the seven-year study on Murphy Canyon. That study was then pushed on the City."*

The Navy tried to aquire the park land for the new hospital by circumventing the San Diego City Charter, which requires a two-thirds vote of the electorate to give park land for non-park uses. In order to by-pass

this requirement, the Navy pressured the City Council into accepting a Memorandum of Understanding whereby the Navy would give back to the City a portion of the land it now occupies in Balboa Park in exchange for a parcel of open space park land. This action was taken in spite of the fact that the NEPA process was not complete. The proposed park land exchange is illustrated in a map (Attachment 4). The new Navy hospital would be built on land parcel B, presently occupied by the Navy, and on parcel C. After protests from citizens about the proposed Charter violation, the City agreed to put the land exchange on the September 18, 1979 ballot.

If Proposition D had passed, it would have authorized the City Council to make the following deal with the Navy: The Navy would have given title for 77 acres back to the City in exchange for a long-term lease on half the land now owned by the Navy, plus 39 acres in Florida Canyon. The net result: the Naval Regional Medical Center would be rebuilt on the leased land; the Navy would continue to occupy 77 acres of land, closer to the center of Balboa Park. The lease would run 50 years, with a 25 year extension. The land exchange was put on the ballot in this form even though Mayor Pete Wilson knew at the time that the Navy wanted to own the land, not lease it. In a memo to the City Council the Mayor argued that the City should put the land exchange to the voters in the form of lease in the hopes of persuading the Navy to abandon the idea of owning park land and settle for a lease. To the best of my knowledge, neither the Navy, their civilian advocates, nor the City Council raised the lease-versus-ownership issue. We were not aware that the Navy wanted to own the land. Thus, this issue, now a real hot potato, was not raised in the Proposition D election campaign.

Prior to the election Congressman Bob Wilson said that the vote of the people would be "meaningless" and the Navy would take the park land regardless of the vote. His contempt for the electorate is illustrated in Attachment 5. Important state and local government elected officials were outraged by Wilson's disregard for the City Charter and expressed their views in a joint letter (See Attachment 6).

Election day indicated that many people apparently believed Congressman Wilson; only 38% of the registered voters went to the polls. Although Wilson, the Chamber of Commerce, local media, and Citizens for Balboa Hospital waged an expensive and deceptive election campaign, they failed to get the two-thirds vote required by the City Charter to divert park land from park use. (Samples of our campaign materials are enclosed as Attachments 7-9). After the land exchange failed to get the required two-thirds vote, the Congress authorized condemnation of the park land which the Navy failed to win locally. The Justice Department then filed for ownership of the land rather than a leasing arrangement. This angered Mayor Wilson who felt that the city had been betrayed by the federal government. The city's complaints are outlined in a copy of their litigation with the Navy which was recently supplied to you by the Committee for Charter Protection for Parks. It is our understanding that Mayor Wilson is so annoyed with the Navy that he will come to Washington to testify in April.

The federal government's condemnation process occurred at approximately the same time as the Navy's completion of reports required by NEPA. It is our opinion that the Navy failed to adequately analyze the impact their project would have on Balboa Park and also failed to adequately analyze the alternative site known as Helix Heights. A lawsuit against the Navy by the Committee for Charter Protection for Parks alleges that the Navy has violated not only NEPA but also the Administrative Procedures Act, the Intergovernmental Cooperation Act, and the President's Executive Order #12072. Detailed materials on these matters have been sent to you by the Committee, a coalition of citizens groups including the League of Women Voters.

In preparation for the Appropriations hearings, the Subcommittee on Military Construction requested a study by the General Accounting Office giving comparative costs of the Balboa Park and Helix Heights sites. This report was produced in January, 1980. Through no fault of the author, Mr. Al Roberts of the Los Angeles office of GAO, the report is now badly outdated. By way of example, the GAO foresaw several obstacles regarding procurement of the Helix Heights site. Our understanding is that these obstacles have now evaporated. Mr. Roberts has recently been advised of new local developments by the League of Women Voters, the coalition organization which has now completed extensive analysis of the GAO report. The new developments pave the way for a simple solution which would provide a happy ending for the Navy, the taxpayers, and the Park. Helix Heights seems to be an excellent location for the Navy. It is large enough, level, closer to Naval installations, several miles from the noise and hazard of the Lindbergh Field approach path and would be on the new mass transit trolley line. Construction and access roads in Helix Heights would be cheaper than in Balboa Park. We feel that the Navy rejected Helix Heights in their alternative site analysis by using a double standard: factors which resulted in the disqualification of Helix Heights did not disqualify Balboa Park. For example, the Navy expressed concern about crime rates near Helix Heights. They said nothing about the serious crime problems in the Park! A fair re-examination of Helix Heights is in order!

From the broader perspective then, we feel that the destruction of over 75 acres of a famous urban park in a growing city is unnecessary and irresponsible given the availability of suitable alternative sites for the Navy. This opinion is shared by the American Institute of Architects San Diego Chapter which awarded the Navy an "onion" for its "bull-headed refusal" to carefully consider alternate sites. Construction of a Balboa Park facility would preclude implementation of the Balboa Park Master Plan and the Florida Canyon Master Plan. As adopted by the City Council, the Florida Canyon Master Plan foresees the closing of Florida Drive, restoration of the canyon stream, and creation of bike paths and footbridges. We support this use of the park as being most appropriate to meet the needs of San Diego's growing population and dwindling gas supplies. The Navy's plan would destroy any possiblity of such future park development because they would need to widen Florida Drive to provide vehicle access for the traffic associated with the hospital's projected 3400 car parking lot which is planned for the 1.1 million patients annually served by the hospital. This road-widening in the park would not be possible, by the way, if they were a civilian facility using federal highway funds. The Congress has recognized the value of urban parks and prohibited major road construction in parks using these funds. It is only because the Navy plans to claim a privileged position using Defense Access Funds that it would be allowed to rip up the park whereas civilians would be prohibited from doing so.

Even if one discounted the widening of Florida Drive and resulting traffic and looked only at the 39 acres sought by the Navy, the destruction of park land is extensive: in 1960 when the Park was last appraised, the estimated land value was approximately $1 million an acre. If one uses this hopelessly outdated 1960 appraisal, it is evident that in one arrogant sweep, the Navy will destroy San Diego park land worth twice the amount Congress allocated for the entire country in the 1978 Omnibus Parks Act Title IO appropriation for 1979. (We have informed our 180,000 members of the Navy's irresponsibility via my letter to the editor in Sierra, January/February 1980-Attachment #10).

Last, but not least, the Navy's appropriations request raises the following questions about costs:

I. H.R. 6493 page 12 lists the cost of the project as $293,000,000. A DoD News Release of February 6, page 8 states that the project cost and installation cost are the same, i.e. $293 million. Our understanding is that this figure is only the cost of the buildings. If this is a correct assumption, then in which request has the Navy asked for the following related funds:

A. Defense Access Funds. Our understanding is that the Navy promised the City that it would get money for road revisions from the Army's Military Traffic Management Command. Where is that request?

B. Litigation. The Navy is presently engaged in litigation with the Committee for Charter Protection for Parks as well as the City of San Diego. How much will it cost? How much money could be saved if the Navy moved to Helix Heights, whereupon this litigation would be dropped?

C. Possible additional costs for land acquisition. It is my understanding that when the Justice Department filed for ownership of the park land they deposited 'payment' of $3.7 million dollars. The Navy might be sued on the grounds of inadequate compensation. When Balboa Park land was appraised in the 1960 Master Plan it was valued at $1 million an acre. Thus an impartial appraiser would presumably have put a price tag of $39 million on the land back in 1960! What would the price tag be today if the City sued the Navy? How much money could be saved if the Navy were buying cheaper Helix Heights land rather than costly real estate in a famous urban park? The Navy should itemize all of these costs in order to comply with the "Full Authorization" requirement in Report 96-246 page 11.

II. Of the $293,000,000 listed, how much of this could be saved if the Navy built at Helix Heights:

A. High costs due to unfavorable terrain. Building on the slopes of Florida Canyon requires extensive land preparation and structured parking. Money could be saved by building at Helix Heights where the land is flat.

B. High costs due to proximity to airport. Building in Florida Canyon requires costly sound attenuation to minimize aircraft noise. These costs would not be necessary at Helix Heights.

C. High costs due to insufficient cooperation with civilian and VA facilities.

1. Congressional requirements: The Committeee on Appropriations Report 96-246 says:

a. "The Committee feels that in planning new facilities the utmost care must be taken in reducing the number of acute-care beds." (p.28)

b. "The Committee has placed increased emphasis...on the need to improve the sharing of medical facilities between the Services, Public Health Service, Veterans Administration, and the private sector." (p28)

c. "The General Accounting Office recommended that the Committee withhold approval of future hospital construction projects until a policy on light-care units has been developed and implemented:"..."The Committee puts the Defense Department on notice that it expects this issue to be resolved prior to approval of any hospital construction spaces in the fiscal year 1981 request." (p.30)

2. Excess hospital capacity in San Diego.

a. Civilian facilities: more than 1,000 of San Diego's hospital beds are considered excess capacity. (Attachment 11) If the Navy were to integrate its needs with civilian facilities, two types of savings would result: 1) the size and cost of the NRMC could be reduced, and 2) costs to civilians would be reduced as civilian hospitals obtained more patients and reduced per capita costs.

b. Military facilities: The Navy should be required to integrate its needs into other military facilities in San Diego County, including the Veterans Administration Hospital in La Jolla and the Marine Corps Hospital at Camp Pendleton. Perhaps the cheapest alternative would be to transfer operation of the VA Hospital to the Navy and assign the Veterans to CHAMPUS.

SUBMITTED QUESTIONS

Senator HUDDLESTON. Before concluding, I wish to submit a series of questions to have you answer for the record.

[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

TRIPLER ARMY MEDICAL CENTER, HAWAII

Senator HUDDLESTON. The Tripler Army Medical Center in Hawaii has been the subject of some controversy in recent years. Please give us a brief history of this project as well as what is involved.

General BECKER. An addition/alteration project was programed by the Army for Fiscal Year 1980. However, due to other priorities in what was a very austere budget year, the project was slipped. At that time a decision was made to split the required work into two separate and complete projects. This approach made good architectural sense and was in keeping with Congressional guidance for funding large dollar military construction items. The Fiscal Year 81 project will provide a large addition to house the "core" functions of the facility such as surgery, intensive care, labor and delivery, and clinics. The seond project, currently programed for Fiscal Year 1983, will upgrade the existing building, including most of the bed areas, to current fire codes and life safety standards. Both projects are greatly needed if Tripler is to continue in its role as the Pacific Regions' only Federal Medical Center.

Senator HUDDLESTON. Is this project incrementally funded?

General BECKER. We are proposing two separate projects, both of which are sorely needed.

Senator HUDDLESTON. What can we look for in the next few years for Tripler?

General BECKER. A project to renovate the existing bed areas, making them more functional and in compliance with fire and safety codes, is currently programed in Fiscal Year 1983 at an estimated cost of $68 million.

Senator HUDDLESTON. Since Tripler serves the entire Pacific area not only for Defense, but for the Veteran's Administration and the Public Health Service, was any consideration given to making this project a jointly funded venture?

General BECKER. This was considered but rejected since these agencies as well as other non-Defense users reimburse DOD for services received.

Senator HUDDLESTON. Please explain how treatment is paid for by other than DOD personnel.

General BECKER. Treatment is paid on a fee-for-service basis according to a rate schedule established by DOD.

SUBCOMMITTEE RECESS

Senator HUDDLESTON. Gentlemen, thank you very much. I appreciate your testimony.

The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 3:40 p.m., Friday, April 18, the subcommittee was recessed, to reconvene at the call of the Chair.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

TUESDAY, APRIL 22, 1980

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

The subcommittee met at 3 p.m. in room 1224, Everett McKinley Dirksen Senate Office Building, Hon. Daniel K. Inouye presiding.
Present: Senator Inouye.

CONGRESSIONAL WITNESSES

DALLAS NAVAL AIR STATION, TEX.

STATEMENT OF HON. MARTIN FROST, U.S. REPRESENTATIVE FROM TEXAS

BUDGET REQUEST

Senator INOUYE. Our subject this afternoon is the fiscal year 1981 military construction program for the Guard and Reserve components. The Guard and Reserve now constitute almost 30 percent of our fighting force and they have assumed many new missions traditionally performed by the Active Forces.

The fiscal 1981 budget request for these components is some $206 million, which is a substantial increase over the $100 million requested and the $120 million appropriated for the current fiscal year.

It is nevertheless $10 million less than the amount requested in January because of the March budget revision.

We will first hear from Congressman Martin Frost, who asked to testify on a problem at the Dallas Naval Air Station in Grand Prairie, Tex.

Our witnesses will then 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 and the National Guard 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 matters by receiving all the statements and then proceeding with questions.

PREPARED STATEMENT

We are pleased to have with us today the distinguished Congressman from the State of Texas, Martin Frost. Welcome, sir. Without objection your prepared statement will be made a part of the record.

[The statement follows:]

PREPARED STATEMENT OF MARTIN FROST, M.C.

I would like to request your consideration in adding $4,000,000 to the Naval Reserve Military Construction budget for FY 81 to begin the process of acquiring property for the creation of a "clear zone" adjacent to the Dallas Naval Air Station in Grand Prairie, Texas. Several years ago, the Department of the Navy conducted a series of AICUZ (Air Installation Compatible Use Zone) Studies to determine the level and effect of noise and safety hazards associated with the operation of military air installations and the existing land use patterns in the areas surrounding the runways of the installations (SECNAV Instruction 11011.0, 1973). In April 1978, the Department published the AICUZ study for NAS Dallas which concluded that noise and safety problems associated with the normal operations of the facility create problems severe enough to warrant the recommendation that the residences and commercial structures currently within a 100-acre clear zone be purchased by the Navy (NAS Dallas AICUZ Study, pp. v-10). This area presently includes an elementary school, a fire station, approximately 37 single-family dwelling units, approximately 98 duplex dwelling units, an apartment building, and fourteen commercial/industrial establishments.

Even though this recommendation initially caused considerable public controversy in Grand Prairie, the city council in February 1979 went on record in support of the recommendation and requested my assistance in securing the funding necessary to resolve the matter at the earliest possible date. The Navy, however, has been reluctant to assign budgetary priority to the resolution of the AICUZ recommendations including extensive property acquisition and, as a result, the City and the residents of the clear zone area have been placed in a very awkward economic position. Continuing to delay implementation of this recommendation is creating a real and substantial hardship on the homeowners presently in the area. The net effect has been to effectively destroy the private market for their homes, making it impossible for most to relocate voluntarily. Complicating the problem is the fact that as the fair market value of the homes rises, the acqusition of the property within the zone by the government becomes a more and more expensive proposition.

During 1979 I contacted officials within the Department of the Navy on several occasions attempting to determine what the prospects were of having the entire amount required for the project included in their military construction budget requests for either FY 81, 82 or 83. (Copies of all correspondence between my office and the Department are attached.) The final official word from the Navy came in a letter dated December 19, 1979:

> Unless there is a change in the acquisition priorities in the AICUZ program or unless there is a change in the circumstances specifically pertinent to NAS Dallas, it is not our current intention that this land will be purchased by the Navy.

This year I began the process of attempting to secure an add-on to the MCNR budget and on February 27 testified before the House Armed Services Subcommittee on Military Installations and Facilities, seeking authorization for an appropriation for the entire amount, which at that time was estimated at $14,000,000. Following my testimony, Chairman Nedzi again contacted the Department of the Navy on the matter and they submitted a supplement to the record in which they altered the total estimate of the project and proposed that the subcommittee consider authorizing funding for the project on a segmented basis: $4,000,000 for FY 81; $13-15,000,000 for FY 82; and $3-5,000,000 for FY 83. The Navy also advised the subcommittee at that time that they were assigning DNAS second priority nationally for resolving AICUZ studies for naval reserve facilities.

On April 2, I testified before the House Appropriations Subcommittee on Military Construction requesting their consideration of appropriating $4,000,000 for FY 81 for this project as per the Navy's recommendation. I expect a decision from Congressman Nedzi's Armed Services Subcommittee on the question of authorization for this amount by the first week in May, so that the House Appropriations Subcommittee on Military Construction can complete its work in time for the May 15th deadline for floor consideration. I recognize that authorization is required by the Senate Armed Services Committee before this subcommittee can act on this request; and I'm hopeful that this will be accomplished this year in time for you to consider this request for FY 81.

I would like to add that the City of Grand Prairie has taken measurable steps to improve the situation with restrictive zoning. The City is attempting to restrict any further development which may be incompatible

with AICUZ objectives. Unfortunately, however, the 100 acres in question were developed many years ago and already include established structures. The Navy's supplement to my testimony to Chairman Nedzi's subcommittee noted that the City is cooperating on the zoning question and conforming to the AICUZ recommendations.

I do not feel that my request for immediate assistance with this problem is premature. I have devoted a considerable amount of time and energy over the past year toward attempting to work through the Department of the Navy. Please be assured that I am aware of the competing interests and budgetary constraints associated with planning for and funding military construction projects for naval reserve facilities. However, there are some very serious questions surrounding this situation that should be addressed:

1) If, in fact, the safety and noise considerations are so serious as to warrant the conclusions reached in the 1978 study, leaving the implementation of its recommendations to acquire the property and create this clear zone to an indeterminable future appears to be inviting disaster.

2) If the Navy is confident about its conclusion, it is grossly unfair for the federal government to contribute to the economic dilemma that already exists for both the residents and the city government by not following through on its own initiative.

I feel that the status quo is unacceptable. In the interests of fairness and safety, I hope that you will give this request for this $4,000,000 add-on for FY 81 every possible consideration.

CORRESPONDENCE

The Honorable Martin Frost
House of Representatives
Washington, D.C. 20515

Dear Mr. Frost:

This is in reply to your letter of October 4th requesting clarification of the Navy's recommendations for land use within the clear zone and the problems associated with financing the high noise exposure areas defined in the AICUZ study for NAS Dallas. Areas of mutual agreement appear to exist.

There are three basic factors that the AICUZ study addresses - noise exposure, accident potential exposure and height restrictions near the airfield. All of these factors are involved in the questions that have been raised by the City Manager of Grand Prairie. Land use recommendations for all areas within the AICUZ footprint are described in detail in the study itself but are summarized for the clear zone, noise zone 2 and noise zone 3 in enclosure (1) for ease of reference.

As you know, the recommendations contained in the AICUZ study are made to the local government officials for their consideration in the develop-

ment of land use and similar controls to prevent further incompatible development near our airfields. It is recognized that where incompatible development has taken place, it is not normally practicable to turn back the clock. Therefore, the focus of the Navy's land use compatibility recommendations to the local community is on ways to prevent additional new incompatible development. In Grand Prairie, this relates essentially to the areas of undeveloped land southwest of the air station and the areas north of the runway as shown on Exhibit V-4 of the AICUZ study, included as enclosure (2). Currently, the local government has not seen fit to implement these recommendations near NAS Dallas, although it appears that they are willing to consider doing so.

In high noise areas, we understand the current mortgage insurance policies of both FHA and VA result in imposing restrictions essentially on new construction only. Resales are not normally excluded from FHA or VA financing due solely to noise exposure. Any stigma that remains in this area is related to the noise exposure itself, which exists due to flight operations. The making of information on noise exposure available locally is viewed to be in the interest of the general public and is not in itself a matter of local controversy, as we understand it.

The crux of the remaining problem appears to be how best to prevent additional people from being exposed to the high noise and accident potential environment in the clear zone while not depriving current land owners of all use of their property without compensation. The land use recommendations for the clear zone are quite clear in that no inhabited structures are considered compatible, and height restrictions are also extensive for natural obstructions (trees, etc.). This leads to the DOD policy that clear zones will normally be acquired in fee, and the original $13.1 million project for acquisition of the 100-acre area which is part of a larger overall unfunded clear zone backlog for the Navy. This leaves a requirement far in excess of fund availability. Unless there is change in acquisition priorities in the AICUZ program or unless there is change in the circumstances specifically pertaining to NAS Dallas, it is not our current intention that this land will be purchased by the Navy.

Grand Prairie's proposal for rezoning the area north of the air station to planned development light industrial (LI) could relieve some of the problems that affect the area today. It must be recognized that this proposed use is not fully compatible with airfield operations. However, it is also recognized that there are limits as to how far the local government can go in imposing land use restrictions. While no development is ideal, a lower density of development is preferable to a higher density of development in this area, and similarly, the introduction of uses that result in the fewest possible people occupying the area is the goal sought. Changes to the proposed LI zoning classification, as contained in the draft Grand Prairie zoning ordinance, to exclude such uses as offices, hospitals, schools, religious or philanthropic institutions, homes for the aged, day camps, theaters, commercial amusements, etc., and inclusion of a limit on the number of people normally occupying an area would be beneficial. Similarly, height restrictions should be imposed on all new construction near the airfield to comply with current FAA recommendations for prevention of hazards to air navigation (Federal Aviation Regulations, Part 77) as modified, as much as possible to comply with enclosure (1). Also, all new construction permitted in high noise areas should be required to include sound attenuation to mitigate the noise exposure to EPA recommendations. In order to insure that people are aware of the noise and accident potential environment into which they are proposing to move, a truth in sales and rental ordinance is recommended which would clearly convey the exposure and the individual's acceptance of the exposure knowingly and willingly.

As we both realize, the draft measure would be a positive step toward dealing with the questions of compatible land use near the airfield and a mutually beneficial solution to this problem.

Thank you for your continued interest in the AICUZ program. I hope this will form the basis for continued dialog between the City of Grand Prairie and the Commanding Officer of NAS Dallas and his staff in working to jointly implement the AICUZ program.

Sincerely,

Everett Pyatt

EVERETT PYATT
Principal Deputy
Assistant Secretary of the Navy
(Logistics)

The Honorable Martin Frost
House of Representatives
Washington, D.C. 20515

Dear Mr. Frost,

This is in reply to your letter of May 25th regarding planned land acquisition at the Naval Air Station, Dallas, Texas.

The project to which you refer proposes to purchase 100 acres of land to create a clear zone immediately beyond the end of runway 17-35 at the air station and is currently estimated to cost $13.1 million. The project has been forwarded to Washington; however, it is not in the fiscal year 1980 Naval Reserve Military Construction (MCNR) budget request currently before Congress.

Given the limits of the above budget, and the other competing demands upon it, it appears highly unlikely that this project would be included in the FY 81-83 budgets. Although fiscal constraints may preclude the immediate funding of this project, there remains the basic incompatibility between development immediately beyond the runway and the noise and accident potential resulting from air operations over the same area. This incompatibility precludes abandonment of plans for eventual purchase of the land and the creation of a clear zone.

I hope this answers the concerns raised in your letter. The delay in replying to your earlier correspondence is regretted.

Sincerely,

E. Hidalgo

EDWARD HIDALGO
Assistant Secretary of the Navy
(Manpower, Reserve Affairs & Logistics)

The Honorable W. Graham Claytor, Jr.
Secretary of the Navy
Department of the Navy
Washington, D. C. 20350

Dear Secretary Claytor:

I am writing in response to your letter of May 23, 1979, signed by Mr. Edward Hidalgo, which was in response to my letter to you dated March 26, regarding the Dallas Naval Air Station. I am disappointed that it took two months for the Department of the Navy to formulate a response to my letter of March 26, as this is a very serious matter to the citizens of Grand Prairie, Texas.

I note in the third paragraph of your letter the statement "a military construction project has been submitted for this purpose." This response is not particularly informative, as it is my understanding that a construction project was submitted by the commander of the Naval Air Station, Dallas, to the next highest level in New Orleans, but that it was never submitted by New Orlenas on up the chain of command to Washington. I would appreciate clarification from your office as to whether or not the construction project was, in fact, submitted by your New Orleans office to Washington, and, if so, whether it was ever submitted by the Department of the Navy to the Department of Defense and whether it was ever submitted by the Department of Defense to the President for consideration in his fiscal 1980 budget.

I fully appreciate the statement, contained in the fourth paragraph of your letter, that the Navy has a clear zone acquisition backlog of $245 million and that accordingly you do not envision that the funding will be available in the "near term". I would appreciate it very much if you would elaborate as to what is meant by the "near term". Specifically, is there any possibility that it can be included in either the fiscal 1981 budget, the fiscal 1982 budget, or the fiscal 1983 budget? If it is not possible that the funds can be included in any of these three budgets, it seems to me that a public statement from the Navy to this effect would be in order so that the owners of residences in the affected area can make plans for the future. Additionally, I believe that the Navy should give serious consideration to abandoning its plans for the clear zone acquisition if it does not appear that the money can be forthcoming in the next three fiscal years.

I would appreciate a prompt response to the questions raised in this letter.

Sincerely,

Martin Frost

59-461 O - 81 - 22

The Honorable Martin Frost
House of Representatives
Washington, D. C. 20515

Dear Mr. Frost:

This is in further reply to your letter of March 26 to the Secretary of the Navy on behalf of the City of Grand Prairie, Texas. The City of Grand Prairie, by resolution, solicited your support in seeking Navy funds to purchase "clear zone" land in the vicinity of the Dallas Naval Air Station.

The Navy, operating under the guidance of the Defense Department's Air Installations Compatible Use Zones (AICUZ) program, endeavors to conduct its mission at its air activities in harmony with the communities in which such installations exist. The thrust of the AICUZ program is to achieve this harmony through community-implemented compatible zoning, which precludes the existence of incompatible land uses in those areas subject to high noise and accident potential. Obviously, in cases where incompatible land uses exist in the clear zone prior to the AICUZ program's acceptance by a community, other means must be sought to achieve a safe and noise-free environment in and around air installations.

The Defense Department's policy is that "the area immediately beyond the end of a runway is the 'clear zone,' an area which possesses a high potential for accidents, and has traditionally been acquired by the government in fee and kept clear of obstructions to flight." Inasmuch as the preponderance of clear zone land to the north of runway 17 is in private ownership and heavily developed, it is appropriate that attempts be made by the Navy to acquire this property. The Navy recognized this situation in the January 1977 Master Plan for NAS Dallas, as well as in that facility's AICUZ Study of April 1978. The AICUZ Study recommends the acquisition of properties within the clear zone. A military construction project has been submitted for this purpose.

As you know, the defense budget, from which funds must ultimately be provided for such land acquisition, has been critically tight. Other military air facilities are facing similar incompatibilities and demand for funds for land acquisition exceeds availability. The Navy backlog for clear zone acquisition is estimated at $245 million in today's dollars, including $13.1 million for NAS Dallas. Therefore, even though a project has been submitted, it must compete with other requirements on a priority basis, and we do not envision that funding will be available in the near term. Nonetheless, the Navy will continue to be sensitive to the needs of the residents of the City of Grand Prairie, and will continue to press for acquisition funds to reduce this backlog.

We trust this information will assist you in providing an answer to the City of Grand Prairie. Your interest, and that of your constituents, in the harmonious existence of the Dallas Naval Air Station within the community is appreciated.

Sincerely,

E. Hidalgo

EDWARD HIDALGO
Assistant Secretary of the Navy
(Manpower, Reserve Affairs & Logistics)

The Honorable W. Graham Claytor, Jr.
Secretary of Navy
Department of the Navy
Washington, D. C. 20350

I am writing to request that $14 million be included in the Navy Department's FY81 budget to create a clear zone adjacent to the Dallas Naval Air Station in Grand Prairie, Texas, which is located in the 24th Congressional District. This would implement a recommendation made by the Department of the Navy in the "Air Installations Compatible Use Zones (AICUZ) Plan, NAS Dallas" dated April 3, 1978.

The AICUZ, made in accordance with SECNAV Instruction 11011.0, dated November, 1973, recommended the creation of a clear zone north of the Naval Air Station as a means of avoiding noise and safety problems and specifically recommended that the residences, commercial and school structures currently in the clear zone be purchased by the Department of the Navy (NAS Dallas AICUZ Study, p. v-10).

This particular recommendation has resulted in considerable public furor in Grand Prairie because it would involve the relocation of a number of residents and the closing of an elementary school. However, after much public debate and consultation with your very able commander of NAS, Dallas, Captain Tom Rinard, the City of Grand Prairie has gone on record as supporting creation of the clear zone as recommended by the AICUZ Study and has called upon the Department of the Navy to seek an appropriation for this purpose at the earliest possible date (City Council Resolution of February 6, 1979, attached to this letter.)

In the meantime, the publicity surrounding the AICUZ study and the delay in implementing it has created very substantial hardship on the homeowners currently within the clear zone area. They are unable to sell their homes to private interests because of the uncertainty of the future of their area and must continue to live with a cloud over their own futures. The Department of the Navy has made it impossible for these homeowners to relocate voluntarily because it has destroyed the private market for their property, and yet to date the Navy has been unwilling to aggressively seek the funding necessary to carry out this project.

I requested that my staff look into the history of funding requests made by the commander of NAS Dallas to implement the AICUZ study and have found that Captain Tom Rinard has given this request top priority in his requests for military construction funds for FY 79, 80 and 81. However, it appears that any priority budgetary consideration or treatment always ends here. In fact, I have been advised that the office of the Chief of Naval Reserve in New Orleans has never further submitted this project for funding consideration through established budgetary channels.

While I realize the budgetary constraints involved in planning for military construction projects on a national scale given the competing interests within and among all Naval Reserve facilities, it is obvious that the costs of resolving AICUZ studies in which property acquisition recommendations are made are only destined to escalate dramatically over time. A recent conversation with Captain Joseph Gawarkiewicz revealed that your Department is presently considering its program objectives for FY 81, which are expected to be in budgetary form perhaps as early as May of this year. The City of Grand Prairie, as indicated previously, has requested my assistance in addressing the funding problem. In this regard, it is my request that you give very serious consideration to resolving the AICUZ study recommendations for the Dallas Naval Air Station in your current deliberations.

I will appreciate your prompt attention to this matter and respectfully request that you provide me with a status report on the prospects for securing funds for this project for FY 81 at your earliest convenience.

Sincerely,
Martin Frost

RESOLUTION NO. 1934

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, TO MARTIN FROST AND PHIL GRAMM, UNITED STATES CONGRESSMEN, TO SUPPORT FUNDING FOR THE PURCHASE OF THE "CLEAR ZONE" AS RECOMMENDED IN THE AICUZ STUDY FOR THE DALLAS NAVAL AIR STATION.

WHEREAS, Congress has mandated the Federal Government, through the Department of Defense, to conduct noise and land use studies at various military installations; and

WHEREAS, an AICUZ (Air Installation Compatible Use Zones) study, which affects citizens of Grand Prairie, Texas, was made for the Dallas Naval Air Station and approved for implementation on April 3, 1978, by the Chief of Naval Operations; and

WHEREAS, the AICUZ study concludes that because of the potential for accidents and severe noise impacts, the only feasible solution for protecting in excess of 100 acres of the community immediately north of the Dallas Naval Air Station is the purchase and clearance of the land by the Navy; and

WHEREAS, residents of Northeast Grand Prairie have petitioned the Federal Government to purchase their property at fair market value should Federal loans, guarantees or grants no longer be available to the area as a result of the AICUZ study; and

WHEREAS, the City's most recent understanding is that Federal loans and/or guarantees have been restricted from the designated "Clear Zone"; and

WHEREAS, officials from the Dallas Naval Air Station have concurred that the land acquisitions should be the responsibility of the Federal Government and so confirmed by including a request for funds in their proposed 1979/1980 budget for undertaking this activity; and

WHEREAS, the City Council of the City of Grand Prairie, Texas, agrees with the recommendation that the "Clear Zone" should be purchased as soon as possible in the interest of the health and safety of citizens affected by the subject area;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:

THAT, the Mayor and City Council of the City of Grand Prairie, Texas, request Congressmen Martin Frost and Phil Gramm for assistance in obtaining funding for acquisition of the "Clear Zone" by the Department of Defense for the Dallas Naval Air Station.

PASSED AND APPROVED in Regular Council Session on this the 6th day of February, 1979.

Mayor, City of Grand Prairie, Texas

ATTEST:

City Secretary

AICUZ STUDY

Mr. FROST. If I may very briefly summarize the statement, several years ago the Navy conducted an AICUZ study for the Naval Air Station in Grand Prairie near Dallas. The Navy at that time recommended the creation of a clear zone and in fact recommended that the property be purchased by the Navy that would lie within the clear zone.

Unfortunately several years have passed and the Navy has not been able to include money for this recommendation in the Defense budget. The local community is supportive of the creation of the clear zone. The city of Grand Prairie has adopted a resolution asking that it be created and has adopted resolutions to change the zoning in the area to conform with the recommendations made by the Navy.

I appeared before the House Armed Services Committee regarding this matter. Shortly thereafter the Navy supplemented the hearing record before that committee to recommend a three stage program should the committee decide to go forward with it.

The first stage of acquisition would amount to a quarter of a million dollars for fiscal 1981. I am here in support of that recommendation asking your committee include $4 million for the first stage of acquisition of the clear zone in a 3-year project starting in fiscal year 1981.

I will be happy to answer questions.

Senator INOUYE. Would it be better to have it in stages or one lump sum?

Mr. FROST. Senator, I would say the optimum thing would be to have it in one lump sum. Realistically I would think with budgetary constraints and since this is an additional item for the budget over and above what has been submitted by the President that seeking this in three stages probably is the most realistic view.

The Navy feels a good beginning can be made for a quarter of a million dollars in fiscal 1981. I concur with that.

I think the important thing is to begin. The citizens in the area have really lost the ability to sell their homes on the private market because once the study was publicized no one would come in and buy the property.

I think it is important from a public relations standpoint and for the Navy that some progress be made and some beginning be made. The $4 million would be an adequate beginning.

I would be happy to have all the money in one year but I have a feeling that is not realistic.

Senator INOUYE. Thank you, Congressman.

PROJECT AT WILLOW GROVE AIR STATION

Senator INOUYE. Is there anyone here from the Navy?

Mr. JOHNSON. Yes, Mr. Chairman. I am Admiral Johnson, Deputy Director of the Naval Reserve. I am available to answer questions.

Senator INOUYE. What is the Navy's position?

Mr. JOHNSON. The Navy's position is it is a very high priority but it just has not been affordable in our present budget. We do have a project at the Naval Air Station in Willow Grove to show we are

making an effort to attack this problem throughout our air stations.

We have $1.1 million in the 1981 budget. Dallas would be our second next project to start attacking.

Senator INOUYE. Thank you very much, Admiral. We will do our very best, sir.

PREPARED STATEMENTS

[CLERK'S NOTE.—The following statements regarding the Dallas Naval Air Station were submitted for inclusion in the hearing record.]

Prepared Statement of Senator Lloyd Bentsen (D-Tex.)

Mr. Chairman: Thank you for the opportunity to submit testimony in support of Congressman Martin Frost's proposal to make $4 million available for the purpose of acquiring land for a clear zone north of the Dallas Naval Air Station.

The situation is as follows: the Dallas Naval Air Station is a heavily used facility, handling more operations than many full-fledged air bases. Residents and workers to the north of the station's runway are currently exposed to high levels of noise and hazards from low-flying aircraft. The presence of the Naval Air Station, in other words, intrudes on the environment of the people of Grand Prairie, Texas.

After a study of the situation, the Navy concluded that it should purchase the residences and commercial structures located within a 100-acre area immediately north of the runway. The severity of the problem is apparent from the fact that the Grand Prairie project is the Navy's No. 2 priority among a large number of proposals to make naval air installations compatible with their surrounding communities.

Congressman Frost and I are proposing that the Subcommittee authorize an additional $4 million for FY 1981 to enable the Navy to begin purchasing land in the clear zone area.

It is important to understand that with the Navy's announced intention to clear this tract of land, it is extremely difficult for residents to sell their property except at distressed prices. Yet, until additional funds are made available, the Navy cannot say with any certainty when it will purchase the land at fair market value.

In addition, the real estate in question is located between Dallas and Fort Worth and is rapidly appreciating. Consider, for example, that in April, 1978, the Navy estimated the total cost of acquisition at $13.1 million. The most current estimate places the cost of acquisition between $20 and $24 million.

If the Navy actually intends to clear this land -- as I believe it should -- then there is absolutely no logic, no economic sense, in delay. By postponing the process of acquisition we virtually guarantee a higher final cost, and we also leave the people of Grand Prairie in a legal limbo, making it difficult for them to move out of the affected area.

Mr. Chairman, I strongly support Congressman Frost's initiative in the matter of purchasing the clear zone north of the Dallas Naval Air Station at the earliest possible time. I urge the Subcommittee to appropriate the additional $4 million that will enable us to get on with this important project.

Prepared Statement of Senator John Tower (R-Tex.)

MR. CHAIRMAN:

The purpose of my statement today is to urge careful consideration by the subcommittee of the recommendation that $4 million be included in the FY 1981 budget to begin acquisition of property to establish a safety zone adjacent to the Dallas Naval Air Station in Grand Prairie, Texas.

Congressman Martin Frost, who represents the District in which this Station is located, has taken an active role in attempting to resolve the noise and safety problems connected with the Dallas facility.

As he has testified there is a requirement to purchase a 100-acre clear zone which presently includes an elementary school, fire station and over 135 dwelling units. Obviously, this is a very costly situation but one which the Navy and the government have an obligation to meet.

I will not duplicate the information provided to the subcommittee by Congressman Frost. I would like to stress, however, that the city council supports this action and recently the Navy proposed a funding schedule to the House Military Construction Authorization Subcommittee. The Navy recommended the initial step

could be funded at $4 million with financing of $16-20 million following in the next two fiscal years.

Mr. Chairman, the Navy has now assigned the Dallas Station as its second priority nationally for resolving "clear zone" problems at Naval Reserve aviation facilities. I urge that you carefully consider this problem as it works a great hardship on the parties involved when no resolution is in sight. While the costs are high the safety issue must be given equal weight as the Navy's own study shows it is a serious problem deserving of attention.

DEPARTMENT OF DEFENSE

National Guard Bureau

STATEMENT OF LT. GEN. LAVERN E. WEBER, CHIEF, NATIONAL GUARD BUREAU
ACCOMPANIED BY EDWARD J. HUEMPFNER

Senator Inouye. Our next witness is Lt. Gen. Lavern E. Weber, Chief of the National Guard Bureau. He will be accompanied by Mr. Edward J. Huempfner.

Welcome, gentlemen.

READINESS FACILITES

General Weber. Mr. Chairman, it is a pleasure to once again appear before this committee. I will be presenting the military construction Army National Guard budget requirements.

The funding in fiscal year 1981 will be used to provide for those facilities which will make the greatest contribution to readiness and which are essential for proper development, training, operation, support, and maintenance of the Army National Guard to meet mobilization requirements.

MOBILIZATION READINESS

On the subject of mobilization readiness the Army National Guard military construction requirements were developed by identifying the specific missions of our forces and then determining the facilities necessary to support those missions.

The Army National Guard is continuing to place special emphasis on identifying the programing for those facilities required to support units having early deployment missions. This is consistent with Army policy.

BUDGET REQUEST

The fiscal year 1981 budget request of $34 million provides $26.1 million for major construction and $7.9 million for minor construction and planning and design. These figures represent a 43-percent increase over the current year program. It is still 35 percent less than what was authorized in fiscal year 1979.

MAJOR CONSTRUCTION

This program will support the mission requirements of 18 States and Puerto Rico with the construction of 18 armories and 14 nonarmory facilities. The nonarmory facilities include two aviation facilities; five maintenance facilities; four training facilities; one logistical support facility and two motor vehicle storage buildings. All of these projects are urgently needed to support training and unit readiness.

This level of funding will support only 33 percent of the military construction Army National Guard construction requirements needed to support the M to M+60 Army National Guard units in the fiscal year 1981 program.

This coupled with the increased requirements for maintenance and storage facilities, the need for advanced training and the decrease in available funding has created a construction backlog which currently stands at $736 million.

Ninety-eight percent of the available military construction Army National Guard funds were obligated during fiscal year 1979. This is the highest obligation rate the Army National Guard has obtained although we have had several years when we obligated in excess of 90 percent of the available funds.

There was $1.154 million carried over into fiscal year 1980. The current fiscal year 1980 appropriation of $23.7 million provides an obligation target of $24 million. We expect to reach this target leaving us with a carryover of only $854,000 in fiscal year 1981. We plan to obligate $34 million in fiscal year 1981 and again we will carry over $854,000. Our obligation figures include minor construction and planning funds.

PROGRAM CHANGES

Mr. Chairman, this concludes my formal statement. I would like to provide for the record changes to the fiscal year 1981 program.

[The information follows:]

General WEBER. Projects to be deleted from the fiscal year 1981 program and added back to the fiscal year 1980 program:

[Dollars in thousands]

Project	State	Location	Year Approved	Estimate
60 person armory	Kentucky	Williamsburg	1978	$555
150 person armory	Miami	Big Rapids	1977	653
MVSB	Miami	Big Rapids	1977	231
100 person armory	South Carolina	Fort Mill	1980	545
Total				1,984

Projects to be added to the fiscal year 1981 program:

[Dollars in thousands]

Project	State	Location	Year	Estimate
Cold storage plant	California	Camp Roberts		$165
High water bridge	California	Camp Roberts		348
Runway	Minnesota	Camp Ripley	1979	326
Armory	North Carolina	Raeford	1979	501
150 person armory	South Carolina	Camden	1979	642
Total				1,982

Senator INOUYE. I presume these statistics you have just presented will be covered in greater detail by the others.

General WEBER. Yes, sir.

CONSTRUCTION BACKLOGS

Senator INOUYE. You have indicated that the backlog on construction is currently $736 million. Are the facilities included in that backlog still of high priority?

General WEBER. They are not all high priority when we look at the methodology that addresses the early deployment units. Not all of those facilities are in support of early deployment units. They are all required to meet the State and local mission requirements.

Senator INOUYE. Of that $736 million how much would represent the requirements needed to support the M to M+60 National Guard units?

General WEBER. Inasmuch as the unit package sets change from time to time I would have to give you a figure that would address the current structure. It would be a little over $150 million.

Senator INOUYE. If we continue to refuse to appropriate the necessary funds what will happen if M day should come along?

General WEBER. We are in very serious stages at this time, particularly in our training facilities. As an example, we fund 10 mobilization training sites and in those 10 sites we have a requirement now for $93 million. Those are the training facilities needed to address the mobilization day requirements for training.

I would like to add that, using a 10-percent inflation rate, we would require in excess of a $60 million annual program to address only inflation. We are not really eating into our backlog.

Senator INOUYE. I realize the following question has nothing to do with military construction. It is one that concerns all of us here.

PERSONNEL SHORTAGE IN NATIONAL GUARD

We have been advised that at the present time the Reserves are short 500,000 men. Of that number what represents the National Guard shortage?

General WEBER. Our peacetime requirements are 418,000. We have almost 355,000 now. We are about 63,000 short.

RECRUITMENT PROGRAM

Senator INOUYE. How is your recruitment program?

General WEBER. Last year, after 5 consecutive years of losses, we had a net gain in the Army National Guard of 4,500 persons. This year the net gains are also going quite well. In the first 6 months of the year, the unofficial reports are that we have about an 8,000 net gain.

Senator INOUYE. How would you rank the caliber of the personnel recruited?

General WEBER. We are well in excess on quality compared to the standards the Congress directed for the Active Forces. Less than 10 percent of our non-prior-service accessions are in mental category IV. About 63 percent of our non-prior-service accessions are high school graduates or high school seniors.

By these two indicators, we find the quality of the individuals is very good.

I would add that the gains we have had indicate to us that maybe we have bottomed out on our losses. Also, these gains have been distributed very well across the States. During the month of

February we had only 10 States that failed to gain strength. In the month of March we had only eight States that failed to show a gain.

Senator INOUYE. Is there any State close to 100?

General WEBER. We have several States that are at 100 percent strength. I would name Puerto Rico, Florida, North Dakota, Mississippi, and Maine.

Senator INOUYE. It is a bit encouraging. I thought the picture was much bleaker than that.

General WEBER. We are concerned and continue to be concerned by the large amount of time our commanders spend on recruiting and on retention, when they should be spending their time training, maintaining, and administering their units. There is an awful lot of work going on out there in the business of recruiting and retention.

AMOUNT SUBMITTED TO OMB

Senator INOUYE. The budget request is $34 million. What was the amount you submitted to OMB?

General WEBER. Our original submit was for $35 million. We lost $1 million recently.

Senator INOUYE. You must have done a lot of cutting before you submitted your budget.

General WEBER. That is correct, sir. We addressed the long lead-time it takes to get a project into the planning cycle, the availability of real estate which is necessary for the National Guard, and the State matching funds for construction. We also considered the force package methodology of the early deployment units and the specific level of manning in each of our units. These are the kinds of exercises we go through as we put together the program.

Senator INOUYE. Thank you very much, General Weber.

AIR NATIONAL GUARD

STATEMENT OF BRIG. GEN. JOHN B. CONAWAY, DEPUTY DIRECTOR, AIR NATIONAL GUARD

PREPARED STATEMENT

Senator INOUYE. General Conaway? We will insert your prepared statement into the record.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. JOHN B. CONAWAY

DEPUTY DIRECTOR, AIR NATIONAL GUARD

OVERVIEW

Introduction:

Mr. Chairman and members of the committee, I am pleased and honored to appear before this distinguished committee with the Air National Guard Military Construction Request for FY 1981. The projects in this request will satisfy the majority of the Air National Guard's most urgent facility requirements this year. Each project is essential to the continuing modernization of the Air National Guard as an integral part of the Total Force.

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 demanding missions such as air defense, tactical fighter, tactical reconnaissance, strategic refueling, airlift, and rescue. Combat readiness and capability to perform the wartime mission of the Air National Guard was demonstrated by a 100 percent pass rate for Air Force Operational Readiness inspections for the third consecutive year. These inspections are conducted under realistic conditions and when resources permit, the units actually deploy from their home base to a training site to perform a wartime scenario. This exercise includes all the support forces required in actual wartime conditions.

The Air National Guard continues to provide a significant share of the Air Force total combat capability. Some 60 percent of the USAF air defense interceptor capability; more than one-half of the tactical reconnaissance; almost a third of the tactical airlift; one-quarter of the tactical fighter capability; 17 percent of the strategic refueling aircraft, and over 40 percent of the Tactical Air Control system of the USAF are in the Air National Guard. We continue as full partners with other components in JCS and USAF training exercises. Twenty-four percent of the Air Force personnel participating in JCS exercises in FY 1979 were from Air National Guard units. Our

increased overseas deployments, where we have temporarily moved entire flying units with their group support personnel, as well as civil engineering and communications units, have furnished us with valuable and realistic training.

CURRENT STATUS

Facilities:

Facilities that meet present day needs of a highly sophisticated and mobile Air Force are essential to continued Air National Guard combat readiness and success in its Total Force role. The facilities necessary for conversion to a new weapon system, for the most part, have been made available through our annual Military Construction Programs. However, the total facility requirement for operations, training, mobilization, maintenance, and support remains deficient, with a portion of the Air National Guard still functioning in inadequate or obsolete facilities. If facility deficiencies remain at the current level, reduced weapon system reliability, impaired recruiting and retention of personnel, and restrictions in training required to sustain Air National Guard combat readiness will occur.

Backlog:

Longstanding facility requirements make up the majority of the Air National Guard construction backlog. The estimated end FY 1980 construction backlog of $378 million reported last year has grown to $467 million. This growth is due to inflation and addition of facility needs in support of previously unidentified conversions. This backlog, after execution of the FY 1981 construction items, will be $394 million without considering the impact of inflation or new projects.

An analysis of the Air National Guard construction backlog and its growth contains some significant facts. The backlog has grown from $296 million in FY 1978 to $467 million at end FY 1980. Using the present 5-year program budget figures and 10 percent annual inflation, the $394 million backlog for end FY 1981 discussed above will grow to an estimated $548 million by end FY 1986. To hold the $394 million backlog constant through FY 1986, the annual Military Construction Program Appropriation

must grow from $91.0 million in FY 1982 to $112 million in FY 1986. If the $394 million backlog is to be reduced the annual program must be increased even more.

Progress on Prior Year Programs:

The FY 1978 and FY 1979 programs are progressing very well. For FY 1978, $37.1 million, or 99.9 percent of the $37.3 million authorization, is obligated as of 31 December 1979. Of the FY 1979 authorization of $39.3 million, 85 percent, or $33.4 million, was obligated as of 31 December 1979. The first increment of the FY 1980 program has been submitted for congressional clearance with a value of $20 million, or about 68 percent of the program. No problems are anticipated with the remaining items, and the projected obligation rate for the FY 1980 program is 90 percent by 30 September 1980. The FY 1981 program obligation rate is projected to reach 95 percent by 30 September 1981. This improvement in obligation can be attributed to the emphasis placed by congressional committees on early project design.

The projects deferred from FY 1979 and prior that can be awarded during FY 1980 have been included in that program as directed. The vast majority of the remaining projects have been placed in the FY 1981 program along with the FY 1980 items that had to be deferred to allow insertion of the earlier requirements. Because this was a significant revision to the FY 1980 program, a reprogramming request covering all necessary actions has been submitted for congressional approval. Following FY 1981, only four prior year authorized items, two from FY 1979 and two from FY 1980, will remain unaccomplished. These will be included in the FY 1982 program.

This reprogramming action and the emphasis on early design start mentioned earlier will minimize future reprogramming requirements. The reprogramming action assures timely construction of all presently authorized projects, while early designs will provide more accurate estimates from which future military construction requests can be developed.

MILITARY CONSTRUCTION APPROPRIATION

FY 1981 Request:

The Air National Guard Appropriation Request for the FY 1981 Military Construction Program is $83.2 million. This is a larger program than ever requested before and includes not only prior programmed projects for FY 1981, but an addition of approximately $35 million in facilities to support previously unprogrammed, short lead time conversions. It includes $73.5 million for major construction, $4.7 million for minor construction, and $5.0 million for planning and design. The program is composed of 80 projects at 49 locations in 37 States and provides direct support of weapon system conversions, equipment modernizations, and unit relocations. All projects incorporate energy saving designs, equipment, and materials.

All projects in this request, except those for March AFB, CA, are at least 35 percent designed. The designs for the projects for the Air National Guard unit at March AFB have been held in abeyance pending release of the unit relocation and the aircraft conversion information. This information was released with the FY 1981 President's Budget and design actions are now proceeding. Notwithstanding the present design status of the March AFB projects, all of the FY 1981 items will be ready for construction award during the budget year (FY 1981). This large program is essential to the Air National Guard and can be executed without difficulty.

Continuation of Past Procedures:

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 interest and support of our Military Construction Program and the flexibility 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, unanticipated requirements. Only absolutely essential changes in the Air National Guard program have been and will be made.

The current procedures of clearing projects with congressional committees, and reprogramming when required, prior to invitation for bids, will be closely followed.

Cost estimates adjusted according to final design will be used in the clearance requests.

With costs continuing to rise, we find it increasingly beneficial to use the services of the United States Property and Fiscal Office in each State to provide project design, procurement, and construction management of Air National Guard projects. An integral but detached part of the National Guard Bureau, these agencies provide highly efficient and cost effective support that is consistently responsive to our needs. In those instances where the scope of a requirement or the immediate proximity of one of the other construction agencies to an Air Guard installation dictates, we will continue to use the services of the Army Corps of Engineers or the Navy Facilities Engineering Command. With your concurrence, we will follow these successful procedures again this year.

SUMMARY

Committee Support:

This committee has provided military construction that has been highly responsive to Air National Guard requirements. Your recognition and support of these requirements, and the continued 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 readiness, which has become the hallmark of the Air National Guard.

The FY 1981 Military Construction Appropriation Request of $83.2 million will satisfy the majority of our FY 1981 requirements. Approval of this amount will very nearly hold the backlog constant for this fiscal year, and a continuation of this level is urgently needed to meet Air National Guard annual construction requirements.

Conclusion:

Mr. Chairman, this concludes my statement in behalf of the Air National Guard fiscal year 1981 Military Construction Request. This committee's continuing interest and help to satisfy our growing needs is sincerely appreciated. Thank you for this opportunity to address you.

BIOGRAPHICAL SKETCH

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, Saint 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 1962 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 Air Commander of the Kentucky Air National Guard. On 8 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. He is a Command Pilot with 4,900 hours of flight time in the T-34, T-28, T-33, C-47, C-54, F-86, F-102, RB-57, RF-101, and RF-4C aircraft. He has been a member of the Kentucky Air National Guard for 17 years and an Air Technician for 12 years. General Conaway has been a member of the National Guard Bureau's Air Commanders Manpower Committee that reviews organizational and manpower matters for the Director, Air National Guard. He has previously served on the Dubois Committee at the National Guard Bureau that studied the military-technician organizational structure. He has also served on the United States Air Force Colonels Promotion Board for Air National Guard officers.

On 29 March 1977 he was promoted to brigadier general and on 1 April 1977 assumed the latest assignment as Deputy Director, Air National Guard. General Conaway has 23 years of military service including over nine years on active duty in Air Defense Command, Tactical Air Command, Pacific Air Force, and the National Guard Bureau.

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.

MODERNIZATION PROGRAMS

General CONAWAY. The projects in our total fiscal year 1981 request for the Air National Guard will satisfy the majority of our most urgent facility requirements. Each of these projects is essential to our continuing modernization of the Air National Guard as an integral part of the total Air Force.

The projects we have deferred from fiscal year 1979 and prior years that can be awarded during fiscal year 1980 have been included in this program submitted as directed. Most of the remaining projects have been placed in our fiscal year 1981 program along with those fiscal year 1980 items deferred to allow insertion of the earlier requirements.

The Air National Guard appropriation request for fiscal year 1981 military construction program is $83.2 million. It includes $73.5 million for major construction; $4.7 million for minor construction; and $5 million for planning and design. This program is composed of 80 projects at 49 locations in 37 States and the Commonwealth of Puerto Rico and provides direct support of weapon system conversions; equipment modernizations and unit relocations. All projects incorporate energy saving designs; equipment and materials.

PROJECTS REDUCED FROM ORIGINAL BUDGET

This request has been reduced by $7 million from the original fiscal 1981 President's budget amount for our military construction program. I have a list of projects which make up this reduction which with your concurrence I will submit for the record.

Senator INOUYE. Without objection it will be made part of the record.

[The information follows:]

AIR NATIONAL GUARD

REDUCTION TO FY81 PRESIDENT'S BUDGET

1. OBJECTIVE: To identify project changes in the Military Construction Annex to the FY81 President's Budget to satisfy the directed budget reduction. The ANG share of the $10 million Guard and Reserve Forces reduction was $7 million.

2. IDENTIFICATION:

a. Projects to be deleted from the FY81 ANG MCP:

State	Installation and Project	P.A. ($000)
California	Ontario IAP to March AFB	
	Alter Hangar #2307	- 647
	Munitions Maintenance/Storage Facility	- 755
	Aircraft Arresting System	- 300
	Power Check Pad w/suppressor	- 415
	Composite Squadron Operations	- 1,400
	Base Supply and Equipment Warehouse	- 1,775
Illinois	Capital MAP	
	Add to Jet Fuel Storage	- 275
Massachusetts	Barnes MAP	
	Munitions Maintenance Facility	- 645
Missouri	Rosecrans Memorial Airport	
	Aerial Port Training Facility	- 910
South Dakota	Joe Foss Field	
	POL Operations	- 140
		-$7,262

b. Project to be added back in to bring the reduction to $7.0 million:

Kentucky	Standiford Field	
	Add to Jet Fuel Storage	+ 262

3. DISCUSSION:

a. The projects for March AFB, California, were selected because their projected construction start is late in FY81.

b. The projects for Capital MAP, Illinois, and Rosecrans Memorial Airport, Missouri, were selected because they are in the FY80 ANG MCP. During the highly accelerated FY80 and FY81 program revisions in December 1979 to comply with the instructions contained in the "Making Appropriations for Military Construction, Department of Defense" Conference Report No. 96-626 (i.e., to construct as first priority those projects deferred from FY79 and prior before constructing the FY80 programmed facilities), these two projects were reprogrammed to FY80 and inadvertently also allowed to remain in the FY81 program. Both projects had been deferred from FY79.

c. The project for Barnes MAP, Massachusetts, was selected because of a pending study on relocating the Barnes MAP ANG unit.

d. The Joe Foss Field, South Dakota, project was selected because it is now within the ANG P-341 construction limitation and will be accomplished via that program.

e. The Standiford Field, Kentucky, project is being added back in to make the ANG net reduction $7.0 million. This project is required to support a recently completed aircraft conversion. It is a substitution for the Capital MAP, Illinois, project which is being accomplished in FY80.

4. CONCLUSION: The changes (ten projects deleted and one inserted) will satisfy the President's Budget reduction and the requirement for project substitution in the FY81 ANG MCP.

1 COMPONENT	FY 1981 GUARD AND RESERVE MILITARY CONSTRUCTION	2 DATE
ANG		1 Jan 80

3 INSTALLATION AND LOCATION	4 AREA CONSTR COST INDEX
Standiford Field (ANG), Louisville, Kentucky	.94

5 FREQUENCY AND TYPE OF UTILIZATION

Four unit training assemblies per month, 15 days annual field training per year, daily use by technician force and for training.

6 OTHER ACTIVE GUARD RESERVE INSTALLATIONS WITHIN 25 MILE RADIUS

3 Army Guard Units
2 Army Reserve Units
1 Navy/Marine Reserve Training Center
Fort Knox

7 PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
124-135	Addition to Jet Fuel Operating Storage	50,000 GA	262	11/79	6/80
219-944 219-947	Base Engineer Maintenance Fac	10,235 SF	875	11/79	6/80

8 STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

Unilateral construction

20 Jul 79
(Date)

9 LAND ACQUISITION REQUIRED

None
(Number of Acres)

10 PROJECTS PLANNED IN NEXT FOUR YEARS

None

1 COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2 DATE
ANG		1 Jan 80

3 INSTALLATION AND LOCATION	4 PROJECT TITLE
Standiford Field (ANG), Louisville Ky	Addition to Jet Fuel Operating Storage

5 PROGRAM ELEMENT	6 CATEGORY CODE	7 PROJECT NUMBER	8 PROJECT COST ($000)
5.92.98F	124-135		$262

9 COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Addition to Jet Fuel Operating Storage	GA	50,000	3.90	195
Jet Fuel Storage	LS			(175)
Add to Pump House	LS			(20)
Supporting Facilities	LS			54
Electric	LS			(14)
Piping	LS			(14)
Drainage	LS			(9)
Oil Separators	LS			(8)
Vapor Recovery System	LS			(9)
Subtotal				249
Contingency (2%)				5
Total Contract Cost				254
Supervision, Inspection & Overhead (3%)				8
Total Request				262

10 DESCRIPTION OF PROPOSED CONSTRUCTION Two underground steel storage tanks, excavation, piping, drainage, oil separator, vapor recovery system and addition to existing pump house.

11. Requirement: 150,000 GA Adequate: 100,000 GA Substandard: -0-
PROJECT: Construction of an additional 50,000 gallons of jet fuel storage capacity to support the 123rd Tactical Recon Wing (TRW).
REQUIREMENT: Adequate fuel storage capacity is required to ensure the availability of sufficient fuel to permit uninterrupted flying training activities during unit training assemblies, exercises, and alerts.
CURRENT SITUATION: The current amount of operational storage is just capable of supporting the operations of the RF-4C. Any obstacles to the regular supply schedule, such as severe weather or fuel shortages, will reduce the supply below minimums.
IMPACT IF NOT PROVIDED: Without the additional storage, the continuing possibility of reaching the minimum levels exists with the accompanying requirement of cancelling flying missions pending resupply.

1 COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2 DATE
ANG		1 Jan 80

3 INSTALLATION AND LOCATION

Standiford Field (ANG) Louisville, Ky

4 PROJECT TITLE	5 PROJECT NUMBER
Addition to Jet Fuel Operating Storage	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 5 ($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..... N/A ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... N/A ($000)

E. DESIGN DATA (Estimated)

1. STATUS

a. Date Design Started..... 09/11/79
b. Percent Complete as of January 1, 1980..... 35
c. Percent Complete as of October 1, 1980..... 100
d. Date Design Complete..... 30/06/80

2. BASIS

a. Standard or Definitive Design - Yes ___ No X
b. Where Design Was Most Recently Used _____

3. COST (Total) = c = a+b and d+e ($000)

a. Production of Plans and Specifications..... 14
b. All Other Design Costs..... 3
c. Total..... 17
d. Contract..... 17
e. In-house..... 0

4. CONSTRUCTION START..... Feb 81 (month and year)

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	None	None	None

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PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

JET FUEL STORAGE PROJECT

General CONAWAY. Thank you. Ten projects are being taken out and one is being added to make the total action equal to $7 million. The project added is a jet fuel storage addition for Standiford Field, Ky. It was originally to have been inserted in the fiscal year 1981 program during a very early program revision. Through an oversight which was not discovered until after the OSD total program had been finalized the project was omitted from the master computer program. The rationale for other actions to make the $7 million reduction is included in the project list.

The Air National Guard has been able to respond rapidly to vital weapon system modifications and conversions including last minute program revisions solely through your interest and support of our military construction program and the flexibility you have permitted us through the lump sum authorization and appropriation process.

COMBAT READINESS STATUS

Your recognition and support of these requirements and the continued privilege of the lump sum system have substantially assisted us in achieving unit combat readiness and in maintaining a very high state of overall readiness in the Air National Guard.

Mr. Chairman, this summarizes my statement on behalf of the Air National Guard fiscal year 1981 military construction request. Your committee's continuing interest and help to satisfy our growing needs is sincerely appreciated.

MOST URGENTLY NEEDED PROJECTS

Senator INOUYE. General Conaway, you refer to the majority of the most urgent projects. What do you mean by that? You suggested your request covers a majority of the most urgently needed projects.

General CONAWAY. I mean the fiscal year 1981 request provides a majority of our most urgently needed projects dealing with prior or current weapon system conversions with which the Air Force is modernizing the Air National Guard. However, we were unable to include all known conversion requirements in the fiscal year 1981 request. In addition, a few of the conversion support projects in this request had to be slipped recently in the new submission by the Office of Management and Budget.

Senator INOUYE. What will the slippage do?

General CONAWAY. The slippage amounts to approximately $7 million.

READINESS PROGRAM

Senator INOUYE. How will it affect your readiness program?

General CONAWAY. The impact this will have on Air National Guard readiness is that a unit move and associated conversion could be slightly delayed. We have a major move of one of our 91 Air National Guard flying units from Ontario IAP, to March Air Force Base, Calif. We are currently flying the O-2 aircraft at Ontario. The unit is supposed to move with the conversion cycle in

the Summer of 1982 to March Air Force Base and convert to the F-4 fighter.

Five and a half million dollars of the $7 million in slippage is in the Ontario/March conversion. This reduction will not allow us to obtain the readiness at the same rate we would have. We hope to be able to go on with the move to March Air Force Base and the conversion as scheduled but we may still have part of our operation at Ontario.

Another project reduction will impact somewhat the readiness of one of our Massachusetts units.

Senator INOUYE. Otherwise you feel this package is adequate?

General CONAWAY. This package is adequate to meet our most urgent requests. It helps to make up for some of the great reductions we took last year in the fiscal year 1980 program and it also helps with the major move I just mentioned.

CONSTRUCTION PROJECT BACKLOG

Senator INOUYE. Do you have a backlog of construction projects?

General CONAWAY. Yes. Our backlog is now $467 million. This total requirement, after execution of the fiscal year 1981 construction program, will be reduced to $400 million, without considering the impact of inflation or new projects identified during the fiscal year 1981 time period.

Senator INOUYE. Of that $400 million are there any in the so-called most urgently needed category?

General CONAWAY. Senator, there are some projects in that $400 million that we consider urgent; some facilities that are still needed to support past conversions; some facilities that are nearing obsolescence; some hangars; some training facilities that are inadequate.

Senator INOUYE. May I request you submit a list of those to us?

General CONAWAY. We certainly will. The conversions have been dominating the use of our construction dollars and where they have had to go because the Air Force has been modernizing us at a very rapid rate in weapon systems.

STATUS OF MISSION WITH BACKLOGS

Senator INOUYE. With this backlog will you be able to carry on your mission?

General CONAWAY. Yes, with some reduced effectiveness in training that could be greatly improved with some of these facilities. All of the units in the Air National Guard are in the early category for deployment. We have 91 major flying units; 231 nonflying units. Several of those are in your State. They are all committed to deployment within the first 72 hours. Several units of the Air National Guard are rapid reactor units that will go in the first 24 to 48 hours.

Senator INOUYE. I am asking these questions because as all of you are aware the Budget Committees of the House and Senate have met and have submitted their recommendations. Both committees have recommended additional funding for defense activities.

That is why I am trying to find out if you people have urgently needed projects that were not included in this presentation. If you do not speak up now the other services will chop it away.

General CONAWAY. We would be glad to submit a list of the additional projects.

Senator INOUYE. Thank you, sir.

[The information follows:]

AIR NATIONAL GUARD

MILITARY CONSTRUCTION PROGRAM

PRIORITIZED ADDITIONAL FUNDING REQUIREMENT

State/Base/Project	Programmed Amount ($000)
CALIFORNIA	
Ontario IAP to March AFB	
Alter Hangar #2307	647
Munitions Maintenance/Storage Facility	755
Aircraft Arresting System	300
Power Check Pad with Suppressor	415
Composite Squadron Operations	1,400
Base Supply and Equipment Warehouse	1,775
VARIOUS LOCATIONS	
Power Check Pads with Suppressors	2,400
DISTRICT OF COLUMBIA	
Andrews AFB	
Weapons/Release System Shop	790
GEORGIA	
Savannah MAP	
Aircraft Engine I&R/Avionics Shop	1,600
OREGON	
Portland IAP	
Composite Squadron Operations	1,560
MICHIGAN	
Selfridge ANGB	
Flight Simulator	745
MISSISSIPPI	
Key Field, Meridian	
Base Supply Warehouse	2,400
HAWAII	
Kahului Airport, Maui	
Comm-Elec Training Facility	1,260
Auto Maintenance/Support Equipment/Mobility Storage	1,300
Site Prep/Roads/Parking/Fence/Utilities	750
PENNSYLVANIA	
Willow Grove NAS	
Composite Maintenance Facility, Add/Alter	6,000
OHIO	
Rickenbacker AFB	
Alter Hangar 885 to Composite Aircraft Maintenance Hangar	4,600
CALIFORNIA	
Moffett NAS	
Parachute and Dinghy Shop	700

State/Base/Project	Programmed Amount ($000)
TEXAS	
Kelly AFB	
Composite Squadron Operations	1,450
ILLINOIS	
Chicago-O'Hare IAP	
Avionics Shop	920
Crew Readiness	250
GEORGIA	
Dobbins AFB	
Fuel System Maintenance Dock	1,240
NEW YORK	
Hancock Field	
Squadron Operations/Tele-Comm Center	1,700
Niagara Falls IAP	
Fuel System Maintenance Dock	1,340
Avionics/Weapons and Release Systems Shop	2,200
VERMONT	
Burlington	
Fuel System Maintenance Dock	1,340
WISCONSIN	
Truax Field	
Composite Ops & Training/Dining Hall/Dispensary	3,400
Avionics/Weapons Release Shop (Alteration)	550
Fuel System Maintenance Dock	1,400
MICHIGAN	
W. K. Kellogg Regional Airport	
Munitions Maintenance/Storage Facility	890
UTAH	
Salt Lake City IAP	
Reserve Forces Comm-Electronic Training Facility	1,450
PUERTO RICO	
San Juan IAP	
Base Engineering Maintenance Facility	1,160
MASSACHUSETTS	
Wellesley ANGS	
Auto Maintenance/Support Equipment Shop	790
WEST VIRGINIA	
Kanawha County Airport	
Aircraft Engine I&R Shop/Prop Shop	1,300
HAWAII	
Kona Airport	
Comm-Elec Training Facility	750
Auto Maint/Support Equipment/Mobility Storage	950
Site Prep/Roads/Parking/Fence/Utilities	590
TOTAL	$53,067

Army Reserve

STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN, CHIEF, ARMY RESERVE

PREPARED STATEMENT

Senator Inouye. Our next witness is Maj. Gen. William R. Berkman, Chief of Army Reserve, Department of the Army. We will insert your prepared statement into the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. WILLIAM R. BERKMAN

CHIEF, ARMY RESERVE

Mr. Chairman and Members of the Committee:

I am Major General William R. Berkman, Chief Army Reserve. This is my first appearance before this Committee. It is a pleasure to present to this Committee the fiscal year 1981 Military Construction Army Reserve appropriation request.

The role of the Army Reserve as an integral and essential part of the Total Army continues to grow in importance. Force structure plans over the next six years call for the activation of a variety of combat support and combat service support units including engineer, medical, quartermaster, transportation and military intelligence units. An increasing number of our units are being identified as high priority units since they provide the essential combat support and logistical support that is needed early upon mobilization and deployment.

I am confident that units in the Reserve structure can achieve their readiness goals given sufficient support and resources of personnel, equipment, training opportunities and adequate facilities.

After several years of decline, the paid drill strength of the Army Reserve increased by over 4,200 in fiscal year 1979. This marked the first time in the all-volunteer era that year-end strength was above the strength of the previous year. The increase in paid drill strength has continued this year. I believe that in fiscal year 1980, end strength of the Army Reserve will reflect a net increase and that major progress will be made toward attaining the goal of fully manned and trained Army Reserve units capable of performing their wartime missions as essential parts of the Total Army.

In order for Army Reserve units to accomplish their peacetime mission of readiness, adequate facilities are necessary. Although training centers alone do not insure a ready force, the lack of training facilities does affect readiness by hampering the commander's ability to conduct proper training, to maintain his equipment and to manage his program. The Army Reserve construction request is programmed to provide needed facilities within the available funding.

Last year a backlog of $715 million to replace obsolete or deteriorated facilities was reported. Since then, the method of identifying and categorizing known and anticipated deficiencies has been redefined. While the total backlog approaches $800 million, not all of these facility requirements meet the criteria that would allow us to identify them for funding at this time. It would require $560 million in FY 1981 dollars to design and construct our hard requirements. This includes all projects in the funded portion of the five-year plan plus that part of the backlog which meets the construction criteria of mission and strength. The increase in the total backlog is attributed to the rise in the construction costs and the additional projects which have been identified to replace obsolete or deteriorated facilities.

The amended appropriation requested for Fiscal Year 1981 is $43.2 million. This is an increase of $13.2 million over that appropriated by the Congress for Fiscal Year 1980. The total request will provide $38.7 million for major construction, $3.4 million for minor construction and $1.1 million for planning and design work.

We are proposing the construction of 10 major projects in eight states. These construction projects include three new centers, five

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expansions and/or alterations to existing facilities, one maintenance facility with an equipment storage site and improvements to one annual training site.

The appropriation being requested is only 8% of the total hard needs that have been identified as construction requirements. With an appropriation request at this level, it becomes absolutely necessary that the program be in line with our overall goals and objectives; that is, to produce units capable of deploying with a minimum of notice and performing their wartime missions. The mission approach was used in selecting the specific projects for the Fiscal Year 1981 program. This was done by identifying the mission of the units, prioritizing them and emphasizing for selection those projects that support the early mobilizing force. Currently, total facility requirements are being reviewed and by thorough long range planning, programing and your assistance, we will have the necessary facilities to support a combat ready US Army Reserve force.

BIOGRAPHICAL SKETCH

Major General William R. Berkman is currently serving in a four-year statutory tour of active duty as the Chief Army Reserve. Concurrent with his appointment he was promoted to Major General.

General Berkman was commissioned a 2d LT in the USAR from ROTC at the University of California, Berkeley, in June 1950. He served on active duty from 1952 to 1954. After completion of Quartermaster School Basic Course at Fort Lee, Virginia in August of 1952, General Berkman was assigned as Quartermaster Supply Officer for the 369th Engineer Amphibious Support Regiment, Fort Worden, Washington, From July 1953 to January 1954 he served in Korea as an advisor to the Republic of Korea Army with the Korean Military Advisory Group.

After completing his extended active duty in February 1954, General Berkman's Army Reserve assignments have included service as Legal Officer for the 445th Civil Affairs Company from 1955 to 1965; Assistant Public Law Officer, 351st Civil Affairs Area (A) from 1965 to 1968; and Public Law Officer from 1968 to 1974. He was Deputy Commander of the 351st Civil Affairs Command, Mountain View, California from August 1974 to May 1975, and served as its Commander from June 1975 until his present assignment. The 351st Civil Affairs Command is a major Army Reserve command which includes all Army Reserve civil affairs, psychological operations, special forces, and civil preparedness support units in the Sixth US Army area.

As a civilian, General Berkman attended the University of California, Berkeley, majoring in economics and received an AB degree in 1950. He also attended the University of California School of Law (Boalt Hall) and received his law degree from that institution in 1957. Following law school, he served as law clerk to Judge James Alger Fee of the US Court of Appeals for the Ninth Circuit, for one year before becoming associated in 1958 with the San Francisco law firm of Morrison & Foerster. He became a member of that firm in 1967. He is a graduate of the Army War College (non-resident course) and the US Army Command and General Staff College.

The General and his wife, Betty Ann, are residents of Sausalito, California. He is a member of the Association of the United States Army, the State Bar of California, the Federal Bar Association, the American Bar Association and the American Society of International Law. He has served as Vice President and Executive Committeeman for the Senior Army Reserve Commanders Association; President of the Civil Affairs Association; and Judge Advocate for the Army Section, Reserve Officers Association. His decorations include the Meritorious Service Medal and the Army Commendation Medal.

CONSTRUCTION PROGRAM SUPPORT

General BERKMAN. Mr. Chairman, I appreciate this opportunity to thank the committee, on behalf of all of the members of the Army Reserve, for the continuing support provided to the Army Reserve construction program.

I am here to present the fiscal year 1981 military construction Army Reserve appropriation request.

The purpose of the Army Reserve, as you know, is readiness, to be able to perform wartime missions. Adequate facilities are an essential ingredient of that readiness. USAR centers provide the environment where most of the training and administration takes place; maintenance facilities and equipment concentration sites are vital to the preservation, care and maintenance of equipment.

Field training sites are especially important to reserve readiness.

BUDGET REQUEST

The amended appropriation request for fiscal year 1981 is $43.2 million, which represents an increase of $13.2 million over the appropriation for fiscal year 1980. This appropriation request includes $38.7 million for major construction which consists of 10 projects in 8 States.

It includes three USAR centers; the expansion of 4 centers and alterations to an existing facility; one maintenance facility with an equipment concentration site; and one project for the improvement of an annual training site.

Included in the appropriation request is $3.4 million for minor construction projects, those projects costing less than $175,000 each, and an additional $1.1 million for planning and design.

METHOD FOR REDUCING BACKLOG

The backlog you have expressed interest in, with the other witnesses from the Army Reserve, continues to grow and now reaches the figure of approximately $800 million. To reduce the backlog over ten years would require approximately $70 million in 1981 dollars.

The backlog is not all in a position to be corrected but approximately 470 million dollars worth of that backlog could be addressed within existing constraints criteria.

TROOP PROGRAM UNITS

The strength decline of the troop program units of the Army Reserve appears to have bottomed out. The precipitous decline in strength over the last several years did not take place at the end of fiscal year 1979. As a matter of fact the end-strength was up some 4,200 above the end-strength of the previous year.

That strength improvement appears to be continuing.

The recruiting success this year continues above projections. The success of FORSCOM in retaining people within the Army Reserve is also improving.

Currently the preliminary figure on the strength of the troop program units of the Army Reserve is 194,000. This should be compared to the figure of approximately 260,000 which is the

peacetime objective of the troop program units of the Army Reserve.

The wartime structure for the troop program units is 270,000. As a result of initiatives and effort at FORSCOM in retention and training and by the U.S. Army Recruiting Command, we are cautiously optimistic about what is happening with respect to troop program unit strength.

Senator INOUYE. You are still 70,000 short.

INDIVIDUAL READY RESERVE

General BERKMAN. Yes; however, given the precipitous decline in strength over the last several years it is now a basis for cautious optimism. That does not address the other element of the Army Reserve about which there is concern, the Individual Ready Reserve (IRR), comprised of those individuals who would be called upon to be used as fillers, replacements or for new units.

The strength of the IRR is approximately 200,000. The total requirement for the IRR varies depending upon a number of factors.

Adequate facilities are important to support the continuing gain in strength of the troop program unit and the continuing improvements in training, administration and all the other things that go to make up readiness of the Army Reserve.

Senator INOUYE. Will you also submit to the committee a list of those projects you consider to be urgently needed?

General BERKMAN. Yes, sir.

Senator INOUYE. Thank you.

[The information follows:]

Should the committee cause additional appropriations for the US Army Reserve FY 81 construction program in support of urgently needed requirements, our need can be subdivided into three major areas for a total of $26,067,000.

CURRENT YEAR PROJECTS (FY 81)

There are 3 current year projects for which we have programmed insufficient funds to provide for their execution. The additional funds required are as follows:

State/Country	Location/Project Description	Cost ($000)
Minnesota	Duluth Modernization/Addition for 200-Member USARC w/OMS/AMSA	342
New Jersey	Edison Expand to 400-Member USARC	347
New York	Fort Totten 2400-Member USARC w/C&C/OMS/AMSA	652
	Subtotal	1,341

PRIOR YEAR PROJECTS (FY 80)

There are three prior year projects for which we have insufficient funds remaining in the program to allow for project execution. The program cost growth has mostly been caused by construction cost escalation.

State/Country	Location/Project Description	Cost ($000)
California	El Monte 400-Member USARC/OMS/AMSA	1,990
Illinois	Scott Air Force Base Convert Hangar for USAR Use	2,185
Minnesota	Wabasha Expand to 150-Member USARC/ OMS/DS-GS Maint. Shop	1,950
	Subtotal	6,125

FUTURE YEAR PROJECTS

State/Country	Location/Project Description	Cost ($000)
Alabama	Knox Field Expand to 400-Member USARC w/Flight Facility	3,100
Delaware	Lewes Expand to 150-Member USARC w/OMS and AMSA	1,545
Iowa	Ft Des Moines Expand to 100-Member USARC w/C&C, OMS and AMSA	3,095
Kentucky	Bowling Green Expand to 200-Member AFRC	287
Oklahoma	Shawnee Expand to 100-Member USARC	696
	Lawton Expand to 150-Member USARC	775
Pennsylvania	Brookville Expand to 150-Member USARC w/OMS	1,125
	Fort Indiantown Gap Training Ranges	2,935
	Butler Expand to 200-Member USARC	1,240
Texas	Pasadena Expand to 300-Member USARC w/OMS	1,270
Vermont	Winooski Expand to 100-Member USARC	708
West Virginia	Bluefield Expand to 100-Member USARC w/OMS	558
	Fairmont Expand to 100-Member USARC w/OMS	667
	S. Charleston AMSA-Addition Support Facilities (Land Exchange)	600
	Subtotal	18,601
	Total Additional Funds	26,067

Naval Reserve

STATEMENT OF ADM. C. A. E. JOHNSON, DEPUTY DIRECTOR, NAVAL RESERVE

PREPARED STATEMENT

Senator Inouye. The next witness is Rear Adm. C. A. E. Johnson, Deputy Director of Naval Reserve. Without objection your prepared statement will be inserted in the record.

[The statement follows:]

PREPARED STATEMENT OF REAR ADM. C.A.E. JOHNSON, JR., USNR

DEPUTY DIRECTOR OF NAVAL RESERVE

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE:

IT IS MY PLEASURE TO MAKE MY FIRST APPEARANCE BEFORE YOU TO PRESENT THE MILITARY CONSTRUCTION REQUIREMENTS OF THE NAVAL AND MARINE CORPS RESERVE FOR FISCAL YEAR 1981.

THE OBJECTIVE OF OUR MILITARY CONSTRUCTION PROGRAM, IN CONCERT WITH OUR FACILITIES MAINTENANCE AND REPAIR PROGRAM, IS TO PROVIDE ADEQUATE OPERATIONAL, MAINTENANCE, TRAINING, ADMINISTRATIVE AND PERSONNEL SUPPORT FACILITIES TO PROPERLY TRAIN OUR RESERVE PERSONNEL FOR MOBILIZATION. IN AN EFFORT TO PROVIDE THIS SUPPORT, WE ARE MAKING MAXIMUM USE OF OUR EXISTING FACILITIES TO ACCOMMODATE OUR TRAINING NEEDS, OFTEN BY EXTENSIVE MAINTENANCE, REPAIR AND ALTERATIONS.

MOST OF OUR FACILITIES WERE BUILT DURING THE 40'S AND EARLY 50'S. ALMOST HALF OF THESE FACILITIES ARE SUBSTANDARD OR HAVE DETERIORATED BEYOND THE POINT OF ECONOMICAL REHABILITATION, MAINTENANCE AND REPAIR. MANY OF THE STRUCTURES HAVE A DEGRADED APPEARANCE AND ARE INEFFICIENT TRAINING PLATFORMS. WITH THE NAVAL AND MARINE CORPS RESERVES CONTINUING TO RECEIVE NEW AND IMPROVED EQUIPMENT AND NEW CHALLENGES, OUR FACILITY REQUIREMENTS HAVE INCREASED. FULLY MANNED TO AUTHORIZED STRENGTH, THE FACILITIES WE DO HAVE SEE MAXIMUM USE. IT IS IN THIS ENVIRONMENT OF FULL MANNING, A TIME OF EXPANDING ROLES, AND A TIRED AND WORN OUT PHYSICAL PLANT THAT WE SUBMIT OUR FISCAL YEAR 1981 MILITARY CONSTRUCTION, NAVAL RESERVE PROGRAM.

OUR REQUEST TOTALS $24.7 MILLION OF WHICH $22.25 MILLION IS FOR SPECIFIC PROJECTS INCLUDING $0.5 MILLION FOR AN ENERGY CONSERVATION PROJECT. THIS ENERGY CONSERVATION INVESTMENT PROGRAM PROJECT IS TO PROVIDE AN ALTERNATE HEAT SOURCE AND REDUCE ENERGY LOSSES AT THE CENTRAL HEATING PLANT AT THE NAVAL AIR STATION WILLOW GROVE, PENNSYLVANIA. $1.05 MILLION IS REQUESTED TO FUND MINOR CONSTRUCTION PROJECTS COSTING LESS THAN $175,000 EACH AND $1.4 MILLION IS REQUESTED FOR PROJECT PLANNING AND DESIGN.

SUBSEQUENT TO THE SUBMISSION OF OUR PROGRAM, WE RAN INTO A DELAY WITH ONE OF OUR PROJECTS SUCH THAT WE DID NOT ATTAIN 35% DESIGN COMPLETION BY 1 JANUARY AS REQUIRED FOR THE FISCAL YEAR 1981 PROGRAM. THIS WAS THE SAN DIEGO, CALIFORNIA RESERVE TRAINING CENTER. THE SITE FOR THIS PROJECT IS ON GOVERNMENT OWNED

LAND LOCATED AT THE NAVAL AIR STATION, MIRAMAR. THE SITE WAS FOUND TO CONTAIN AN ENDANGERED SPECIES OF PLANT LIFE WITH THE POPULAR NAME, "MESA MINT". FEDERAL LAW PROHIBITS US FROM CONSTRUCTING ON THE SITE UNLESS APPROVALS ARE OBTAINED, WHICH WE ARE NOW SEEKING, AS THIS IS THE LEAST EXPENSIVE SITE. WE ARE TRYING FOR AN EARLY RESOLUTION OF THE PROBLEM. HOWEVER, PAST EXPERIENCE HAS SHOWN THAT IT MAY TAKE UP TO A YEAR. WE ARE NOW LOOKING FOR AN ALTERATE SITE IN CASE WE ARE TURNED DOWN OR THE RESOLUTION PROCESS BECOMES UNACCEPTABLY LONG. WE ALSO HAVE TWO REMAINING UNEXECUTED FISCAL YEAR 1980 PROJECTS. THESE TWO PROJECTS, THE JET ENGINE TEST CELL AT NAVAL AIR STATION, DALLAS, TEXAS AND THE RESERVE TRAINING BUILDING AT EBENSBURG, PENNSYLVANIA, WILL JUST BECOME READY FOR EXECUTION IN EARLY FISCAL YEAR 1981. THEY ARE BEING PLANNED AS SUBSTITUTES FOR THE LAST EXECUTABLE PROJECT(S) IN THE FISCAL YEAR 1981 PROGRAM TO ALLOW FOR EARLY OBLIGATION OF PROGRAM FUNDS IN ORDER TO GET THE GREATEST VALUE FOR OUR INFLATED DOLLAR.

THE BACKLOG OF CONSTRUCTION DEFICIENCIES FOR NAVAL AND MARINE CORPS RESERVE FACILITIES TOTALS $251 MILLION. THIS BACKLOG REPRESENTS NECESSARY CONSTRUCTION TO SUPPORT NEW MISSIONS; TO MEET REQUIREMENTS GENERATED BY IMPROVED EQUIPMENT AND TRAINING METHODOLOGY WHICH REQUIRE MORE SOPHISTICATED FACILITIES SUPPORT; AND TO REPLACE DETERIORATED AND INADEQUATE FACILITIES. OUR CONSTRUCTION BACKLOG IS DOWN FROM $419 MILLION IN 1976 AND UP FROM $199 MILLION LAST YEAR. THE MAJOR REDUCTION IN THE BACKLOG IN RECENT YEARS CAN BE ATTRIBUTED TO THE CLOSURE OF MANY OF OUR MARGINALLY ADEQUATE RESERVE CENTERS AND FACILITIES AND THE ELIMINATION OF PROJECTS THROUGH THE REVIEW AND CONSTANT RE-EVALUATION OF THE BACKLOG. SINCE 1972 WE HAVE REDUCED THE NUMBER OF CENTERS AND FACILITIES FROM 369 TO THE PRESENT NUMBER OF 237. SIMILARLY, WE ARE DOWN FROM 30 TO 22 AIR ACTIVITIES.

RAPID AND UNEXPECTEDLY SEVERE INFLATION HAS HAD AN ADVERSE IMPACT ON OUR BACKLOG AND THE EXECUTION OF MILITARY CONSTRUCTION PROGRAMS. IT HAS BEEN A MAJOR FACTOR IN THE INCREASE OF OUR CONSTRUCTION BACKLOG. FACILITY REQUIREMENTS FOR NEW EQUIPMENT AND NEWLY IDENTIFIED PROJECTS RELATED TO FACILITY OBSOLESCENCE AND DETERIORATION HAVE ALSO ADDED TO OUR BACKLOG INCREASES OVER LAST YEAR. WE WERE NOT GREATLY AFFECTED BY INFLATION UNTIL 1978. SINCE THAT TIME WE HAVE HAD TO FINISH EXECUTING ONE FISCAL YEAR PROGRAM WITH FUNDS FROM THE NEXT. WE ARE CONTINUING TO EXECUTE OUR PROGRAM WITH PRIORITY GIVEN TO PRIOR YEAR PROJECTS. WE ARE ALSO SENSITIVE TO THE NEED TO IMMEDIATELY ADVERTISE AND AWARD PROJECTS AS THEY BECOME AVAILABLE IN ORDER TO GET THE GREATEST VALUE FOR OUR INFLATED DOLLAR.

THE STATUS OF OUR PRIOR YEAR PROGRAMS IS EXCELLENT. ALL OF THE FISCAL YEAR 1978 AND 1979 PROJECTS HAVE BEEN AWARDED. ALL BUT TWO OF OUR FISCAL YEAR 1980 PROJECTS WILL BE AWARDED BY THE END OF THIS YEAR.

THE JUSTIFICATION DATA BOOKS WHICH HAVE BEEN FURNISHED CONTAIN DETAILED PROJECT DESCRIPTIONS AND SUPPORTING INFORMATION. ALL PROPOSED PROJECTS WILL IMPROVE TRAINING, OPERATIONAL, 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 THE 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.

BIOGRAPHICAL SKETCH

Rear Admiral Johnson, a native of Minneapolis, Minnesota, enlisted in the Naval Air Reserve in 1948 and was appointed to the U. S. Naval Academy the following year.

In June 1953, Rear Admiral Johnson was graduated from the Naval Academy and remained there for a brief tour in the Marine Engineering Department. Following completion of flight training, he was designated a Naval Aviator in 1954. His first assignment was with Air Antisubmarine Warfare Squadron (VS) 30, operating aboard the aircraft carriers USS VALLEY FORGE, USS ANTIETAM, and USS TARAWA. During 1957-59, Rear Admiral Johnson served as an instructor at Fleet Airborne Electronics Training Unit, Atlantic. In June 1959, he was assigned to the Engineering Department Faculty at the U. S. Naval Academy. In 1962, Rear Admiral Johnson affiliated with the Naval Air Reserve and served in three VS squadrons. He returned to active duty as a Training and Administration of Reserve (TAR) officer in 1968, and after completing a special project for the Deputy Chief of Naval Operations (Air), assumed the duties of VS Program Manager at the Naval Air Reserve Unit, Washington, D. C. During the ensuing seven years, Rear Admiral Johnson's assignments included three important tours in Washington. He served for two years on the staff of Deputy Chief of Naval Operations (Air Warfare) as the Antisubmarine Warfare Readiness Evaluator and Facilities Coordinator for Naval Reserve units. During 1974-76, he served as Director of Naval Air Reserve, Policy and Programs in the Office of the Chief of Naval Operations. He served as Assistant for Legislative Affairs and Special Projects on the staff of Deputy Assistant Secretary of Defense (Reserve Affairs), prior to assuming command of Naval Air Station, New Orleans in August 1977. Following a short period of temporary duty on the Chief of Naval Reserve staff, Rear Admiral Johnson reported to the Chief of Naval Operations as Deputy Director of Naval Reserve in September 1979.

Rear Admiral Johnson's decorations include three Meritorious Service Medals and the Navy Commendation Medal.

He is married to the former Elizabeth Fenstad of Grand Marais, Minnesota. They have three daughters: Carey Lea, Diane Elizabeth, and Leslie Anne.

SUPPORT FOR PERSONNEL MOBILIZATION

Admiral JOHNSON. Good afternoon, Mr. Chairman. It is a pleasure to make my first appearance before you to present the military construction requirements of the Naval and Marine Corps Reserve for fiscal year 1981.

The objective of our military construction program together with our facilities maintenance and repair program is to provide adequate operational, maintenance, training, administrative, and personnel support facilities to properly train our Reserve personnel for mobilization.

In an effort to provide this support we are making maximum use of our existing facilities to accommodate our training needs often by extensive maintenance, repair and alterations.

Most of our facilities were built during the 1940's and early 1950's. Almost half of these facilities are substandard or have deteriorated beyond the point of economical rehabilitation, maintenance and repair.

Fully manned to authorized strength the facilities we do have see maximum use. It is in this environment of full manning, a time of expanding roles and with tired, obsolete, inefficient, and worn out physical plants and facilities that we submit our fiscal year 1981 military construction Naval Reserve program.

BUDGET REQUEST

Our request totals $24.7 million of which $22.25 million is for specific projects including $500,000 for an energy conservation project and $1.05 million is requested to fund minor construction projects costing less than $175,000 each and $1.4 million is requested for project planning and design.

EFFECT OF INFLATION ON BACKLOG

The backlog of construction deficiencies for Naval and Marine Corps Reserve facilities totals $251 million. This backlog is down from $419 million in 1976 and up from $199 million last year.

Rapid and unexpectedly high inflation has had an adverse impact on our backlog and the execution of military construction programs. It has been a major factor in the increase of our construction backlog.

Facility requirements for new equipment and newly identified projects related to facility obsolescence and deterioration have also added to our backlog increases over last year. We were not greatly affected by inflation until 1978.

Since that time we have had to finish executing one fiscal year program with funds from the next. We are continuing to execute our program with priority given to prior year projects.

We are also sensitive to the need to immediately advertise and award projects as they become available in order to get the greatest value from our inflated costs.

PRIOR YEAR PROGRAMS

The status of our prior year programs is quite satisfactory. All of the fiscal year 1978 and 1979 projects have been awarded. All but

two of our fiscal year 1980 projects will be awarded by the end of this year.

The justification data books which have been furnished contain detailed project descriptions and supporting information. These projects will contribute substantially to the improved readiness and responsiveness of the Naval 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 respond to any questions or to provide any additional information that may be desired.

Senator INOUYE. Thank you very much, Admiral.

MESA MINT CONTROVERSY

A few weeks ago I recall reading an article relating to the Mesa Mint controversy in San Diego. I believe the article stated that the City Council of San Diego was about to take some drastic step to bring this matter to a resolution.

What is the present status of that?

Admiral JOHNSON. The current status is the Navy is now working with the district and regional offices of the U.S. Fish and Wildlife Services. The Navy is accelerating the preparation of the biological assessment. Once completed it will be forwarded to the U.S. Fish and Wildlife Service for review.

We are maintaining a close liaison with this agency to answer any questions which hopefully will lead to a positive decision to use this site.

Senator INOUYE. You do not think this matter will be resolved within 1 year?

Admiral JOHNSON. We certainly hope so. Unfortunately many times things of this nature do get delayed.

Senator INOUYE. I gather from your testimony that your backlog totals $251 million?

Admiral JOHNSON. Yes, sir.

Senator INOUYE. Of that amount what is considered to be urgently needed at this time?

Admiral JOHNSON. I do have a breakout of the backlog broken down into specific areas. For example, aviation operation facilities, $38.8 million. Another $50.2 million for aviation maintenance and production. Another $16.8 million for troop housing and mess.

AICUZ BACKLOG

AICUZ's problem which Congressman Frost addressed, we have $23.7 million in that backlog.

Senator INOUYE. That is the total package?

Admiral JOHNSON. The backlog includes many more projects. We also have approximately $125 million of AICUZ's problems which are not incorporated in our construction backlog at this time.

Senator INOUYE. I would appreciate it if you could submit to the subcommittee a list of those projects you consider to be urgently needed at this time.

Admiral JOHNSON. Yes, sir.

Senator INOUYE. I thank you very much, Admiral.

[The information follows:]

URGENT PROJECTS

(The information follows)

Following is a list of urgent Military Construction, Naval Reserve projects that are unfunded:

Location	Project	Cost($Mil)	
NAS Willow Grove, PA	Land Purchase, Clear Zone (1a)	1.8	
	Planning & Design	0.2	
	Totals:		2.0

This project provides for land acquisition of part of the clear zone through land purchase and easement. The project is a supplement to project P-055 (Phase I) and completes land acquisition of the most urgent segments of the clear zone.

NAS Dallas, TX	Land Purchase, Clear Zone (1)	4.0	
	Planning & Design	0.3	
	Totals:		4.3

This project provides for land acquisition of part of the clear zone through land purchase and easement. Phase I (this project) is for land acquisition of single family and duplex housing areas. The follow-on projects of phase II and phase III involves land acquisition of commerical areas and unimproved land areas respectively.

NMCRC Gary, IN	Reserve Training Bldg	2.7	
	Planning & Design	0.2	
	Totals:		2.9

This project will replace the Reserve Training Building destroyed by fire on 16 April 1980.

NRC Fargo, ND	Reserve Training Bldg Addn	1.1	
	Planning & Design	0.09	
	Totals:		1.19

This project will replace a substandard and inadequate Reserve Center on the campus of North Dakota State University by the construction of an addition to the Army Reserve Center in Fargo.

NMCRC Kansas City, MO	Training Bldg Add-on/Rehab	3.0	
	Planning & Design	0.25	
	Totals:		3.25

This project will provide for additionally required training space for Marine Corps reserve personnel and a headquarters space for the Naval Readiness Command, Kansas City.

URGENT PROJECTS Cont.

Location	Project	Cost($Mil)
NAS Glenview, IL	Unaccompanied Enl Pers Hsg	2.0
	Planning & Design	0.12
	Totals:	2.12

This project will provide housing for unaccompanied enlisted E1 through E4 personnel.

MCRC Erie, PA	Training Building Add-on	1.1
	Planning & Design	0.09
	Totals:	1.19

This project will provide additionally required training spaces for Marine Corps reserve personnel.

NMCRC Pearl Harbor, HI	Parachute Loft	0.5
	Planning & Design	0.05
	Totals:	0.55

This project will provide a parachute loft for Marine Corps reserve personnel to support combat training.

NARU Memphis, TN	Engine Test Cell	2.0
	Planning & Design	0.2
	Totals:	2.2

This project will provide a jet engine test facility and capability at NAS Memphis where none now exists.

NAS Dallas,TX	Maintenance Hangar	2.5
	Planning & Design	0.16
	Totals:	2.66

This project will provide a maintenance hangar for newly assigned aircraft to NAS Dallas.

Grand Total: 22.36

The above does not represent a complete list of urgent projects. It includes only those urgent projects that have a reasonable chance of being executed in FY 81, if supporting funds are provided. Also included in the listing is the Planning and Design costs associated with their execution. The list of projects was developed from the construction backlog, part of which is presented by investment category (IC) as follows:

IC	Description	($MIL) Air	Surface
01	AVIATION OPERATION FACILITIES	38,835	-
03	WATERFRONT OPERATIONAL FACILITIES		1,250

URGENT PROJECTS Cont.

04	OTHER OPERATIONAL FACILITIES	410	-
05	TRAINING FACILITIES	6,975	82,020
06	AVIATION MAINTENANCE/PRODUCTION	50,205	-
08	OTHER MAINTENANCE/PRODUCTION	500	150
12	OTHER SUPPLY/STORAGE	400	-
13	MEDICAL	275	-
14	ADMINISTRATIVE	6,972	-
15	TROOP HOUSING/MESSING	16,830	-
16	OTHER PERSONNEL SUPPORT & SERVICE	9,532	-
17	UTILITIES	3,380	2,690
18	REAL ESTATE (AICUZ)	23,740	-

The projects represented by this backlog support units that deploy within M+60 days.

Air Force Reserve

STATEMENT OF BRIG. GEN. SLOAN R. GILL, DEPUTY CHIEF, AIR FORCE RESERVE

PREPARED STATEMENT

Senator Inouye. Our next witness is Brig. Gen. Sloan R. Gill, Deputy to the Chief of Air Force Reserve. We will insert your prepared statement into the record.

[The statement follows:]

PREPARED STATEMENT OF BRIG. GEN. SLOAN R. GILL
DEPUTY TO THE CHIEF OF AIR FORCE RESERVE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program for FY 81.

We seek your continued support of the Air Force Reserve MCP to meet our essential facility needs. 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 policy. As our missions have grown and our aircraft have become more sophisticated, some of these existing facilities have exceeded maximum usefulness so that our requirements can only be economically met by construction of new facilities.

Analysis of our FY 81 MCP request will reflect an increased share going toward new construction to support mission changes. Half of our construction project dollars in the FY 81 request satisfy mission change requirements. This is a sizeable increase over our FY 80 program which had about a third devoted to mission changes. While these new mission facility requirements are on the rise, our need to replace existing inadequate and deteriorated facilities still confronts us. This leads to an overall increase in the total program required to support the Air Force Reserve facility needs.

Our amended FY 81 MCP request totals some $21.6 million in appropriation and $17.7 million in authorization. This is a $1 million reduction from the initial submission, and the squadron operations project at Andrews AFB, MD was deleted from the program to satisfy the reduction. This total program is a sizeable increase over the $12 million FY 80 MCP for the Air Force Reserve. Despite the magnitude of the increase, it is the minimum program to support our essential facility needs.

59-461 O - 81 - 25

More than half of the projects are for aircraft and weapon system maintenance facilities. Another third of the projects are for operational and training facilities.

Examples of mission change projects are those required at Barksdale AFB, Louisiana, and Grissom AFB, Indiana, to support Air Force Reserve acquisition of A-10 fighter aircraft. The Youngstown, Ohio requirements result from conversion of A-37 fighters to C-130 airlift.

The program book also reflects several projects at Bergstrom AFB, Texas, supporting conversion from airlift to F-4 fighters. These projects were late starters in the FY 81 MCP cycle and some changes to the Bergstrom AFB requirements have evolved following more recent detailed field surveys of the beddown. The Air Force Reserve requirement at Bergstrom AFB still remains $2.8 million; however, only two projects are now involved -- a composite maintenance facility, along with a rocket checkout, assembly, and storage facility. These project documents are being submitted for the record. This change resulted from close coordination with the active force in deriving the best overall base beddown for all programmed mission changes at Bergstrom AFB. While these projects are late starters and did not meet the goal of preliminary design by 1 Jan 80, they are now in the design process. We plan for design completion in early fall of 1980, with construction contract awards shortly thereafter to meet the operational mission requirements.

The program book also contains another late starter project at Peterson Field, Colorado. This small project requirement developed last fall to support a new mission at that location. Other possible beddown locations for that mission have been identified and are being evaluated. As a result, design on the project has not started pending the possibility that another location may be better. Congress will be advised

through the consultation process of the disposition of this project.

These late starter projects highlight an important point about the overall status of the Air Force Reserve MCP. In the past, these short notice and out-of-cycle project requirements have been accomplished using available uncommitted lump-sum funds. Meeting those past project requirements during a period of accelerated inflation has depleted the uncommitted funds in the Air Force Reserve MCP. We must now identify these projects in the most opportune MCP program cycle. Such is the case for the Peterson project.

Another aspect of the Air Force Reserve MCP showing an increase in fund requirements is minor construction. This year's request is for $895,000, a significant increase over past years. The increase results not only from inflation, but also to satisfy our increased construction project requirements driven by mission changes. Increased project limits up to $175,000 from $100,000 have also enhanced the opportunity to develop these types of projects for mission changes.

Our design fund request has also increased. The increase is needed basically because there are more projects to design. Another factor is the requirement for projects to be at the preliminary design stage before the program is submitted to Congress. Design on the FY 81 projects is progressing to enable early fiscal year obligation of construction funds. We will also begin design on our FY 82 projects to meet the 1 Jan 81 requirement for preliminary design. We are also well underway in getting our FY 80 projects under construction.

The Air Force Reserve continues to explore every possible means to satisfy facility needs without new construction. Every opportunity is investigated to use existing facilities through minimum alterations. The need still remains to construct new facilities essential to Air Force Reserve require-

ments. We earnestly seek your support for the increased level of our military construction program request for FY 81.

The Air Force Reserve is fulfilling its peacetime mission and is ready to meet its wartime commitments. We have a motivated, professional force and are acquiring the most modern equipment to meet the mission demands. We need the essential facilities presented in this program request to train, maintain and operate this total force component. These facilities are basic to retaining our people and preserving our high state of morale.

This completes my prepared statement, Mr. Chairman. I will be glad to answer any questions the Committee may have.

1. COMPONENT	FY 1981 GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
USAFR		1 Feb 80
3. INSTALLATION AND LOCATION		4. AREA CONSTR COST INDEX
BERGSTROM AIR FORCE BASE, TEXAS		.92

5. FREQUENCY AND TYPE UTILIZATION

Proposed facility is utilized daily for administrative purposes and one weekend per month for unit training activities. Annual field training is 15 days per year.

6. OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 15 MILE RADIUS

ANG - Camp Mabry, Austin, Texas - 10 Miles

7. PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
215-552	COMPOSITE MAINTENANCE FACILITY	28,000 SF	2,223	Feb 80	Sep 80
422-256	ROCKET CHECKOUT, ASSEMBLY & STORAGE	5,540 SF	605	Feb 80	Sep 80

8. STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

Recommended for unilateral construction — 13 Feb 80 (Date)

9. LAND ACQUISITION REQUIRED

None (Number of Acres)

10. PROJECTS PLANNED IN NEXT FOUR YEARS

CAT CODE	PROJECT TITLE	SCOPE	COST ($000)	YEAR
171-445	RESERVE FORCES OPERATIONS & TRAINING	19,600 SF	1,480	83

1. COMPONENT	FY 1981 GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION
BERGSTROM AIR FORCE BASE, TEXAS

11. PERSONNEL STRENGTH AS OF 30 June 1979

	PERMANENT				GUARD/RESERVE		
	TOTAL	OFFICER	ENLISTED	CIVILIAN	TOTAL	OFFICER	ENLISTED
AUTHORIZED	220	6	6	208	819	175	644
ACTUAL	199	6	6	187	843	168	675

12. RESERVE UNIT DATA

UNIT DESIGNATION	STRENGTH AUTHORIZED	STRENGTH ACTUAL
924 TAG	656	692
HQ, 10 AF (R)	163	151
Total	819	843
Proposed activation of Tactical Fighter Group/Squadron	768	

13. MAJOR EQUIPMENT AND AIRCRAFT

TYPE	AUTHORIZED	ASSIGNED
C-130B	8	9
Proposed Tactical Fighter Group/Squadron	18	

DD Form 1390 Supplemental Data
FY 1981 Military Construction Program

AIR FORCE COMPONENT | BERGSTROM AIR FORCE BASE, TEXAS INSTALLATION/LOCATION | TACTICAL AIR COMMAND COMMAND

($000)

A. Estimated Cost of Backlog of Real Property Maintenance (BMAR) (as of September 30, 1979)

Permanent Facilities	
Temporary Facilities	

B. Similar Unused Space:

Real Property Categories	Quantity/Unit of Measure

C. Outstanding Pollution and Safety (OSHA) Deficiencies:

($000)

1. Air Pollution
2. Water Pollution
3. Safety and Occupational Health

NOT APPLICABLE

RESERVE TENANT UNIT PROJECT

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
BERGSTROM AIR FORCE BASE, TEXAS	COMPOSITE MAINTENANCE FACILITY

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
59396F	215-552		2,223

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
COMPOSITE MAINTENANCE FACILITY	SF	28,000	60.00	1,680
SUPPORTING FACILITIES				336
ELECTRICAL				(70)
WATER, SANITARY SEWER, GAS				(50)
STORM DRAINAGE				(15)
FIRE PROTECTION EXTERIOR				(20)
ROADS, PARKING AND SIDEWALKS				(171)
COMMUNICATIONS SUPPORT				(10)
TOTAL COST				2,016
CONTINGENCY (5%)				101
ESTIMATED CONTRACT COST				2,117
SUPERVISION, INSPECTION AND OVERHEAD (5%)				106
TOTAL REQUEST				2,223

10. DESCRIPTION OF PROPOSED CONSTRUCTION Construction of composite maintenance facility. Concrete block walls, reinforced concrete foundations and slab, built-up roof on concrete deck on steel joists, air conditioning and ventilation. Area includes joint use rest rooms, janitor closet, utility rooms, corridor and storage. Also included are areas for classrooms, administrative, training, job control, missile control, bench parts, pod maintenance and storage, gun maintenance and associated storage and maintenance areas. All utilities, access drives and parking. Air Conditioning: 10 Tons

11. REQUIREMENTS: 35,640 SF ADEQUATE: 0 SUBSTANDARD: 9,237

PROJECT: Construction of a composite maintenance facility to provide space for Avionics, Weapons and Release Systems, ECM Pod and Aircraft Maintenance Control.

REQUIREMENT: Facility should provide space for maintenance of aircraft weapons release systems, communications, cameras, bombing systems, ECM, navigation, fire control, and storage and maintenance space for ECM Pods. This includes shop space, classrooms, office, parts/tool storage, gun maintenance and briefing rooms.

CURRENT SITUATION: At present facilities are not adequate to house the various maintenance activities required to support the new mission aircraft and it's highly technical weapon system, avionics and electronic counter measure systems. Two small metal buildings currently used for maintenance will be returned to the host base.

IMPACT IF NOT PROVIDED: The total absence of adequate maintenance facilities will have an absolute adverse effect on any effective mission performance.

1. COMPONENT	FY 1980 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION

BERGSTROM AIR FORCE BASE, TEXAS

4. PROJECT TITLE	5. PROJECT NUMBER
COMPOSITE MAINTENANCE FACILITY	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 45 ($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..... --- ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... --- ($000)

E. DESIGN DATA (Estimated)

1. STATUS

a. Date Design Started..... Feb 80
b. Percent Complete as of January 1, 1980..... 0
c. Percent Complete as of October 1, 1980..... 100
d. Date Design Complete..... SEP 80

2. BASIS

a. Standard or Definitive Design - Yes ___ No X
b. Where Design Was Most Recently Used ___

3. COST (Total) = c = a+b and d+e ($000)

a. Production of Plans and Specifications..... (89)
b. All Other Design Costs..... (67)
c. Total..... 156
d. Contract..... (89)
e. In-house..... (67)

4. CONSTRUCTION START..... JAN 81 (month and year)

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

Equipment Nomenclature	Procuring Appropriation	Fiscal Year Appropriated Or Requested	Cost ($000)
N/A	N/A	N/A	N/A

DD FORM 1 DEC 68 1391c PREVIOUS EDITION IS OBSOLETE IN THE USAF.

U.S. G.P.O. 1977-241-130/1215

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
BERGSTROM AIR FORCE BASE, TEXAS	ROCKET CHECKOUT, ASSEMBLY AND STORAGE

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
59396 F	422-256		605

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
ROCKET CHECKOUT, ASSEMBLY AND STORAGE	SF	5,540	81.05	449
SUPPORTING FACILITIES				100
ELECTRICAL	LS			(35)
WATER, SANITARY SEWER, GAS	LS			(30)
STORM DRAINAGE	LS			(5)
SITE IMPROVEMENT	LS			(5)
ROADS, PARKING AND SIDEWALKS	LS			(25)
TOTAL COST				549
CONTINGENCY (5%)				27
TOTAL CONTRACT COST				576
SUPERVISION, INSPECTION/OVERHEAD (5%)				29
TOTAL REQUEST				605

10. DESCRIPTION OF PROPOSED CONSTRUCTION Construction of rocket checkout and assembly storage facility. Concrete block walls, concrete foundation on piles; built-up roofing on concrete deck; steel joists, intrusion alarm, air conditioning and ventilation. Area includes storage bays, administrative area, toilet, vestibule, assembly and test, receiving room, utility room, and parts storage. All utilities and necessary support. Air Conditioning: 10 Tons

11. REQUIREMENT: 5,540 SF ADEQUATE: 0 SUBSTANDARD: 0

PROJECT: Construction of a rocket checkout and assembly storage building.

REQUIREMENT: The requirement is based on the need to provide a facility to house munitions build-up, maintenance and storage functions for tactical fighter aircraft. Munition components include 30mm target practice and high explosive incendiaries, flares, small arms munitions, smoke grenades, and checkout of guidance and control assemblies of laser guided bombs and missiles.

CURRENT SITUATION: This requirement was identified with a mission change from unarmed aircraft to armed aircraft. There is no available facility on base at this time. Insufficient munitions storage, assembly, and checkout space exists on base to accommodate new mission.

IMPACT IF NOT PROVIDED: Without this facility the tactical fighter unit will be reduced to flying missions only, without weapons practice and experience. Ground personnel will not have experience to safely handle munitions or arm aircraft. The group cannot approach a ready status.

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION
BERGSTROM AIR FORCE BASE, TEXAS

4. PROJECT TITLE	5. PROJECT NUMBER
ROCKET CHECKOUT AND ASSEMBLY STORAGE	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 8 ($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..... --- ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... --- ($000)

E. DESIGN DATA (Estimated)

1. STATUS

a. Date Design Started..... Feb 80
b. Percent Complete as of January 1, 1980..... 0
c. Percent Complete as of October 1, 1980..... 100
d. Date Design Complete..... Sep 80

2. BASIS

a. Standard or Definitive Design - Yes ___ No X
b. Where Design Was Most Recently Used ___

3. COST (Total) = c = a+b and d+e ($000)

a. Production of Plans and Specifications..... (24)
b. All Other Design Costs..... (18)
c. Total..... 42
d. Contract..... (24)
e. In-house..... (18)

4. CONSTRUCTION START..... Jan 81 (month and year)

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

Equipment Nomenclature	Procuring Appropriation	Fiscal Year Appropriated Or Requested	Cost ($000)
N/A	N/A	N/A	N/A

DD FORM 1 DEC 76 1391c PREVIOUS EDITION IS OBSOLETE IN THE USAF.

U.S. G.P.O. 1977-241-130/1215

AIR FORCE RESERVE

MILITARY CONSTRUCTION PROGRAM

FY 81

ADDITIONAL FUNDING REQUIREMENTS

($000)

1.	Potential FY 80 MCP Shortfall Induced by Inflation	$1,400
2.	FY 82 Projects:	
	Homestead AFB Aircraft Maintenance Dock	$1,800
	Homestead AFB ECM POD Shop and Storage	$ 660
	Tinker AFB Rocket Checkout, Assembly and Storage Addition	$ 595
	Greater Pittsburgh IAP Composite Aircraft Maintenance Hangar	$4,255

BIOGRAPHICAL SKETCH OF WITNESS

Brigadier General Sloan R. Gill is the Deputy to the Chief of Air Force Reserve, Headquarters U. S. Air Force, Washington, D.C.

General Gill was born in Molena, GA., Dec 3, 1929. He graduated from Staunton Military Academy, Staunton, VA, in 1948 and received a Bachelor of Science Degree in Industrial Management from Georgia Institute of Technology in 1952.

Commissioned a second lieutenant in March 1952 through the Air Force Reserve Officers' Training Corps program, he was called to active duty in July of that year. He underwent primary flying training at Bainbridge, GA., and graduated in September 1953 from advanced flying school at Enid, OK, where he flew the B-25 Mitchell bomber. His first active duty assignment following graduation was at Westover Air Force Base, MA, where he flew the Douglas C-118 Liftmaster with the 30th Air Transport Squadron. In April 1955 the 30th Air Transport Squadron was transferred to McGuire Air Force Base, NJ. During this assignment General Gill participated in Operation "Wounded Warrior", the air evacuation of French Foreign Legion troops from the fortress at Dien Bien Phu, North Vietnam, to French bases in North Africa. In December 1955 he was the first pilot of a C-118 to establish a world record for propeller driven transports from McGuire Air Force Base to Rhein-Main Air Base, Germany--10 hours, 22 minutes.

Released from active duty in September 1956, he joined the 700th Troop Carrier Squadron, Air Force Reserve, at Dobbins Air Force Base, GA, where he became qualified as an instructor pilot and flight examiner in the Fairchild C-123 Provider aircraft. He became flight Commander of the 700th Troop Carrier Squadron in May 1960. In November 1961 he entered the U. S. Civil Service as base operations officer at Dobbins Air Force Base, remaining with the 700th Troop Carrier Squadron as a reservist. He was called to active duty during the Cuban missile crisis of October 1962 and flew troops and supplies to southern Florida. In November 1963 he joined the Air Reserve Technician Program, remaining with the 700th Troop Carrier Squadron. Two years later his unit changed to Douglas C-124 Globemaster aircraft and was assigned to the Military Airlift Command. The 700th was activated in January 1968 during the Pueblo crisis and flew worldwide missions in support of Military Airlift Command. General Gill was released from active duty in June 1969 and resumed his air reserve technician duties at Dobbins Air Force Base as operations officer.

In July 1970 he became wing director of operations, 445th Military Airlift Wing, Dobbins Air Force Base. When the wing was deactivated in June 1971, General Gill was assigned as Deputy Commander, 918th Military Airlift Group, and Deputy Commander of Dobbins Air Force Base. In October 1971 he became Commander of the 908th Tactical Airlift Group, Maxwell Air Force Base, AL. His unit flew C-7A Caribou aircraft and was the first Reserve C-7A unit to become fully combat ready.

In June 1973 General Gill assumed command of the 928th Tactical Airlift Group, Chicago-O'Hare International Airport, Chicago. He was also Base Commander of the Chicago-O'Hare Reserve Air Facility. In July 1974 General Gill was transferred to Selfridge Air National Gurard Base, MI, and assigned as Vice Commander and Senior Air Reserve Technician for the 403d Tactical Airlift Wing. In September 1975 he was transferred to Headquarters Air Force Reserve, Robins Air Force Base, GA, and assigned an active duty tour as Director of Operations. In July 1976 he became Commander of the 94th Tactical Airlift Wing, Dobbins Air Force Base. Under his command the 94th Tactical Airlift Wing received the Air Force

Outstanding Unit Award. In June 1978 he was assigned as Commander of the 433d Tactical Airlift Wing, Kelly Air Force Base, TX. He assumed his present position in May 1979.

General Gill is a command pilot with more than 10,000 hours of military flying time. His military decorations and awards include the Legion of Merit, Meritorious Service Medal, Air Force Outstanding Unit Award ribbon with one oak leaf cluster, Combat Readiness Medal, National Defense Service Medal with bronze star, Vietnam Service Medal with bronze star, Air Force Longevity Service Award ribbon with four oak lead clusters, Armed Forces Reserve Medal with hourglass device, Small Arms Expert Marksmanship ribbon, Republic of Vietnam Gallantry Cross with palm and Republic of Vietnam Campaign Medal.

General Gill was promoted to brigadier general April 6, 1977, with date of rank April 5, 1977.

He is married to the former Dolores Pittman of Hattiesburg, MS. They have three children: Roxann, Jack and Andy.

PROGRAM SUMMARY

General GILL. Mr. Chairman and members of the committee, I am indeed pleased to appear before you today to seek your continued support of the Air Force Reserve military construction program. I will briefly summarize our program at this time.

We are proud of the success and accomplishments of the Air Force Reserve in meeting its total force mission. To remain a combat ready component we must be well trained and must keep our equipment in top condition. We can sustain our combat readiness only with sufficient facilities to meet our training and equipment maintenance needs.

MODERNIZATION WITH NEW WEAPON SYSTEM

The Air Force Reserve is about to embark on a modernization phase with the acquisition of new or better weapon systems. While we make maximum use of existing facilities the hardware modernization has increased our requirements for new facilities. Concurrently we must replace our existing inadequate and deteriorated structures.

As a result our total military construction program dollar needs have increased. The profile of the program has also changed with a greater portion devoted to new construction which supports mission changes as opposed to projects replacing existing inadequate facilities.

BUDGET REQUEST

The amended fiscal year 1981 Air Force Reserve MCP totals $21.6 million in appropriation and $17.7 million in authorization. This is a $1 million reduction from the original submission. To satisfy the reduction the squadron operations project at Andrews Air Force Base which was our last priority was deleted and deferred to a future year.

Almost half of the authorization request is for mission change projects. This is a sizable increase over the fiscal year 1980 MCP where about one-third were mission change projects. The total fiscal year 1981 program is also significantly larger than the $12 million fiscal year 1980 MCP.

NEW MISSIONS

Despite the magnitude of the increase our fiscal year 1981 program request is the minimum needed to meet our required operational dates for new missions and to meet our facility replacement requirements in a timely fashion.

Another salient feature of this year's program is that over one-half of the projects are for aircraft and weapon system maintenance facilities.

Often our new missions evolve quickly from total force considerations and we must be able to react accordingly. The mission change at Bergstrom Air Force Base in Texas is an example.

While our program book for Bergstrom shows five individual projects, recent detailed field work there has altered those requirements. Working closely with the Active Force the most efficient overall base mission change beddown was derived.

The result is an Air Force Reserve MCP requirement for two maintenance facility projects with the total dollar requirement remaining at $2.8 million. We are providing these new project documents for the record.

[The information follows:]

BERGSTROM AFB PROJECT CHANGES

The attached project documents (DD Forms 1390S, 1390 Supplemental Data, 1391 and 1391(C) are submitted to reflect changed requirements for Bergstrom AFB, TX.

1. COMPONENT	FY 1981 GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION	4. AREA CONSTR COST INDEX
BERGSTROM AIR FORCE BASE, TEXAS	.92

5. FREQUENCY AND TYPE UTILIZATION

Proposed facility is utilized daily for administrative purposes and one weekend per month for unit training activities. Annual field training is 15 days per year.

6. OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 15 MILE RADIUS

ANG - Camp Mabry, Austin, Texas - 10 Miles

7. PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
215-552	COMPOSITE MAINTENANCE FACILITY	28,000 SF	2,223	Feb 80	Sep 80
422-256	ROCKET CHECKOUT, ASSEMBLY & STORAGE	5,540 SF	605	Feb 80	Sep 80

8. STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

Recommended for unilateral construction

13 Feb 80 (Date)

9. LAND ACQUISITION REQUIRED

None (Number of Acres)

10. PROJECTS PLANNED IN NEXT FOUR YEARS

CAT CODE	PROJECT TITLE	SCOPE	COST ($000)	YEAR
171-445	RESERVE FORCES OPERATIONS & TRAINING	19,600 SF	1,480	83

DD FORM 1 MAY 78 1390S/1

1. COMPONENT	FY 1981 GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION
BERGSTROM AIR FORCE BASE, TEXAS

11. PERSONNEL STRENGTH AS OF 30 June 1979

	PERMANENT				GUARD/RESERVE		
	TOTAL	OFFICER	ENLISTED	CIVILIAN	TOTAL	OFFICER	ENLISTED
AUTHORIZED	220	6	6	208	819	175	644
ACTUAL	199	6	6	187	843	168	675

12. RESERVE UNIT DATA

UNIT DESIGNATION	STRENGTH AUTHORIZED	STRENGTH ACTUAL
924 TAG	656	692
HQ, 10 AF (R)	163	151
Total	819	843
Proposed activation of Tactical Fighter Group/Squadron	768	

13. MAJOR EQUIPMENT AND AIRCRAFT

TYPE	AUTHORIZED	ASSIGNED
C-130B	8	9
Proposed Tactical Fighter Group/Squadron	18	

DD FORM MAY 78 1390s/2 REPLACES DD FORM 1390S, DEC 76, WHICH IS OBSOLETE.

DD Form 1390 Supplemental Data
FY 1981 Military Construction Program

AIR FORCE COMPONENT	BERGSTROM AIR FORCE BASE, TEXAS INSTALLATION/LOCATION	TACTICAL AIR COMMAND COMMAND

A. Estimated Cost of Backlog of Real Property Maintenance (BMAR) (as of September 30, 1979) ($000)

Permanent Facilities	
Temporary Facilities	

B. Similar Unused Space:

Real Property Categories	Quantity/Unit of Measure

C. Outstanding Pollution and Safety (OSHA) Deficiencies: ($000)

1. Air Pollution
2. Water Pollution
3. Safety and Occupational Health

NOT APPLICABLE

RESERVE TENANT UNIT PROJECT

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
BERGSTROM AIR FORCE BASE, TEXAS	COMPOSITE MAINTENANCE FACILITY

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
59396F	215-552		2,223

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
COMPOSITE MAINTENANCE FACILITY	SF	28,000	60.00	1,680
SUPPORTING FACILITIES				336
ELECTRICAL				(70)
WATER, SANITARY SEWER, GAS				(50)
STORM DRAINAGE				(15)
FIRE PROTECTION EXTERIOR				(20)
ROADS, PARKING AND SIDEWALKS				(171)
COMMUNICATIONS SUPPORT				(10)
TOTAL COST				2,016
CONTINGENCY (5%)				101
ESTIMATED CONTRACT COST				2,117
SUPERVISION, INSPECTION AND OVERHEAD (5%)				106
TOTAL REQUEST				2,223

10. DESCRIPTION OF PROPOSED CONSTRUCTION Construction of composite maintenance facility. Concrete block walls, reinforced concrete foundations and slab, built-up roof on concrete deck on steel joists, air conditioning and ventilation. Area includes joint use rest rooms, janitor closet, utility rooms, corridor and storage. Also included are areas for classrooms, administrative, training, job control, missile control, bench parts, pod maintenance and storage, gun maintenance and associated storage and maintenance areas. All utilities, access drives and parking. Air Conditioning: 10 Tons

11. REQUIREMENTS: 35,640 SF ADEQUATE: 0 SUBSTANDARD: 9,237

PROJECT: Construction of a composite maintenance facility to provide space for Avionics, Weapons and Release Systems, ECM Pod and Aircraft Maintenance Control.

REQUIREMENT: Facility should provide space for maintenance of aircraft weapons release systems, communications, cameras, bombing systems, ECM, navigation, fire control, and storage and maintenance space for ECM Pods. This includes shop space, classrooms, office, parts/tool storage, gun maintenance and briefing rooms.

CURRENT SITUATION: At present facilities are not adequate to house the various maintenance activities required to support the new mission aircraft and it's highly technical weapon system, avionics and electronic counter measure systems. Two small metal buildings currently used for maintenance will be returned to the host base.

IMPACT IF NOT PROVIDED: The total absence of adequate maintenance facilities will have an absolute adverse effect on any effective mission performance.

DD FORM 1 DEC 76 1391

PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

1. COMPONENT	FY 19 80 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION

BERGSTROM AIR FORCE BASE, TEXAS

4. PROJECT TITLE	5. PROJECT NUMBER
COMPOSITE MAINTENANCE FACILITY	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 45 ($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..... --- ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... --- ($000)

E. DESIGN DATA (Estimated)

1. STATUS

a. Date Design Started..... Feb 80
b. Percent Complete as of January 1, 1980..... 0
c. Percent Complete as of October 1, 1980..... 100
d. Date Design Complete..... SEP 80

2. BASIS

a. Standard or Definitive Design - Yes ___ No X
b. Where Design Was Most Recently Used ___

3. COST (Total) = c = a+b and d+e ($000)

a. Production of Plans and Specifications..... (89)
b. All Other Design Costs..... (67)
c. Total..... 156
d. Contract..... (89)
e. In-house..... (67)

4. CONSTRUCTION START..... JAN 81 (month and year)

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

Equipment Nomenclature	Procuring Appropriation	Fiscal Year Appropriated Or Requested	Cost ($000)
N/A	N/A	N/A	N/A

DD FORM 1 DEC 76 1391c PREVIOUS EDITION IS OBSOLETE IN THE USAF.

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
BERGSTROM AIR FORCE BASE, TEXAS	ROCKET CHECKOUT, ASSEMBLY AND STORAGE

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
59396 F	422-256		605

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
ROCKET CHECKOUT, ASSEMBLY AND STORAGE	SF	5,540	81.05	449
SUPPORTING FACILITIES				100
ELECTRICAL	LS			(35)
WATER, SANITARY SEWER, GAS	LS			(30)
STORM DRAINAGE	LS			(5)
SITE IMPROVEMENT	LS			(5)
ROADS, PARKING AND SIDEWALKS	LS			(25)
TOTAL COST				549
CONTINGENCY (5%)				27
TOTAL CONTRACT COST				576
SUPERVISION, INSPECTION/OVERHEAD (5%)				29
TOTAL REQUEST				605

10. DESCRIPTION OF PROPOSED CONSTRUCTION Construction of rocket checkout and assembly storage facility. Concrete block walls, concrete foundation on piles; built-up roofing on concrete deck; steel joists, intrusion alarm, air conditioning and ventilation. Area includes storage bays, administrative area, toilet, vestibule, assembly and test, receiving room, utility room, and parts storage. All utilities and necessary support. Air Conditioning: 10 Tons

11. REQUIREMENT: 5,540 SF ADEQUATE: 0 SUBSTANDARD: 0

PROJECT: Construction of a rocket checkout and assembly storage building.

REQUIREMENT: The requirement is based on the need to provide a facility to house munitions build-up, maintenance and storage functions for tactical fighter aircraft. Munition components include 30mm target practice and high explosive incendiaries, flares, small arms munitions, smoke grenades, and checkout of guidance and control assemblies of laser guided bombs and missiles.

CURRENT SITUATION: This requirement was identified with a mission change from unarmed aircraft to armed aircraft. There is no available facility on base at this time. Insufficient munitions storage, assembly, and checkout space exists on base to accommodate new mission.

IMPACT IF NOT PROVIDED: Without this facility the tactical fighter unit will be reduced to flying missions only, without weapons practice and experience. Ground personnel will not have experience to safely handle munitions or arm aircraft. The group cannot approach a ready status.

DD FORM 1 DEC 74 1391 PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
USAFR		1 Feb 80

3. INSTALLATION AND LOCATION
BERGSTROM AIR FORCE BASE, TEXAS

4. PROJECT TITLE	5. PROJECT NUMBER
ROCKET CHECKOUT AND ASSEMBLY STORAGE	

SUPPLEMENTAL DATA

A. ESTIMATED ANNUAL COST TO OPERATE THE PROPOSED FACILITY..... 8 ($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..... --- ($000)

D. ESTIMATED LIFE-CYCLE COST TO OPERATE AND MAINTAIN THE EXISTING FACILITY IF NEW FACILITY IS A REPLACEMENT..... --- ($000)

E. DESIGN DATA (Estimated)

1. STATUS

a. Date Design Started..... Feb 80
b. Percent Complete as of January 1, 1980..... 0
c. Percent Complete as of October 1, 1980..... 100
d. Date Design Complete..... Sep 80

2. BASIS

a. Standard or Definitive Design - Yes ___ No X
b. Where Design Was Most Recently Used ___

3. COST (Total) = c = a+b and d+e ($000)

a. Production of Plans and Specifications..... (24)
b. All Other Design Costs..... (18)
c. Total..... 42
d. Contract..... (24)
e. In-house..... (18)

4. CONSTRUCTION START..... Jan 81 (month and year)

F. EQUIPMENT ASSOCIATED WITH THIS PROJECT WHICH WILL BE PROVIDED FROM OTHER APPROPRIATIONS:

Equipment Nomenclature	Procuring Appropriation	Fiscal Year Appropriated Or Requested	Cost ($000)
N/A	N/A	N/A	N/A

DD FORM 1 DEC 74 1391c PREVIOUS EDITION IS OBSOLETE IN THE USAF.

PETERSON FIELD, COLO.

Our program book also reflects a small project at Peterson Field, Colo. The project was generated by a new mission identified for that base. We have not proceeded with the design of this project because other potential beddown locations are still being evaluated. We will advise the Congress on the final disposition of this project.

In the past we have met these short notice and out-of-cycle requirements with available uncommitted lump sum MCP funds. Meeting past requirements coupled with accelerated inflation has depleted our uncommitted funds.

We are no longer able to fall back on uncommitted funds to meet unforeseen construction contingencies. Therefore we must now request project dollars in the program cycle at the most opportune time. This was the case for the Peterson and Bergstrom projects.

In closing I assure you the Air Force Reserve is underway in constructing the projects in the fiscal year 1980 MCP and design on the fiscal year 1981 program is also progressing satisfactorily.

This should enable early fiscal year obligation of the construction funds you will provide and allow us to meet our mission on time.

We need your continued support to provide the Air Force Reserve with the essential facilities to sustain the significant readiness we have achieved. In fact I am pleased to advise you today that all 41 of our flying units are now combat ready.

Our Homestead, Fla., unit which recently converted to a composite rescue and recovery operation has just achieved combat-ready status.

Mr. Chairman, this completes my statement. I would be happy to answer any questions. We would be glad to furnish a list of our urgent projects.

[The information follows:]

URGENT PROJECTS LIST

The attached list is submitted to reflect the most urgent projects in addition to the Air Force Reserve fiscal year 1981 MCP budget request.

Air Force Reserve military construction program, fiscal year 1981, additional funding requirements

	Thousands
1. Potential fiscal year 1980 MCP shortfall induced by inflation	$1,400
2. Fiscal year 1982 projects:	
Homestead AFB aircraft maintenance dock $1,800	
Homestead AFB ECM POD shop and storage	660
Tinker AFB rocket checkout, assemly and storage addition	595
Greater Pittsburgh IAP composite aircraft maintenance hangar	4,255

COMBAT READINESS OF EQUIPMENT

Senator INOUYE. I would appreciate that. You have just indicated that all of your 41 units are combat ready. What percentage of your equipment would be combat ready?

General GILL. The greatest majority of those are combat ready at this time. The equipment is part of the C status. All units are considered combat ready.

Senator INOUYE. What percentage of your mission change projects will be addressed by this budget request?

General GILL. Fifty percent this year.

Senator INOUYE. You hope to cover the remaining 50 percent in the next fiscal year?

General GILL. Fifty percent of the projects that we submitted are for change of equipment. They are required because of changing from C–130's to F–4's as example. As the years go by we are noting that the amount of construction projects, the percentage is much greater for changes in equipment.

Senator INOUYE. We will do our very best, sir. If you will submit to us those projects which you consider to be urgently needed we can assure you that the subcommittee will give it a long and hard study.

General GILL. Thank you very much, Mr. Chairman.

Senator INOUYE. Apparently there should be a few dollars to assist the Reserves in their fight.

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

Senator Inouye. Our next witness is the Executive Vice President of the National Guard Association of the United States, Maj. Gen. Francis S. Greenlief. We welcome you, General Greenlief. We will insert your prepared statement into the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF (RET.)
EXECUTIVE VICE PRESIDENT
NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairman, and members, I am Major General (Retired) Francis S. Greenlief, Executive Vice President of the National Guard Association of the United States. I appreciate the opportunity to present the views of our membership on military construction for the National Guard.

GENERAL

The SALT II debate, the Iranian crisis, and the Russian invasion of Afghanistan have served to emphasize the importance of, and the weaknesses of, Unitd States capability to wage conventional warfare. Unless the Guard and Reserves are ready, willing, and able to perform as planned, the United States cannot reasonably expect to win a conventional war of anything greater than brush fire proportion.

The Army National Guard (ARNG) force comprises 27 percent of the personnel strength of the total Army unit structure. More significant than mere numbers, however, is the heavy predominance of combat units in the Army Guard, giving it a very large share of the Army's war-fighting capability. For example, the ARNG provides the following percentages of the total Army's combat capability:

-- 32 percent of the combat divisions.
-- 72 percent of the separate brigades.
-- 57 percent of the armored cavalry regiments.
-- 63 percent of the infantry battalions.
-- 41 percent of the mechanized infantry battalions.
-- 42 percent of the tank battalions.
-- 48 percent of the field artillery battalions.

The Air National Guard (ANG) force comprises 13.4 percent of the personnel strength of the total Air Force. For the Air Guard, as for the Army Guard, a very large share of the force is in combat elements that give it much greater significance than mere size. The ANG provides the following percentages of the total Air Force's combat capability (expressed as percentages of total aircraft):

-- 60 percent of air defense interceptors.

-- 57 percent of tactical reconnaissance aircraft.

-- 30 percent of tactical airlift aircraft.

-- 25 percent of tactical fighter aircraft.

-- 17 percent of strategic tanker aircraft.

The National Guard is expected to provide such a large part of U.S. conventional war capability that significant improvement in National Guard readiness must be achieved if truly meaningful improvement of U.S. conventional war fighting capability is to be attained. In our view, significant improvement in Guard readiness requires that real improvement be made in:

- o Levels of trained manpower.
- o Quantity and quality of equipment.
- o Training and maintenance facilities.

Section 2233, title 10, U.S.C., authorizes the Secretary of Defense to contribute funds for the construction of National Guard facilities, and the program has always been seen as a Federal contribution to State construction programs. Since the enactment of that legislation, national defense has relied increasingly on the National Guard. Federal control over the training activities of the National Guard has increased apace with increased Federal reliance on the National Guard. In our view, the States are contributing to a national defense construction program.

Because the States contribute more than 50 percent of the life cycle costs of ARNG facilities, the States should have at least an equal share in programming and planning decisions.

PROGRAM EXECUTION

Total funds available for Military Construction Army National Guard for fiscal year 1979 were $56.4 million. Of that amount, 98 percent, or $55.3 million was obligated. That performance is the result of outstanding management by the National Guard Bureau and the several States, and demonstrates the urgency of the facilities requirements for the ARNG. Considering the many impediments to program management that exist, the performance is fantastic.

Total funds available for Military Construction Air National Guard for Fiscal Year 1979 were $61.7 million. Of that amount, $47.5, or 77 percent, was

obligated by end fiscal year 1979. Of the FY 1979 authorization for major construction of $39.3 million, $33.4 million, or 85 percent, had been obligated by 31 December 1979. Because of the emphasis placed by Congress on early design, improved obligation rates are expected.

PLANNING AND PROGRAMMING

At Tab A is a chart that displays the three-year review cycle through which MCARNG projects must pass before construction can begin. In 19 States, the budget period is two years. In those States, the entire process takes five years. The three-year Federal review process includes 12 different reviews. Failure to meet Department of Defense criteria at any one of those reviews causes the project to be delayed or eliminated. Seven factors listed below inhibit managment of the MCARNG program. Each of these factors is addressed in detail at lettered Tabs attached to this statement:

- o Erratic funding levels - Tab B
- o Lack of a uniform strength threshold - Tab C
- o Force Packaging Methodology - Tab D
- o New Reprogramming Requirements - Tab E
- o Joint Construction Policy - Tab F
- o Contracting and Supervision - Tab G
- o Changing Security Criteria - Tab H

I am aware of the time constraints on this committee, and know that you cannot now address each of these factors. I urge, however, that you consider, at a later date, the actions we recommend.

Historically, budget submissions to the Congress have underestimated the rates of inflation that occur. For example, the fiscal year 1981 MCARNG and MCANG budget submissions contemplate an inflation rate of eight percent. A rate of 12 to 13 percent seems more realistic. The combination of inflation, new requirements generated by mission changes, reorganizations and conversions, and underfunded programs cause the backlog of unfunded construction to continue to grow. The following table reflects the backlog at end FY 1979, and estimated at end FY 1980 and FY 1981:

	End FY '79	End FY '80	End FY '81
MCARNG	$736 million	$766 million	$827 million
MCANG	$330 million	$378 million	$481 million

Our estimates indicate that annual programs of $70 million per year,

plus inflation, for MCARNG, and $90 million per year, plus inflation, for MCANG are required.

FY 1981 APPROPRIATION REQUEST

The FY 1981 MCARNG Appropriation Request of $35 million is intended to support 19 armory projects at $12.438 million, and 16 non-armory projects at $14.703 million. The following charts demonstrate compliance with criteria on personnel strength, design completion and deployment schedule:

Personnel Strength

	$(millions)	No. Projects	% of Program
100% Auth Str	7.3	8	27
85-99% Auth Str	13.9	17	51
75-84% Auth Str	4.7	8	18
Under 75% Auth Str	1.2	1	4
TOTALS	$ 27.1	34	100%

Design Completion

	$ (millions)	No. Projects	% of Program
100% Designed	17.1	23	63
75-99% Designed	4.1	5	15
35-74% Designed	5.9	6	22
TOTALS	$ 27.1	34	100%

Deployment Schedule

	$ (millions)	No. Projects	% of Program
M+30 Days	16.5	16	61
M+60 Days	5.0	9	18
M+90 and later	5.6	9	21
TOTALS	$ 27.1	34	100%

The requested appropriation total of $35 million includes $27.1 million for major construction, $5.9 million for minor construction, and $2.0 million for planning.

The FY 1981 MCANG Appropriation Request of $90.2 million is intended to support 69 projects for functions as shown in the following chart:

	$ (millions)	% of Program
Operational	$ 12.75	15.8
Maintenance	38.3	47.6
Training	13.69	17.0
General Support	13.3	16.5
Energy Conservation	2.5	3.1
TOTALS	$ 80.5	100%

All projects meet requirements of personnel strength and requirements of partial design completion.

The requested appropriation total of $90.2 million includes $80.5 million for major construction, $5.0 million for planning, and $4.7 million for minor construction.

ADDITIONAL MCARNG REQUIREMENTS

Attached as Tab I is a list of 56 projects which are urgently needed in 25 States. The estimated Federal cost of these projects is $38.4 million. The States in which these projects would be built have the necessary State funds and the required real estate. Design has been completed on 11 of these projects. With the exception of one project, design work is at least 35 percent complete on the remaining projects. All projects meet strength requirements. The following chart relates deployment schedules to these projects.

	$ (millions)	No. Projects	% of Add'l Projects
M+30 DAys	$ 18.3	23	54%
M+60 Days	11.8	22	34%
Later than M+60	3.9	11	12%
TOTALS	$ 34.0	56	100%

Subsequent to my appearance before the Subcommittee on Military Construction of the House Committee on Appropriations, I was advised by Mississippi National Guard authorities of the urgent need for construction of Phase 19 of the Camp Shelby, Mississippi construction plan. The estimated cost of this essential construction is $550,000. I am confident that this cost can be accommodated within the $34 million add-on which we recommend.

An additional $4 million would be required for planning and minor construction to support the major construction projects.

We urge your committee to recommend the appropriation of such additional funds for the MCARNG program as may be authorized in the FY 1981 Military Construction Autorization Bill.

Considering the extreme need for Army National Guard and Air National Guard military construction, we ask that this subcommittee not concur with the reductions of $1.0 million in MCARNG and $7.0 million in MCANG as proposed in the DoD FY 1981 Budget Amendment.

Mr. Chairman, we are appreciative of the support your committee has provided for the National Guard Military Construction Program in past years.

We specifically thank you for the add-on of $3.75 million for MCARNG and $6.0 million for MCANG for FY 1980, and look forward to your continued support.

I will be pleased to attempt to answer your questions.

BIOGRAPHY

MAJOR GENERAL FRANCIS S. GREENLIEF (Ret.)
Executive Vice President
National Guard Association of the United States (1974-)

Major General Francis S. Greenlief joined the staff of the National Guard Association of the United States in September 1974, after retiring as Chief, National Guard Bureau on 1 July 1974. He was appointed the Executive Vice President of the 48,000-member Association in September 1975.

General Greenlief was born in Hastings, Nebraska on 27 July 1921. He completed high school there and enrolled in the University of Nebraska in 1939 to study business administration.

He enlisted in Company G, 134th Infantry, Nebraska National Guard in Hastings on 5 July 1940, and was ordered to active duty with his unit on 23 December 1940 as a corporal. At the time of his entrance to Infantry Officer Candidate School in May 1942, he was Acting First Sergeant of the same Company.

General Greenlief was graduated from Officer Candidate School and was commissioned a second lieutenant, Infantry, on 25 August 1942. He served as Platoon Leader and Commanding Officer, Company L, 134th Infantry in the European Theater of Operations from May 1944 until August 1945, participating in the Normandy, Northern France, Rhineland, and Ardennes Campaigns. He was released from active duty on 5 January 1946.

On 3 November 1947, General Greenlief rejoined the Nebraska National Guard as Commanding Officer, Company G, 134th Infantry. He subsequently served as S-3 of the 134th Infantry Regiment, acting Assistant Adjutant General of Nebraska, G-4 of the 34th Infantry Division and Division Chief of Staff. He was promoted to colonel on 1 July 1957.

As a colonel, he was ordered to active duty from the Nebraska Army National Guard and assigned as Executive Officer, Army Division, National Guard Bureau on 1 January 1960. He was appointed brigadier general and designated Assistant Chief (Army), National Guard Bureau, on 3 November 1962.

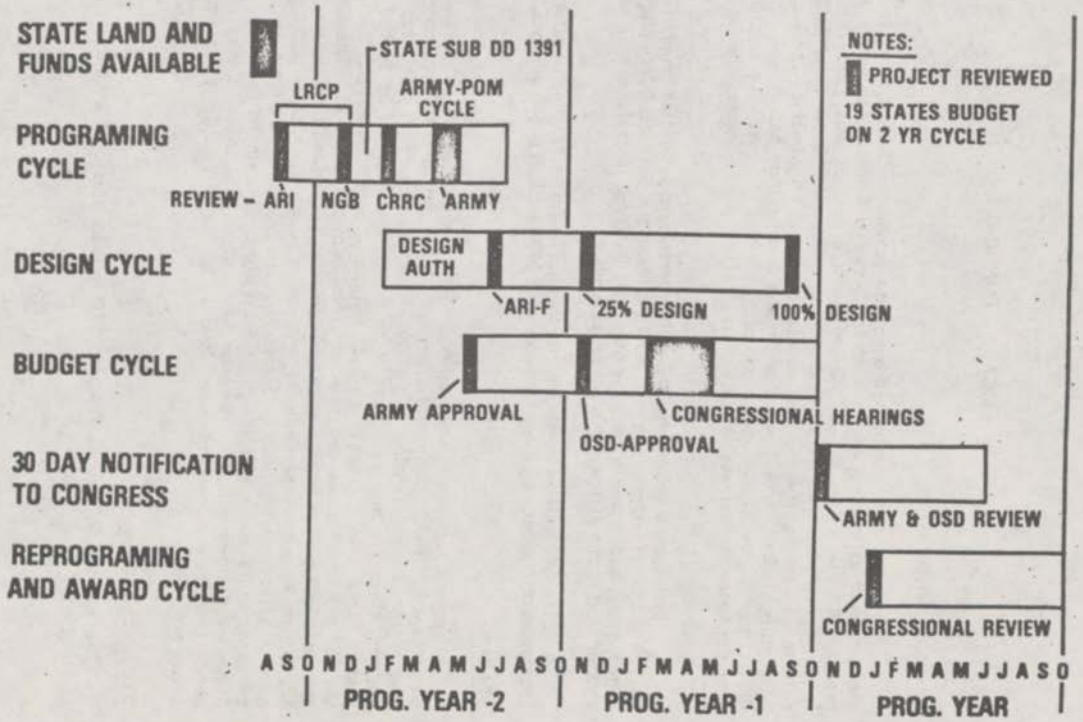
General Greenlief was appointed as Deputy Chief, National Guard Bureau, on 14 September 1963 and was promoted to major general on 9 February 1965. On 13 September 1967, he was extended for an additional four-year term. On 20 April 1970, he was appointed Director, Army National Guard in addition to his duties as Deputy Chief, National Guard Bureau.

He was appointed by the President and confirmed by the Senate to be Chief, National Guard Bureau, for a four-year term and was sworn into office on 1 September 1971.

He completed flight training and was designated an Army Aviator on 22 May 1969. He is qualified in fixed and rotary wing aircraft.

AWARDS AND DECORATIONS include Distinguished Service Medal, USA, w/cluster; Distinguished Service medal, USAF; Silver Star, Bronze Star, Purple Heart with three Oak Leaf Clusters, Croix de Guerre with Gold Star, European-African-Middle Eastern Campaign Medal with four Battle Stars, the Combat Infantry Badge and the Army Aviator Badge, Distinguished Service Medal, NGAUS; and many State awards.

MCARNG PROGRAM SCHEDULE



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(TAB B)

MCARNG FUNDING

BACKGROUND:

a. In 1970, OSD established a goal to provide sufficient funds to eliminate the construction backlog of each of the Reserve Components within a 10-year period. At that time, the ARNG construction backlog was $300. Due to new requirements developed as a result of more dependence on the ARNG for the defense of our country and cost escalation, the ARNG backlog has increased to $736 million. Inclosures 1 and 2 show how the backlog has grown. Inclosure 3 depicts the MCARNG appropriations during the last 13 years. In practically, every year the appropriation was not sufficient to offset the cost escalation of the backlog.

b. Inclosure 4 shows the obligation performance of this program over the past 14 years. In recent years, the ARNG has had the best MILCON obligation rate in the Army, and in most cases, the other components. Therefore, NGB has demonstrated that it can efficiently manage its funds.

c. The $70 million level requested would be just sufficient to offset the cost escalation of the backlog (i.e., 9.5 percent of $736 million is $70 million).

STATUS:

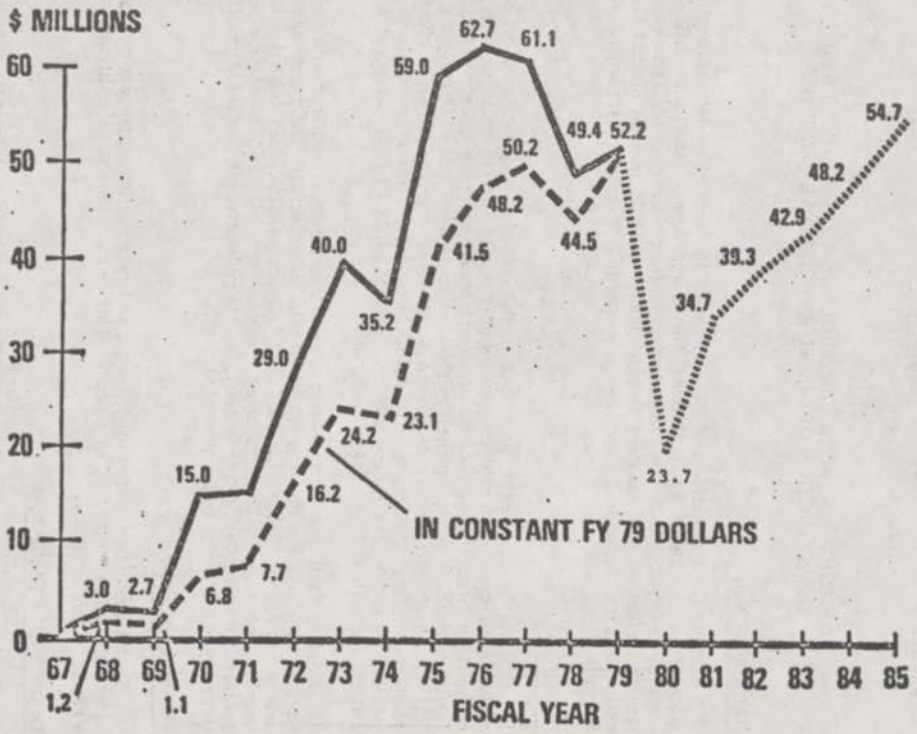
It appears that the appropriation for FY 80 will be $23.7 million which is only 45 percent of the FY 79 appropriation and 38 percent of the FY 76 appropriation. Due to the limited funding in FY 80 and 81 compared to what was originally planned, there are many projects under design that will not be funded for many years. For example, there were $115 million of approved projects competing for the $27 million of major construction funds available in FY 81. Therefore, there are sufficient projects now approved and design authorized to make up the FY 81, 82, 83, and 84 programs. Delaying projects that are designed or under design has adverse affects on the States. States obtained matching funds and real estate to construct in FY 80 or 81 and now projects are being delayed several years. Most State legislatures will withdraw the funds which will make it very difficult to obtain them in a subsequent year. It will also make it harder to obtain funds for future projects.

RECOMMENDATION:

Provide the MCARNG Program $70 million plus cost escalation each year starting in FY 81.

(TAB B-2)

MCARNG FUNDING LEVEL



(TAB C)

UNIFORM STRENGTH THRESHOLD FOR PROGRAMING AND CONSTRUCTION OF GUARD AND RESERVE FACILITIES

BACKGROUND:

Existing DOD directive and Department of the Army Regulations permit programing and design of Army National Guard and Army Reserve facilities when assigned strength is 50 percent of authorized strength but does not allow construction authorization until assigned strength levels reach 75 percent of that strength authorized, or a compelling reason is presented to proceed regardless of the strength.

STATUS:

Criteria for programing and design authorization during the Selective Service period were developed primarily to support newly formed units so that when respectable strengths were obtained, design would be ready for construction and facilities available for occupancy by the time units were filled. Under the current "all volunteer" system, the growth rate is basically unchanged. Therefore, design is completed before attaining strength levels sufficient to support construction. New restrictions on programing initiated by Congress in FY 79 tend to support a single criteria for both programing and construction.

Existing facilities must be upgraded to meet current requirements and missions. Indications are that the retention rate increases with the announcement of new construction. Recruiting personnel indicate new/upgraded facilities tend to improve recruiting. Thus, in many areas, construction requirements exist and potentials for adequate strength exist, but assigned strength levels are insufficient to justify construction under current strength.

RECOMMENDATION:

That a single new programing, design, and construction authorization threshold be established at 60 percent of authorized strength. There is no additional cost as a result of this proposal.

IMPACT ON READINESS:

This change in programing threshold prompts individual Army National Guard units to reach higher strength levels earlier in the programing cycle and will increase the overall readiness of the Army National Guard.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Codes by adding 2234(3): "The unit(s) for which the facility is to be provided has obtained an assigned strength level of 60 percent of that strength authorized."

(TAB D)

MAKE FORCE PACKAGING METHODOLOGY MORE ADAPTABLE TO THE MILITARY CONSTRUCTION ARMY NATIONAL GUARD PROGRAM

BACKGROUND:

The military construction program is developed by identifying the specific missions of our armed forces and then determining the facilities necessary to support those missions. Consequently, Congress intends to structure its hearings in the FY 1981 budget so that the correlation between individual project requests and military missions is more obvious and direct. The Army has interpreted this to mean support only for early deploying units.

STATUS:

This approach has created a serious funding imbalance resulting in the support of only those Army National Guard projects which relate directly to early deployment units and virtually ignores critical projects needed to support the entire Army National Guard mission. Some States will never have any projects that will qualify because of the type of units assigned to the State. When this approach is coupled with reduced funding levels, it is evident that a degradation in the readiness and training of these units with a mission beyond D+60 is taking place.

RECOMMENDATION:

Establish a yearly programing factor that at least 70 percent of the MCARNG will be closely aligned to early deployment priorities while the remaining 30 percent will be devoted to the support of the Total Army National Guard mission. No additional cost would be related to adopting this approach.

IMPACT ON READINESS:

Significant impact since it relates directly to readiness.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Code by:

a. Adding 2233(h): "Not less than 30 percent of the major construction funds shall be made available without regard to the deployment status of the unit for which the facility is to be provided."

b. Adding to 2233(c): "Moreover, the Governor of the State concerned shall set priorities for expenditures of contributions received under Section 2233(a)(2), (3), (4), (5), and (6)."

(TAB E)

MCARNG REPROGRAMING REQUIREMENTS VERSUS OBLIGATION PERFORMANCE

BACKGROUND:

Based on the FY 79 House Appropriations Committee Report 95-1246 and the Senate Appropriations Committee Report 95-1019, new reprograming requirements have been instituted which require the filling of reprograming documents for any new or substituted project, as well as any increase for which the current working estimate will exceed $400,000.

STATUS:

The Army National Guard has maintained a high obligation rate for the MCARNG program over the years. However, the time required to execute new reprograming actions has caused significant delays in the execution of the FY 79 MCARNG program. The problems associated with obtaining land and matching State funds, maintaining the necessary troop strength and changes in deployment priority have significantly hampered the MCARNG program. The addition of new reprograming guidance places unjustifiable restraints in the MCARNG program and could hamper obligation performances.

RECOMMENDATION:

Establish a 93 percent obligation target for FY 81 and try to modify or eliminate reprograming requirements for the ARNG, or at least raise the reprograming threshold from $400,000 to $1 million. The cost associated with this proposal relates only to cost escalation that would result because of a delay in the award of any projects that would have to be reprogramed.

IMPACT ON READINESS:

Any action which delays the award and construction of projects needed to support mission requirements has an impact on readiness.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Code by adding 2233(g): "No filing of reprograming documents for any new or substituted project shall be required when such project meets the purposes of this Chapter."

As an alternate, the following words could be added to the above "and provided the current working estimate of the project does not exceed $1 million."

(TAB F)

CONSTRUCTION OF JOINT FACILITIES

BACKGROUND:

Title 10, U.S. Code Section 2236(a) establishes that the State determines if it is practicable to make an existing PL 783 exclusively used armory into a joint facility. This, however, does not include determining joint construction of a new facility. Section 2231(2) and 2234(2) of Title 10, mentions practicality but does not state who determines it.

STATUS:

States are being forced to construct jointly with another Reserve component even if the Governor does not believe it practical. In such cases, the State has to still contribute the real estate and its 25 percent of the cost of the construction.

RECOMMENDATION:

States should have to only construct jointly and contribute the real estate and matching funds when the Governor of the State determines it is practical.

IMPACT ON READINESS:

The forcing of a State to construct jointly has delayed projects which has had an effect on the readiness of the units involved.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Code by adding to 2231(2): "as determined by the Governor concerned for Army National Guard facilities." Add to 2236(a): "to the extent the Governor concerned considers practicable for Army National Guard facilities."

(TAB G)

CONSTRUCTION CONTRACTING AND SUPERVISION

BACKGROUND:

There is a continuing argument between the ARNG and ANG with OCE and OSD as to who should contract for projects on federally controlled land.

STATUS:

OSD is staffing a directive that would require all services to receive OSD approval in all cases where the Corps of Engineers or Naval Facilities Engineering Command is not the construction agent on Federal land.

RECOMMENDATION:

That NGB should determine the construction agent to insure that the construction is accomplished in the most economical manner.

EFFECT ON READINESS:

Since projects will be assured to be accomplished in the most economical method by the above position, more funds can be made available for other projects that will enhance readiness.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Code to authorize the CNGB (USPFO) to do the contracting, or contract with the State (Federal-State Agreement) to do the construction.

The change is as follows: In section 2237(a) add to the first sentence and add a second sentence so that subsection (a) reads as follows:

(a) Any construction, expansion, rehabilitation, or conversion under any provision of this chapter except section 2233(a) (2), (3), (4), and (5) of this title may be performed under the supervision of the Chief of Engineers of the Army, the Chief of the National Guard Bureau, or the head of such office or agency in the Department of the Navy as the Secretary of the Navy may designate. A duly appointed contracting officer of the United States may contract as necessary to accomplish the objectives of this subsection (to include contracting with a State or Territory, Puerto Rico, or the District of Columbia).

(TAB H)

ONE HUNDRED PERCENT FINANCIAL SUPPORT FOR THE UPGRADE OF ARMS ROOMS

BACKGROUND:

There are many arms rooms that were constructed in armories in accordance with NGB, DA, and OSD criteria that are now not in compliance with the new DOD Security criteria. States contributed 25 percent of the initial cost of the construction of most of these arms rooms. To upgrade these arms rooms to comply with DOD criteria, the States would be required to contribute another 25 percent of the cost of this upgrading.

STATUS:

Many arms rooms which were constructed or upgraded under PL 783 to NGB construction criteria are now not in compliance with security requirements. This is due to increased emphasis on physical security, which has resulted in DOD, Army, and NGB, increasing the criteria. It is not right to make the States pay 25 percent of the construction cost every time the Federal Government changes its criteria. Many States are therefore reluctant to upgrade existing arms rooms to meet the new criteria.

RECOMMENDATION:

If a facility was constructed or upgraded under the purview of PL 783 and was done in accordance with all appropriate NGB, DA, OSD criteria, and subsequently the security features, have become inadequate due to the changes of Federal criteria, the Federal Government should fund 100 percent of the cost of any necessary modification to bring it in compliance with criteria. To accomplish this action, an additional paragraph would have to be added to Section 2233(a), Chapter 133, Title 10, U.S.C. The additional Federal cost incurred by this action would be $427,000 based on current criteria.

IMPACT ON READINESS:

There would not be a direct impact on readiness, but the additional security afforded to items required to support early deploying units would be significant.

ACTION REQUIRED:

Change Chapter 133, Title 10, U.S. Code by adding 2233(a)(6): "contribute to any State or Territory, Puerto Rico, or the District of Columbia 100 percent Federal funding for the upgrading or replacing of armory arms rooms required by modified Federal standards."

(TAB I)

19 February 1980

SUBJECT: Supplemental MCARNG Funding Required

FACTS.

Prior Year w/Finals

State	Location	Project	Design Status	Troop Strength	CWE
AL	Ft McClellan	Tng Fac Ph #1	F	90%	2,354
AL	Ozark	OMS	F	92%	166
MI	Saginaw	150 Person Armory	F	73%	643
MI	Saginaw	MVSB	F	73%	11
NY	Ft Drum	Cantonment Renovation	F	93%	882
TN	Catoosa	Range	F	93%	546
		Subtotal			4,602

Finals

AR	Malvern	OMS	F	90%	108
SD	Rapid City	60 Person Armory	F	75%	292
VT	Cp Johnson	CSMS Addition	F	95%	362
CA	Los Alamitos	OMS/AMSA	F	98%	125
NY	Ft Drum	N. Tank Rd h II	F		364
		Subtotal			1,251

Prior Year w/Preliminaries

GA	Dobbins	AASF	P	88%	3,123
NY	Ft Drum	Range Const Ph 1	P	93%	690
NY	Ft Drum	Range Const Ph 2	P	93%	618
NY	Ft Drum	Ammo Sup Pt Fence	P	93%	507
NY	Ft Drum	Cantonment Renovation	P	93%	882
OK	Bartlesville	100 Person Armory	P	75%	482
TN	Memphis	OMS	P	76%	275
TN	Newport	150 Person Armory	P	85%	688
WY	Cheyenne	AASF Rehabilitation	P	99%	818
CA	Sacramento	AASF Addition	P	98%	573
KY	Bowling Green	Armory Addition (AFRC)	P	93%	336
NY	Ronkonkoma	400 Person Armory	P	81%	264
NY	Ronkonkoma	AASF	P	81%	710
NY	Ronkonkoma	OMS	P	81%	91
TN	Knoxville	Range	P	75%	370
AK	Kotzebue	AAFA	P	91%	1,635
UT	Cp Williams	Tng Fac Barracks	P		718
		Subtotal			12,780

Preliminaries

ND	Devils Lake	200 Person Armory	P	112%	907
AL	Birmingham	OMS Addition	P	79%	234
FL	Cp Blanding	200 Person Armory	P	112%	1,110
IA	Washington	100 Person Armory	P	106%	533
LA	Baker	100 Person Armory	P	88%	567
MN	Cp Ripley	CSMS Alteration	P	87%	521
OR	Ashland	150 Person Armory	P	89%	725
PA	Ft Mifflin	200 Person Armory Addition	P	73%	125
A	Ft Mifflin	Tng Fac Add	P	73%	285
TN	Ripley	150 Person Armory	P	87%	697
VT	Ethan Allen Rng	Dispensary	P	98%	146
L	Fayette	200 Person Armory	P	92%	592
AL	Jackson	100 Person Armory	P	121%	364
CT	Cp Hartell (Windsor Locks)	OMS	P	87%	295
CT	Southington	OMS	P	90%	309
CT	Southington	Armory Pkg	P	90%	28
GA	Dublin	OMS Addition	P	90%	175
GA	Springfield	100 Person Armory Addition	P	95%	182

SUBJECT: Supplemental MCARNG Funding Required

Prior Year w/ Preliminaries (Continued)

State	Location	Project	Design Status	Troop Strength	CWE
IL	Springfield	600 Person Armory	P	80%	2,111
LA	Lake Charles	OMS	P	71%	154
MA	Cp Edwards	Tng Fac Ph #1A	P	84%	736
MI	Cp Grayling	Logistical Fac	P	All Mi	2,041
OK	Atoka	150 Person Armory	P	91%	481
OK	Stillwater	150 Person Armory	P	107%	685
TN	Murfreesboro	150 Person Armory	P	81%	741
VT	Cp Johnson	USPFO Addition Ph II	P	93%	160
VA	Staunton	OMS	P	77%	184
		Subtotal			15,088
	Cp Beauregard	Barracks & Maint Shelter	ARO for review	79%	570
	reason: Added back by (SAC 80)				
		Cumulative Subtotal			34,291
		Minor			2,000
		Planning & Design			2,122
		Grand Total			38,413

U.S. CAPABILITY TO WAGE CONVENTIONAL WAR

General GREENLIEF. Mr. Chairman, I welcome this opportunity to present the views of our membership on military construction for the National Guard. I am appreciative of the fact that the Congress added $3.75 million for military construction Army National Guard and $6 million for military construction for Air National Guard for fiscal year 1980.

The SALT II debate, the Iranian crisis and the Russian invasion of Afghanistan have served to emphasize the importance of and the weaknesses of U.S. capability to wage conventional warfare.

The Army and Air National Guard comprise such a significant part of this Nation's conventional war fighting capability that the readiness of this Nation to fight a conventional war depends in large measure on the combat capability of the Army and the Air National Guard.

My full statement includes statistics to demonstrate that point.

TRAINING AND MAINTENANCE FACILITIES

Training and maintenance facilities are requisites for the development of combat readiness.

Section 2233, Title 10, U.S.C. authorizes the Secretary of Defense to contribute funds for the construction of National Guard facilities and the program has always been seen as a Federal contribution to State construction programs. In our view the States are contributing to a national defense construction program.

NATIONAL GUARD MANAGEMENT OF MILITARY CONSTRUCTION PROGRAMS

National Guard management of their military construction programs has always been outstanding. The Army National Guard's obligation of 98 percent of the available funds for military construction Army National Guard in fiscal year 1979 demonstrates that point.

Notwithstanding the outstanding program management achievements of the National Guard Bureau and the States, planning and programing continues to be exceedingly difficult because of Federal policies and regulations.

Tabs A through H of my statement detail seven specific factors which inhibit management of military construction Army National Guard. Several of these same factors present difficulties in planning and programing military construction Air National Guard.

I urge that your committee review those factors and consider action to permit improvement in planning and programing National Guard construction.

CONSTRUCTION BACKLOG

Because planning has never accommodated the rates of inflation experienced, the backlog of required but unfunded construction continues to grow. Even though the Department of Defense has for fiscal year 1981 requested a significant increase for both the Army Guard and Air Guard construction programs the construction backlog will continue to grow during fiscal year 1981 if current rates of inflation continue.

If the Congress provides only the authority and funding requested by DOD for the National Guard construction program in 1981 and if inflation rates go no higher than they are now we estimate that the MCARNG backlog at the end of fiscal year 1981 will be $827 million and the MCANG backlog will be $481 million.

Our view is that the annual MCARNG program should be at least $70 million plus inflation and that the MCANG annual program should be $90 million per year plus inflation.

The fiscal year 1981 MCARNG appropriation request of $35 million will support the construction of 19 armory projects and 16 nonarmory projects. All of the criteria established by the Congress and the Department of Defense have been met for these projects. The States have the appropriations and the real estate ready and waiting.

Mr. Chairman, you asked the Chief of the National Guard Bureau how much construction money he had requested for the Army National Guard from OMB. His answer was $35 million reduced now by $1 million in fiscal year 1981 budget amendment.

If you had asked the Chief of the National Guard Bureau what the Department of Defense had approved in the program objective memorandum for fiscal year 1981 you would have found the answer to that question would have been $63 million until last year. Last year, when the Department of Defense and OMB reduced the Army National Guard construction budget as mentioned in General Weber's testimony they also reduced the fiscal year 1981 program from $63 million to $35 million.

Considering the $34 million now asked in the DOD amended budget the shortage is $29 million from their own figures of only a little more than a year ago.

MCANG APPROPRIATION

The fiscal year 1981 MCANG appropriation request of $90.2 million is intended to support 69 projects. All of the projects meet

requirements of personnel strength and the requirements of partial design completion.

Attached to my full statement as Tab I is a list of 56 projects which are urgently needed in the Army National Guard in 25 States. The estimated Federal cost of these projects is $38.4 million.

The States in which those projects would be built have the necessary State funds and they have the required real estate. With the exception of one project design work is at least 35 percent complete on the remaining projects. All of these projects meet personnel strength requirements and the States have the necessary funds and real estate to contribute to these projects.

Mr. Chairman, we urge your committee to recommend the appropriation of such additional funds for the MCARNG program as may be authorized in the fiscal year 1981 military construction authorization bill.

My full statement says that we accept $90.2 million as being adequate for the Air National Guard construction program and we said that because that is a very significant increase.

URGENTLY NEEDED PROJECTS

Having heard your preceding questions, I have with me a list of urgently needed Air National Guard projects in various locations plus the District of Columbia, Georgia, Oregon, Michigan, Mississippi, and Hawaii, totalling $12.8 million.

These are projects that are urgently needed by the Air National Guard. I will provide further detail as an addition to my statement. They are urgently needed and as a partial response to your request, sir, I urge and recommend that add on of $12.8 million for the Air National Guard.

Mr. Chairman, I think it would go without saying that considering our view of the extreme need for National Guard military construction, we ask that this subcommittee not concur with the reductions of $1 million in MCARNG appropriations and $7 million in MCANG appropriations as proposed by the Department of Defense fiscal year 1981 budget amendment.

Mr. Chairman, we are deeply appreciative of the support your committee has provided for the National Guard military construction. We are grateful to have had this opportunity to present our views and recommendations. I will be pleased to attempt to answer your questions, sir.

INADEQUACY OF BUDGET

Senator INOUYE. General Greenlief, you do not agree that the budget request is adequate?

General GREENLIEF. I most certainly would say it is not adequate but totally inadequate.

Senator INOUYE. I would like to also invite you to submit to the subcommittee your list of those projects which you feel are urgently needed at this time.

General GREENLIEF. Yes, sir. My full statement has a list of projects for the Army Guard.

Senator INOUYE. I thank you, sir. It has been very helpful.

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RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

ACCOMPANIED BY COL. BENJAMIN CATLIN, DIRECTOR, AIR FORCE AFFAIRS

PREPARED STATEMENT

Senator INOUYE. Our final witness for this day will be Maj. Gen. J. Milnor Roberts, Executive Director of the Reserve Officers Association of the United States. Your prepared statement will be inserted into the record.

[The statement follows:]

PREPARED STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. Chairman and Members of the Committee: I am especially pleased to have the opportunity of appearing before your Committee to present the views of the Reserve Officers Association on the construction requirements of the Reserve Forces of the United States. Current world events have underlined the importance of our Reserve Forces to our National Defense Posture.

No member of your Committee needs to be reminded of the ravages of our present rate of inflation and the intention of the Administration to reduce expenditures whenever possible. We applaud that effort, and we are pleased that such circumstances tend to emphasize the importance of our Reserve Components.

In the 20 April edition of the Washington Post, Maj. Gen. DeWitt C. Smith, Commandant of the U.S. Army War College, was reported to have commented: "The reserves are, in a sense, the alternative to nuclear war, and I don't know anything much more important than that. To the extent that the United States has adequate reserves, a selective service system that can be quickly put into use if necessary and other elements of an ability to mobilize, U.S. resolve will be understood by the Soviets. This not only helps deter war but would let the United States fight a sustained conventional war, rather than being forced to push the nuclear button if deterrence fails."

In a recent edition of U.S. News and World Report Senator Russell B. Long said "I don't think that the Pentagon has ever fully explored the potential of using an adequate Reserve force."

I am sure that you are fully aware that direct expenditure on Reserve Components is limited to about 5 percent of the Defense budget, yet the Services are relying to a very pronounced degree on those Components upon mobilization. For example, more than 50 percent of Army combat units and nearly half of the total Army available on M Day would come from Reserves. Comparable statistics for other Services are available.

Given this indication of reliance on Reserves, it is natural to wonder why these Forces have been given second class treatment for many years when they are expected to deliver first class performance within days or weeks in a crisis.

I would now like to address some general construction requirements for the Reserves of our military Services.

ARMY RESERVE

Proper facilities for the United States Army Reserve to conduct training should have a priority almost equal to manpower and equipment. The lack of proper facilities seriously affects the readiness of Reserve units as it becomes impossible to conduct proper training or to maintain the equipment.

The Army Reserve construction request for fiscal year 1981 is only $39,721,000. Although this is an increase of $14.9 million over that authorized by Congress in fiscal year 1980, it is not sufficient to even bring the shortfall of funds in the fiscal year 1979 program and the fiscal year 1980 program to a zero-base.

Since it takes from three to six years to plan, design, and construct a facility, the monies allocated by Congress have been depleted by inflation. For example, in the fiscal year 1979 program, the cost estimate for the budget was $27.4 million, but the current estimate for these programs is up to $36.7 million. In fiscal year 1980 the budget appropriated $24.8 million, however, the current estimate is $26.2 million. In the last two years there has been a shortfall of $10.7 million in the construction program. In the fiscal year 1981 program, since the budget was prepared, inflation has reduced facilities for the U.S. Army Reserve. Using the funds requested by the Administration of $39.7 million as a yardstick, it would take over ten years to complete the known required facilities. Meanwhile the current facilities are deteriorating and becoming obsolete.

ROA requests that you seriously consider an add-on of no less than $13.6 million to DoD's Army Reserve construction program in fiscal year 1981 for a total of $53.3 million. This would permit cleaning up the backlog for 1979, 1980, and provide a current inflation factor for 1981.

NAVY AND MARINE CORPS RESERVE

Mr. Chairman, the Military construction program for the Naval and Marine Corps Reserve, administered under the Military Construction, Naval Reserve (MCNR) program is losing ground. ROA, in keeping with its Congressional Charter to support an adequate National defense, notes with pleasure that the MCNR Construction backlog is down from $419 million in 1976 to a current $251 million. This was accomplished through closure of marginally adequate Reserve activities, consolidations, and elimination of projects through stringent review of the backlog. Since 1972 these actions have resulted in reduction of the number of centers and facilities from 369 to 237 and air activities from 30 to 22.

Understandably, Congressional pressure to reduce construction backlogs has been increasing in recent years, and the above management actions must be applauded. However, now the Navy-Marine Corps construction program has reached a point where the effect of rapidly increasing inflation on the backlog is causing this inflation alone to exceed the annual construction funds authorized for the program. We note, in this connection, that the Senate Armed Services Committee in its Military Construction Authorization report for fiscal year 1979, directed the Defense Department to fund these vital Guard and Reserve Construction programs at levels that will reduce the construction backlogs. Action to this end has not been evident.

Mr. Chairman, the fiscal year 1981 MCNR Program is appended. ROA has reviewed and concurs with the Program which has been presented to you with complete justification data. However, in view of the certain increasing inflation factor for fiscal year 1981, and in order to accomplish some modicum of reduction rather than increase to the MCNR backlog, ROA respectfully urges approval of $34 million for the Navy and Marine Corps Reserve Construction program. Further, it is requested that the Marine Corps be directed to identify additional high priority items from the backlog to be satisfied by this modest increase.

AIR FORCE RESERVE

We are proud of the ability of the Air Force Reserve to take its place as a partner in the Total Force. However, with the modernization programs planned and underway, the Air Force Reserve cannot sustain its combat readiness unless sufficient facilities are made available to meet their training and aircraft equipment maintenance requirements.

As you know, the Air Force has an aggressive modernization program for its Reserve Forces, to include F-4's, C-130E's and A-10's. These newer aircraft will obviously require different supporting facilities and while the Air Force Reserve will make maximum use of existing facilities, money will be required to support modernization.

In the Air Force Reserve area the aggressive modernization program has changed the whole scope of the program, with a greater portion of the program involved with mission changes, as you have heard, rather than repairing or replacing inadequate facilities.

Examples of mission change projects are at Barksdale AFB, Louisiana and Grissom AFB, Indiana. These projects will support conversion to the A-10 aircraft. The project at Youngstown, Ohio results from the conversion from A-37 aircraft to C-130 aircraft. There are also two projects at Bergstrom AFB to support the conversion from C-130s to F-4 aircraft.

The Air Force Reserve utilized existing facilities to satisfy conversion needs whenever possible. However, there is still an essential requirement to construct new facilities for mission-essential facilities.

The fiscal year 1981 Air Force Reserve construction program totals $18.7 million in the authorization bill and $22.6 million in the appropriations request. Almost half of the authorization request is for projects which support these mission changes, of this portion, most of the projects are for aircraft and weapons system maintenance facilities.

CONCLUSION

The Reserve forces are fulfilling their peacetime mission in an outstanding manner within the personnel and fiscal constraints imposed on them. They need construction money for facilities to train and maintain the new equipment that they are getting to help them meet their mission requirements. In view of the increased recognition of Reserve forces, the need for construction money must be dealt with in an appropriate fashion.

I thank you, Mr. Chairman, for the opportunity to appear before this Committee.

FISCAL YEAR 1981 MILITARY CONSTRUCTION, NAVAL RESERVE PROGRAM

[Dollars in millions]

State/installation	Project	Estimate	Service user
Arizona: NMCRC Tuscon	Reserve center	$2,600	N&MC.
California:			
NARU Alameda	Aircraft rinse facility	420	N&TENANTS.
MARTU Fresno	Vehicle maintenance shop addition	450	MC.
NARU Pt. Mugu	Aircraft rinse facility	370	N&TENANTS.
NMCRC San Diego	Reserve center	4,900	N&MC.
Georgia: NAS Atlanta	Admin/training building	1,150	N&MC.
Illinois: NAS Glenview	Aircraft parking apron	830	N&TENANTS.
Louisiana: NAS New Orleans	Fire/crash station addition	600	N&TENANTS.
Massachusetts:			
NAS South Weymouth	Hangar modification	2,850	N&MC.
NAS South Weymouth	Aircraft rinse facility	460	N&TENANTS.
Missouri: NMCRC St. Louis	Vehicle maintenance shop	170	MC.
Ohio: NMCRC Cincinnati	Reserve center	2,000	N&MC.
Pennsylvania:			
NAS Willow Grove	Applied instuction building	1,350	N&MC.
NAS Willow Grove	Land purchase/easement	1,100	N&MC.
NAS Willow Grove	Energy conservation	500	N&TENANTS.
Texas: NMCRC Houston	Reserve center addition	2,500	N&MC.
Subtotal		22,250	
Various locations:			
Minor Construction		1,050	
Planning and Design		1,400	
Subtotal		2,450	
Total		24,700	

SUMMARY REMARKS

General ROBERTS. Senator, we greatly appreciate the opportunity to appear before the subcommittee to present our recommendations on military construction for Reserve Forces.

I would ask your permission, sir, to have a summary of our remarks presented by Col. Benjamin Catlin, who is our Director for Air Force Affairs. I unfortunately have a medical appointment at this time.

Senator INOUYE. Colonel, we welcome you, sir.

Colonel CATLIN. Thank you, sir.

In Sunday's Washington Post Maj. Gen. DeWitt Smith, the Commandant of the U.S. Army War College was reported to have commented "The Reserves are in a sense the alternative to nuclear war and I don't know anything much more important than that."

He is an active duty Regular officer, one of the forward thinkers in the Army. We think that is an extremely significant statement.

BUDGET REQUEST

The Army Reserve construction request for fiscal year 1981 is only $39 million. Although this is an increase of almost $15 million over that authorized by Congress in fiscal year 1980 it is not sufficient to even bring the shortfall of funds in the fiscal year 1979 program and the fiscal year 1980 to the zero base.

In the last 2 years there has been a shortfall of $10.7 million in the Army construction program. Using the funds requested by the administration of $39.7 million as a yardstick it would take over 10 years to complete the known Army Reserve required facilities.

ADD-ON TO CONSTRUCTION PROGRAMS

ROA requests that you seriously consider an add on of no less than $13.6 million to DOD's Army Reserve construction program in fiscal year 1981 for a total of $53.3 million. This would permit the clearing up of the backlog for 1979, 1980 and provide a current inflation factor for 1981.

NAVY AND MARINE CORPS PROGRAM

The Navy and Marine Corps program has been reviewed. We concur with the program which has been presented to you with complete justification data. In view of the certain increasing inflation factor for 1981 in order to accomplish some modicum of reduction rather than increase to the backlog, ROA respectfully requests approval of $34 million for the Navy and Marine Corps construction program.

It is requested that the Marine Corps be directed to identify additional high priority items from the backlog to be satisfied by this modest increase.

AIR FORCE PROGRAM

In the Air Force Reserve area, the aggressive modernization program has changed the whole scope of their construction program with a greater portion of the program involved with mission changes as you have heard rather than repairing or replacing inadequate facilities.

The fiscal year 1981 Air Force Reserve construction program totals $18.7 million in the authorization bill and $22.6 million in the appropriations request. Almost half of the authorization request is for projects which support these mission changes.

Most of the projects are for aircraft and maintenance systems of modern aircraft.

PEACETIME MISSION OF RESERVE FORCES

The Reserve Forces are fulfilling their peacetime mission in an outstanding manner. They need construction money for facilities to train and maintain the new equipment that they are getting to help them meet our mission requirements.

In view of the increased recognition of these Reserve Forces and the need for construction money, we feel it must be dealt with in an appropriate fashion.

I thank you, Mr. Chairman, for the opportunity to appear before this committee.

Senator INOUYE. Colonel, do you believe that the budget requests for the Reserve components military construction programs for fiscal year 1981 is adequate?

Colonel CATLIN. No, sir. It is underfunded.

Senator INOUYE. I would like to ask you as I have asked the others to submit to the subcommittee those projects which you consider to be urgently needed at this time.

Colonel CATLIN. We will be delighted to do that, sir.

SUBCOMMITTEE RECESS

Senator INOUYE. I would like to thank you very much, Colonel. I would like to announce that the subcommittee will stand in recess until Tuesday, April 29, at 2 p.m., at which time the subcommittee will receive classified briefing on NATO. This meeting will be a closed meeting.

[Whereupon, at 4 p.m., Tuesday, April 22, the subcommittee was recessed, to reconvene Tuesday, April 29, in closed session.]

MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1981

THURSDAY, MAY 15, 1980

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

The subcommittee met at 2 p.m., in room 1223, Everett McKinley Dirksen Senate Office Building, Hon. Walter D. Huddleston (chairman) presiding.

Present: Senator Huddleston.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENTS OF:

MAJ. GEN. WILLIAM E. READ, USA, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

MAJ. GEN. JAMES S. WELCH, USA, COMMANDER, U.S. ARMY DEPOT SYSTEM COMMAND

ALLEN M. CARTON, PROGRAMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

COL. ROBERT T. CUTTING, USA, COMMAND SURGEON, U.S. ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

COL. B. C. ROBINSON, USA, CHEMICAL AND NBC DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF, OPERATIONS AND PLANS, DEPARTMENT OF THE ARMY

CHEMICAL AND NUCLEAR AGENTS

Senator HUDDLESTON. The subcommittee will come to order.

During this afternoon's hearing we are covering several subjects related to chemical and nuclear agents.

Our first item of interest will be the disposal of hazardous and noxious materials at the Lexington-Blue Grass Army Depot near Richmond, Ky.

As you know, we have had a problem with the disposal of PCP-treated ammunition crates since August of last year.

We will then examine in a somewhat general fashion general storage and security for chemical agents. And, lastly, we will turn to storage and security of nuclear weapons, particularly abroad.

We will begin in open session, but it will be necessary to go into executive session later in the hearing. At that point all persons without appropriate clearance will have to leave the room.

Our first witness is Gen. William E. Read, Assistant Chief of Engineers.

General Read, you may proceed.

STATEMENT OF MAJ. GEN. WILLIAM E. READ

General READ. Mr. Chairman and members of the committee, I am Maj. Gen. William E. Read, Assistant Chief of Engineers, Department of the Army. I am pleased to appear before the committee to discuss the Army's chemical storage and security program.

I would like to introduce some of the witnesses here with me today. They are Maj. Gen. James Welch, the Commander of the U.S. Army Depot System Command; Col. Robert Cutting, the Command Surgeon of the Army Materiel Development and Readiness Command; Col. Bobby Robinson, the Chief of the Chemical and Nuclear, Biological, Chemical Defense Division of the Office of the Army's Deputy Chief of Staff for Operations and Plans; and Mr. Allen Carton, who is from my office.

Without going into a great amount of detail, I would like to briefly summarize our site security upgrade program for chemical storage sites.

SITE SECURITY UPGRADE PROGRAM FOR CHEMICAL STORAGE

The construction program has three general phases.

Phase I consists of fencing, warning signs, clear zones and roads. This phase is complete at all installations in the United States.

Phase II includes site security control centers, entry control facilities and improved lighting and communications.

Phase II is progressing on schedule and will be complete at all installations except Rocky Mountain Arsenal, Newport Army Ammunition Plant, and Johnston Island in 1981.

The requirement at Rocky Mountain Arsenal is, of course, driven by the recent decision concerning the Weteye munitions.

The Newport project, which was funded in fiscal year 1980, is under design and scheduled for completion in June 1982.

The requirement at Johnston Island is primarily for hardened storage structures and is currently programed in fiscal year 1983.

Phase III includes the installation of both interior and exterior intrusion detection systems. The intrusion detection systems have not yet been procured; however, a system used by the Navy for security of special weapons is under consideration.

I am pleased to report that since 1977, considerable progress has been made in upgrading the security of our chemical storage sites. With the three exceptions I mentioned earlier, all sites will be in full compliance with our security requirements once the intrusion detection systems are installed.

The site in Europe was upgraded under the long-range security program and is also in compliance with security requirements, except for the intrusion detection systems.

This concludes my opening remarks. We will be pleased to answer any questions you may have or see that answers are provided.

BLUEGRASS SITUATION

Senator HUDDLESTON. General, first I would like to discuss the Bluegrass situation. As you know, within the past 2 years two

incidents involving the Bluegrass Army Depot near Richmond, Ky., have heightened my interest in the Army's policies and procedures regarding the handling and disposal of hazardous and toxic materials.

On August 17, 1979, a noxious cloud, later attributed to the burning of M-5 smokepots, appeared over the Bluegrass Army Depot. A few months later reports began circulating regarding a possible link between PCP-treated ammunition crates distributed to the public by the depot and an above average cancer rate in Madison County, Ky.

Both of these incidents made it clear that the Army had not developed a clear policy setting out guidelines for the handling of such materials. So, following the August 17, 1979, noxious cloud incident, an Army board of inquiry was convened and later issued a report regarding the incident.

Can you elaborate on the findings in the final report?

General READ. I would ask General Welch to respond sir.

STATEMENT OF MAJ. GEN. JAMES S. WELCH

General WELCH. I could not elaborate on that at this time. The formal Board was concluded and the report was submitted to the Convening Authority on the 30th of March, 1980. But I do not know what action has been taken based on that.

Senator HUDDLESTON. You don't know the findings of the report?

General WELCH. I do not.

Senator HUDDLESTON. You don't know whether the board has made any recommendations concerning the existing or previous guidelines dealing with hazardous material?

General WELCH. I am sure there are certain recommendations, Senator, that have been made, but I am not privy to them at this time.

Based on the Board's earlier informal report, which was submitted to—and I convened that Board—we have already taken a number of actions.

Senator HUDDLESTON. What kind of actions are those?

General WELCH. These actions include a series of command-directed messages reiterating the need for compliance with basic standard operating procedures, previously published criteria, and so forth; and, second, the publication of a very definitive Depot System Command regulation fixing responsibilities, and so forth.

Senator HUDDLESTON. Did you make any change in the policy regarding the distribution of these PCP-treated crates either at Bluegrass or nationwide?

General WELCH. No. The actions I referred to earlier really stem more from the smoke incident. They did not address the PCP type.

Senator HUDDLESTON. Are you aware of the medical studies that have been initiated by EPA and the Center for Disease Control on the potential link between PCP and——

General WELCH. I am aware there are studies, but I do not have anything on them.

SATEMENT OF COL. ROBERT T. CUTTING

Colonel CUTTING. I would be glad to comment, sir.

We would like to make one important distinction. The horrendous smoke cloud incident of August 17 involved hexachlorophene smoke, and the wooden boxes that those smoke bombs were contained in did not have any PCP in them. That is a distinction that is hard for some of the people to remember. PCP has been everywhere throughout the Army since 1968, since it is such an excellent wood preservative.

Senator HUDDLESTON. In the civilian community, too, I might say.

Colonel CUTTING. National production is around 40 million pounds per year, of which the Department of Defense uses one-half of 1 percent. So we have PCP wood all over the country, everywhere you look. Everybody who is building a house that touches the ground, there is PCP treatment on the wood.

When PCP came into common use in the sixties, it became rapidly known that it was not completely innocuous. It is a primary irritant if you get enough of it. Some people are sensitive. It can give you rashes on the skin and it can give you acne that looks like pustules and it can irritate the eyes, the nose, and the throat, and give you a cough; and some people have coughing fits from it.

For that reason, over the years my predecessors and I have put out careful instructions in the form of letters of instruction to the field on the use of PCP-treated lumber, how you can handle it carefully. If it is wet, rubber aprons and things of that sort should be used.

The last time, before the big incident, that my office put out specific instructions was in February 1979.

The jury is still out as to whether PCP causes cancer in humans or animals.

There have been some studies which are negative. There have been some studies which suggested it might. To that end, the CDC people have instituted a study on contract which they expect will be completed in September 1982. It will hopefully provide a definitive answer to that, but regardless, PCP requires careful handling.

We know there has been a cluster of leukemia cases in the Madison County area. The question is, what do you make of that? Leukemia is a disease that for some reason tends to cluster. We can be gathering cases on one street, and the CDC group comes and investigates, and they come up with no answer. This happens repeatedly time and time again. So now we have a cluster of cases in Madison County.

The question, is, how are they related or are they related to anything environmentally? It is totally unknown and perplexing, and I am sure that it is worrisome to the people there.

INSTRUCTIONS FOR HANDLING PCP-TREATED WOOD

Senator HUDDLESTON. You mentioned that you have issued instructions for the handling of PCP-treated wood. Were there any such instructions before the activity at Lexington? There were complaints that some of the workers were not given adequate warnings of the potential danger connected with it and perhaps were not given adequate protective gear.

Colonel CUTTING. I can't comment as to whether every single worker gets the word. I don't know. Hopefully, when you put out

the word, "Handle it with precaution," they will do it and their supervisors get the word and pass it down to them.

One thing I feel certain of is that at this time they all have the word and they are all complying with a great deal of carefulness. You can be sure of that.

Senator HUDDLESTON. Do you have any communication with, or do you maintain any contacts with, the State on incidents of this kind?

Colonel CUTTING. Sir, my office in this case did not. Coordination and communication were with the Lexington Bluegrass authorities and General Welch's people.

General WELCH. The depot people generally have coordination on matters like these with both the local and State officials.

SURVEILLANCE AND MONITORING PROGRAMS

Senator HUDDLESTON. What kind of routine surveillance and monitoring do you do to insure that stored materials are not accidently released in some way?

General WELCH. We have a very intensive program of inspection, surveillance, monitoring/maintenance, as well as inventory of the stocks. That is a continuing program and it is standard at all of our toxic munitions storage sites.

Senator HUDDLESTON. Do you have automatic monitoring devices in storage areas?

General WELCH. Not automatic, sir, but we do have chemical detection sets and rabbits are also used at times.

Senator HUDDLESTON. Do you have adequate plans and resources to respond to any kind of additional release of chemicals that might occur anywhere?

General WELCH. Yes, sir, we do. We have those in two regards: First, if a defective munition is detected, it is immediately isolated and it is placed in a sealed, vapor-tight container by specially trained and well-qualified personnel. The container is then stored separately and it is monitored and inspected frequently, to insure that no spent agent is leaking from that container.

Second, each of our depots or depot activities has a detailed chemical accident incident control plan, and these plans are rehearsed and tested frequently; and, in addition, we have a special team which has been organized to evaluate each installation's capability and the capability of these personnel to execute that plan.

That plan is closely coordinated with the local civilian authorities.

DISPOSAL OF OBSOLETE TOXIC MATERIALS

Senator HUDDLESTON. Now when you dispose of obsolete materials, toxic materials, do you routinely contact the State or work with the State for approval of your methods?

General WELCH. Yes, sir. At every one of our chemical toxic disposal operations, such as the chemical agents munitions system at Tooele, where our drill and transfer system is used, which will also be used at Pine Bluff Arsenal, all State laws are complied with. The EPA regulations are followed to the letter.

Senator HUDDLESTON. Have you conducted an inventory of hazardous and toxic waste generated or stored at Bluegrass Army Depot?

General WELCH. Yes, sir, we have. The depot, however, has not seen the new resource recovery hazardous waste regulations, so there may be materials there that are not included in the LBTA inventory.

Senator HUDDLESTON. Is any effort made to advise the State of the nature of the storage there, in order that they might be prepared to take action if some accident occurred?

General WELCH. Yes, sir. As a result of the incident of 16 and 17 August, 1979, we found the State was not aware of all the different waste being disposed of, so we have made extensive efforts to provide it with very detailed information on each one of the items.

Colonel CUTTING. May I add a comment, Senator Huddleston?

I am usually looked upon as a guy who places demands on the field which are not always viewed with any great relish, but in this case I would like to compliment your command, General Welch, for the record. You, Senator, would be proud at what is going on at Lexington Bluegrass Depot since that event.

For example, they have developed what I think is the finest chemical accident incident control plan that we have in all DARCOM; not only has it been developed but it has also been rehearsed and practiced and communicated completely to the surrounding people.

For example, yesterday the commander at the depot briefed some 33 or 35 local mayors, the county judge, and executives completely on the plan. Today he is briefing the news media, and several days ago had a complete briefing for State and local police, because they are involved.

As the plan gets more and more exercised and thought through by more and more people, it has greater understanding and greater precision.

Your people at the depot deserve a great compliment.

GUIDELINES FOR RCRA

Senator HUDDLESTON. How are you proceeding in developing guidelines for the Resource Conservation and Recovery Act (RCRA). I understand now you have to comply with them.

General WELCH. That is being staff developed presently, and once the staff is through defining all of those items, we will put the word down to our different depots and activities. Depending upon the items and the circumstances, those will then be added, presumably, to our various hazardous waste disposal contracts.

General READ. That is going to be a tremendous effort, sir. I think you will be seeing projects that we can't yet define, which will be brought before your committee over a number of years.

Senator HUDDLESTON. I appreciate the effort that has been made by the Lexington area. That, as you know, was the subject of a lot of attention for a considerable amount of time. I think it was vital to move on it and make a determination as to what the difficulty was and potential hazards were.

I think the PCP question, as has been indicated, is more of a national question, but that does not make it any less of a problem, and it may be a real problem for you.

General READ. Yes, sir.

Senator HUDDLESTON. We will follow closely the studies and the research.

Now some general questions on chemicals: Has DOD reached a final decision or conveyed to the Army a final decision on the production of so-called binary weapons?

STATEMENT OF COL. B. C. ROBINSON

BINARY WEAPON SYSTEM

Colonel ROBINSON. Sir, with respect to the Department of Defense reaching a final decision to construct a facility to produce the binary reactants, as well as the decision to produce such munitions, is a national policy decision. It is not one that the Army would make unilaterally.

If a decision to modernize our chemical stockpile is made, the binary weapon systems would be the Army's preferred method of modernization. However, to date, no decision has been made to either construct a facility or to produce binary munitions.

Do you understand the binary system, sir?

Senator HUDDLESTON. No, sir.

Colonel ROBINSON. Since I do not have a model with me to demonstrate the binary concept for you, I will try to explain it using these two water glasses to represent the reactants canisters and a 155-millimeter shell. We have two types of nerve agents—nerve agent GB, which is nonpersistent, and nerve agent VX, which is persistent. The nonpersistent GB is very volatile and if the agent vapor is inhaled, the individual will become a casualty very rapidly.

The nonpersistent VX agent enters the body primarily through the skin, a subcutaneous effect, and stays around for a longer time. Consequently, it creates many more problems in terms of decontamination and clearing equipment and supplies; the type of things that degrade individual and unit combat effectiveness.

Today the munitions that we have stored in our national retaliatory stockpile actually contain a nerve agent. It is referred to as neat or unitary agent. For example, each of the 155mm projectiles in the chemical stockpile contains a burster and the neat agent inside the projectile body. In comparison, the binary 155mm projectile, which provides for the formation of nerve agent GB from two nonlethal constituents only after firing, uses an assembly of metal parts from the standard 155mm conventional projectile. The two—hence binary—nonlethal reactants are contained in two separate, plastic lined, hermetically sealed canisters—represented here by the water glasses. The forward canister, which is loaded into the projectile at the time of manufacture, contains methylphosphonic difluoride—called D.F. The aft canister contains isopropyl alcohol and isophropylamine solution—called OPA.

To insure safety in the logistics stockpile-to-target sequence, the projectile will have fuze, and the OPA reactant stored and shipped separately. The two canisters would not be placed inside the projec-

tile until it is ready to be fired. Upon firing, set-back and spin forces cause the canisters to rupture and the reactants DF and OPA combine to form agent GB inflight to the target.

Therefore, when they talk about the construction of a binary facility—it is not really a facility to produce nerve agent GB but is one designed to produce only one of the nonlethal components—the DF. We would procure the OPA commercially, which would be sealed in a canister, packaged in a box, and shipped and stored separately. The two canister components would never be shipped together or stored at the same installation.

So, in summary, the projectile becomes the chemical laboratory or facility that produces the nerve agent GB. The advantages associated with the binary concept are obvious, sir, from the standpoint of production and total lifecycle management.

Senator HUDDLESTON. So we don't have a potential weapon until they are mixed together?

Colonel ROBINSON. That is correct; and that only occurs when the projectile is on its way to the target after the decision has been made to use chemicals in retaliation—a decision which must be made by the President.

Senator HUDDLESTON. You have to have them stored close together at some point—when you get ready to launch?

Colonel ROBINSON. We would bring those together on the battlefield, sir, at the firing unit.

Senator HUDDLESTON. Are there any funds in the 1981 budget, either defense, military construction, or elsewhere, for activities related to binary munitions?

General REED. We have $3.7 million in the fiscal year 1981 budget for research and development associated with binary munitions. There are no funds for construction or other activities.

COMPARISON OF BINARY WEAPONS AND NERVE GAS

Senator HUDDLESTON. How do binary weapons compare and contrast with the nerve gas currently found in stockpiles; that is, the product itself after the mixing occurs?

Colonel ROBINSON. As I stated earlier, we have two types of nerve agents in our stockpile today, the agents GB and VX. Some is stored in 1-ton bulk containers. The agents are also loaded into banks and artillery projectiles for the 155mm howitzer and the 8-inch guns and some others. Thus, we have the actual agents stored at our depots today. This requires us to use special safety and surveillence procedures to maintain safe and secure storage.

With the binary systems we would have only one canister loaded into the shell. So you see that we would not have a nerve agent stored at any of our installations as we have today. Thus, security and surveillance would be simplified and there would be no danger of nerve agent leakage.

Senator HUDDLESTON. I understand that; but is the product the same once it is mixed?

Colonel ROBINSON. Once it is fired and the reactants mix, the type of agent is basically the same, sir. We would have both of the agents—GB and VX.

Senator HUDDLESTON. You indicated the policy decision to move ahead with production has not been made; is that correct?

Colonel ROBINSON. That is correct.

Senator HUDDLESTON. So no site for production facility has been chosen?

Colonel ROBINSON. As a result of a site survey selection process, sir, Pine Bluff Arsenal has been identified as the preferred site, but the final decision as to the location of a facility would be part of any final decision on facilitization.

Senator HUDDLESTON. Is there a construction schedule?

General READ. No, sir. We don't have a construction schedule as such now, because necessary funding is not continued in our current budget.

FUNDING FOR BINARY DESIGN

Senator HUDDLESTON. Are you planning to use any of your 1981 Army planning and design funds for binary design?

STATEMENT OF ALLEN M. CARTON

Mr. CARTON. If there were a decision made to include it in the 1982 budget, we would then use 1981 planning and design funds to design it or to complete the design.

You may know the binary project was submitted to Congress about 5 years ago. At that time it was partially designed, so if there were a decision to include it in a future budget, there would be some need for design funds to complete the design.

Senator HUDDLESTON. If we do go into it, would you not require, for example, more secure storage facilities? Would you be able to store the components in regular warehouses because neither would be lethal or dangerous in itself?

Colonel ROBINSON. The storage advantages are obvious, and we would use the available storage facilities that we have to store the binary munitions. The decision regarding the exact locations where they would be stored has not been finalized because a decision has not been made to produce. However, there are sufficient igloos, for example, at Pine Bluff Arsenal, in which to store the initial phase I product quantity of munitions.

Senator HUDDLESTON. You have some at Bluegrass available, too?

Colonel ROBINSON. Yes, sir.

FOREIGN BINARY CAPABILITY

Senator HUDDLESTON. Do the Soviets have a binary capability?

Colonel ROBINSON. We really don't know, sir.

Senator HUDDLESTON. Does any other nation that you know of?

Colonel ROBINSON. No, sir.

Senator HUDDLESTON. Do you know whether they are working on it or not?

Colonel ROBINSON. There are general indications that——

General READ. I think we may be approaching a classified matter and should answer for the record.

Colonel ROBINSON. I was referring to the other nations that we know of. We know of no nation that is actually making binary munitions, sir.

Senator HUDDLESTON. What would you expect would happen with the existing stockpiles of nerve gas if we go into binary production?

Colonel ROBINSON. Discussion of our plans for disposing of the current stockpile, as we would modernize with binary, would get us into some possible classified information regarding our overall retaliatory capability.

I would be glad to provide that information in a classified response for the record, sir, or discuss it in closed session.

CONCLUSION OF HEARING

Senator HUDDLESTON. This season is still open. We might as well move now into closed session.

[Whereupon, at 2:40 p.m. Thursday, May 15, the open session of the hearing was concluded, the subcommittee proceeding in executive session under classified transcript.]

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