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MILITARY CONSTRUCTION APPROPRIATIONS FOR 1982

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST SESSION

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SUBCOMMITTEE ON MILITARY CONSTRUCTION APPROPRIATIONS

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Printed for the use of the Committee on Appropriations

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MILITARY CONSTRUCTION APPROPRIATIONS

WEDNESDAY, APRIL 1, 1981.

NATO CONSTRUCTION PROGRAM

WITNESSES

DEPARTMENT OF DEFENSE

PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)
LT. GEN. RICHARD H. GROVES, USA, DEPUTY ADVISOR ON NATO AFFAIRS
MAJ. GEN. RICHARD C. BOWMAN, USAF, DIRECTOR, EUROPEAN AND NATO AFFAIRS, OFFICE OF INTERNATIONAL SECURITY POLICY
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LT. COL. ROBERT GREENE, USA, ARMY FORCE MODERNIZATION COORDINATION OFFICE, OFFICE OF CHIEF OF STAFF

DEPARTMENT OF THE NAVY

CAPT. C. M. BRUNE, USN, ASSISTANT COMMANDER FOR MILITARY CONSTRUCTION PLANNING, NAVAL FACILITIES ENGINEERING COMMAND
RAYMOND J. MURPHY, DIRECTOR, ATLANTIC LIAISON DIVISION, NAVAL FACILITIES ENGINEERING COMMAND

DEPARTMENT OF THE AIR FORCE

BRIG. GEN. CLIFTON D. WRIGHT, USAF, DEPUTY DIRECTOR, ENGINEERING AND SERVICES
COL. JOSEPH A. AHEARN, USAF, CHIEF OF PROGRAMS, DIRECTORATE OF ENGINEERING AND SERVICES
RALPH C. WANLASS, DIRECTORATE OF ENGINEERING AND SERVICES

Mr. GINN. The subcommittee will please come to order.

Today we will review the Department's $1.2 billion request for military construction projects associated with our NATO commitments in Europe. This is the largest request ever dedicated solely to the NATO program as I understand it.

The highlights of the committee's review will be:

1. Our current NATO capabilities and the contribution being made by our allies,
2. The progress being made for obtaining increased host nation support,
3. The status of agreements on the master restationing plan in Germany,
4. The status of the NATO program to upgrade theatre nuclear forces,
5. The requirements for $385 million in U.S. contributions to the NATO infrastructure program, and
6. The priority of moving the $500 million NATO-funded collocated facilities program into a category of U.S. funding.

Our primary witnesses today will be Mr. Perry J. Fliakas, Deputy Assistant Secretary of Defense for Installations and Housing, and Lieutenant General Richard H. Groves, Advisor for NATO Affairs in the Office of the Under Secretary of Defense.

Before we proceed, I want to see if my distinguished counterpart, Mr. Regula, has any opening comments?

Mr. REGULA. I think not, Mr. Chairman.

Mr. GINN. Mr. Secretary, we will proceed with you.

If you wish to make an introductory statement, we will then go to the Joint Chiefs of Staff for their assessment of NATO capabilities.

Mr. FLIAKAS. Thank you, Mr. Chairman.

In addition to General Groves, you have met Mr. Ewing from the State Department on my far right, and General Bowman who represents the International Security Affairs Policy Office of the Secretary of Defense.

In addition, we have other representatives from both the Secretary of Defense Office, the JCS, and the military departments who will be available to go into their specific areas as we progress.

I would like to brief my statement and then offer it in its entirety for the record.

Mr. GINN. So ordered.

SUMMARY OF STATEMENT BY MR. FLIAKAS

Mr. FLIAKAS. The Department of Defense request for construction in Europe totals some $1.1 billion in authorization and about the same amount for appropriations, of which $425 million in authorization and $385 million in appropriations is for the United States share of the NATO infrastructure program.

Later this morning, or this afternoon, sir, we will offer a very brief presentation on how the NATO infrastructure program works, which I think would be helpful for the committee.

On page one of my statement we show the various major construction categories and how the 1982 program is composed of those areas.

The difference of $40 million between the authorization and appropriation requests for the NATO infrastructure program will be provided by recoupments of prior year funding of pre-financed projects.

I have elected to address the DoD construction needs in Europe as a separate statement for three very important reasons:

First, this committee has indicated a great deal of interest in our European program and methods of financing. The amount requested for construction authorization in Europe is 23 percent of the total 1982 authorization request.

Second, the relationship of the U.S. funded military construction to the NATO common infrastructure program is complex and sometimes difficult to understand without a full explanation of the interaction.

Finally, we must, of course, have an adequate construction program in Europe if the United States and NATO are to realize the full benefits of the defense and deterrence which programmed levels of forces and equipment and our readiness initiatives should provide.

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

The requirement for facilities derives from operational decisions affecting troops, weapons systems, and equipment.

For example, the decision to pre-position division equipment in Europe in support of rapid reinforcement has triggered a considerable increase in the requirement for storage and maintenance facilities and results in a significant outlay of funds through the NATO common infrastructure program.

The decision to deploy the ground launched cruise missile and Pershing II as part of theater nuclear force modernization gives rise to a broad range of facility requirements, some of which we plan to fund through NATO infrastructure and others like logistic and community facilities, which we accept as a national responsibility through the MILCON program.

We remain sensitive to the view of the Congress that we should try to fund more of our wartime operational facilities through NATO infrastructure. A feature of the current five-year infrastructure program is the recently approved Reinforcement Support category.

Projects include storage for pre-positioned equipment and reception airfields and ports which are the principal and essential link between the infrastructure program and U.S. policy on rapid reinforcement.

These projects, many of them high cost, are financed through infrastructure cost-sharing by our allies. Their total value could reach $1 billion in the period 1980 through 1984.

This linkage between U.S. reinforcement planning and commitment on the one hand and allied investment on the other illustrates the progress we have made to secure common funding under NATO.

There are 13 well-defined, approved categories with strict criteria under which all the member nations have established guidance for funding. Only those projects that support NATO operational plans, and NATO assigned forces, possess a high degree of common interest, including availability for use by all NATO forces during warfare, and conform to NATO approved standards are eligible for infrastructure funding.

It is not possible to achieve NATO funding for all needed facilities on the grounds that since our troops are there to help defend NATO, they should be paid for by the infrastructure accounts. There are many reasons for unilaterally funding facilities in Europe, such as those of a logistics or personnel support nature which have been established as a national funding responsibility; facilities required for peacetime administration or training; when flexibility is required, and it is not practical to assign aircraft exclusively to the NATO theater; when strictly U.S. functions are planned in a facility that would be needed; and, five, considering the limited number of U.S. forces and the percentage contribution to the infrastructrue program, it would not be in our economic interests to pursue NATO funding.

I cite these conditions for NATO funding because in the past there have been instances where military construction funds were denied for facilities with the admonition that NATO should fund them. A dilemma resulted when we turned to the NATO agree-

ment for funding to find that the facilities were not eligible for NATO funding.

This predicament of having facility requirements that both the Department of Defense and the Congress acknowledge are urgently needed, but with no available funding source, has a serious impact on our ability to provide adequate facilities to support our forces deployed in or committed to Europe.

Mr. Chairman, the NATO infrastructure program was designed to furnish wartime operational facilities with funding policies based upon the unanimous consent of 14 allied nations and for which current requirements greatly exceed available resources.

If the United States is directed to seek NATO funding for projects known by the DOD to be ineligible for infrastructure funding, the results are easily predictable. Our United States military personnel will continue to live in crumbling dormitories, work is obsolete maintenance shops, and receive ineffective and inadequate training.

I am greatly concerned over this growing problem and I urgently ask that the committee ponder this issue very carefully.

It should be remembered that the stationing of U.S. troops in Europe is in our national interest and essential to U.S. foreign policy.

While increasing attention certainly must be given to burden-sharing, this is of necessity better pursued on the diplomatic or political front.

I will not go into more details of the program. I know you want to get into the questioning and the operations briefing we have prepared.

I do want to stress this latter point. We have a dilemma confronting us. Many members of the committee have visited the various commands in Europe. The most recent report was provided by Senator Jepsen to Mr. Carlucci and the Armed Services Committee and very vividly reflects the facility deficiencies that we have.

I could certainly commend that report to you.

Mr. GINN. I have seen that. The Secretary of the Army discussed that with me and sent me a copy of it. It is very revealing.

Mr. FLIAKAS. It is revealing. It is what we have been saying for a number of years. We simply must get on with the very vital facility projects in the theater.

With that, Mr. Chairman, I would like to now, unless you have specific questions, ask Commander Brown to proceed with the operations briefing.

[The prepared statement follows:]

Not for Publication Until Released
by the Committee on Appropriations
House of Representatives

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

April 1, 1981

Mr. Chairman and Members of the Committee:

I am pleased to be here today to present the FY 1982 Department of Defense request for construction in Europe. The request totals $1.125 billion in authorization and $1.095 billion in appropriations, of which $425 million in authorization and $385 million in appropriations is for the United States' share of the NATO Infrastructure Program. By major construction categories, the FY 1982 Program is composed as follows:

	($000)					
Construction Category	Army	Navy	Air Force	Defense Agencies	NATO Infra-structure	Total
Operational/Training Facilities	40,780	5,200	218,764	----	---	264,744
Maintenance Facilities	121,350	12,350	4,140	----	---	137,840
Supply Facilities	14,690	----	4,060	1,480	---	20,230
Medical/Administrative Facilities	38,350	2,800	2,400	900	---	44,450
Housing/Community Facilities	124,730	13,715	24,370	42,020	---	204,835
Utilities/Energy Conservation/Pollution Abatement	23,010	920	3,780	----	---	27,710
Various	---	----	---	----	425,000	425,000
Total	362,910	34,985	257,514	44,400	425,000	1,124,809

This table depicts the authorization request. For appropriations, the Army requests an additional $9.9 million for prior year authorized projects

and the NATO Infrastructure request is reduced to $385 million. The difference of $40 million between the authorization and appropriations request for NATO Infrastructure will be provided by recoupments of prior year funding of prefinanced projects. As mentioned previously, the total appropriations request for the FY 1982 Program is $1.095 billion.

I would also like to mention at this time that in the FY 1981 Supplemental Amendment there are three projects for $9.2 million for which the Army is seeking appropriation only and one project for $1.8 million that the Army is requesting both authorization and appropriation. All four projects are related to the Army's Artillery Enhancement Program at Vilseck, Germany.

As I did last year, I have elected to address the Department of Defense military construction needs in Europe as a separate statement for three important reasons. First, this Committee as well as the other Congressional Committees dealing with construction have indicated a great deal of interest in our European program and methods of financing. Excluding Family Housing, the amount requested for construction authorization in Europe is 24 percent of the total FY 1982 authorization request. Second, the relationship of U.S. funded military construction to the NATO Common Infrastructure program is complex and sometimes difficult to understand without a full explanation of their interaction. Finally, we must have an adequate construction program in Europe if the United States and NATO are to realize the full benefits of the defense and deterrence which programmed levels of forces and equipment and our readiness initiatives should provide. The Secretary of Defense has directed a comprehensive analysis of our construction effort in Europe to ensure that it solidly supports national military objectives. Thus, we believe the European slice of our construction program needs, and deserves, special attention.

I have spoken to the linkage between the U.S. military construction programs and those of NATO within the NATO Infrastructure program. As this Committee well understands, Mr. Chairman, the requirement for facilities derives from operational decisions affecting troops, weapon systems, and equipment. For example, the decision to preposition division equipment in Europe in support of rapid reinforcement has triggered a considerable increase in the requirement for storage and maintenance facilities and will result in a significant outlay of funds through the NATO common Infrastruction Program. The decision to deploy the ground-launched cruise missile (GLCM) and PERSHING II as part of theatre nuclear force modernization in Europe gives rise to a broad range of facilities requirements, some of which we plan to fund through NATO Infrastructure and others, like logistic and community facilities which we accept as a national responsibility, through the Military Construction Program.

Failure to recognize this close linkage between forces and facilities in our planning and budgeting process can mean costly delays and program adjustments. More important, it degrades military readiness. We are now implementing a comprehensive program for improving the planning, programming and execution of construction in Europe. We have set up a systematic review of U.S. and NATO procedures in order to streamline the programming and execution process and thus improve our ability to meet the facility needs of the Major NATO Commanders (MNC). Consolidated programming and budgeting procedures have been applied in two review cycles and our U.S. European Commanders have been brought more directly into project development and priority-setting.

As we seek ways to improve the management of our European programs, we also have very much in mind our obligation to keep the Congress informed and involved. For example, some organizational changes that I have recently been

able to make will allow us to better keep the Committees currently and fully briefed on the NATO Infrastructure system and developments in the NATO programs.

We also remain sensitive to the view of Congress that we should try to fund more of our wartime operational facilities' needs through NATO Infrastructure. This is part of the broader Congressional concern over what is viewed as a need for equitable burdensharing.

A feature of the current five-year Infrastructure Program is the recently approved category of projects called "Reinforcement Support." These projects include storage for prepositioning equipment for theatre reserves, and reception airfields and ports, which are the principal and essential link between NATO Infrastructure and U.S. policy on rapid reinforcement. These projects, many of them high-cost, are financed through Infrastructure cost-sharing by our Allies. Their total value could reach $1 billion in the period 1980 - 1984. This linkage between U.S. reinforcement planning and commitment on the one hand and Allied investment on the other illustrates the progress we have made to secure common funding under NATO.

As I have mentioned, we share the Congressional desire that to the maximum extent feasible, our construction needs in Europe which are in support of NATO operations be met through Infrastrcucture funding. As you may be aware there are 13 well-defined approved categories with strict criteria under which all the member nations have established guidance for funding. Only those projects that support NATO operational plans with NATO assigned forces, possess a high degree of common interest including availability for use by all NATO forces during warfare, and conform to NATO-approved standards are eligible for Infrastructure funding. With these restrictions, it is not possible to achieve NATO funding for all needed facilities on the grounds

that since our troops are there to help defend NATO, they should be paid for by the Infrastructure account. There are many reaons for unilaterally funding facilities in Europe such as (1) those of a logistics or personnel support nature which have been established as a national funding responsibility; (2) facilities that are required for peacetime administration or training functions; (3) when flexibility is required, and it is not practical to assign aircraft exclusively to the NATO theater; (4) when strictly U.S. functions are planned in a facility that would be needed in a European conflict and (5) considering the limited number of U.S. forces and the percentage contribution to the Infrastructure program, it would not be in our economic interest to pursue NATO funding.

I cite these conditions for NATO funding, because in the past there have been some instances where military construction funds were denied for facilities with the admonition that NATO should fund them. A dilemma resulted when we turned to the NATO arena for funding, to find that the facilities in question were not eligibile for NATO common funding. This predicament of having facility requirements that both the Department of Defense and Congress acknowledge are urgently needed with no available funding source is beginning to have a serious impact on our ability to provide adequate facilities to support our forces deployed in, or committed to Europe.

Mr. Chairman, the NATO Infrastructure program was designed to furnish wartime operational facilities with funding policies based upon the unanimous consent of 14 Allied nations, and for which current requirements greatly exceed available resources. If the U.S. is directed to seek NATO funding for projects known by the Department of Defense to be ineligible for Infrastructure funding, the results are easily predictable. Our U.S. military personnel

will continue to live in crumbling dormitories, work in obsolete maintenance shops, and receive ineffective and inadequate training. I am greatly concerned over this growing problem, and I urgently ask that the Committee ponder this issue very carefully. It should be remembered that the stationing of U.S. troops in Europe is in our national interest and central to U.S. foreign policy. While increasing attention must be given to burdensharing, this is of necessity, better pursued on the political or diplomatic front, rather then through military budget applications.

Now the U.S. has deployed major Army forces in Europe at installations that are small, scattered, and most of which were built prior to World War II. Recognizing the need to deal simultaneously with inadequate facilities, and malpositioning, the U.S. Army in Europe developed a plan to manage force modernization, stationing and other readiness initiatives in Germany. We conducted a series of briefings on this plan for all interested Congressional Committees and Congressional staff personnel during 1980. It was, I believe, well-received. This long-range plan serves two purposes: first to provide the management framework, within which decisions are made to establish priorities for modernization of facilities and for stationing new or reorganized units; and secondly to provide a roadmap for the relocation of units already in Europe. USAREUR's construction programs since FY 1980 have been consistent with this plan.

It should be noted that this integrated planning approach optimizes the benefits from construction expenditures. In many cases the cost of construction to support war fighting improvements can be reduced because facilities vacated by units moving under the plan will be backfilled by the required new units. The ultimate objective of the plan is to consolidate units in modern

brigade-sized installations, located close to general defensive positions thereby achieving improved readiness, economies in base operation and increased efficiencies in command and control. Additionally, there is a potential for avoiding costs by not having to accomplish the backlog of maintenance and repair at the vacated installations.

The United States government has initiated discussions with the German authorities to develop the process by which the plan can be implemented. We feel strongly that Congress should support this plan to include necessary U.S. financing for the first phase which will result in significantly improved readiness at modest annual cost.

Against this background I will now provide some specifics on our FY 1982 program and its content. Let me say at the outset that we have been prodding our Allies, and the Infrastructure system, to increase the size of the annual common-funded programs and to accelerate the rate of implementation. We have had an encouraging measure of success on both counts. The first two slices in the current five-year program -- Slices 31 and 32 -- will account for about $3 billion of the $4.6 billion approved by the Alliance for the period 1980 - 1984. This "front-end loading" ensures that high priority projects will get early attention.

I can, in fact, report that these two Slices together will provide approximately $520 million worth of those reinforcement support facilities I referred to earlier, essentially all for use by U.S. forces. There is, in addition, substantial funding for other categories of U.S. forces projects such as airfields and missile sites. So we are making tangible progress in getting more of our U.S. requirements in Europe covered by the Infrastructure common fund.

We have also seen the rate of project authorization (U.S. obligation) rise steadily over the past two to three years. As the backlog of approved Infrastructure projects is reduced, we hope that within a year or two project authorizations will approximately coincide with the rate of programming. We have a high degree of confidence in the Authorization of $425 million we are requesting for FY 1982 in that it reflects this experience and will be required to meet our commitment for the U.S. share or contribution to the NATO Infrastructure Program. This funding level reflects the amount required at the increased level of programming which the United States sponsored in 1979 and which is now beginning to produce requests for fund authorizations. An important feature of that May, 1979 Ministerial decision on the 1980 - 1984 program was the agreement to a mid-term review of program status and possible losses due to inflation. In the face of Afghanistan and the Middle East crisis, the U.S. urged an accelerated review and did receive agreement to a formal request to the MNCs for what is now called "The Case for Additional Funding." The MNC request, which reached the NATO Military Committee last July, was for an additional $3 billion, including $250 million for Supreme Allied Commander, Atlantic.

Another important item of interest to this Committee is the amount of outstanding recoupment which remains from previously prefinanced projects. In the FY 1982 program the Air Force is requesting $24 million for mission essential facilities at collocated operating bases (COB). These projects are eligible for NATO funding, but with the small amount of funds remaining in this slice group, construction of these important projects would not receive MNC approval until some time beyond 1985. As I have mentioned in prior years, we will limit prefinancing to only those projects which are of such operational urgency, that it would be essential to unilaterally finance them

rather than await the long planning and programming procedure associated with the NATO Infrastructure program. I believe that we have made considerable progress in reducing our overall total of potential recoupments for prior year prefinanced projects. In FY 1980, for example, we recouped $48 million, bringing the cumulative total to over $230 million. All of these amounts have been reapplied to authorization for the U.S. contribution to the NATO Infrastructure Program. Through the first quarter of FY 1981 another $23 million has been recouped. This latter amount is nearly half the $50 million required to compensate for the difference between the FY 1981 authorization of $300 million and the associated appropriation of $250 million. Current projections indicate that the entire $300 million will be required to meet the U.S. share of the Infrastrcuture program this year and I am confident that the remaining funds will be recouped when they will be required to meet our need. Further, because of the concerted and dedicated effort of the Services to reduce their outstanding recoupments, we have reduced our FY 1982 NATO Infrastructure Appropriation request by $40 million, with the intention of obtaining these funds through recoupment. In the future based on our success in achieving recoupments in the current fiscal year, we will reduce our budget request as appropriate. It should be noted, however, over $150 million of prefinanced projects have not yet been programmed in an approved slice by the Major NATO Commanders. It is probable that many of these remaining projects which are primarily for shelters for post M-Day aircraft will not be programmed in this slice group because they are of lower priority in the competition for scarce resources. I believe that our success in obtaining recoupment of prefinanced projects should give us the credibility with you to warrant the occassional programming of prefinanced projects, if and when required.

The U.S. has been very successful in obtaining concurrence for expanding the critera under which projects become eligible for NATO Infrastructure funding. The U.S. benefits from almost 50 percent of the funds expended by NATO for projects in support of individual nations while contributing about 27.4 percent of the costs. I submit, Mr. Chairman, that this is a good deal and deserves our strongest support. But as I previously stated there are many vital requirements that must be funded unilaterally by the U.S. I assure the Committee that the FY 1982 military construction program has been closely scrutinized and that with the exception of the $24 million for the Air Force COB projects only those projects are included that are not eligible for NATO Infratructure funding, and are required in 1982 to adequately support the missions assigned in Europe. The specifics of justification for each project will be addressed in more detail by each Military Department representative, but I would like to highlight the content of the U.S. funded military construction program in Europe. In addition, there is appended to my statement, a table that shows the program by country and by Service.

In Germany, where the largest construction effort is centered, the program provides for construction totaling $389 million. $162 million is required by the Army to field increased war fighting capability including several improved intelligence systems, the Multiple Launch Rocket System and the PATRIOT Air Defense System. While operational and training facilities are accorded the highest priority, a substantial amount of the construction requested would improve and modernize living and working facilities for troop units. I have visited many of our overseas installations, including some of the remote sites, and I commend to you to do likewise. We must recognize the deplorable living and working conditions which we are asking our military

members to endure and do all we can to alleviate them. Some $163 million of the Army's request is devoted to improvement of barracks, medical and community facilities.

For the Air Force in Europe, the total of construction requested is $258 million. A major portion of their program is for base support facilities for the GLCM in the United Kingdom and Italy. At Greenham Common, the United Kingdom, there are a number of buildings that are being upgraded including dormitories, warehouses, a theater and a chapel. In Italy, we are starting from virtually a bare base, and the Air Force will require essentially the full range of construction that any base would require. Other significant items in this request are RDF facilities at Lajes, Azores, hardened logistics facilities and chemical warfare protection additions to existing facilities.

The Navy's program for the European area is $35 million. Fifty percent of this amount is for essential facilities for the Central Mediterranean base at Sigonella, Sicily. The Navy also continues to upgrade its facilities in Iceland, and the FY 1982 request includes $7 million for that purpose. Other Navy projects are in Greece, Spain, Scotland, and the United Kingdom.

Additionally, to support the children of dependent families stationed with forces in Europe, the DoD Dependent Schools has programmed six schools at a total estimated cost of $42 million. Another project is for the Defense Communications Agency at Patch Barracks, Stuttgart, Germany, for $900 thousand, to expand an existing building in order to accommodate a new mission assigned to the Agency. Finally the Defense Logistics Agency has a covered storage project at Kaiserslautern, Germany, for $1.5 million.

In summary, Mr. Chairman, this is a highly synopsized description of the Department of Defense FY 1982 program for construction in support of U.S. forces in Europe.

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

This concludes my remarks on this very important portion of our FY 1982 Military Construction request. I thank you for your consideration and attention.

ADDENDUM TO STATEMENT
BY
PERRY J. FLIAKAS
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS AND HOUSING)
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
HOUSE APPROPRIATIONS COMMITTEE

FY 1982 European Construction Program
By Country

($ thousands)

Authorization	Army	Navy	Air Force	Defense Agencies	Total
Germany	339,560	----	18,280	30,700	388,540
Greece	---	480	800	----	1,280
Iceland	---	6,790	---	----	6,790
Italy	---	17,100	1,540	----	18,640
Netherlands	---	----	4,860	----	4,860
Portugal	---	----	49,570	----	49,570
Scotland	---	3,515	---	----	3,515
Spain	---	4,300	5,390	----	9,690
Turkey	20,800	---	5,160	----	25,960
United Kingdom	---	2,800	26,490	13,700	42,990
Various Locations	2,550	---	145,424	----	147,974
Total	362,910	34,985	257,514	44,400	699,809
Appropriations - Prior Year Authorized					
Germany	9,890	---	---	----	9,890
Authorization Total	362,910	34,985	257,514	44,400	699,809
GRAND TOTAL	372,800	34,985	257,514	44,400	709,699

Mr. GINN. Why don't we have the briefing, then we will get into some questions.

NATO-WARSAW PACT MILITARY BALANCE

Commander BROWN. My presentation will cover the NATO-Warsaw Pact military balance.

I will cover the points shown on this slide.

I will cover first a brief review of the NATO strategy and then I will discuss the static force comparisons of the strategic, theater nuclear, and conventional forces.

Then I will give a brief regional assessment of how these forces would interact in the event of an attack by the Warsaw Pact and conclude with a brief discussion of the qualitative factors that would affect a military balance.

NATO STRATEGY

First, the NATO strategy. NATO's strategy, set forth in MC 14/3, is one of deterrence. The object is to deter the enemy from attacking.

If deterrence fails, we conduct a forward defense and a strategy of flexible response. There are a number of actions that we can take to carry out this strategy and the courses of action are summarized here. They are: direct defense, deliberate escalation, and general nuclear response.

———.

In order to carry out this strategy, we maintain a triad of strategic nuclear, theater nuclear, and conventional forces.

The bulk of the strategic forces are maintained by the United States, although the United Kingdom maintains four SSBN's committed to NATO and France maintains four SSBN's and a small IRBM force under unilateral control.

This chart shows the results of 20 years of investment in strategic forces by the Soviet Union. As you can see, they have now overtaken the United States in many of the static measures of the military balance. Shown here are the total number of delivery vehicles and warheads.

Their gains in other areas are equally impressive. This shows the trend from 1966 to 1980 in ICBM's, SLBM's, long-range bombers and finally the total inventory of warheads.

This increase (in U.S. warheads) is a result of the MIRVing of Poseidon, primarily.

There are other measures that we use to calculate the static balance, including hard target kill capability, time urgent hard target kill potential, and equivalent megatons. As you can see, these trends are also running against the United States. We will not begin to redress the balance until the late eighties when our systems such as MX come on the line.

Turning now to the theater nuclear force balance, the theater nuclear forces are the second element of the NATO Triad I spoke of earlier. This shows the NATO inventories in short range, medium range, out to a thousand kilometers and long range nuclear systems beyond 1,000 kilometers.

The dotted lines depict the Warsaw Pact inventories. They are left open at the top in order to depict the increasing force levels that we face from the Warsaw Pact. NATO inventories, by way of contrast, are relatively fixed. As you can see, the largest disparity is in the long range category, largely as a result of recent deployment of the Backfire bombers and SS–20 missiles.

It is this disparity in the long range capability that prompted the NATO ministers in December of 1979 to adopt the twin-track response of NATO—modernization of their theater nuclear forces and also pursuit of arms control.

As a part of this decision they will add 572 long range theater nuclear weapons, the Pershing and the ground launch cruise missile to the NATO inventory beginning in December of 1983.

———.

Mr. PEEL. Where will that take that up to?

Commander BROWN. That would be an increase of about ———. That would move it up to approximately this level.

Of course, because of our strategy, we don't necessarily seek to match Soviet force levels in every category.

We do have to have a range of options to respond to attack at any level. That is why this disparity is distressing.

Mr. PEEL. That only includes European long-range?

Commander BROWN. Yes, sir. This includes weapons in Europe.

I have depicted the U.S. Poseidon and the British Polaris. These are our ——— Poseidon reentry vehicles committed to SACEUR. This slide does not include the central strategic systems of the United States which I briefed earlier.

However, I might add, it does not include the Soviets strategic systems either.

Mr. BURGENER. Would the Chairman yield?

Mr. GINN. Yes.

Mr. BURGENER. Commander, what is your field strategy?

Commander BROWN. I am in the NATO policy branch of the European Division of the JCS.

Mr. BURGENER. There was one missing element on your earlier options. You had forward defense and nuclear. You didn't have surrender in there.

Commander BROWN. No, sir. I prefer not to comment on that.

Mr. BURGENER. I am not recommending it either. There are a few people who would. Hopefully not many.

Commander BROWN. Yes, sir.

STATIC FORCE COMPARISONS

This slide shows the aggregate static measures of the military balance in the theater nuclear category, the hard target kill capability, total number of warheads and equivalent megatons. As you can see, we are not going to reverse these trends even if our long range theater nuclear forces are deployed as forecast; although, the rate of the decline will be reduced in the out years.

Mr. REGULA. Is that NATO-Warsaw Pact comparisons or NATO-U.S.?

Commander BROWN. This is NATO-Warsaw Pact in the theater nuclear component only.

A word of caution is in order in both the strategic nuclear and theater nuclear force balance. These are static prewar figures. They do not take into consideration the actual interplay of these weapons in a dynamic attack situation.

They are a shorthand, but they do not necessarily tell the whole story. They do shape our perceptions, however, and the perceptions are important to our ability to exert leverage in a crisis. Hence, they are important in their own right.

We are now moving from the NATO context—we also have problems with our worldwide theater nuclear capability. This slide shows the coverage of the SS–20's and the Backfire bombers. You can see they reach out here to threaten our forces in the Indian Ocean and also the Pacific.

This gives the Soviets and the Warsaw Pact a significantly improving theater nuclear force capability worldwide, not just in NATO.

Mr. GINN. What is the range of the SS–20?

Commander BROWN. The SS–20—I will have to check that, sir. I have it here. I will look that up when I finish. I can't remember offhand.

Mr. GINN. All right.

Commander BROWN. The Soviet Navy is equipped with a full spectrum of modern air, surface, and subsurface nuclear weapons. The NATO and U.S. theater nuclear forces in the Pacific, by way of contrast, have been reduced. Over the past 10 years, we have reduced our number of weapons ———. We have reduced our forward deployed sites in the Pacific in the last decade ——— and we have reduced our forward deployed ——— nuclear weapons in the Pacific ———. So ——— we have been reducing in the Pacific as well.

Now, the general purpose force trends. I will now show some slides covering the trends in ground force equipment, tactical air, chemical warfare, and finally naval forces.

This next series of slides shows the worldwide inventory. However, it is valid for assessing the balance in Europe. Both sides would seek to reinforce their forces in that theater in the event of crisis or war.

This slide shows the inventories of the United States and the U.S.S.R. tanks and then the increment that we get when we add in the NATO forces and the Warsaw Pact forces.

As you can see on this slide, the Soviets will add ——— tanks to the Warsaw Pact inventory in the out years.

During the same period NATO will add about ——— of which ——— will be U.S.

In anti-armor weapons, the trend is even more unfavorable. This trend shows the number of anti-tank weapons per tank. As you can see, we have ——— anti-tank weapons per enemy tank. The Warsaw Pact has somewhere around ——— anti-tank weapons per tank.

The Soviets have introduced three new generations of anti-tank weapons in the last decade.

The trend in artillery is even more unfavorable. Recent balances show these curves may be steeper than this. They outnumber us more than three to one in total artillery tubes.

This lead will continue to widen in the out years. ———.

Mr. PEEL. Could you clarify? When you talk about the Warsaw Pact, does that include everything, including the reserve forces in the Warsaw Pact?

Commander BROWN. That is a good question. These last two slides do not show the actual combat spares. This shows the weapons in units. If you add those combat spares which they procure a large number of and we do not, this level in artillery, for example, goes up on ———.

This would be the total Warsaw Pact curve and the U.S.S.R. curve so it goes through the letters (at the top of the slide), if you add combat spares.

Mr. PEEL. On the second one, you have NATO and United States separately. If you wanted to get everything that we have, if you brought in U.S. troops to reinforce NATO, would you add the United States to that of NATO?

Commander BROWN. No. This is total. In other words, this is U.S. total worldwide; this is NATO total worldwide which includes the U.S. component.

As you can see, we have slightly less than half the NATO total, that is worldwide. That is not all forward deployed.

Whereas, you see, the Soviet Union has an even larger percentage of the total Warsaw Pact inventory. This is total Warsaw Pact, total NATO. This portion is the U.S.S.R. portion; this portion is the U.S. portion.

This slide shows antiaircraft artillery, AAA. Here the curves show a downturn in the out years, largely as a result of replacement of AAA with surface to air missiles, both manpacked and mobile surface to air missiles.

This shows the manpacked surface to air missiles. Again the Warsaw Pact, shows an impressive gain here in the out years over NATO and the United States.

The trends in mobile surface to air missiles, a big emphasis here. This is very impressive. USSR and again the Warsaw Pact, the situation with respect to aircraft is a little bit more favorable to NATO. There they outnumber us ———. This shows the worldwide inventory of NATO aircraft. The next slide shows the Warsaw Pact inventory. The next slide shows a comparison. Again both sides would seek to reinforce during a period of increased tension or conflict. The Soviets would be expected to maintain their advantage over NATO during this augmentation. We have problems with augmentation. In order to augment the force levels that we have in NATO, we have to have more refueling tankers ———. Those would be limitations to us.

Mr. REGULA. Is there any rule of thumb on how much more you need in ratios to fight an offensive war versus defensive?

Commander BROWN. We didn't specificaly look at that, but traditionally, of course, the defense is the stronger form of war. Of course, you do need an advantage if you are going to attack in order to exploit.

I think the historical figures are about three to one. I am winging it. I am sure some of these senior military officers may want to comment on that.

Mr. REGULA. You need three tanks to one in order to fight an offensive versus defensive war?

General GROVES. The doctrine says normally about three to one.

Mr. REGULA. If that were true, these disparities wouldn't be as severe as they appear.

Commander BROWN. Assuming we fight on the defensive, that is true. Of course, that is what our doctrine calls for. On the other hand, the other side of the coin is that they can choose the time and place of attack and can mass.

For example, in World War II when the force levels were very——

General BOWMAN. I think that is a ground force ratio not an Air Force ratio.

Commander BROWN. Yes.

Mr. REGULA. I understand it would be different for artillery.

General BOWMAN. On ground force they talk rule of thumb of three to one over the front in order to have a successful attack. Then you read in the Soviet literature some of them are saying, "Well, you know, we really need more than that. We ought to try to get up to more like six to one in view of the new antitank weapons."

There is a big debate about how much force you need. That is ground force. Air force is a different picture. It depends upon your technology largely and how your radars hold up. Many of them are just meeting engagements. It is sort of a one on one or two on two and can you have a better missile than the other guy?

Do you see him first, and so on.

Commander BROWN. Naval force again is another matter.

General GROVES. The doctrine, too, sir, is not a binding rule. In the later phases of the war, the Germans felt no compunction about attacking if they had one to three. They ripped the Russians all apart locally when they did.

Commander BROWN. They were able to hold a defense with as much as a seven to one.

Mr. BURGENER. You mean with a deficiency of one to three?

General GROVES. Yes, sir.

Mr. REGULA. They defeated the Russians?

General GROVES. Locally, yes, sir.

General BOWMAN. Mobility has a lot to do with it.

Mr. GINN. When you are backed into a corner too, you fight a little differently.

Go ahead, Commander.

Commander BROWN. I will turn to the maritime balance. The Soviets have recently made strides in the maritime area and have moved from being a coastal navy to one with worldwide capabilities. These slides will show this trend. This slide shows that the total number of U.S.-ship days has declined drastically since 1965. The big dropoff is here in the seventies after the winddown of the war is Vietnam and as a result of increased operating costs and decreased force levels.

We have only about half as many ships in the U.S. Navy as we did 10 years ago. You see our total ship days now are down somewhere on the order of under ———.

That is one ship operating one day. That is called a ship day. that is how we measure deployment levels and hence the capability of our forces because when they are deployed, that is when they are at their peak operating efficiency.

Particularly impressive has been the Soviet movement up in the area of deployment out-of-area. They have moved from somewhere around ——— ship days in 1965 to where they now exceed us in their out-of-area activity.

It is a very, very impressive gain from, as I say, a coastal navy to now a worldwide navy. This shows the breakdown in the various ocean areas. Some areas they have more ship days than we do. For example, here in the Mediterranean; that is our lake traditionally.

This slide shows the principal surface combatants again of the U.S. Navy and NATO and the U.S.S.R. and the Warsaw Pact.

As you can see, the Soviet Navy is larger than the U.S. Navy in terms of total number of ships. This slide only shows principal surface combatants. In total numbers, they outnumber us three to one because they have a number of small craft and their ships in general are smaller than ours.

You can see when we add in the NATO component that we still exceed the number of ships the Warsaw Pact has, although we have a much greater dependence on the oceans than does the Warsaw Pact.

Mr. LONG. Is it true though that those small Soviet ships are very heavily loaded with weaponry, tremendous firepower, way out of proportion to their size?

Commander BROWN. Yes, sir.

Mr. LONG. That should not be discounted?

Commander BROWN. That is true. The Soviet ships pound for pound have a much higher firepower than do their U.S. counterparts. We put heavy emphasis into detection, electronics capabiity, and also habitability. They put their emphasis on ordnance. Very few of our ships have more than one launcher per 1,500 tons displacement.

That is the standard in the Soviet Navy. That is about what our standard was during World War II. We haven't built a ship with that kind of firepower——

Mr. LONG. Do you have any measure of naval strength measured by firepower rather than by tonnage?

Commander BROWN. No, sir. That, of course, is dynamic. It is very difficult to calculate the naval balance. I would say overall though, because of our carrier battle groups, we still have supremacy in terms of fighting a blue-water navy. We would have supremacy in getting control of the surface. When we get to submarines, however, you will see that is a different and in the submarines they have an advantage because all they have to do is sever our sealines of communication and then they can prevent us from resupplying Europe.

So in terms of the battle fleets, we are still superior because of that firepower of our carriers, long range.

They are deficient in air cover. That is one of the Soviet deficiencies I didn't talk to yet.

Also, they are deficient in amphibious capability which we will get to later.

They are making great strides in both of those areas.

In the general purpose submarines, the Soviets have about 192 more submarines than does the United States. They have also a slight edge in total numbers over NATO submarines. Then, because of their traditional sea denial role, this is not surprising.

Also, some of their submarines are technically very good ———.

This slide shows the comparison of mine warfare craft. As you see, NATO trends here are down largely as a result of retirement of older mine warfare craft and the Soviet navy is still the number one mining power and also number one minesweeping country in the world in terms of the total number of minesweepers.

They traditionally have put a high value in mine warfare. This is traditionally the forte of the second-rate navy. The U.S. Navy by way of contrast, is not very serious in the mine warfare area. We count on NATO heavily for minesweeping.

This slide shows the amphibious ships. Here the Warsaw Pact and the USSR—the Warsaw Pact outnumber us in the total of amphibious ships.

The USSR outnumbers the U.S. However, in terms of actual delivery capacity we still have a large margin.

This slide depicts the sea lines of communication with North America and from Africa and the Middle East which we would have to protect in the event of a conflict with the Warsaw Pact.

Because NATO would count so heavily on our reinforcements to defend Europe—it would be critical in fighting the Warsaw Pact ———.

Mr. LONG. On the ground it takes much more to defend, I would assume, than to attack? Are we anywhere near adequate to do the job of defending that area and the merchant vessels?

Commander BROWN. In terms of reinforcement of Europe?

Mr. LONG. No. Just taking care of our own national needs.

Commander BROWN. Our own Merchant Marine is deficient, as you know. If that is what you are referring to, sir.

Mr. LONG. I am talking about protecting it.

Commander BROWN. Excuse me. We are very deficient in ocean escorts. That is true. Our number of surface combatants are tied for the most part to our battle carrier groups and would be almost fully committed to protecting the battle groups which would be operating offensively against the Soviets. That leaves us with a great shortage in convoy escorts. For that role we would be heavily dependent upon NATO for their ASW escorts. A previous slide showed there are quite a few, but they are still inadequate.

At the end of World War II, the British Commonwealth and the U.S. had about 1500 ASW escorts. The enemy had at that time somewhere between three and four hundred submarines. It was about five to one. We are now much worse off than that; somewhere probably about two to one in that area.

So we do have a shortage of escorts for that ocean, that convoy escort role.

Mr. LONG. In World War II we were almost brought to our knees before we developed and refined the convoy system. There were tremendous losses.

Commander BROWN. That was always Admiral Kidd's fear.

Now, of course, that is Admiral Train's fear. He always, wherever he goes, talks about the shortage of escorts. We do need more ASW escorts for the convoy role.

It is a less demanding role than protection of the carrier battle groups, but it requires a large number of hulls.

General BOWMAN. One plus we have now that we didn't have then are very effective long-range maritime patrol aircraft with all types of detection equipment.

In World War II we used maritime patrol aircraft, but they weren't all that capable.

Commander BROWN. Getting to your question about how we would do in the central front, static balances in the conventional area don't tell us the complete story just as they do not in the strategic and theater nuclear area.

The Studies Analysis and Gaming Agency for the JCS has run a series of war ganes which were reported in the posture statement of the Chairman.

These analyses, depending upon their assumptions, of course, do show that we would be ———.

Of course, I have to mention that this does not involve chemical play. It does not involve theater nuclear play. If they used chemical weapons, we would be in worse shape. Theater nuclear is anybody's guess. We do have deliberate escalation options.

This only shows us trying to maintain a conventional defense. What it does suggest though is that we would have difficulty with currently programmed force levels to sustain a conventional defense in the central front.

General BOWMAN. I might comment on that, sir, that the current NATO strategy does not call for a conventional defense against an all-out conventional attack—in other words, NATO does not agree it is going to fight World War II over again. The theory is that if you can do well, in holding the forward defense line the Soviets will have to mass forces in large quantities in order to do that job and break through. When they do that, they have a terrible dilemma because they will be very vulnerable to the theater nuclear weapons at that point, if we should choose to use them.

———.

If you really had to use them, then you have the problem of well, are you any better off than he is?

I guess the idea there is that since we are on the defense, he has got to know that we don't want to lose, and, therefore, we will respond.

If he is on the offense, is he going to risk everything ———?

Logic would tell you that the guy who is defending this territory and the people is going to be firmer than the guy just trying to grab a little extra, but you know, that is still a philosophical debate.

Mr. LONG. I understand most of our troops are still in south Germany. Is that a satisfactory situation from the standpoint of where attacks could occur? That would probably be across the North German Plain.

General BOWMAN. Our troops are in south Germany, which is a main attack route. We have put a brigade in the north. ———.

General GROVES. ———.

Mr. LONG. The main brunt would be on the German border?

General BOWMAN. ———. They would attack everywhere, but when you try to figure out where the main attack would be, it is pretty difficult.

Logic would tell you they will probably hit corps seams, that is, try to hit between countries where there might be some weakness in cooperation. They might pick the weakest countries and you would have to say that still at this point, ———.

Mr. BURGENER. Would the Chairman yield?

Mr. GINN. Yes.

Mr. BURGENER. How much do global strategies come into play about NATO? What I am thinking of is that great big neighbor of the Soviets in the rear, the Peoples Republic of China.

General BOWMAN. ———.

Mr. GINN. How dependable is that plus though?

General BOWMAN. ———.

The satellites are another important factor ———.

Well, I am sure that that picture has changed, you know. ———.

Mr. REGULA. Just to comment on the Chinese situation, they have people and the Soviets have land, so that is a natural and therefore obviously they have to be a threat to the Soviets.

———.

I saw in Time or Newsweek a picture of the maneuvers in Eastern Europe. There was an East German General, a Polish General, a Russian General.

General BOWMAN. There is a psychology there. ———.

Mr. REGULA. Is that right?

General BOWMAN. I just think that has to be a question mark. ———.

Mr. LONG. If I were the Russians, I wouldn't want to count on them.

Mr. REGULA. When you say the best, are you saying in terms of fervor or in terms of skills?

General BOWMAN. Both. What they try to do is to make these satellite military forces an elite group; tie their officers, their promotions, everything to their support for the Soviets; give them special rewards, what-have-you.

Now, the weak point in it is the enlisted grades are still recruits. So they come out of the population. Therefore, you would think they would reflect the attitudes of the population.

It is a question of, you know, at this point in history, how much control do those elite officers ——— have over their enlisted people? ———.

Mr. REGULA. Do they all fill their ranks with a draft, that is, East Germany, Poland, and so on?

General BOWMAN. Yes.

Mr. REGULA. Do they keep their people for any length of time? Is it a two-year rotation of the draftees?

General BOWMAN. I think so, but maybe less than that now. I don't remember what the rotation is.

Does anybody know?

General GROVES. I think it is two and then they go through the reserve system.

Mr. REGULA. As an active reserve?

General GROVES. Yes.

Mr. LONG. Where do they draw their officers from? Traditionally the German general staff had one of the finest officer selection systems in the world. Are they still using that same type of person of German nobility or drawing from a different type of person?

General GROVES. They use the Russian system. The first criterion is that they are politically reliable. They have a very good school system.

General BOWMAN. It is a new world, really.

Mr. REGULA. Do they integrate them at all or is the Russian group separate from the Polish group and the German group? Is there any integration of forces?

General BOWMAN. There are some Soviet officers in the commands. The overall commanders are Soviet officers and there are Soviet officers in the headquarter structures.

I do not believe they are in the units. Do you know?

General GROVES. There is nothing like a SHAPE staff, for instance. They are not multi-national.

Mr. GINN. Commander, go ahead.

Commander BROWN. One final point;

———.

Finally, I want to talk about some of those other considerations that we talked about. We have already explored a number of them here. We don't have to dwell on them at length.

The conditions of war initiation would be very important because Europe is dependent heavily upon reinforcement and the Soviets do have the advantage of picking the time and place of the attack as we said earlier. Whether it was a surprise attack or no matter what the buildup was, those would be critical factors.

We have talked about most of the political factors insofar as the Warsaw Pact is concerned, ———.

NATO INTERACTION

In the case of the West, we have an alliance of sovereign nations. We would have to consult on our strategy.

We do not have a standardized mobilization and call-up system, whereas the Soviet Union and the Warsaw Pact does have a standardized system to mobilize economies and call up forces.

We have a slightly different command situation. They have much better unity of command. The political factors would be crucial here. We would have to first of all get warning and then we would have to recognize that warning and then we would have to react to that warning.

How we do that would be a critical factor in how this war would go.

The geographic factors. Here there are certain advantages the Soviet Union and the Warsaw Pact have over Western European geography.

It is painful for me to say that, being a naval officer, because we say the sea connects and the land divides. Because they can threaten the sea lines of communication, the geography does favor them if the northern, central and southern regions can be cut off.

We would have to maintain our sea lines of communication both intra-theater and inter-theater in order to support the land forces.

The geography favors them in the land battle although we would say it favors us in the sea battle because we can bottle up the enemy with the surface fleet.

Difference in strategy, doctrine, and training. We have talked to a certain degree on those. These are very hard to evaluate.

As we said, what you need is a ratio; the attack ratio over the defense historically has been very hard to figure out.

How about our troops? We like to think that our personnel are better than the enemy's, more reliable and fighting on their own homeland, and so forth. On the other hand, we have to recognize that this is not necessarily a given and the quality of our forces would vary widely from country to country.

QUALITATIVE FACTORS

Finally, some of the qualitative factors. These are the technological factors that you hear so much about.

This is not all a plus. In discussing what advantage technology would give us, we have to distinguish between basic and applied.

While the United States and the West does lead the Soviet Union in nearly every area of basic technology, the Soviets have made a heavy investment in R & D and are fast overtaking us in many of these areas. They already equal us in some. ———.

The more important thing insofar as the battle is concerned is the level of technology in the military systems actually in the hands of the troops.

In this area the Soviet Union is in much better shape than they are in the basic technology area.

For example, they lead us in the basic technology levels in tanks, in armored fighting vehicles, and of course in chemical warfare.

Also, they have some leads in the maritime area ———.

We probably have the biggest advantage in applied technology in tactical air. They are overtaking us, however, in some of those areas, even in the attack air field. ———. Even in the tactical air area they have overtaken us to a certain extent in some of the areas where we enjoyed a wide lead.

Mr. LONG. Have they been able to catch up—and go beyond us in many respects—because we have given so much help in computer and other technology?

Commander BROWN. I don't know how to answer that.

Yes. That is a problem. You get into the differing values of detente. Many have asserted, I would have to say, that they have achieved some advantages through transfer of our technology. We have ostensibly confined it to the peacetime area. With things like ball bearings, trucks and so forth, they have obtained some help. On the other hand, it is probably more a factor of their heavy investment.

They have just out-invested us in R. & D. for many years. It is beginning to pay off. They have more scientists and engineers than we do. They get the best of everything in weapons and technology.

Much of the technology in the West is not necessarily made available to the weapons industry. They have the best of everything, the best labs, the best scientists, and engineers; they can call up the best materials. So it would be oversimplification, in my

opinion—this is strictly my opinion—to say that we have given all of this technology to them.

Computer technology is an area in which we have a huge lead. We have given them some hardware. Many do assert that has helped them out.

This concludes the formal portion of my briefing. I would be happy to answer any questions. I will start with the range of the SS-20 it is ——— kilometers. We checked it.

Mr. GINN. General Bowman.

General BOWMAN. Could I make one fast comment?

———. We have to be ready to do that. We have to have the bases in shape and we have to plan that kind of reinforcement.

We are working on that.

Also, of course, the Norwegians and ourselves are buying F-16's, ———. That is going to be a great airplane in this air war.

They have decided to install beyond visible range capability on that airplane, which is critical.

———.

Our Navy would have to cope then with backfire bombers that can overfly ——— and that gives them a lot more range than we would otherwise have. That makes the naval war a lot more difficult.

We are counting on using maritime patrol aircraft ———.

Mr. BURGENER. Can I ask a quickie here? It is not a NATO question, but I hate to see all this talent get away.

This is a closed hearing, is it not? Everybody here is on our side, right, gang?

Mr. GINN. Let us hope.

Mr. BURGENER. I was out in Bermuda recently and had a fine briefing by the Navy about antisubmarine detection. ———.

Do you know anything about that, General Bowman?

General BOWMAN. I think we feel that if they go to an all-out war, where they are attacking Washington, then the jig is up. We both get destroyed.

Mr. BURGENER. True.

General BOWMAN. ———.

Then the question is, how does the escalation pattern go?

Can we, if we have to, can we stop them conventionally?

It depends upon how much they throw at us and whether we go to nuclear weapons.

If we do, escalation is much more likely. ———.

Mr. BURGENER. That answers my question. I appreciate that. Thank you.

SOVIET PHILOSOPHY

Mr. GINN. As Mr. Burgener said, we have a lot of talent here this morning.

I would like to ask a basic elementary question I am frequently asked by young people. I have spent a lot of time on college campuses trying to inspire and build patriotism, particularly in our defense arena. I am frequently asked, what is the driving force in the Soviet Union, when they know that the U.S. is the only country in the world really capable of ever really giving them trouble

militarily, and they know we are not to do that under first line of attack.

What continues to drive them to spend as much as 40 percent of their total economy for defense?

I read Mr. Nixon's latest book when he goes back seven centuries and talks about the Magna Carta and how that set the West on its course and the Mongols sweeping across the steppes and taking over what is now Russia and boiling them in oil and they got used to that, but is there a single thing that causes them to spend this much money, which in turn causes us to spend this money?

General GROVES. I don't think it is a single thing. It is a sequence of things that starts first of all with the belief they can put us out of business sooner or later, but then if you apply it in terms of the military mind in action—and I think I know something about that because I have one—we are indoctrinated. We believe as an article of faith that we should be capable of having assured success in accomplishing our mission.

I am sure that they, given their mission, look at the problem in the same light. I think from this distance they seem to have a greater call on the nation's resources than those of us on this side.

Mr. GINN. Is that Communist party doing this to perpetuate themselves in power?

General GROVES. I think there is an element of that, but I think too they have a very strong military hierarchy that has a great deal of say in their government and I think if you look at the classic military approach to a problem, this thing just grows and grows if you let it run that way, because we always seek assured success no matter what might be coming against us and that costs a lot of money.

Mr. GINN. General Bowman, do you have any thoughts on this?

General BOWMAN. I agree with everything General Groves said.

I would add that, of course, the military consider themselves part of the party. At least the leadership does. You can't separate the two.

As General Groves says, they follow in the long run Communist ideology. I believe they firmly believe it.

It is just the idea that gradually over the centuries—maybe faster—the social forces are going to bring about victory for their way of life and in the course of that they have to use military power however is best to use it. Not to use it in a reckless way that would set them back, but use it where it is helpful and certainly watch for some capitalistic country attacking them.

Mr. GINN. How can they believe that though, when there is really no comparison between the Soviet Union and the U.S. in any other category except defense?

That is housing, luxury items such as washers and driers and telephones.

General BOWMAN. If they could actually be successful in the long run in what they are planning, and that is a gradual takeover of one thing after another, until maybe we are an island by ourselves and then they cut off our raw materials. I think they figure when they get our backs to the wall—and, of course, we say if they attack in Europe, for example, and they succeed in breaking through conventionally, we are going to nuclear weapons, and if we

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have to we will go to strategic weapons—we are telling them if they really go for our jugular, we are going to respond.

Mr. GINN. Isolating this country is what it is really all about.

General BOWMAN. Yes.

Mr. FLIAKAS. I think you touched on it. The fact that they can compete militarily and politically, they will use their military power.

Mr. GINN. To stay in power?

Mr. FLIAKAS. Yes. Whereas in agriculture, social, or economic programs, they don't.

Mr. LONG. This raises an interesting question we should think about.

What is the motivation for this tremendous military effort? I find it very puzzling.

For one thing, I think we ought not to assume they are total idiots. By this time they must know that they are not doing well economically. Their military effort is really at the price of virtually any economic progress.

In fact, when I was in Russia last year, we had a very intelligent interpreter who, my guess is, is going somewhere sometime. He said to me—whether he meant it or not, I don't know, but he said, you people just want to keep the arms race going so far that we can't make any economic progress.

The Soviets must by this time be beginning to tumble to the fact that they are not really holding onto anything in the world except by force.

They can't hold onto Poland except by force; they can't hold Afghanistan except by force. In Cuba, they are able to hold on only by having Soviet troops there.

They aren't making the progress you think they would expect by virtue of a triumph of their economic system over ours, either in their country or the developing world.

The latter are not blind, either; they see people in boats risking drowning to get away from communist countries. By this time I think most of the developing countries, or at least enough of them, must be getting the perception that Communism is not the way to go. Consequently, they are not moving so much toward communism as they are away from their own systems into a kind of anarchy, just a breakdown of law and order.

Now, if the Russians can't see that, they are a lot dumber than I think they are. I can't believe that they don't see some of these things going on that are so obvious not everybody else.

Consequently, we have to suspect the tremendous military build-up is maybe for something other than mere survival with the idea of winning in the long run economically and socially. Because they are not going to win the long run economically and socially.

The winner will be either us or chaos, as far as much of the developing world is concerned.

General BOWMAN. That scares a lot of us. If they do ever come to that conclusion, then it seems to me we are up against it because they will turn more to the use of the only thing they have to draw on, and that is their military force.

Mr. HEFNER. We were in Europe about a month ago and talked to some of the NATO officials. General Allen came down from

Germany. We had an interesting discussion. He had an observation that I agree with. If we can keep from blowing ourselves up in the next decade and continue to keep our forces ready, the Russians are going to reach a point of less spending for defense. They are seeing their satellites, Poland, East Germany, doing better than the people in Russia are doing, and yet they are being called upon to subsidize the Cubans, the Polish and the East Germans.

He had an observation that time is on our side with regard to the economy. Their five year plans haven't worked, and their ten year plans haven't worked; they are going to have to begin spending for the masses of their people. Presently they can't buy refrigerators, automobiles, or the necessities of life. They stand in line for a little bit of meat. They see their satellite countries doing much better than they are, so just as a practical matter, even though the Communists are not very practical, there will come a point in time when they will have to discontinue this tremendous spending of GNP for military hardware.

Do you agree with that analysis?

Mr. FLIAKAS Philosophically I would agree, except with regard to the timing. I have discussed this with General Allen also.

I would just say yes, that is an optimistic viewpoint and I would hope and agree that that is the case, except for the five or ten year period because the Russians seem to have a feeling that time is on their side; that they are going to outlast us.

Mr. BURGENER. On that point, if you would yield, what scares me is, if they get the feeling that they are surrounded—and I think they are going to be surrounded, and that their global ventures fail, they are going to make one great grasp for the sword. Perhaps with the younger leadership——

Mr. FLIAKAS. I think it goes back to what Mr. Ginn said with regard to motivation. There does seem to be a paranoia in the Russian mentality with respect to that, their being surrounded, perhaps.

Mr. BURGENER. And they have been invaded and a lot of us have not.

Mr. HEFNER. There are going to be perilous times. That is what General Allen pointed out. There is going to be some tiptoeing through the tulips in the next few years to avoid total chaos. If we have that chaos, there will be nobody here.

Mr. FLIAKAS. Especially because of the heights they have reached militarily in the last ten years. If that continues, very definitely we are on tenderhooks. Don't you agree?

General GROVES. Yes, sir.

Mr. HEFNER. We are proceeding on a course that we are going to rectify some of the mistakes we have apparently made over the past few years. If we can do that and build our forces to the point where we have some advantages in some areas and can hang on for the next few years, certainly with the economy we have, they can never touch us as far as the economy is concerned, and placating our people, but you know even an animal, you can just abuse him so long.

The media is beginning to leak into the Soviet Union. They are not as closed as they used to be. They are not fools. They can see the East Germans have an automobile and a color TV and they

have a man who has been working for 25 years and cannot even have a vacuum cleaner.

Sooner or later they won't have an uprising, but their productivity will continue to decline and as an economic thing they will not be able to support this war machine. If we can keep from blowing ourselves up.

I hope he is right and I hope time is on our side.

Mr. REGULA. Is there any danger that those guys are like two teams, they get their skills so honed that you have a temptation to try them out?

Mr. FLIAKAS. I don't think there is that danger on our side in NATO, sir. If you ever worked in an alliance, you will know that——

Mr. REGULA. They are not too honed.

Mr. FLIAKAS. They are very hard to hone.

There are 15 co-equal members and they have, on most things, divergent interests until they really get under the gun.

Mr. REGULA. I can understand that. I am thinking more, I guess, from their side, because there must be a temptation.

Mr. FLIAKAS. They don't have that problem.

Mr. REGULA. You have built this huge capable machine and they have a corps of officers who would be tempted, it would seem to me, to demonstrate their ability, particularly when they still have this element of paranoia and perhaps an element of inferiority complex.

Do either of you Generals, when you interface with your counterparts in the Soviet Union, find that?

General GROVES. Yes, I had a very close association with "my friend and colleague" as he called himself. General Grinkevich, Chief of Staff of the Soviet Forces in East Germany. He was a real pro. He would be a general in anybody's army.

He also, as many of them are, in addition to being a general, was the equivalent of a member of Congress. He is also very, very conservative. All of the high-ranking Russian Generals I have known—and I have known a number—are very professional, very well educated in their business, and very conservative in their approach to their business.

Mr. BURGENER. What do you mean by conservative?

General GROVES. The doctrine of assured success. You can never have enough to be sure.

Mr. BURGENER. I hear you talking about NATO. When I talk to NATO politicians, like we are, parliamentarians from all over the Western Union, I get a real strong surge of pacifism. Is that real or are they not representing the military types? What do you feel about pacifism in Western Europe?

General BOWMAN. I don't think it is that bad. I think we have a thing going right now that reminds me of our Vietnam era where we have a sudden surge of young people and women who are for the first time becoming active in politics and who are in a very naive way looking at the world and saying "Good Lord, there are nuclear weapons here. They are terrible. They will destroy the whole world. We must fight the nuclear weapon wherever it is."

In the Netherlands, which is the strongest group, it is led by the churches. You talk to these people and—I am sure there are Com-

munists around trying to influence them, but it is really not a Communist movement; it is really sincere leaders of the churches who have been carrying their people with them. We have some of that in our own Council of Churches, you know.

They are well-meaning. It is just that they are not realistic. We have to try to educate them and let them know you don't have to choose between being Red and dead, there is an opportunity to be neither. That is the whole issue.

Right now we are in one of those cycles where suddenly we have this upturn in the number of people who are uneducated on military matters, and who suddenly become active in desiring to improve the world. That is what is happening.

I would say it is still a small minority in most countries but it is present and very active in almost all countries. It is a real problem in the Netherlands and to a lesser extent in Norway, Denmark and Belgium, and lesser yet in Germany and the U.K. But it is a problem and it could get worse.

We worry about that, with our allies, and they are trying to come up with ways to educate their people and lead their people.

Mr. REGULA. Which leads me to something, and that is the perception, and I have heard in the briefing here—we had the DIA briefing, ——— and the military will say, well, the Soviets don't know how good our ——— is, therefor, we can't publicize this, and yet we are, let's face it, we are asking the American people to realign our nation's priorities.

We are going to say, ultimately you are going to get a little less Social Security and a little less food stamps and then we can have a little more military, and I am sure all of my colleagues have experienced this.

They come into my office—Mr. Hefner and I are the only ones here from the Budget Committee, but we have been swamped. I am sure Mr. Hefner gets the same thing I do.

You say, do you want to print it, borrow it or tax it? Well no, we will get it out of the military. Is that right, Mr. Hefner?

Mr. HEFNER. Right.

Mr. REGULA. Take it out of the military because the people don't perceive the threat.

Mr. ADDABBO. It is worse in Europe.

Mr. REGULA. You talk about educating people. Is preserving the integrity of that knowledge ——— so important that we don't put a few of those slides on national TV? I am asking that question.

Mr. ADDABBO. Well, I personally think that we have to find ways to do that. Maybe you don't put the actual photo on, but maybe you put on parts of the photo, ———.

——— for some reason and you can show a set of, for—for example, the Soviets have great, strong units for laying pipelines so that they can run their fuel right into the enemy territory. Well, you don't need pipelines to run fuel into your own territory. You have it there.

Therefore, this is a clear indication of their offensive attitude and efficiency.

Assuming those photos ——— are no longer so sensitive ———, then I think we ought to be able to do a story on that and release it. We are looking for those kinds of things.

Mr. REGULA. Bridge building. The same thing. You don't need bridges to go backwards.

Mr. ADDABBO. That was raised with the Deputy Secretary of Defense in a meeting I was part of so we do intend to work on that problem.

———, at least we ought to do more toward making it available to allied leaders so when they speak they speak with more conviction and we plan to do that.

We have been doing that in the last few years. We will do more of it.

COORDINATION BETWEEN DEFENSE AND STATE

Mr. REGULA. I am interested that we have the State Department represented this morning. My question is this: Is there a conscious effort to coordinate both foreign and military policies so that one supports the objectives of the other?

Along with that, have we made a foreign policy decision we are going to stay in Europe? Should we build construction for 10 years, 20 years, or 30 years?

That is a foreign policy decision as well as a military situation.

I have been over there a couple of times. My observation is that we band-aid it because we have never really made a fundamental decision we intend to stay.

Therefore you fix it up enough to make it last until next year.

Is there a coordination of foreign and domestic and military policy? The Japanese can build a lot of Toyotas because they don't spend much on military. There is another element to it.

Is there coordination of all these things?

Mr. EWING. I would like to say, yes, there is, and we try to make sure there is. It is never perfect and there are probably cases where it falls down but there is a major conscious effort on the part of the Department of State to coordinate extremely closely with the Department of Defense and through the National Security Council system with the other agencies involved in national security affairs.

With regard to staying in Europe, yes, we are committed to staying in Europe to continue full and active participation in NATO. I think it is very important that our European allies see that that is our intention and our plan.

Now, the question of what we do in Europe is the subject of this hearing. There is a lot of history going back over a period of time.

I think part of the problem why sometimes we have barely been able to keep up facilities rather than building for the longer run has been a question of money and resources and competing priorities, but I think as far as the general foreign policy intention of the United States is concerned, it is very much engaged in Europe and in NATO.

Mr. REGULA. You coordinate our foreign policy with a supporting military decision, is that correct?

Mr. EWING. Yes, we do, and I think perhaps the other witnesses would like to confirm that.

General GROVES. Those of us at this table know our State Department counterparts very well.

Most of the instructions in policy matters we deal in are handled through the embassy in Bonn with the Germans, for instance. Their joint safety activities; we act as one.

LENGTH OF STAY IN EUROPE

Going back to your question on whether we have a policy on how long we are going to be in Europe, the general answer you have heard. We are a member of NATO. We will carry out that responsibility and that means we will be in Europe as long as we are a member. We will be a member for the indefinite future.

Traditionally, though, in the things this committee deals with, we haven't acted that way. Traditionally when we came to put together our programs and our budgets for facilities on the ground, there was always something hanging over our head, like the tooth-to-tail ratio argument, or the Mansfield amendment, or something that led you to wonder, am I really going to get in this location next year?

———. We now conduct our business on that basis.

Is there a national policy to support that specific assumption? ———.

Mr. REGULA. So your construction is predicated on a useful life of, ———?

Mr. FLIAKAS. Absolutely.

As has already been stated, it has really been a matter of priorities. Certainly we are reaping now the benefit or the neglect, if you will, of those decisions that were made to draw down Europe during the late sixties and early seventies.

As a consequence, our backlog has risen not only in construction, but in efficiency and maintenance. We are addressing, now, the problems that really have mushroomed or have accumulated over a period of 30 years since we have been there.

That is why I am glad to have the assistance of these people here today because specifically from a construction standpoint I know what my deficiencies are and we keep talking about them and presenting them to the Secretary of Defense.

But, there are also other priorities with respect to upgrading the theater nuclear capability, upgrading our forces in other ways.

It is easy to defer construction, but now we have gotten to the point there we just can't defer any more. You people have seen the deficiencies, you have seen how deplorably our people live in those areas.

Where I am frustrated is in the so-called burden-sharing area, the direction and the guidance of the Congress says, well, let somebody else pay for it.

We do that. We have explored all those avenues. There are very strict rules we adhere to with respect to NATO. There are 14 member nations. It requires unanimous consent as to what is eligible for common funding and there is a very definite commitment.

If it is in our interests to be there, there is a very definite commitment that applies to the U.S., as to any nation that has troops bedded down over there, with respect to what he pays for and what the alliance will pay for.

Mr. REGULA. Could you get the Garlstadt?

Mr. FLIAKAS. We have developed a plan that has been presented to the Germans to do just that. You have heard me talk about the ———.

There is a maldistribution of our forces there ———.

But this is going to take understanding on the part of the Congress, as well as participation on the part of the Federal Republic of Germany. It is going to have to be done in tandem. It can't be done with just one of us.

Mr. HEFNER. Following up on what Mr. Regula says, I serve on the Budget Committee. We have a problem. Everybody recognizes we need to upgrade our defenses. A lot of people come in defending child nutrition programs and aid to old people and they say, do you mean to tell me that $196 billion contains no waste and abuse?

It is hard to say in that much money there can't be some areas that could be cut a little bit.

A lot of rhetoric is going around the country. People making political speeches say we couldn't defend the District of Columbia, that we are behind the Russians in every area.

I think it would help us to let people have some optimism in this country. Certainly we have a lot of capabilities. I don't believe you men, if you were asked to swap places with the Russian Generals, I don't believe you would trade with them. At least I hope you wouldn't.

One other thing I would like to mention. We had a luncheon ——— NATO ministers, or ambassadors. We had a very candid conversation. They want to meet their goal of three percent real increase. They have some problems, as you well know, political problems.

Without exception they all said, look, we think if the Administration, without any preconceived conditions or making any commitment for conditions or attaching any conditions, would just let the word out, especially in Europe, that we are willing to talk with anybody about strategic arms limitations with people of good faith, they said, this would be a tremendous help to us when you take into consideration our political concerns.

The churches, the Scandinavian countries, and Germany have problems.

Italy has an entire section of the Fiat plant making automobiles for the Soviet Union. They make them and put the Soviet Union name on them. They have problems. They have 238 members of their parliament that are Communists. They are still able to meet their commitment. They say it is vital to them to let the people in Europe perceive that the U.S. is certainly willing to pursue SALT negotiations.

I think we might be sending the wrong signal if the Administration takes a very hard preconceived notion on SALT. That was the observation we had from these ministers. Especially from German officials ———.

Mr. ADDABBO. When was this?

Mr. HEFNER. This was about a month ago. So they are concerned because of their political situation.

Mr. ADDABBO. The main pressure has been on the tactical nuclear force modernization, because we made a decision we would go ahead with the cruise missiles and the Pershing II's. In parallel we

would go ahead with talks with the Soviets to see if we could limit this at some point. So they were very worried that the new Administration, since it has opposed SALT would not go ahead with these talks. Our alliance experts are meeting in Brussels today to get together the alliance position for those talks. Now, how soon we could actually start the talks with the Soviets will depend on the outcome of this meeting, but we have said we are ready to do it and we will do it as soon as we are ready, and you know we are not holding it up in any way.

I think that is true. In SALT we have a different problem because there the Administration believes we are on the verge of giving away the farm. They want to take a hard look at that and come up with something they feel actually limits armaments, and doesn't just sort of let you go on doing what you were doing. They felt the old agreement let the Soviets keep moving fast and it tended to hold back the West because we have this agreement that limits everything so we don't have to worry.

Therefore, they want to be sure the agreement is tougher than that, that it really limits the Soviets in that when you execute the agreement, both sides of the whole world is in a safer situation than it was if you didn't execute it.

I think the Administration position is that we will move promptly to work out this position and then we can start the negotiations.

Europeans seem to feel moving ahead with the TNF nuclear talks with the Soviets now or soon, it is fine, and if we can do that we can take time to work on SALT.

Mr. HEFNER. I think it was the perception of these people, ———, to know that the U.S. is willing to sit down with people, because they have all these different political situations that are causing them a lot of problems with regard to placing weapons on their soil.

Mr. REGULA. General Bowman, apparently you are in NATO negotiations.

One of the things that came up yesterday is the fact that we divorced the Persian Gulf from NATO and yet obviously, access to oil, both from the economy standpoint, as well as militarily, is absolutely essential to our NATO allies.

How can you really divorce NATO from the Persian Gulf in terms of the security of the two regions?

General BOWMAN. There was a landmark decision last year, which sort of obliterated that separation because NATO recognized in their June meeting that the Gulf area, the Southwest Asia area as a whole, because of the oil resources, is critically important to the alliance. It is not part of the alliance area, but it is critically important and therefore those countries that have the kinds of capability that are useful there should help out and those countries that can't do that should try to do more in other areas.

So that was a common agreement and then in December we approved a set of programs that were supposed to accelerate some of these things in the European area for countries to do, that didn't have big navies and so on, and those were approved and they will be reporting on that in the fall as to what advances they made.

I think that Afghanistan and the Gulf situation has made a major impact on NATO. It is very hard to prove because you can

say, well, you had all these programs in the long-range plan anyway, but those of us who were involved knew that we weren't going to do very well; we weren't doing very well.

The economic situation had hit hard. ———. Then came Iran and Afghanistan and that was quickly upgraded.

The same thing was going on in the other countries. In fact, since more of them are more energy-dependent than we are, their knockdowns with their finance ministries were tougher than ours.

We knew things were going badly and now they are going much better.

We will see in one of these questions that I am answering that we are looking much, much better than we thought we were going to be.

Mr. GINN. Before we go any further, I want to thank you, Commander, for the excellent briefing.

I think you realize by now you have kindled a lot of interest among our membership. You have completely shot down our prepared questions. I think we have covered in one way or another most of them.

VISIT BY GERMAN DEFENSE MINISTER APEL

Mr. GINN. It is my understanding you recently met with Secretary of State Haig and German Defense Minister Apel. Could you describe for us the purpose of this meeting and some of the subjects you discussed? Is that in order or out of order?

General GROVES. I would be glad to speak to that.

Dr. Apel is the German Minister of Defense. He came to Washington to meet Secretary Weinberger, whom he had not met previously, although he had met Deputy Secretary Carlucci. It was merely to get acquainted, to discuss items of common interest and generally to get ready for the Spring series of NATO meetings which are about to begin.

General Bowman alluded to one of them.

At the formal meeting between the two secretaries, Minister Apel, mentioned the defense budget. This may be of interest to some of your members, Mr. Chairman.

He pointed out they are going to continue to increase defense spending. They will continue the tank buy, for instance, but the amount of the increase at this point is not determined because it is still a matter of negotiation between their Budget Office and the Minister of Finance.

On the subject of theater nuclear modernization, they made the point very emphatically, which Mr. Hefner mentioned, and General Bowman discussed, that there is a linkage between GLCM and some sort of arms control talks.

While they said they were not asking for anything, they just wanted us to be aware that ———.

There was a very brief mention of questions about the criteria for the GLCM hardened shelter. Those have since been cleared up.

The matter of infrastructure came up. ———.

The Germans have a reservation on SLICE-32 going above a certain number until such time as the major NATO commanders have submitted their list of priorities for their projects.

That is done and we are now ready to discuss that one.

The other question has to do with the commitment made a year and a half ago—going on two years ago—to hold a mid-term review of our total financial situtation with an eye to determining whether or not we should replenish the fund.

———.

In the meeting between the two secretaries, Secretary Weinberger designated me to meet with a corresponding German expert soon ———.

Today I am looking for my counterpart, who is spending the day before the Bundestag, and I hope sometime we can get to the phone and arrange when we can meet. This thing is pretty well on track, I would say, and I think will be resolved.

Also mentioned between the two secretaries were the U.S. forces issues, the so-called Ambassador Stoessel Dermarche of October 4, 1980, in which he gave a prioritized list of eight things we very much want in the way of host nation support. I guess we will get into that in more detail eventually, but in that discussion Dr. Apel made the point that while he is responsible within the German Government for Issue No. 1, which is wartime host nation support, the Foreign Minister is responsible for the other seven issues, and we should address our business to him.

We are now doing that. That was good advice and I think, again, we will begin to show progress and I guess we will discuss those in detail presently.

Mr. PEEL. What are those priorities?

Mr. FLIAKAS. Five. Remaining seven have to do with facilities.

Mr. PEEL. Could you describe this right now?

Mr. GINN. Could you list those for us?

General GROVES. The issues—I will take them in order.

This was the position advanced by our Ambassador, then Ambassador Stoessel, now Under Secretary of State—the first is wartime host nation support.

Under that initiative ———.

The Germans went to a different solution. They proposed ———.

Mr. GINN. What additional support will be obtained for family housing in Germany?

General GROVES. Additional housing support from the Federal Republic of Germany (FRG) was the subject of the November 1980 demarche. Local landstaads are already subsidizing construction loans for lease-construct projects, thereby decreasing ultimate per unit rental costs. In the context of the demarche, areas which will be covered include: the provision of land for construction of housing, particularly applicable to the eastern border areas; loans or construction subsidies for leased housing; and, the provision of additional housing to replace existing FRG assests used by U.S. Forces.

Mr. GINN. Several years ago the Germans provided several hundred million dollars for the modernization of U.S. forces in Germany. Do you see any possibility that this program will be brought back to life?

General GROVES. No. The Germans' problem in this case is not a simple one; they must deal in a consistent way with six "sending powers." They encountered serious difficulties with the other five

when the funded—by offset—our Modernization Of U.S. Facilities program.

Mr. GINN. What policy organization has been established to seek increased host nation support?

General GROVES. A Department of Defense Host Nation Support Advisory Group was established in October 1979 to formulate and coordinate host nation support policy. This group, chaired by the Deputy Advisor to the Secretary of Defense, is composed of representatives from the Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff, the Services, and the State Department.

Mr. GINN. In addition to requests being made with the German government to increase host nation support, what efforts are being made in other NATO countries?

General GROVES. Wartime host nation support requirements were presented to the Ministries of Defense in Belgium, the Netherlands, Luxembourg, and the United Kingdom in September 1980. Support requested included port operations, transportation, facilities, construction, labor, and other support services. The BENELUX countries and the United Kingdom have indicated that they have studied the requirements and find that meeting them is both feasible and desirable, and that they are initiating necessary planning to provide the support. These countries are expected to satisfy most support requirements from assest of their civilian sectors.

Mr. GINN. I think it is important to ask you this. Would you explain to us why our Defense Department feels obtaining German personnel support in time of conflict would be considered a major achievement in host nation support? It appears they would be supplying personnel to run mess halls and maintenance facilities while the U.S. provides troops on the front lines.

General GROVES.Yes, sir, and that is a good question.

It is a question of the time available to deploy a very large force. There are only so many seats that can travel across the Atlantic in ———. There is a limit. You are limited, if not by the number of passenger aircraft, which is probably not the limiting factor; you are limited by your ability to embark troops in this country, to disembark them and get them to their battle stations in other countries,

For planning purposes we say that all has to be done in ———. Actually in terms of the Army, from the time the solider begins to move until he has to be in the country, if he is going to be in his GDP position on the ——— day, he has to move in a window between the ——— day. So you have to move about ——— people ———.

Now, the movement of the ——— combat troops can be done, sir,—this is mathematically feasible. But if you are going to move ——— more, their support troops in with them, it doesn't work. Then you have your choice.

Would you rather move all your combat force or would you rather move a lesser number of combat troops in a balanced force?

The number you can move in that window is pretty well fixed. That is what drives you. The alliance very much favors more divisions because the more division flags that appear on our map, the greater the deterrent effect.

We think that is true; so therefore, we welcome their support because it enables us to unbalance our force in favor of deterrence.

General BOWMAN. Let me make just one comment. It is not as if the Germans are going to turn all the shower units and so do all the fighting. Remember, they have ———.

I had a German General sitting next to me ——— in a meeting when our ——— Commander said, "I am going to be an important commander in time of war and this slide shows all the things I am going to do."

He had ——— men coming over in the first thirty days to run showers and wash dishes.

This German said:

> That's crazy. We have got about ten million people of age and physical capability where they can wash dishes and run showers and we should be doing more of that for you so that you only have to bring these kinds of people over.

That is when we started working on it and, of course, General Groves has been working on it in a much more practical way as the Chief of Staff has done in the Army.

Mr. PEEL. This priority relates only to a time of conflict, is that correct?

General GROVES. This is correct. This is wartime host nation support. That is our first priority. It has to be our first priority because our only reason for being in this business is this, in time of war.

The second priority on the Ambassador's list of eight was the so-called ———.

You have heard a version of it. It is a notion which calls for us to ——— our units in a way that better supports our ability to transition to war, in a way that would lessen our requirements for modernization.

It has many advantages. The concept is that it would be more or less self-sustaining once it is initiated. The assets released would be sold and the proceeds applied to new assets.

The problem is, first of all, how do you develop a system that will be self-sustaining?

Secondly, how do you start the process? I am sure we will have more detailed discussions with you on that because you play a part.

All we asked the Germans to do was to be aware of it and please be prepared to discuss it with us.

The third issue was family housing. Here we asked for their support in dealing with the lender and the private financial institutions and at the same time to please understand what we are doing in the field of the land use tax.

The fourth initiative was for rehabilitation and modernization of facilities. It would be something akin to a follow-on to the old MOUSF program, the modernization of U.S. facilities, an offset funded program.

We racked it up because we need to modernize and upgrade our facilities. As Mr. Fliakas says, we accept contributions from all sources and we are asking for one here.

The fifth one marches under the title of individual financial problems of service members. This a conglomerate of probably 50, maybe 75 or 80 individual initiatives. Some of them have been going on for a long time, some of them not so long.

They include things like relief from paying the value added tax, relief from these exorbitant deposits that you have to make when you get a telephone in Germany. A soldier who moves four times in a year soon has a great deal of his capital tied up in deposits. It is a list of that sort of thing. It is a big bundle, but it is treated as a single item.

The next issue was labor cost sharing arrangements and here we want to get at the Germans to pick up all, preferably, or at least some of the Social Security contribution that we pay on our employees, the payroll administration fee and that sort of thing. A lot of money that goes to them for their own purposes through our labor force because our labor force is substantially German.

The seventh issue, called service contracts for base support, is a long-standing initiative. It is related to the ——— in a way. The notion here is to get the commanders overseas, to the extent that we are able, out of the base operations business. It interferes with their training mission and their combat readiness mission. It gets in the way of a rapid transition to war. We own and operate a massive base in Germany; we would like to give it back to the Germans. The Germans have in the civilian administration of the Bundeswehr an organization, Standortverwaltung-STOV is the way you normally see it written. It does for the Germans all these things.

The German commander merely lives on his base. When he has finished his job, he leaves the base and STOV continues to take care of it for him.

There have been many reasons advanced by the Germans why STOV can't, should not and won't take this mission for us, but they are amenable to discussing it.

Failing that, we would like to have our base operations administered on a contract basis. We would like to get our commanders out of that business.

The final item is pollution abatement. U.S. law and German law come together to cause all kinds of problems in these obsolete facilities that we occupy and neither of us wants to pay the terrible cost it would take to bring us into compliance with both laws.

Mr. BURGENER. General, would you run over the Social Security bit again? What employees? What kind of nationals?

General GROVES. Sir, our work force in Germany—I would have to correct this probably but it is on the order of 50 or 60 thousand direct hire employees.

Mr. BURGENER. Civilians?

General GROVES. Civilians. They are predominantly German. There are some third country nationals and there are some U.S. dependents, but they all have to comply with German law.

Mr. GINN. We are paying that?

General GROVES. Yes, sir.

Mr. GINN. I never heard of that before, did you?

Mr. BURGENER. It is their equivalent of our Social Security system.

General GROVES. And our people benefit from it, those who earn enough of it.

Mr. BURGENER. Our citizens become part of their system temporarily?

Mr. EWING. We have a bilateral arrangement so that they are not covered under both systems.

Mr. BURGENER. I thought it was American Social Security. It is their country?

General GROVES. Yes, sir.

Mr. GINN. General, you have listed these areas in which you have discussions. How successful or which ones do you think you will be successful in achieving?

General GROVES. Sir, I am directly involved in the first one, wartime host nation support. I think we are at the point now where we have it. The Germans have defined the problem; they have come up with a solution that is agreeable to both sides. They have reached a political decision to proceed.

Now comes the problem of negotiating the scope, the time phasing, the level of effort or whatever we want to call it, and the cost sharing. That will not be simple, but it is tangible; we all understand it, and I think we will get there pretty fast on that one.

On the others, we have had discussions, informational briefings, but we have not yet joined the issue.

My mission in life now is to join the issue with these people and see how many of these we can carry. They have expressed a great interest in getting on with ———. Family housing they don't understand. They think we want them to build us a whole lot of houses. We don't. We want the Federal government's assistance in dealing with the people with whom we would have leasing arrangements.

Mr. FLIAKAS. And we need your approval, sir, of the request that we have before you which would permit us then to take opportunities that are already in existence on the part of some of the state, Federal states in Germany, to provide, build/lease subsidies that we would then lease back.

Mr. GINN. What is your request before us in dollars, do you remember?

Mr. FLIAKAS. It is to go from the current 17,000 to 20,000 leases with an additional ten percent flexibility I have sought.

We are asking; for authorization and funds to support 20,000 leases, the majority of which will be in Germany, plus a ten percent flexibility or 22,000.

Now, with your assistance in providing those funds and with the assistance of the House Armed Services Committee to provide authorization, we can take advantage of some of the offers some of the states have made.

The state of Bavaria, for example, has already provided some of these.

The concerted effort that General Groves has mentioned is pivotal on the ———. If that is accepted, and we come into agreement as to how that will be executed, a lot of the other things will fall into place too because a lot of this construction will take place at [forward areas up closer to the eastern border].

That will alleviate some of the maintenance and repair problems we have on facilities ———. We will have to provide additional housing in the area, but all of these will come together under ——— umbrella.

We will, of course, seek gains in each of the areas individually but the umbrella is the ———.

Mr. GINN. When do you think we will get a decision on this?

General GROVES. The first decision I have to get, sir, is who I will deal with, and we are pressing for that now.

We have a lot of leverage on these people because they want to do something. ———.

Mr. FLIAKAS. Things are falling in place.

I just wanted to add that initially there was some dragging of feet because they wanted an expression of the new Administration from the standpoint of support for this and they have gotten that now.

They have gotten it from Mr. Haig, they have gotten it from Mr. Weinberger, and from the President.

General GROVES. They are not playing that game any more.

If you want to hit these others very briefly, I should say that the fourth one, the so-called MOUSF follow-on, ———. We have put it up there as our fourth priority. We have to ———.

The ——— doesn't give them that sort of problem because that is not an offset and to the extent anybody wants to play that game, they can do so at no great expense to the Germans.

The cost sharing and pollution abatement we have gone into. The only other one I might mention is service contracts for base support, the so-called STOV notion. We see some interest there. In the foreign ministry there is a great deal of interest because our labor force is causing them political problems at the lower levels. They would like to do something for us.

I should point out that while we may not get to STOV, we might well get to a contract which does the same thing for us and it would be probably a pretty favorable contract.

Mr. FLIAKAS. We would still have to pay though. We don't want to mislead you on that.

General GROVES. This is a great misgiving they have. The reason they have always been very cagey with us in talking about this subject, is because it occurs to them that once they are doing all this work for us, if we stop paying our bills, we will have an offset. We have to assure them all the time that, of course, we will reimburse them.

Mr. PEEL. Is there a possibility this host nation program might be costing us more money than we get back?

General GROVES. It could and we have to understand why. The reason we have a big backlog of maintenance is that we habitually underfund our work requirements. The Germans don't do things that way. The Germans fund them 100 percent. They maintain things 100 percent. We, on the average, seem to run around 90 percent. It is a very interesting problem.

We had a contract in Benjamin Franklin Village in Mannheim a few years ago, for maintaining our family housing. We brought in a German contractor, replaced our work force with it and some of our costs were tripled. The reason was quite simple when you look at it.

The German crew worked faster, so they consumed more supplies and there was a direct relationship between how fast you would let them go and how much their work cost.

We don't do it that way. We only buy so many supplies and they can take the year using them up.

Mr. GINN. If you work faster, don't you finish faster?

General GROVES. No, there is just more work. When you have a $1.5 billion backlog, you can work fast for a long time.

The thing we don't recognize is that to the extent you don't maintain these facilities, under the sofa, the residual values doctrine takes over. In effect, if you are saving ten percent today, it is really a deferred liability against the day you turn your facilities back to the Germans, at which time you settle in cash and pay them for the maintenance you haven't done. And the sad thing is that all the time you are living in misery you know that in the end you will pay just as much as you would have paid for well-maintained facilities.

It is hard to comprehend why we behave the way we do. That is why if we went to something like STOV for a German contract, unless we wrote the conditions so they would maintain at less than 100 percent, it would cost more because we don't maintain things 100 percent ourselves.

Mr. FLIAKAS. This is not unlike a direction we are going here in the United States. We are exploring more avenues for contracting out base operating support. What we call BOS.

Congress has been notified of a good number of studies for services to do this, whereas it is advantageous to the government in areas we call commercial industrial type activities.

It would relieve commanders of a responsibility where they could then address areas of training and operational matters as opposed to housekeeping. It is a housekeeping function we are talking about.

Mr. GINN. We will adjourn for lunch and return at 1:30.

AFTERNOON SESSION

Mr. GINN. The subcommittee will please come to order.

When we broke for lunch we had just heard an excellent report from General Groves on several areas in which he is working closely with his counterparts in Germany.

PAYMENT OF OVERSEAS TAXES

Mr. GINN. During the past two years, this Committee has continually expressed its desire for the Department not to pay taxes to any host nation for our housing units. Since the Department continued to pay them despite the sentiment of Congress, the fiscal year 1981 appropriation bill contained a limitation that prohibited family housing funds from being used for this purpose. Have any funds been requested in fiscal year 1982 to pay taxes overseas?

Mr. FLIAKAS. No, there are no funds in fiscal year 1982.

Mr. GINN. How much in foreign taxes on family housing units was paid last year and from what appropriation?

Mr. FLIAKAS. Fiscal year 1980, approximately $5.6 million was expended from the Family Housing Management Account for foreign taxes.

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Mr. GINN. What negotiations have been conducted to get an agreement with host nations to exempt us from paying taxes?

Mr. ALLEN. ———.

Mr. GINN. Why has DoD not pursued agreements in Germany similar to ones reached in the United Kingdom on land taxes for family housing?

Mr. ALLEN. The reason lies in the difference between the agreements we have entered into with the Federal Republic of Germany and with the United Kingdom. In Germany under the Supplementary Agreement to the NATO Status of Forces Agreement, the U.S. and other Sending States forces receive a number of important services free of charge, including police protection; fire protection; public street lighting; use of roads and navigable waters; use of recreational facilities such as swimming pools, parks, playgrounds, zoo, etc., to the extent that such facilities are subsidized by public revenues; and use of local public transportation, to the extent it is subsidized by public revenues.

Land taxes were negotiated and appear as a separate item in the German Supplementary Agreement. Under Article 63, paragraph 4(d)(ii), the United States and other Sending States are obligated to reimburse the Federal Republic for land taxes the Federal Government has to pay to the Laender. This article was a negotiated trade-off reached at the time the Agreement was concluded in return for a substantial number of concessions made by Germany.

In the United Kingdom, on the other hand, by an agreement of January 24, 1955, as amended in 1975 and 1977, U.S. forces pay for public services rendered them by local authorities. Services for which they pay include fire and police protection and public lighting. Under the agreement, the U.S. forces only pay for services actually received.

Mr. GINN. What is DoD's assessment of the degree of services provided to U.S. forces by local taxing bodies in relation to the amount paid in land taxes on family housing?

Mr. FLIAKAS. The purpose of land taxes is to provide general revenues for municipal operations. We are informed by the United States Army Command, Europe, that there are no specific services provided to the U.S. forces in exchange for the tax reimbursement by the United States.

Mr. GINN. Provide for the record a copy of DoD's response to the GAO report dated December 15, 1980, entitled "Department of Defense Still Paying Some Foreign Taxes." (C-ID-81-2).

[The information follows:]

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., March 12, 1981.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
General Accounting Office, Washington, D.C. 20548

DEAR MR. STAATS: This is in reply to your letter of December 29, 1980, to the Secretary of Defense, transmitting the GAO Final Report, "DoD Still Paying Some Foreign Taxes", C-ID-81-2 (OSD Case No. 5508).

As you know, the recommendations concerning tax relief regarding land taxes in Gemany have been overtaken by Congressional legislation. By P.L. 96-436, the Department of Defense is prohibited from using its fiscal year 1981 military construction or family housing funds to pay real property taxes in any foreign nation. Consequently, all DoD components in the FRG have been directed to discontinue real property tax payments. We opposed this legislative provision becuase it is inconsistent with U.S. obligations to reimburse the FRG for land taxes on family

housing paid by the FRG to local governments under German law. For this reason, we will recommend that the Executive Branch oppose reenactment of this provision in the new appropriations act, while we continue efforts to obtain FRG agreement to waive payment of these taxes.

As the report recommends, we have requested that USAREUR report on the status of the Mainz Army depot so that we can determine whether the current trade tax liability is justified.

In line with the Report's recommendations we are instructing local commands to maintain current country tax law studies and to prepare comprehensive annual reports. As mentioned to you in our letter of October 14, 1980, the FRG Country Tax Law Study is near completion.

For the reasons set out in our letter of October 14, 1980, we do not regard UK "rates" to be real property taxes. We do make payments for specific services that UK local authorities provide to support U.S. forces stationed in the UK. We are continually examining these payments to ensure that they are reasonable and fair and not in excess of the actual value received, and with the view to negotiating reductions with UK. In this connection, the Departments of Defense and State recently requested the 3rd Air Force, on behalf of all DoD elements in the UK, to conduct a survey of these services and the payments made for them, and to submit a report of the results, including what the fair and reasonable payment should be. Separately, the U.S. Embassy in London has been instructed to raise the issue of USAF payment of the accommodation charge on RAF family housing in the UK leased by USAF from MOD, and to try again to obtain HMG agreement to eliminate this charge. One of the components included in this charge is a payment for rates.

You may be assured that the Department of Defense, working together with the Department of State, will continue to emphasize the importance of the Foreign Tax Relief Program.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

MASTER RESTATIONING PLAN

Let us move now to the Master Restationing Plan.

Mr. FLIAKAS. Mr. Chairman, General Delbridge has a very sort briefing that he would like to present as a backdrop to our discussion.

Mr. GINN. We will be glad to hear you.

[CLERK'S NOTE.—The slides used in the briefing were classified and have been retained in committee files.]

STATEMENT BY GENERAL DELBRIDGE

General DELBRIDGE. Mr. Chairman, in my overview statement I requested $18 million to initiate the first construction which would implement the ———. My comments were necessarily brief in view of the sensitive discussions which are underway between the Defense and State Departments and the German Government. Accordingly, let me, in this closed session, discuss ——— in some greater detail. The overall classification of this briefing is secret.

The ——— was prepared by USAREUR in response to the Warsaw Pact buildup begun in the early 1970's and which continues today.———.

——— and at the same time as our forces are moved from old and deteriorating facilities, provide adequate facilities and address our force modernization needs.

Our current dispositions in Germany look like this. In essence, our forces are situated not far from where we stopped at the end of World War II. ———.

For example, units of the 8th Infantry Division are stationed an average of ——— kilometers from their ———. Most of the divi-

sion's maneuver battalions are west of the Rhine, with a third of its strength and all of its artillery at Baumholder, ——— kilometers from the ———. The division must cross the Rhine and Main rivers and pass through the large Frankfurt/Hanau metropolitan and industrial complex ———.

———. Its 2d Brigade headquartered at Kitzingen is scattered over 250 kilometers with one battalion at Wildflecken, and one battalion near Augsburg ———. This latter battalion has to travel more than ———.

The additional benefit of replacing our old and deteriorating facilities cannot be overemphasized. The present stationing of USAREUR units is basically a product of the immediate U.S. occupancy of German armed forces installations following World War II. These installations are small—by U.S. standards, scattered, and most of them were built prior to World War II.

Many of the facilities originally occupied are still being used by our forces today. Most are not adequate to house and maintain a modern heavily mechanized volunteer army. Replacement and modernization, as well as maintenance and repair of facilities have been underfunded. Particularly during and after the Vietnam conflict. Consequently, there is a large construction requirement to replace 40-year-old inadequate and obsolete facilities.

And finally, over the years, initiatives to modernize our forces have filled available facilities to the brim so that present and future initiatives will require construction if they are to be fully implemented. Significant force modernization improvements are scheduled for Europe over the next 5 years. Initiatives designed to counter the increasing Warsaw Pact threat include the systems which I covered in the overview.

The contrast between our current disposition and condition of our facilities is rather dramatically portrayed here. The slide on this left is that of a German tank park compared with that of a U.S. mechanized unit.

Another U.S. armored unit is shown on the right. On the left is a Warsaw Pact facility in East Germany located close to the border with West Germany.

The ——— addresses these needs by providing the framework to plan for the ——— in modernized facilities. It has been used by the Army as its ——— for construction in Europe since 1978. All construction since the 1980 program has been compatible with ——— .

Last year, Congress expressed its concern as to the source of funding for the ———. In response to that concern the Department of Defense in coordination with the State Department has initiated a series of high-level discussions with the German Government. On 4 November 1980, the American Ambassador to Germany presented a demarche covering eight U.S. force issues to the German Ministry of Defense. One of the highest priorities was a request for support of the ———.

Discussions between Department of Defense and State Department representatives and the German Government are being conducted. We look forward to the results of these discussions; ———.

The Army's large and complex 5-year construction program in Europe has been developed using the ———. We are fast approaching a decision point on that program.———.

The next phase, that of sustainment, will meet the ultimate objective of the plan to consolidate units in modern brigade-sized installations, ———.

In summary, we are endeavoring to comply with congressional guidance on this matter and ask your support for fiscal year 1982 ———.

Sir, this concludes my comments and quick rundown on the concept pertaining to the ———.

[DELETED] POLICY

Mr. GINN. Thank you very much for the background information.

Related to the issue of ———. Last year, the committee stated in its report that the ———. What argument can you give to convince the committee that this policy should not continue?

General GROVES. The policy, sir, basically is correct as far as it goes. I would agree with it completely, but I would want it to go a little further.

Mr. PEEL. Which policy?

General GROVES. ———.

Theoretically, the proceeds from the sale of the old stuff should pay the cost of the new. Therefore, when we say, ———, it really isn't quite that. We want to let the system pay its own way.

I have problems when we word it exactly as you have expressed it, ———.

Mr. GINN. How would you word it?

General GROVES. We want the ability to convert our ———.

The second thing is, we need to start it. ———, initially, and in a way it would be, in effect, recoupable as the system runs. It should be recoupable, and if the system runs to the limit of these three brigades General Delbridge has talked about, we could certainly make it self-sustaining. There is no doubt about that. If you ran it all the way through for ——— brigades are involved in the ———, nobody really knows how much money is involved or what the tradeoffs might be but you could certainly liquidate whatever costs are involved if we went about it right and were able to start the process.

Mr. GINN. In this ———?

General GROVES. We would propose to ———.

Mr. GINN. I think we all have a good idea now of the concept of the ———. We would like to know, thought, it this ———?

Mr. FLIAKAS. Certainly both, Mr. Chairman. I mentioned this morning this had to be approached in tandem. It certainly needs the support of the Congress, ———. This committee has made this analogous to the Japanese ——— program, but I am not sure it is a good comparison in the sense that in the case of the Japanese it was in their interests, because we were contracting, ———.

In the case of the FRG, ——— anything, we are expanding. We are putting more people there. We are up-grading the artillery; we are including more aviation units, and so forth.

If it works as we would like it to work, what General Groves says about seed money or contributing to a ——— should come from both sides until sufficient ———.

It is not going to happen in the period of a year or two or three.

Mr. GINN. How long would it take to identify this ———?

General DELBRIDGE. Sir, this process is ongoing at the present time in USAREUR. USAREUR is in the process of identifying ———.

Mr. REGULA. How does it come about, and at whose request was a judgment made that we should move our troops into a tripwire position?

General GROVES. This was a NATO action, sir. It goes back five, eight years ago. It was first proposed when Franz Josef Strauss was the foremost proponent of the forward defense.

Mr. REGULA. Forward defense by the United States?

General GROVES. Forward defense of NATO, sir, and that means you are defending the East-West German boundary.

If you go to the classical military solution of the problem and defend the Rhine, you give up West Germany, and they don't think that is a very good idea.

Mr. REGULA. You are saying, General, the decision is made that NATO should resist at the line?

General GROVES. NATO is committed to a forward defense.

Mr. REGULA. Then does the movement forward include troops other than the United States?

General GROVES. Yes, sir.

Mr. REGULA. It depends on the sector for which you have responsibility?

General GROVES. Yes. ———.

Mr. REGULA. Is each country paying for the movement to the front for their particular troops?

General GROVES. Yes, sir.

Mr. REGULA. What you are talking about is just the cost of ———?

General GROVES. Yes, sir. There have been many studies conducted through the years, particularly in NORTHAG. NATO has a serious malstationing problem. Many headquarters have been studying that for a long time trying to figure out what to do with it. The only solution anyone can afford is to just get up there sooner, faster, from wherever they are.

Mr. REGULA. Are the other countries deploying up front as rapidly as we are?

General GROVES. The SHAPE criteria call for you to be up with normal forces within ——— prepared for sustained combat. There are other organizations, ———.

Most nations meet those criteria. Most United States units meet those criteria.

Mr. REGULA. You need money to ———; is that correct?

General GROVES. Yes, sir. If you are going to ———.

Mr. REGULA. You say others have done it in their sectors?

General GROVES. No, sir, they haven't done that, but most of them don't have as serious a problem as ———. It is not satisfactorily resolved yet.

Mr. FLIAKAS. As was brought out, most of our units are where they were 30 years ago.

Mr. REGULA. Aren't most of them on old German bases?

Mr. FLIAKAS. That is correct.

Mr. REGULA. ———?

General DELBRIDGE. The first phase is the one where we propose to ———.

Mr. REGULA. Up front?

General DELBRIDGE. Yes, sir, and that is in ———.

When we do that, we feel we must have the seed money to build those facilities first: the housing, additional barracks, messing facilities, and so forth.

Mr. REGULA. Will this be on ———?

General DELBRIDGE. This is on ———. The cost initially would contain no ———.

Mr. REGULA. Do you mean ———?

General GROVES. ———.

Mr. REGULA. ———?

General GROVES. That is correct.

Mr. REGULA. ———?

General GROVES. The minute we cease to have a need for it, it belongs to them. What we would seek is to arrive at an amendment that would enable us to take the proceeds and apply them to our own needs.

Mr. REGULA. Sort of a forward funding type of arrangement?

General GROVES. Exactly.

Mr. REGULA. And you hope to recoup that from NATO?

General GROVES. No, sir.

Mr. FLIAKAS. I have proposed this a number of times right here in the United States. The administration has not been completely for it.

It is what we call sell and replace.

Right in our own country we have a lot of encroachment. This is certainly the case in Germany. Access to ranges is limited. Every time you start up an engine, you get complaints. You can't fire your weapons. We are in these kinds of places by tradition, some of them going back to the Civil War here, going back to Bismarck in Germany.

Mr. GINN. The war between the States.

Mr. FLIAKAS. I stand corrected.

It is that kind of arrangement, a sell and replace kind of thing. Instead of returning money back to the general receipts of the treasury, you would get authority to use that money to start up something.

Mr. REGULA. If you sold some real estate in Georgia, you could buy some in Ohio.

Mr. FLIAKAS. That is the way it would work or vice versa.

Mr. REGULA. We have some we would like to sell you.

Mr. GINN. We touched on this, but let me ask the question for the record. ———?

General DELBRIDGE. We feel it will be of benefit to both governments, really. ———.

We have about a $1.3 billion of maintenance and repair. ———. There is benefit to be gained.

Mr. REGULA. Are you ——— in the process where you don't get into this difficulty?

Mr. FLIAKAS. Yes. That is the idea. That is where the ———.

Mr. GINN. ———?

Where do we go then?

General DELBRIDGE. We will have to then re-evaluate what we are going to do. At the present time, we have a 5-year program predicated upon the fact we would go with the ———. As I have mentioned, all of our military construction in Europe to date has been driven compatible with, but not driven by ———. We would have to take a look at this again. We have, in the out-years, a MCA backlog of construction somewhere in the neighborhood of $10 billion as we look down the way.

Mr. GINN. In Europe?

General DELBRIDGE. In Europe; yes, sir. This would be something just to replace the deteriorating condition of the facilities we are in, not even considering the maldeployment. It would require us to fall back and take a look at this again.

Mr. GINN. As the ——— is currently constructed, what will the ———, and what will the United States pay?

General DELBRIDGE. That will be a part of the negotiations. Perhaps General Groves could speak to that.

General GROVES. I have no guidance at all on the U.S. negotiating position. We haven't even gotten to the discussion stage, but I would expect that, first of all, once started, it should be a self-sustaining process, sustained by the sale of old assets.

The problem is how do you start it? That requires seed money from both sides.

Mr. GINN. The President's amended budget request includes two projects totaling $18 million ———. Has the German Government endorsed the development of these projects as part of the plan?

General DELBRIDGE. In high-level discussions, there has been serious consideration and interest, but there has been no formal response and no formal negotiations.

Mr. REGULA. Is there any possibility of getting the ———?

General GROVES. We see signs, sir, that they are prepared to argue about that, anyway. We see signs they are assembling cash for that purpose.

Mr. REGULA. It seems logical.

General GROVES. We have not gone to the table with them to have it out.

General DELBRIDGE. We feel that the $18 million would evidence the U.S. serious concerning this area, likewise, and would perhaps generate just what you are saying.

Mr. PEEL. Are we negotiating from a point of weakness by going ahead before you talk to them?

Mr. FLIAKAS. This is required, anyway.

General DELBRIDGE. These are the first two facilities that are compatible, the ———.

Mr. GINN. My point is, if we are going to go ahead and do these, aren't they going to sit back and say, "They are going to do it anyway. ———?"

General GROVES. I don't think that is the case here, sir, because your views on this subject are pretty well known. They know what

you believe. They know they are expected to do something, and they are looking for the most painless way to them for doing it, and this one seems to have attracted their attention, as a good possibility.

Mr. GINN. Could you tell us how these two particular projects fit into ———?

General DELBRIDGE. There are two projects. One will be for utilities. When we put utilities into a place, the rest of the site development can continue. That project is for a total of $9.2 million at Vilseck.

The other project is for $8.8 million, and it is a tactical equipment maintenance shop. This gets pretty specific as to a kind of facility. This would not be utilized as part of the ——— until we get the other matching facilities, headquarters to go with it ———, the barracks, the dining facility, headquarters, and so forth. However, Vilseck has traditionally been used for transition to new equipment. By putting a maintenance facility there, we can utilize that facility extremely well during transition periods.

Mr. REGULA. That maintenance thing triggers me. I hope you can build better maintenance facilities, hard stands, and that type of thing. I couldn't believe some of the tank bases there that didn't have equipment as good as my corner garage or filling station.

Mr. GINN. The charts we saw this morning illustrated that.

Mr. REGULA. Are you building in modern facilities for maintenance when you ———?

General DELBRIDGE. Yes, sir; absolutely.

Mr. REGULA. Overhead cranes?

General DELBRIDGE. Exactly. We look on the maintenance facilities at the present time as being perhaps our greatest need next to living conditions, which we have upgraded or tried to upgrade within the limit of our resources over the past few years. But the next priority is the maintenance facilities.

Mr. GINN. What effort has been made to have these projects ———?

General DELBRIDGE. We feel this would be a product of the negotiations. As was pointed out, we feel these would be ———? It would depend upon the negotiations first.

Mr. GINN. Although the Army has the largest number of bases in Germany, the Air Force operates a considerable number of activities. Why haven't Air Force bases been included as part of the ———?

General WRIGHT. Geographically speaking, the Air Force is adequately postured in Germany, but we have, of course, to do a lot of upgrading on our bases. We have additional basing requirements that come as part of the COB program. This is essential to our wartime basing posture. We also have projects to harden logistic facilities and to provide chemical warfare protection on our fixed main operating bases. We also want to relocate and consolidate intelligence functions toward the rear area. We want to move one of the key kinks in our intelligence processing and interpretation system away from the Rhine River near Wiesbaden and move it to Ramstein. We will talk to that a little later. I think, however, the Air Force, as far as it goes today, is adequately postured from a basing standpoint.

Mr. GINN. General Groves, as sort of a concluding statement on this part of our hearing, can you tell us what we can do, or what we can do to help get you to do, to get the German Government to increase their host-nation support?

General GROVES. The obvious answer to this Subcommittee of the Appropriations Committee is to support the program. In the case of the ———, which is our next big initiative as I view it with the Germans, I think it is most desirable to have some ——— up front.

Of course, there is the notion Mr. Peel expressed that you are going to do it anyway, so why should we pay? But if we don't, they would have the basis for saying, "Let's wait and see what you do."

Time marches on, and inadequate facilities get no better.

I would hope you could support us to the extent of putting some ——— in this thing.

Beyond that, there is a general suggestion that I might make to you and your colleagues, in all due respect.

You send me in to do battle with my German counterpart who has similar guidance from his Bundestag, and we both sit there and have it out. ———.

I see, almost daily, members of the two legislatures flying back and forth across the ocean. They seem to have a rather limited group of acquaintances. There are those who go to the meeting in Munich every year, and there are those who come to similar meetings here every year. They know each other, but they don't know very much about this committee. I would hope, and I am urging them whenever they come here, and I am urging my State Departent counterparts whenever they receive a delegation, that they bring them around to meet people like you, Mr. Chairman.

They really don't believe there is a preference on our part to spend money in the U.S., instead of taking care of our troops in Europe. The don't understand that. They don't understand that there are people who really say and think that if it is in Germany, the Germans ought to pay for it. They just think that is a negotiating tactic. I would hope sometime that some of them could make the acquaintance with this committee in particular, which seems to be the focal point of that belief. You have counterparts over on their side. I would hope you would be able to meet them sometime, because they think exactly the opposite of what you think. Unfortunately, the ones who travel and have currency with each other, all pretty much agree. Unfortunately, they are not the consensus.

Mr. GINN. I have been trying to get Mr. Peel and the Secretary to get me over there for some time. If I can ever achieve that, maybe you can give me the names of a few people we should talk to.

General GROVES. They come through here. ———.

———. I would hope sometime the German military attache could meet you. ———.

Mr. FLIAKAS. I would add to that the suggestion that you also, in visits that our members make overseas, that they take it up with the Ambassador as well. The Ambassador many times gets his guidance from the State Department. Again, they have a different constituency, if you will, on the foreign affairs side of the Congress, and it is good for the Ambassador to hear from members who have a little different constituency or different interests.

I would add that to what General Groves said.

Theater Nuclear Forces in Europe

Mr. Ginn. One of the major funding issues facing this committee is the provision of additional facilities to support the planned basing of theater nuclear forces in Europe. What is the strategy behind providing theater nuclear forces in Europe, and what capabilities will this provide?

Mr. Fliakas. I would like to introduce Mr. William Heiser. He is the Assistant for Nuclear Policy in the Office of Theater Nuclear Policy.

Mr. Heiser. It is a pleasure to be here, Mr. Chairman.

As you may recall from Commander Brown's presentation this morning, the primary reason for deploying any nuclear force is deterrence and theater nuclear forces—TNF, as we commonly refer to them, contribute to deterrence by posing the possibility of a NATO theater nuclear response to a conventional, biological, chemical or limited nuclear attack. TNF deployment creates doubt about the degree of force the enemy could expect from the U.S. and its allies in countering military aggression.

Therefore, from our standpoint, TNF constitutes a significant intermediate capability between conventional and U.S. strategic nuclear forces that must be addressed by the Soviets/Warsaw Pact who might be considering the potential costs of initiating a major theater nuclear conflict.

Mr. Ginn. The Washington Star reported on March 26 that German Defense Minister Apel indicated that there are still snarls to providing nuclear weapons basing in Germany. Additionally, the article points out that the Netherlands and Belgium are wavering on the issue. Brief the committee on what commitments have been made by each NATO ally for providing basing for theatre nuclear forces and on what missile systems will be located in these countries.

Mr. Heiser. If we are going to review the allied commitment to long-range theatre nuclear forces, we should go back to December, 1979, when NATO Defense and Foreign Ministers agreed that NATO's LRTNF modernization goals could best be met by deploying 464 ground-launched cruise missiles, GLCM, and 108 Pershing-II ballistic missiles. Ministers approved the deployment scheme which essentially is as follows: The Federal Republic of Germany would receive Pershing-II ballistic missiles, 108 missiles which would replace on a one-for-one basis the existing Pershing-I's that are currently deployed there with U.S. units. They would also receive the ground-launched cruise missile. ———.

Mr. Ginn. That is Germany as well?

Mr. Heiser. That is correct, sir. Pershing-II and GLCM in the Federal Republic of Germany.

The United Kingdom would receive ——— GLCM ——— missiles. Italy would receive ——— GLCM ——— missiles, and both Belgium and the Netherlands would receive ——— missiles.

Having noted this consensus within NATO, the Belgian delegation at that time, on December 12, announced that their government would fall in with the decision taken by defense and foreign ministers, but that the application of that decision to Belgian

territory specifically would have to be confirmed by the Belgian Government, and the date they set for that, sir, was May of 1980 after analyses of what they hoped would be a positive reply on the part of the Soviets to NATO's arms control offer to negotiate limitations on long-range TNF. This refers, of course, to the dual track approach the Ministers had taken in their December 1979 decision.

The Netherlands Government also stated that while agreeing with the reasons for NATO's LRTNF modernization, it was not able to decide on the deployment of GLCM on its own territory, at that particular juncture, and it would make a decision on this question in December of this year, in light of their continuing evaluation of the degree of success we meet in LRTNF arms control.

That is a brief summary of what allied comments were made as a result of the December 1979 decision.

Mr. GINN. What will be the U.S. position if Germany or any other nation scheduled that was to base these activities refuses to accept that basing?

Mr. HEISER. I would like to reiterate the point that this is an alliance, not a U.S. decision or one made by five independent basing countries, but an Alliance decision undertaken by Foreign and Defense Ministers; and therefore any reluctance on their part to meet those commitments would be a very serious matter not only for the U.S. Government but other allied governments as well who have undertaken this commitment.

———.

Mr. GINN. What is the total facility cost associated with the theatre nuclear forces in Europe? Where will they be located? How do the costs break down between NATO and the United States?

Mr. FLIAKAS. Since the Pershing-II is a replacement on a one-for-one basis, there are no new construction costs associated with Pershing. However, the GLCM, of course, is a completely new weapon and the Air Force estimates some total cost of almost $780 million. That is split almost evenly, 50/50, between operational facilities that will be provided through NATO infrastructure and with MILCON that will provide support facilities.

Mr. PEEL. What about the additional cost of the missiles themselves?

Mr. FLIAKAS. The missiles, themselves, the development, the R&D, the procurement, the manning, is all furnished by the U.S. There will be some offsets provided in terms of support by the host nations. About a third, I believe are—perhaps General Wright can elaborate on that, but as part of the negotiations for bedding down the GLCM, the host nation is providing some of the support costs.

General WRIGHT. One-third of the security costs are provided.

Mr. PEEL. What about housing costs? Will they also be required?

General WRIGHT. We will require family housing at probably all six locations. In the U.K., we hope to pick up some existing family housing units in the Greenham Commons-Molesworth area, but by and large, we will have to build new houses, and that would probably come to a little over $300 million.

Mr. FLIAKAS. The housing at Greenham Common was determined to be in our interests to acquire or constrct as opposed to lease. I

favored this. The committee directed that we make economic analyses for construction overseas to see whether it would be in the interests of the U.S. to acquire or construct, as opposed to lease. While certainly we do not want to do that everywhere, there are certain locations that do lend themselves to that analysis, and I believe we do have in the 1982 program, the first increment in support of GLCM, for housing to be constructed on land furnished by Her Majesty's government.

Mr. GINN. Explain what role the U.S. plays in developing, paying for, and manning each of the nuclear missile sites that will be developed.

Mr. FLIAKAS. It is a cost borne by the U.S.

Mr. GINN. Is the theatre nuclear program in Europe one aimed at specifically improving the protection of European nations?

Mr. HEISER. I would like to allude once again to the December 1979 decision in which ministers agreed to pursue the parallel modernization and arms control decisions in order to meet the Soviet LRTNF buildup of the SS-20 ballistic missiles and the Backfire bombers. NATO security—which, of course, includes the security of both the European states on the Continent and their Atlantic partners, including the U.S.—depends upon NATO's ability to carry out credible military options with its triad of conventional, threatre nuclear and strategic nuclear forces.

The role of TNF is particularly crucial because it is TNF that links the U.S. strategic forces with NATO conventional forces in what we refer to as a continuum of options that provides for NATO's deterrence and defense.

The essential purpose of NATO's modernization program is to improve the ability of NATO to execute its strategy of flexible response, which was described this morning, and to strengthen the credibility of its deterrence and defensive capabilities to meet the alliance and thereby U.S. security needs.

Mr. GINN. How does it relate to nuclear deterrents for the U.S.?

Mr. HEISER. U.S. strategic nuclear forces are intended to deter attacks upon the U.S. and its allies. For NATO, U.S. strategic weapons remain the ultimate deterrent in NATO's continuum of conventional, theatre nuclear, and strategic forces. However, with the erosion of the U.S. position vis-a-vis the Soviet Union in the area strategic forces and with the Soviet TNF buildup, the role of NATO's TNF has become particularly important, in that this situation could give rise to the risk that the Soviets might believe—however incorrectly—that they could use long-range forces, or make or threaten limited strikes against Western Europe from a sanctuary in the Soviet Union. Consequently, U.S. strategic forces and NATO's TNF are complements to, but not substitutes for, each other, and each capability must be evaluated on its own merits.

Mr. GINN. If this system is a nuclear deterrent for the U.S., why do we need to also develop the MX system?

Mr. HEISER. As I stated in the previous two questions, NATO's LRTNF and U.S. strategic forces are complementary capabilities that contribute to alliance security. They are not interchangeable capabilities, as such.

Deploying GLCM and Pershing-II in Europe, for example, it not comparable in deterrence terms to deployment of MX in the U.S.

LRTNF deployment in Europe strengthens NATO's security and reduces the likelihood of aggression in Europe by enhancing NATO's deterrent force posture, thus contributing as well to U.S. national security interests. LRTNF are not, however, a substitute for improvement in U.S. strategic forces, which deter the Soviet attack on the U.S. as well as provide the ultimate deterrent to our NATO allies. Thus, NATO's LRTNF modernization program will contribute to the overall security, but in no sense will it lessen the U.S. need for improvements in its land-based ICBMs which the MX represents.

Mr. GINN. If we do move quickly to improve the theatre nuclear forces in Europe, will this enable us to provide interim protection to meeting the initial operational capability of the MX system?

Mr. HEISER. The relationship between NATO's requirements for credible theatre nuclear forces and U.S. strategic forces is not such that development in one capability diminishes requirements for the other capability. Thus, while it is important to move rapidly on strengthening NATO's long-range TNF, particularly in view of the continuing Soviet buildup in TNF, this does not substitute for our efforts to strengthen our own strategic forces.

Mr. GINN. If it is not a deterrent for the U.S., why shouldn't the NATO countries receiving the missile systems pay for the full cost of construction and manning?

Mr. HEISER. I want to emphasize that NATO's LRTNF modernization program will contribute to NATO's collective security, including that of the U.S. ———. Consequently, the basing scheme agreed to in December, 1979, calls for full allied participation in basing long-range TNF systems together with financial support, a very important ingredient, by all countries for the construction of new facilities through the NATO infrastructure program ———. Since these systems are U.S. owned and operated, they will be paid for by the U.S. Moreover, NATO's TNF contributes importantly to Alliance security, including that of the U.S.; and it is certainly appropriate in this regard and indeed incumbent upon us to provide full support for NATO's LRTNF program.

Mr. PEEL. I wonder if you could simply answer this. Does this system have anything to do with protection of the U.S.? Isn't this really for the protection of Europe and if so why shouldn't they pay for it? Somewhere along the line, I think there has to be more of a clear-cut answer.

Mr. HEISER. Let me deal with it this way. One either believes that our security interests are inextricably tied to NATO's security interests or one doesn't. If one is, willing to believe our security interests are tied without question to NATO's, security interests, then obviously moving forward with LRTNF modernization, since we are one of the NATO Allies, is in our national interest.

One cannot isolate, in our view, the security interests of NATO from the security interests of the U.S. Indeed, when we do that, we have essentially decoupled our interests and our weapons programs from NATO's. We believe very strongly that is not the course the U.S. should pursue.

Mr. GINN. The U.S. is supplying equipment and manpower above its current NATO contribution to support the GLCM program.

Why shouldn't NATO, in return, pick up the entire facility costs of this program?

Mr. FLIAKAS. Sir, as we have indicated, there are thirteen categories of facilities that all NATO nations hve agreed to fund through the common alliance program known as the infrastructure program.

Now, the surface-to-surface missile category is one of those categories, and, as such, the operational facilities will be funded through the alliance. It is also understood and agreed that logistic and support-type facilities are a user, and, thus, a national responsibility, as opposed to a common-funded responsibility. That is where I had estimated the roughly 50 percent split. NATO will pick up the operational costs of bedding down the GLCM system—about 50 percent of the total costs. The U.S. will provide the support of its personnel.

Mr. GINN. Are there any other NATO programs where one country supplies all of the equipment and manpower costs for a NATO system?

Mr. FLIAKAS. I am sure there are. In those instances where countries are deploying their own systems, for their own forces, they pick up the cost.

Mr. GINN. As part of a system we are talking about, not what some individual country might supply?

Mr. FLIAKAS. I would ask Commander Harper to speak to that.

Commander HARPER. Under the Surface-to-Air missile category which is an approved category, you have NIKE and HERCULES. The responsibility of these missiles systems and the manpower to operate them are the responsibility of the nations manning them. As you will see later on in the infrastructure presentation, the civil works is a part of the infrastructure responsibility of NATO.

Mr. PEEL. Who buys the missiles?

Commander HARPER. The user nations.

Mr. FLIAKAS. Each nation buys them. We don't provide weapons to each nation. As you know, we are the custodians of the nuclear weapons.

Mr. GINN. Isn't this another good reason for pressing for NATO funding for all GLCM facilities? Is the U.S. withdrawing a comparable number of personnel to compensate for the increase in GLCM staffing?

Mr. FLIAKAS. No.

Mr. GINN. What specific efforts have been made by either the Defense Department or the State Department to obtain NATO infrastructure funding for all GLCM facility support?

Mr. FLIAKAS. There has been no formal request made, Mr. Chairman, to obtain or to expand the category to pick up more than the operational cost. There has been some internal discussion with respect to preparing a case for expanding the category, but it has been decided that it is in everybody's best interests to wait until such time as the operational facilities are programmed.

GROUND-LAUNCHED CRUISE MISSILE SUPPORT, $69,094,000

Mr. GINN. the fiscal year 1982 Air Force request includes facilities to support the GLCM at the Royal Air Force Base at Greenham Common. What is the status of fiscal year 1981 funding at this

location? What fiscal year 1982 projects and funding have been requested at this location?

General WRIGHT. For the $19 million in fiscal year 1981 contracts have been awarded for site work and the balance of the construction contracts will be awarded late this summer.

There are 27 items in the 1982 program for GLCM support at Greenham Common and I can provide that for the record, if you like.

Mr. GINN. Very well.

[The information follows:]

Items for GLCM support at Greenham Common—Estimate

Project description:	*Thousands*
1. ADAL Comm Facility	$668
2. ALT Special Operations Facility	125
3. ADAL Ops and Maint Tng Facility	1,167
4. Central Security Control (Interim)	12
5. ALT Unaccompanied Enlisted Personnel Housing/Visiting Enlisted Personnel Housing	3,250
6. ALT Dining Hall	120
7. ALT Veh Maint	50
8. ALT Visting Officers' Personnel Housing	170
9. ADAL Post Office	200
10. ALT Veh Ops Admin	103
11. ALT Transportation Management Office	286
12. ALT POL Ops	120
13. BCE Admin	568
14. ADAL BCE Maint Shops	785
15. ALT HQ Grp Admin	174
16. ALT Supply and Eqpt Warehouse	500
17. ALT AF Clinic	350
18. ALT Base Supply Admin	600
19. BCE Storage	522
20. ALT Dental Clinic	100
21. ALT Acctg and Finance	150
22. Base Theater	50
23. Bank	234
24. ADAL Chapel Center	417
25. ADAL Med Food and Insp	35
26. Fire Protection Systems	300
27. Utilities	1,519
Total	12,575

Mr. GINN. I assume, then, the United Kingdom has approved the siting of a GLCM facility at this location.

General WRIGHT. Yes, it has.

Mr. GINN. When was that approval given?

General WRIGHT. In June, 1980.

Mr. GINN. What will be the total construction cost to provide for the GLCM at this location?

General WRIGHT. About $89 million, sir.

Mr. GINN. How will this be broken down between NATO and U.S. funding?

General WRIGHT. $55 million NATO and $34 million U.S.

Mr. GINN. What is the scheduled initial operational date for this base?

General WRIGHT. December 1983.

Mr. GINN. Will the equipment and personnel required to operate the facility be ready by that date?

General WRIGHT. Yes.

Mr. GINN. What will be the U.S. and NATO cost for other GLCM facilities in Great Britain, and where will each be located?

General WRIGHT. The other location is RAF Molesworth. Costs will be about $70 million NATO and $25 million MILCON.

Mr. GINN. What is the status of approval of these sites?

General WRIGHT. Both are approved and were publicly announced 17 June 1980.

Mr. GINN. The fiscal year 1982 request also includes funding for the first GLCM base in Italy. What is the location of this base, and what will be the fiscal year 1982 cost.

General WRIGHT. This base is at ———, located ———. That cost will be about $56 million to the U.S. for support. The operational facilities will be funded through the NATO infrastructure program.

Mr. GINN. You say it hasn't been announced in Italy. I assume, though, the Government of Italy has approved it.

General WRIGHT. Yes, sir, the government has approved it, but they have not announced the site.

Mr. FLIAKAS. We are still carrying it as a classified location.

Mr. GINN. How do you anticipate the announcement is going to be received?

General WRIGHT. Sir, I don't know. Perhaps I should defer to someone else in that area.

Mr. FLIAKAS. It is a base that actually has been suggested or proposed by the Government of Italy in our negotiations with them as to where to put it. One of the reasons for the high cost is that it is a bare-bones base now.

Mr. GINN. They don't have to have impact statements or public hearings.

Mr. FLIAKAS. I would not think so.

General WRIGHT. ———.

Mr. GINN. Is there a written agreement with the Italian Government on this particular site?

General WRIGHT. Sir, I can't answer that.

Mr. GINN. Would you let me know for the record.

Mr. FLIAKAS. Very well, sir. I know that the State Department and our former Assistant Secretary for International Security, Mr. David McGiffert, has met the Minister of Defense a number of times, along with the Ambassador. I am sure there has been an exchange of notes. I haven't seen them, but I have provided backup material and discussions with them for that purpose.

Mr. GINN. How will this be broken down between NATO and U.S. funding?

General WRIGHT. The total cost at ——— will be $218 million, $70 million NATO funding and $148 million U.S.

Mr. GINN. Why is it so much more than the one in the U.K.?

General WRIGHT. We are essentially starting from a bare base. We have to construct all the support facilities. This is an old Italian base left over after World War II.

Mr. GINN. Why did you choose a place that has to be almost built from scratch?

General WRIGHT. It was what the Italians offered, among several locations.

Mr. GINN. Has the U.S. actually conducted an engineering survey of the base, and on what date was that done, or will it be done?

General WRIGHT. We had a survey team in there in January of this year.

Mr. GINN. Why couldn't the request for funding at the Italian site be deferred until fiscal year 1983 so that engineering and design studies can be completed?

General WRIGHT. Sir, going back to the 1979 agreement mentioned a while ago, it was agreed then there would be a simultaneous deployment. ———.

Mr. GINN. What is the scheduled initial operating date for this base? What is the significance of that date?

General WRIGHT. The significance is the ——— bed-down that was agreed upon. The IOC is ———.

Mr. GINN. What will be the range of GLCM from this location?

General WRIGHT. Twenty-five hundred kilometers.

Mr. GINN. What other bases in Italy were explored for use for the GLCM?

General WRIGHT. Two other locations in Italy ———, which is ———, but it is apparently worse than the ——— location.

Mr. GINN. Would you furnish us some positive and negative aspects of those other locations?

[The information follows:]

——— was eliminated during the initial survey as being completely unacceptable. It has no facilities, the terrain is unsuitable and offers no support in the immediate area. ———, lacks such basics as water and electricity and has no usable vertical structures. The nature of the surrounding terrain is such that very little concealment is possible for dispersed operations. Access to the off-road areas that could be identified is greatly restricted by stone hedge fences that would restrict off-road access. Both sites were extremely poor from an operational standpoint.

Mr. GINN. The Navy has a large air base at Sigonella, Italy, ——— Why couldn't the GLCM be located at this area?

General WRIGHT. Sir, that was also looked at. Sigonella is crowded and cramped, and we need sufficient real estate, anywhere from 35 to 50 acres, to set up the operational and training area and the real estate was just not available to Sigonella.

PERSHING II MISSILE

Mr. GINN. The second portion of the upgrade program is the deployment of the Pershing II missile. What is the timetable for this deployment?

General DELBRIDGE. First deployment begins in December 1983. Deployment is completed in December 1985.

Mr. GINN. What military construction funding will be required to support the Pershing II missile?

General DELBRIDGE. No military construction funding is required to support the Pershing II missile in NATO.

Mr. GINN. What portion of this program will be funded through NATO infrastructure?

General DELBRIDGE. Not applicable. However, facilities shortfalls in support of the total Pershing system continues to be programmed in the NATO Infrastructure Program.

NATO Infrastructure Program

Mr. Ginn. This year's NATO infrastructure request is the largest ever at $385,000,000 in new budget authority and $425,000,000 in total obligational authority. Explain to the committee why this amount is necessary this year.

Mr. Fliakas. Sir, I will respond to that question, but I also would like the committee to allow me to offer a slide briefing on just how the infrastructure works, if you would like to take the time at this time.

Mr. Ginn. How long would that take?

Mr. Fliakas. It would take ten minutes. It is a slide presentation. If you would like to do it, fine. If not, we can leave the slide presentation with you. I think it is good background.

Mr. Ginn. Very well, you may proceed with the slide presentation.

Mr. Fliakas. We are fortunate to have Commander Harper. He had five years in SHAPE and is eminently qualified.

[Slide 1 follows:]

NATO Infrastructure Program

A commonly financed military construction program

PURPOSE: Program scope/limits, funding policies, and interface—U.S. MILCON.

Commander Harper. Briefly, this short presentation will give some idea of the purpose of the program, its limits, funding policies, and what we are doing with regard to interface with the U.S. MILCON program.

[Slide 2 follows:]

Infrastructure: History

Commonly-funded program;
Planning and establishment of priorities responsibility of NATO military;
Cost shared by participating nations; and
Program decisions require unanimous approval.

As indicated, it is a commonly funded program with each nation contributing a certain percentage share.

The planning and establishment of priorities have been given to the NATO military, and their goal is an optimum balance and mix of facilities and some equipment procurement throughout all of the NATO area. I include also the U.S. and Canada. This program is cost-shared by thirteen participating nations which have military forces committed to NATO and by fourteen nations when France participates.

The program decisions made require unanimous approval of all participating nations. It is a one-nation, one-vote concept. At any time during the process of review or appeal on any aspect of the common infrastructure program, decisions can be held up by a single nation.

The program, itself, was started in 1950, just one year after the signing of the NATO treaty. Originally it was to provide those basic defensive installations and defense capabilities to build up Western Europe. In the post-war years because of the economic and political conditions of most of the Western European nations these facilities could not be funded unilaterally. The program was started with five nations and expanded over the years.

Early efforts were in the areas of airfields and communications, and in those years the U.S. provided about fifty percent of the funds for the NATO infrastructure program.

[Slide 3 follows:]

INFRASTRUCTURE

NATO definition: Fixed facilities—buildings, roads, runways, fuel depots, piers, pipelines, radar sites, etc.

Also: Communications networks, automatic data processing equip., navigation aids, astern refueling rigs, administrative expenses, software development.

The original NATO definition of infrastructure was limited to fixed facilities, buildings, roads, runways, fuel depots, piers, pipelines, radar sites, and so forth.

Over the years, this has expanded in response to changes in strategy, increases in force structures, and the deployment of new weapons systems to include necessary communication networks, automatic data processing equipment, navigation aides, and the other areas shown here.

[Slide 4 follows:]

Approved NATO infrastructure categories: Airfield, naval bases, petroleum storage, warning installations, navigation aides, communications, surface-to-air missiles, surface-to-surface missiles, ammunition storage, forward storage sites, training installations, war headquarters, and reinforcement support.

As shown on this VU-GRAF, there are currently thirteen approved NATO infrastructure categories that the nations have agreed to fund. In the airfield category included are items like runways, airfield lighting, taxi tracks, and so forth. Naval bases and piers, ship repair facilities, petroleum storage, and warning installations which include the warning installation network and associated communication systems. Navigation aids. Communication systems, including the satellites, themselves, plus ground terminals.

The surface-to-air missile category includes operational facilities for missiles, such as NIKE, HAWK, and then most recently PATROIT.

The surface-to-surface missile category supports facilities for the ground-launched cruise missile. Ammunition storage is limited to nuclear weapons.

Mr. REGULA. How about the Pershing?

Commander HARPER. That would be under the surface-to-surface missile category.

Forward storage sites are in those front line areas in Europe, and are tailored specifically for individual combat units providing up to seven days' combat storage.

Training installations are multi-use training installations.

We have war headquarters limited for NATO, use. The most recent addition to this list is the reinforcement support category which provides facilities for the reception and staging of reinforcement forces. Also provided is infrastructure for the POMCUS sites in ———, and Northern Germany.

[Slide 5 follows:]

INFRASTRUCTURE: POLICIES/GUIDELINES

Commonly funded projects must: Support NATO operational plans and NATO-assisgned forces; possess high degree of common interest—must be available for use

by all NATO forces; and conform to NATO-approved critieria and standards—wartime minimum.

The program, itself, has certain policies and guidelines. In the most basic form the guidelines stress that the NATO infrastructure program is designed to provide operational facilities for wartime use. In that sense, the projects, to be eligible, must be in support of NATO operational plans and NATO assigned forces. The projects have to have a high degree of common interest, and, more specifically, must be available for use by all NATO nations in wartime.

As a commonally-funded program it must meet NATO-approved standards. These standards are fairly austere and are, normally, the minimum to support combat operations.

[Slide 6 follows:]

Infrastructure/U.S. policies: Maximum use of NATO programs, national fund requirements—conjunctive funding.

Current U.S. policy is that the NATO infrastructure program be used to the maximum extent possible, to fund U.S. construction in Europe. This policy is being implemented to its fullest. I think it has been borne out by discussion this morning, Mr. Chairman, that not all of the U.S. construction requirements in Europe can be satisfied by NATO infrastructure.

There are certain things, such as the barracks, quality-of-life improvements, mess halls, chapels—projects of this nature which much be funded nationally. It should be pointed out, too, that when associated infrastructure funding is programmed, then national or conjunctive funding has to be done in parallel with the NATO funding.

[Slide 7 follows:]

DIVISION OF COSTS: AIRFIELD PROJECT

Costs paid by NATO: Civil works, communications, utilities, required for wartime mission of assigned squadron.

Costs paid by user nation: Personnel support facilities—mess halls, barracks, clubs, family housing, gyms.

Costs/responsibilities of host nation: costs: Real estate, access roads, rail spurs, utilities.

Responsibilities: Project design, fund authorization request, bid invitation, contracting, supervision of construction, final cost accounting.

This a breakdown of the division of costs for military construction under the NATO infrastructure program. What I have chosen is a typical airfield project that might be funded under this particular program. The costs paid by NATO would be for civil works, communications, utilities, aircraft shelters, 7 days' ammunition, and POL storage on base, and so on, and so forth.

The costs paid by the user nation or that nation actually using the base—an example would be the U.S. Air Force base at Bitburg in Germany—the costs paid by the user nation are costs associated with personnel support facilities, mess halls, barracks, clubs, family housing.

Mr. GINN. Does that include medical clinics, hospitals?

Commander HARPER. Yes, sir.

Now, the host nation, and this is the nation that has agreed to have this particular facility constructed on its soil, assumes certain costs and responsibilities. The primary concern of the host nation is the provision of real estate. In countries like Germany, over the

years much of the real estate has been Federal land. It has just been given over to the NATO infrastructure program. Other nations have to go out and buy the lands in the private sector.

An example would be the purchase of land in the Netherlands which comes out of the national treasury and is not reimbursable.

The host nation also has to build and construct any access roads up to the perimeter of the site, railheads and spurs necessary and utility connections.

The host nation also has responsibility for such things as project design, fund authorization requests, and other administrative duties that are required for infrastructure, contracting and supervision.

Mr. FLIAKAS. We have estimated about 13 percent of the costs are borne by the host nation in that last category.

[Slide 8 follows:]

NATIONAL CONTRIBUTIONS (COST SHARING FORMULA)

[Percent of total]

Country	February 1961	Current	
		At 14	At 15
Belgium	4.24	5.59	4.84
Canada	5.51	6.35	5.50
Denmark	2.87	3.72	3.22
France	12.00	.....	13.22
Germany	20.00	26.54	22.99
Greece	.67	.79	.69
Italy	5.97	7.98	6.92
Luxembourg	.17	.21	.18
Netherlands	3.83	5.10	4.45
Norway	2.37	3.14	2.72
Portugal	.28	.20	.20
Turkey	1.10	.80	.80
United Kingdom	10.50	12.00	10.46
United States	30.85	27.42	23.75

Commander HARPER. Each nation does contribute a cost-share. In the earlier years the United States had a larger portion of the infrastructure program, however, over the years, as the European economies improved, the U.S. share decreased. This slide reflects national contributions in February, 1961, and this column shows current shares. (At 14) France does not have forces in the integrated military structure and participates only in the warning installations category.

In 1961, the United States contributed about 30 percent of the program. Our current cost-share is 27 percent. Except for Turkey and Portugal, which nations agreed to a slight decrease, all the other nations have experienced an increase in their shares.

In order to avoid long and protracted debates annually regarding the level of funding to be supported, nations negotiate fund ceilings for the NATO infrastructure program for 5-year periods.

This is based on requirements established by the NATO military.

[Slide 9 follows:]

INFRASTRUCTURE FUNDING

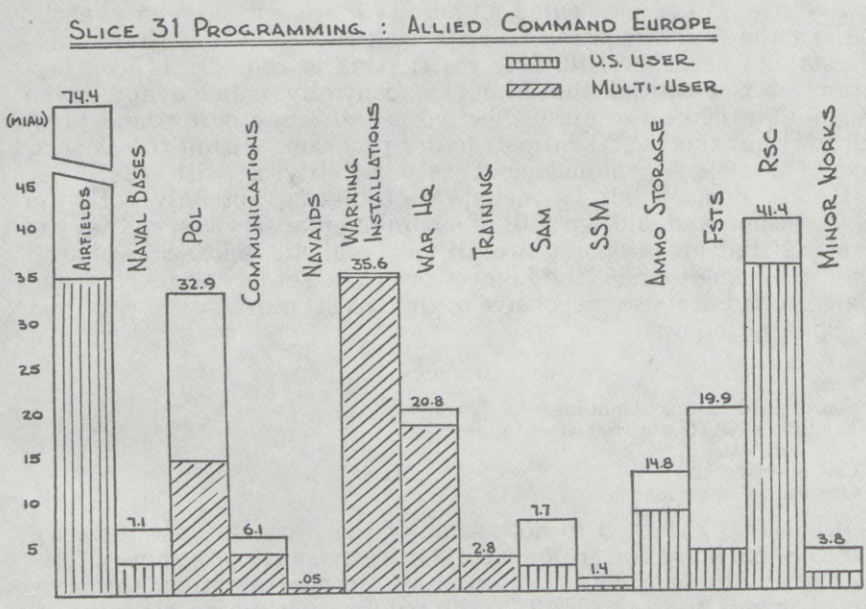
Fund ceiling established for 5-year period.

Current 5-year (1980–1984) fund ceiling . . . $4.5 billion.
Financial commitment made.

The current 5-year period covers 1980–84, and the fund ceiling is about $4.5 billion for this period. Of that $4.5 billion, the U.S. obligation is about $1.2 billion spread out over the years.

I note here, at the time the nations agreed to fund the program for this 5-year period, it did constitute a binding financial commitment on the part of all the members of the alliance.

[Slide 10 follows:]



This slide gives an example of the funding support for the United States as a user nation. This is the most recently approved program—slice 31. While there is no typical year with regard to programming or funding levels, this is representative of past programs.

Briefly, this column represents the funding for airfields. For U.S.-user projects in the NATO theatre alone, about half of the total money spent for airfields specifically went to the United States. About half for naval bases. About a third for surface-to-air missiles. In the reinforcement support category 80 to 90 percent of the funding supported U.S. requirements.

In areas such as petroleum storage, communications, warning installations and war headquarters; these are multi-national, and it is difficult to indicate exact benefits for each nation.

Obviously, the United States is a beneficiary of these facilities; without the warning installations category, it would be impossible to conduct air operations in the NATO theatre.

[Slide 11 follows:]

CURRENT SITUATION

Cost of priority requirements exceed available funds.
$3.2 billion supplemental funds requested; U.S. share . . . $840 million.

U.S. participation centrally managed . . . ASD, MRA & L . . . DASD, installations and housing.

When the nations agreed to the current funding level of $4.5 billion they did it in the face of identified military requirements, of almost $9 billion. But, based on an economic and political decision, the nations felt they could only support a program of $4.5 billion.

As a consequence, the NATO military has presented a request for supplemental funding of same $3.2 billion.

The U.S. share would be $840 million spread over the next several years.

Because of the particular situation where we only have about half of the funds required to meet all the NATO priority requirements and because of funding restrictions in the U.S. Milcon program, it is essential that the U.S. centrally manage and make certain we make the most effective use of our program and planning within the NATO infrastructure program. Within the Department of Defense management responsibility is with the ASD, MRA&L. Responsibilities include coordinating not only with the NATO command, but with all of our individual services, so that the projects that are proposed are, in fact, realistic, and achievable in the timeframe to meet the highest priorities set by the Secretary of Defense and are also responsive to the NATO military.

[Slide 12 follows:]

PROGRAM ADVANTAGES

Coordinated military planning;
Facilitates NATO-wide implementation;
Standardization;
Cost-effective; and
Operational balance.

In closing, I wanted to note some of the program advantages of our U.S. participation in the NATO infrastructure program.

One, it allows a source of funding, or programming authority that is given up to the NATO military for coordinated planning. A balance of military construction can be achieved throughout the entire NATO area. Secondly, it facilitates the NATO-wide implementation of the program. In other words, projects such as communications, surface-to-air missile networks, projects of this nature which cross national boundaries are more easily programmed and implemented when you have a central program that is NATO-wide in its application.

An additional benefit is standardization. That is, standardization of design of facilities such as pipeline systems, and airfields in this regard the program is more cost-effective than if the nations were to do this individually. It is cost-effective, also, because all the projects programmed within the NATO infrastructure program are subject to international competitive bidding.

Mr. REGULA. What success are you having on interchangeability of weapons systems and other things of that nature?

Commander HARPER. From the infrastructure program, sir, the only thing I can address are areas like the surface-to-air missile programs. In HAWK and NIKE, there is a commonality among these weapons systems.

There is standardization in the maintenance and servicing of training systems which again are NATO-funded.

One item not shown here: In this program, we are concerned about the total defense of NATO, and programming does recognize some of the economic disparities among the various NATO nations. Countries like Turkey, Portugal and Greece, have a low share but the program does provide an opportunity to provide essential facilities in those countries.

In summary the program allows a more balanced operational capability.

That, Mr. Chairman, is a brief wrap-up of the program.

Mr. GINN. Thank you very much, Commander Harper.

Explain to the committee why this amount, $385 million in new budget authority is necessary this year.

Mr. FLIAKAS. As the Commander indicated, once a 5-year slice group is accepted and approved by the NATO alliance, it becomes binding on all the member-nations. The request in the 1982 program, then, is a determination on our part of the rate of implementation and of each of the countries' ability to program the projects that have been approved in annual slice group.

Mr. GINN. Has everybody always lived up to these binding agreements?

Mr. FLIAKAS. Absolutely, Mr. Chairman. We are the only nation that has suffered embarrassment or caused some political embarrassment to occur because we are on an obligation basis as opposed to an expenditure basis that all the other countries are on. The obligation is really inherent when the 5-year program has been agreed to.

Unlike other projects that you review, the $425 million program we are seeking here, is really a spending rate, a determination on our part as to how fast the program will spend out. It is an estimate on our part as to the ability of the nations to design, program and get approval of the NATO funding of these projects that have already been approved in this 5-year program, or in this each annual slice group. This is like paying your bills, like a utility bill.

It is a spend-out rather than seeking approval for a new project. Because the backlog has been quite large, in former years the request on the part of the Department of Defense for this program has been rather modest. However, in 1978—and we heard this morning of the determination by the NATO countries to support their long-term defense program objectives with the so-called LDTP, there was an increased determination to speed up the implementation of the program. It was largely as a result of our efforts but also a recognition on the part of the alliance that we had a backlog that we had to address.

I personally have met with various member-nations, the Minister of Defense in Bonn and also in Italy and other nations, to assist them and work on this rate of implementation. As a consequence, you have seen a dramatic increase in our request.

It is also a product of another effort, and that has been, along with our direction and guidance, and our own desire, of course, to put more into the infrastructure program, the reinforcement support category, storage for POMCUS, the TR sites, and so forth. All of these have generated additional requirements, and you are seeing the result of that.

Mr. GINN. You say you increased the request as a result of some of your meetings. Maybe we ought to keep you at home.

Mr. FLIAKAS. Before I had been dispatched, sir, it was determined it was the right thing to do.

Mr. GINN. How does the U.S. plan to meet its commitment to provide $1.2 billion, or 27 percent of the planned total expenditure of $4.5 billion in the 1980–84 cost-sharing period, in terms of year-to-year expenditure levels?

Mr. FLIAKAS. Throughout our planning period of five years, we programmed what our estimate is, in support of our contribution, which is currently at 27 percent.

We are projecting at about a $400 million rate for the next several years.

With the mid-term review and possible additional funding that may have to be revised upward.

Mr. GINN. How much of the currently planned 5-year program supports the rapid reinforcement objectives of the U.S., and what facilities does this include?

Mr. FLIAKAS. Sir, it is our estimate that about 22 percent of the total available funds that has been programmed or is planned specifically for the RSC, or reinforcement support category.

Most of this is storage facilities for POMCUS, the Army prepositioned material, plus there is some heavy equipment, ammunition, and KC–135 tanker fuel storge and some limited air and sea reception facilities.

Mr. GINN. You just mentioned agreement has been reached on having a mid-term review on program status by the NATO ministry. A request for an additional $3 billion has been forwarded to the NATO Military Committee. What does this $3 billion represent in terms of the total NATO military construction requirement?

Mr. FLIAKAS. That request has now increased to over $3.4 billion. We estimate about 40 percent of the total. This represents about 40 percent of the total required.

Mr. GINN. When will this mid-term review actually occur?

Mr. FLIAKAS. The Defense Ministers will address this in their May meeting of this year.

Mr. GINN. Have all the nations agreed to participate?

Mr. FLIAKAS. They have.

Mr. GINN. What types of facilities are included in this request?

Mr. FLIAKAS. It is a wide range, Mr. Chairman. It covers every category. In general, they are in support of the Long-Term Defense Program and also to include the agreed theatre nuclear modernization. They include such projects as facilities for NATO-assigned aircraft, satellite communications, ship repair and pier facilities, civil works to support the PATRIOT missile, and, additional air and sea reception facilities.

Mr. GINN. How successful do you feel the mid-term review will be in terms of increasing NATO expenditures for military construction?

Mr. FLIAKAS. Of course, we are optimistic. It is the U.S. position to support the full amount. Being realistic we might say that probably all of it will not be provided. Perhaps General Groves might venture a guess.

General GROVES. It is contentious at this point, sir. The question is how much of the major NATO commander's stated requirements should be funded on an urgent basis. That is viewed by some of the nations in terms of their own budgetary problems; we really don't know what the answer is yet.

Mr. GINN. Would an increased NATO expenditure for military construction offset the need for ever-increasing U.S. investment for facilities in Europe or eliminate the need to pre-finance projects?

Mr. FLIAKAS. No, Mr. Chairman. The kinds of things we have talked about in the last half hour that are eligible for infrastructure funding will not correct some of the deficiencies we have been talking about. The working and living conditions of the soldiers are just not considered as a category for common funding. The answer is no. I don't see a decrease in these areas. We are limiting our requests for pre-financing. There is in this budget only $24 million for the Air Force COB program that General Wright will address, and you will recall that we have pre-financed the Air Force GLCM initial increment in the U.K. last year.

Other than those projects, we anticipate very limited pre-financing. We have made this known in NATO and the fact that we need to recoup as much of the program already pre-financed as possible.

It is like trying to put 10 pounds in a 5-pound bag. The requirements of the major NATO commanders are such that both General Haig and now General Rogers have indicated that their requirements and priorities are such that it is problematic that we will, in this slice group, get all of the recoupments desired.

Mr. REGULA. We are reducing our forward funding amount and recouping it? Are we getting it lower each year?

Mr. FLIAKAS. I am not sure I understand. The forward funding?

Mr. REGULA. Yes.

Mr. FLIAKAS. Oh, yes, sir. We have restricted that very severely. We have approached over half a billion dollars in total pre-financed over the years. We have recouped—and I can provide this for the record—roughly better than half of that. We still have recoupable, if you will, about $230 million or so, and we have had a fairly good record. Last year, we recouped $48 million. So far this year, $23 million. We expect to recoup at least a total of $50 million this year, that we will apply against the program.

You will recall the committee funded $250 million against an authorization of $300 million. We expect to make up that difference by recoupments that will apply.

That is one good thing about this program. Unlike many other programs where reimbursements or recoupments go back to the general receipts of the treasury, in this case we get the recoupments and apply them to the program.

Mr. REGULA. Do you recoup anything other than principal? You do not recoup any costs on that money?

Mr. FLIAKAS. No, sir, and in all fairness I must say that in some cases we don't recoup everything that we have advanced.

The Commander said that the NATO criteria are very stringent and austere. In some cases they don't provide for everything we provide, so instead of getting 100 cents on the dollar, we may get 90 cents.

Mr. GINN. In a recent discussion with NATO officials, the staff was informed that only $340,000,000 would be required in total obligational authority for fiscal year 1982. Why has $425,000,000 been requested?

Mr. FLIAKAS. The Secretary of Defense, in coordination with the Office of Management and Budget, is the ultimate decision maker regarding the amounts programmed in the annual budget submission. Input from the field is reviewed and considered. However final judgments are made in Washington. I would remind that the U.S. Mission to NATO has not been eminently successful in the past in estimating its budget year requirements. In 1979, after approval of the $90 million request, which was the Mission's estimate, I had to return only six months into the fiscal year to request approval of a $93 million reprogramming action. This caused havoc in the Defense Agencies programs and caused postponement of approved CONUS projects, as well as virtually the entire DoD dependent school construction program. The Secretary of Defense did not favor delay in these projects which included, for example, the very important and vital high energy laser test facility. However, the lack of flexibility in the NATO Infrastructure Program and the potential political embarrassment to the United States had to be considered. Again in 1980, the Mission's estimate was grossly understated. DoD requested $150 million in both authorization and appropriation; the Armed Services Committees approved $185 million and this committee added the Foreign Currency Fluctuation Account. Both proved to be needed. Total obligations in fiscal year 1980 exceeded $200 million and it was necessary for the United States to withhold approval of another $95 million until fiscal year 1981 funds became available. Because of this action, there is a strong possibility that we may again be low in our estimate this current fiscal year. It may be necessary to invoke cost variation authority and attendant reprogramming if the situation should occur. This could seriously jeopardize our fiscal year 1982 budget request. As I have mentioned before, the Department structures its NATO Infrastructure budget request based on anticipated recoupments to offset its appropriation request. If recoupments that were anticipated for fiscal year 1982 are required to meet U.S. obligations in fiscal year 1981, then our budget estimate of $385 million would be understated. In developing the fiscal year 1981 request, the U.S. Mission recommended $250 million. Based on the experience of the two previous years, the Secretary of Defense requested $300 million. This was a prudent decision; we are now halfway into the fiscal year, and over $200 million, or two-thirds of the obligation authority, has already been utilized.

For fiscal year 1982, it is the Department of Defense's estimate that $425 million in authorization and $385 million in appropriation will be needed to satisfy the U.S. commitments to the NATO Infrastructure program. This is based upon the unobligated projects contained in Slice 31 and prior year programs, the increased rate at which large projects are being authorized; the imminent approval of Slice 32, and the ability of the host countries and the NATO committees to process requests for funds. Having reviewed the history of the prior three years, it can readily be seen that the U.S. Mission's estimates have consistently been understated caus-

ing embarrassing disruption to the entire program and postponement of urgent military requirements. I believe that the fiscal year 1982 request is reasonable and I urge the Committee to approve appropriation of the $385 million requested in the President's fiscal year 1982 Program/Budget.

Mr. GINN. Mr Fliakas, your statement indicates that $23 million has been recouped in the first quarter of fiscal year 1981. How much in total do you anticipate to recoup in fiscal year 1981? How much in fiscal year 1982?

Mr. FLIAKAS. In 1981, we hope to recoup at least $50 million. This is the full amount required to bridge the difference between fiscal year 1981 authorizations of $300 million and appropriations of $250 million, and we expect that this full amount will be needed to meet U.S. obligations at the NATO Payments and Progress Committee through the end of fiscal year 1981. DoD has been placing extensive pressure on the need to recoup as much as possible, as soon as possible.

For fiscal year 1982, we hope to recoup at least $40 million, the full difference between the $425 million to be authorized and the $385 million to be appropriated.

Of course, any amounts actually recouped in excess of these minimum requirements of $50 million and $40 million can be carried forward to meet U.S. obligations during the next fiscal year. Projections of these amounts are considered in determining the appropriations required for the next fiscal year.

Mr. GINN. How much in total potential recoupments remains outstanding, and when do you anticipate recouping everything outstanding?

Mr. FLIAKAS. As of 31 December 1980, there was a total of $593 million in U.S. prefinancing which was eligible for recoupment, of which $253 had been recouped. Of the remainder, $169 million has not yet (through Slice 32) been programmed by the major NATO commanders.

I cannot give you now a specific date by which all current eligible prefinancing will be recouped; I would note, however, that we have already recouped 44 percent of the total eligible and expect to be at 60 percent at least by the end of fiscal year 1982.

Mr. GINN. Mr. Fliakas, in your statement you indicate that over $150 million of prefinanced projects, primarily for aircraft shelters, has not yet been programmed for recoupment. Why not?

Mr. FLIAKAS. These prefinanced aircraft shelters which have not yet been programmed by NATO are for USAF reinforcement squadrons. Because of competing requirements in other categories coupled with funding constraints in this five-year period, SACEUR is currently limiting shelter programming to in-place tactical units. In the late 70s when the USAF prefinanced the shelters, SACEUR had given a relatively high priority to the program and timely recoupment was anticipated. However, in 1978–1980, with the promulgation of the Long-Term Defense Program and increased emphasis on Nuclear Force improvements, the aircraft shelter program had to be slowed in deferrence to higher priority requirements.

Mr. GINN. Were any of these recoupments included in the $3 billion request for additional construction funds submitted last July to the NATO Military Committee? If not, why not?

Mr. FLIAKAS. In the SACEUR military case for additional infrastructure funds submitted last July, high priority requirements totalling $2.9 billion were identified for Allied Command Europe. Of that total, $896 million was earmarked for the airfields category. The case did not provide an accurate distribution of expected programming but did indicate that some part of the $896 million would be used for shelters for reinforcement aircraft. Those programmed in the Central Region would provide some recoupment.

Mr. GINN. Identify for the record the requested fiscal year 1982 projects that are prefinanced, and explain why prefinancing is necessary.

[The information follows:]

The only prefinanced projects in the fiscal year 1982 request are minimum essential facilities (fuel storage and ammunition igloos) for Air Force collocated operating bases (COB's) at 8 locations in Denmark, Netherlands, Germany and Norway. They total $24 million. These projects support NATO-assigned aircraft and are eligible for infrastructure funding, but the major NATO commander has not assigned a high enough priority to permit programming in the next NATO Slice (33). Prefinancing is necessary, therefore, to meet the desired operational dates within the overall program.

Mr. GINN. Provide for the record a table showing each of the NATO allies' contribution to the infrastructure program in dollars for 1980, 1981, and 1982.

[The information follows:]

Estimate of Nation Contributions to NATO Infrastructure Funding

[In millions of dollars]

	1980	1981	1982	Total
Nation:				
United States	250	315	415	980
Germany	242	305	402	949
United Kingdom	110	139	183	432
Italy	73	92	121	285
Canada	58	73	96	227
Belgium	51	64	85	200
Netherlands	47	59	78	184
Denmark	34	43	56	133
Norway	29	36	48	112
France	17	22	29	68
Turkey	7.5	9.4	12	29
Greece	7.2	9.1	12	28
Luxemburg	1.9	2.4	3.2	7.6
Portugal	1.9	2.1	3.1	7.3
Total	929	1,171	1,543	3,643

Mr. GINN. Will the U.S. seek to reduce its percentage share, presently 27 percent, of the NATO infrastructure program in light of our increased expenditure in the Persian Gulf? If not, why not?

Mr. FLIAKAS. We are committed to this factor through the 5-year planning period. Every five years, when a new slice group is determined, a recalculation can be made of the cost-sharing, and that is based on the ability to pay, the economic condition of the country, the GNP, and so forth. But you cannot change in mid-stream.

Collocated Operating Bases (COB's)

Mr. Ginn. One of the major changes in policy in the fiscal year 1982 NATO request is the U.S. intent to fund $37 million in minimal essential facilities as part of the collocated operating base program. Specify for the committee the projects and locations in this request and what the total scope of this program is.

General Wright. The projects provide for dispersed aircraft parking and storage for a seven day supply of fuel and ammunition. That is what we consider to be minimum essential facilities at collocated operating bases. There are about 13 locations. I will supply that for the record.

[Editor's note.—The information was classified and has been retained in committee files.]

General Wright. The total minimum essential facility program which is crucial to the bed-down of the forces comes to $240 million.

Mr. Ginn. Which of these locations are currently NATO-eligible?

General Wright. Eight of the bases out of the thirteen are NATO-eligible.

Mr. Ginn. Since these COBs are NATO-eligible and "so important," why doesn't it have a high enough priority to obtain NATO funding?

General Wright. The fact is the COB program has a high NATO priority, but simply cannot compete for the limited remaining Slice Group funds because of other higher priority items such as POMCUS and GLCM. We don't expect that NATO will augment the present Slice Group with sufficient additional funds to support the program until the next NATO Slice Group beginning in 1985. The COB program is important because, as the briefing given earlier in this hearing showed, ——— and the majority of these aircraft go to COBs. These reinforcements will be crucial to the early days of a conflict and we believe that the military urgency to move forward with COB minimum essential facilities is sufficient to ask for military construction funds.

Mr. Peel. Why don't you address that to the question, the ones that are?

Mr. Fliakas. As I understand, it has to do with in-place aircraft as opposed to reinforcement aircraft. The in-theatre aircraft are eligible.

General Wright. Some of the aircraft we are bedding down that qualify for NATO funding are within that category of eight. The other category of aircraft that will go into the COB are not eligible at this time for NATO infrastructure funding. That is the real reason.

Mr. Fliakas. Sir, I stand corrected. I was wrong. They are not assigned as high a priority. The in-theatre are assigned higher priority. The reinforcement aircraft are eligible, but are assigned lower priority.

General Groves. The NATO Commander gives first priority to the forward station, the next priority to the assigned, the earmarked, which is what a lot of these units are. They are in a lesser priority.

Mr. Ginn. What infrastructure categories have a higher priority?

General WRIGHT. Regarding aircraft beddown, the in-place and dual-based aircraft receive the highest priority. Then comes rapid reaction, SACEUR Strategic Reserve and Ready Reinforcement. All these categories have a higher priority than earmarked aircraft.

Mr. GINN. Without the COBs program, will it be impossible to support facilities constructed through the higher levels of priority in the infrastructure program?

General WRIGHT. Sir, I am not sure I understand that question.

Mr. GINN. I am not sure I do, either.

Mr. PEEL. I think you need to go back one step, which was missed. You have to know that to get to this point. The point of the matter is that the COBs reinforcement relates to the rest of the NATO infrastructure program. There is a discussion that was given to the staff that the COB program should be the first priority because those are the facilities that would be used in time of war.

To go back to that explanation, which should have been here at the first, why is there U.S. funding of this program which is essentially a NATO program? Why are we making it U.S. funding?

Mr. FLIAKAS. We understand it is pre-financing. The idea is to get them on-line quicker. But it will be eligible for recoupment.

General WRIGHT. Without military construction funding, COB minimum essential facilities construction will be delayed until funds become available in the next NATO Slice Group. We would not expect to see those projects completed until the late 1980s. Without the COB Program it will be ———. These reinforcements will be crucial to the early days of a conflict and we therefore feel that it is imperative to keep the MEF construction program moving forward. To wait until NATO can fund this work directly will ———.

General GROVES. Is what you are getting at, is why are we not spending more money on COB's.

The reason is that a majority of the units assigned to COB are "earmarked" in our DPQ response as opposed to being "assigned" or dual-based. Their place on the scale of SACEUR's priorities, which is what we are talking about, is very low. He assigns his money to the units he knows he is going to get; you could improve your position if from our DPQ response he knows they are "assigned," but that sends you back to SACEUR's priority list, and when something comes up, something else goes down. Changing our DPQ response probably not a winner across-the-board. We might do better, on a selective basis, and we are considering improving our position by looking very closely at some places where we want to get some COB money up front and considering very carefully how we designate the units that go into those bases. If we call them "assigned," they have a higher priority.

Mr. GINN. Does that answer your question?

Mr. PEEL. Could you explain again why it is so important for the United States to finance this? What is our interest?

General WRIGHT. The COB's provide the necessary bases from which CONUS based air reinforcements can be employed. Although our NATO allies are providing the COBs, these bases simply do not have the in-place facilities in excess to their own wartime force requirements to support the U.S. forces. We must have some minimal in-place facilities to support these forces. Based

on the most accepted threat scenarios, we would ———. Since NATO funds are not sufficient, U.S. funding is needed if we are to have any hope of completing MEF construction before the late 1980s. SACEUR has determined that while the COB program is critical, limited funds available will allow only some programs to be funded; that is, GLCM and POMCUS. It is a choice that SACEUR would rather not make but is forced to by the lack of funds. Even though the priority may not be as high as other NATO infrastructure construction programs, it is a requirement the CINCUSAFE has said is very high on his list. To effectively employ our augmentation forces at COBs, though, he must be able to support them with fuel, ammo and parking.

Mr. GINN. Thank you for helping us to understand our question.

Mr. Regula?

Mr. REGULA. Thank you, Mr. Chairman.

I don't know if this is relevant to what we have today, but I know that the authorizing committees are examining multi-year contracting. My question is, would this be helpful in Mil-Con to have that authority?

Mr. FLIAKAS. I have very definitely considered seeking the companion authority with the decision or acceptance of the 5-year program.

I think it will still be a good thing, but the problem is that somehow I have got to crank in consideration of the backlog. If, for example, when we just entered into the current slice group of one billion IAUs—$4.5 billion two years ago I think it would have been prudent and good to have also gotten authorization for five years, but we had a two billion IAU—$9 billion backlog at the time, and I am not sure how to crank that in.

As I indicated before, what we seek annually in authorization is our determination of the rate of implementation for that year. If we can bring that together, I think it would be advantageous and I have discussed it with the Armed Services people.

Mr. REGULA. In their deliberations, are they contemplating, if they were to recommend multi-year purchasing, or finacing, or whatever, to encompass construction as well as hardware? I think it is designed more for aircraft, where you buy great numbers of items. Would it extend to military construction if they were to approve it?

Mr. FLIAKAS. I think it would extend only in this instance where we enter into a 5-year commitment.

Now, we do have, of course, multi-year authority for leasing. They have been quite good. I have been able to get authority for five year multi-leasing, but to get an entrepreneur interested in family housing, they have extended it up to 10 years.

Mr. GINN. How much of the total COBs program has been completed, and how much remains to be accomplished?

General WRIGHT. Only six of the 73 identified COBs currently have the minimum essential facilities. Fifteen more locations have MEF projects which have been funded and should be completed by the end of fiscal year 1983 bringing the total to 21. The fiscal year 1982 military construction Program would enable us to bring an additional 13 COBs on line, nearly double the total otherwise expected by the end of fiscal year 1983.

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Mr. GINN. Are there any COBs which, when construction was completed were non-NATO-eligible, have since become NATO-eligible? If so, which bases are they and how much did we spend to upgrade them?

General WRIGHT. Yes, sir. Six were funded in 1978 that were not NATO-eligible at that time. They have since become NATO-eligible.

Mr. GINN. Would you furnish those for the record for us?

[The information follows:]

Six COBs which were funded by the fiscal year 1978 program have subsequently had the work become NATO eligible by virtue of a change in force assignment. These are Ingolstadt, Germany; Nordholz, Germany; Gilze Rijen, Netherlands; Ahlhorn, Germany; Bromgartern, Germany; and Soellignen Germany. Total funding was $16.9 million. Since this eligiblity was determined, we have requested and been granted recoupment.

Mr. GINN. What types of specific requests outside of the NATO infrastructure have been made to the hosts of these COBs to encourage contributions to the upgrading of these bases?

General WRIGHT. Sir, it was covered in the briefing. Several things are provided. The real estate, the airfield, itself, navigation aids, operational support facilities, maintenance facilities, housing, dining facilities. Those are provided. It is really a good buy in terms of an airbase.

Mr. GINN. Are you sure the contributions by the host country are appropriate?

General WRIGHT. Yes, sir.

Mr. GINN. What action has been undertaken to secure COBs in France, given its ideal strategic location?

General WRIGHT. Sir, none to my knowledge.

Mr. GINN. Why is that?

General WRIGHT. I would again have to refer that question.

Mr. FLIAKAS. I would say primarily, sir, since France is not part of the integrated NATO military structure, what would not be possible. They do contribute, as was indicated, in some areas, primarily for warning systems.

Mr. GINN. Why isn't France in this?

Mr. FLIAKAS. This dates back to DeGaulle. It relates to his policy of going it alone.

There has been greater cooperation, though, than is commonly understood.

Mr. GINN. Can you tell us about it sometimes?

Mr. FLIAKAS. Yes, sir. I might not be the most competent. I mean I am aware of it.

General GROVES. It is conducted military-to-military, sir. It is very good, and it is opening up.

Mr. HEFNER. I have a question.

We talked to some of the people from Turkey. They were talking about setting up some facilities to do some production for NATO, to really help them with their contribution to NATO. Has there been any consideration along those lines?

General GROVES. Yes, sir. I assume you are talking about their potential ability to produce 155 Howitzer ammunition, for instance.

Mr. HEFNER. Yes.

General GROVES. They have that capability. We would like very much to bring it on-line. We are considering ways to do it. Unfortu-

nately, we always run into our own problems of keeping our own bases warm and economically efficient. But this is an interoperability initiative we are pursuing, and I hope to see it lead somewhere. It is a potential winner.

Mr. HEFNER. It seems of all the people we have talked to, the people of Turkey have a much more difficult problem than a lot of the other countires. They seem sincere in their desire to contribute. That doesn't relate directly to this, but it was something in which I was interested.

ARMY PROGRAM IN GERMANY

Mr. GINN. Several years ago, there was a rush to provide facilities to support an additional 10,000 Army personnel to be located in Germany. How many of that number actually were transferred to Germany?

General DELBRIDGE. Mr. Chairman, I am not quite sure when that observation was made. The nature of my answer depends on what timeframe the observation was made.

Mr. GINN. When did you observe that several years ago there was a rush to provide facilities to support an additional 10,000?

Mr. FLIAKAS. Upon my arrival three years ago.

General DELBRIDGE. That throws it into context.

As a matter of fact, during that same timeframe we did increase the number of personnel we had in Europe, by about 10,000. We jumped up in about 1978 from 186,402 to 195,000. That was based on some things we did in Europe. There was the Brigade 75, Brigade 76, which we changed from a temporary duty location in Germany to a permanent change of station, and that upped the percentage of personnel in the units at that time. I am not aware of any significant change in that.

I believe it has been accomplished in accordance with the timeframe we are talking about.

Mr. GINN. Explain how the lower number affects the construction program in Germany.

General DELBRIDGE. The construction program in Germany is constantly refined as plans for the increases are developed. The current 5 year program contains projects for those increases which have been well defined and funded in the Army program. Projects to support remaining issues are under development for outyear programming.

Mr. GINN. Was Congress notified of this change in plan? How and when?

General DELBRIDGE. Congress was not notified of a change since no significant change occurred.

Mr. GINN. What is the Army backlog for military construction in Germany? Of this amount, how much will be funded through the NATO infrastructure program?

General DELBRIDGE. The military construction backlog in Germany that has been reviewed, validated and programmed by the Department of the Army amounts to $3.1 billion. Included in this amount is $1.8 billion which will be funded through the NATO infrastructure program. Another $.7 billion is currently eligible for the NATO infrastructure program but is unfunded at the present time.

In addition, $6.05 billion in fiscal year 1982 dollars is being reviewed and validated by DA following an intensive investigation be USAREUR. These additional requirements were based on updated force development plans, community surveys and inspections, and approved master planning documents. $2.3 billion of the $6.05 billion has been reviewed and recorded as unprogrammed construction requirements for Germany. The remaining $3.75 billion is still being validated by the Department of the Army.

However, the $3.1 billion programmed and the $2.3 billion unprogrammed are both included in the Army's total backlog of $16.3 billion.

PATRIOT MISSILE SYSTEM, $42,240,000 (PART 1, PAGES 520, 557, 571, 596, 599, 616, AND 628)

Mr. GINN. The Patriot program is designed to be one of our major new systems for air defense in Germany. Explain the objective of this program? How does that break down between U.S. and NATO funding?

General DELBRIDGE. Sir, the Patriot system is part of the U.S. commitment to the NATO-integrated defense system. We are also part of a Patriot management group, if you will, that consists of seven NATO nations, each one of whom is providing their own personnel and buying the Patriot system here in the U.S.

NATO funded 50 percent for the surface-to-air missile category which you may have noted in the briefing. We are upgrading our system of air defense, as is every other nation. That is why it is called a shared system.

Mr. GINN. What is your total facility cost of the Patriot program, General?

General DELBRIDGE. The total facility cost——

Mr. GINN. Did you say 50 percent of it was NATO-funded?

General DELBRIDGE. Yes, sir, approximately 50 percent. It is within the U.S. Sector. Our total cost is $244 million. I mention it is about a 50 percent breakout. $133.6 million of that, or 55 percent, is the U.S. share and $110.4 million, or 45 percent, will be funded by NATO.

Mr. GINN. What share of the equipment and personnel to operate the system will be provided by the U.S.?

General DELBRIDGE. All of the equipment, less the portion of facilities provided by NATO infrastructure, and personnel for U.S. Patriot units are provided by the United States. This is also the case for other NATO nations that procure and deploy Patriot.

Mr. GINN. What specific locations and projects are requested in fiscal year 1982? Provide that for the record.

[The information follows:]

Location and projects in support of the Patriot program in fiscal year 1982 are:

Location and Project	*Thousands*
Giessen:	
Barracks with dining facility	$17,500
Tactical equipment shop	2,250
Ammunition igloos	870
Subtotal (Giessen)	$20,620
Hanau:	
Barracks with Dining Facility	17,000

Battalion Headquarters	2,150
Tactical Equipment Shop	1,600
Ammunition Igloos	870
Subtotal (Hanau)	21,620
Total	42,240

Mr. GINN. Have these sites been approved by the German Government?

General DELBRIDGE. Yes, sir.

Mr. GINN. What is the capability from each of the sites selected in Germany?

General DELBRIDGE. The sites have been selected to take full advantage of Patriot system capabilities and provide air defense against low, medium, and high altitude air attacks. The U.S. sites are part of a coordinated system of surface-to-air missile sites that provide contiguous air defense coverage throughout the NATO Central Region. The units occupying these sites are maintained at a high state of alert and serve as the major deterrent to a surprise air attack on U.S. forces and facilities in the Central Region of NATO.

Mr. GINN. What is the scheduled initial operating capability from each of these sites?

General DELBRIDGE. The scheduled initial operating capability is ———.

Mr. GINN. The Army has also requested funding in fiscal year 1982 for multiple-launched rocket facilitites. Indicate how the two programs differ and why joint facilities cannot be used.

General DELBRIDGE. Patriot units are air defense units that are deployed as part of the NATO Integrated Air Defense system in accordance with SHAPE operational directives. Patriot units are stationed, trained, operated and maintained on a battalion basis. They are NATO committed on a full-time basis in both peace and war. Multiple launch rocket system—MLRS—units are field artillery units assigned to U.S. divisions. They are being deployed and stationed on a battery basis with each battery becoming a interal part of an existing "8" battalion. The facilities requested are the minimum essential facilities to adequately support the deployment and operation of these two systems which have completely different mission.

Mr. GINN. Since the U.S. is providing the equipment and staffing for the Patriot II system, why shouldn't the NATO infrastructure program assume all facility support costs?

General DELBRIDGE. The NATO infrastructure program is providing all the facilities that qualify for common funding under existing NATO agreements. This is the case for both U.S. and other NATO nation Patriot units. Each nation that deploys Patriot will provide the equipment and staffing for its units as is currently done for Nike Hercules and Improved Hawk units.

MULTIPLE-LAUNCHED ROCKET SYSTEM

Mr. GINN. Which projects requested in fiscal year 1982 specifically support the multiple-launched rocket system in Germany? List those for the record.

[The information follows:]

The German based portion of this worldwide Army initiative included:

Project/Location:	*Thousands*
Basic load ammunition storage—Kriegsfeld	$1,200
Basic load ammunition storage—Bernbach	1,100
Basic load ammunition storage—Wertheim	600
Tactical equipment shops—Erlangen	2,550
Tactical equipment shops—Hanau	4.900
Barracks with dining facility—Erlangen	4,900
Total	15,000

Mr. GINN. Explain the purpose of this system.

General DELBRIDGE. The multiple-launch rocket system (MLRS) is a fully tracked, highly mobile, rapid fire, free flight rocket system that is designed to complement cannon artillery in the counterfire and air defense suppression roles. MLRS can also supplement other fire support systems particularly during surge conditions, by providing fires against second echelon targets such as troop concentrations, light equipment, logistics complexes, command/control centers, and target acquisition systems.

Mr. GINN. Why shouldn't the projects requested in fiscal year 1982 be funded through the NATO infrastructure program?

General DELBRIDGE. Facilities for the multiple-launch rocket system should not be funded through the NATO infrastructure program for several reasons.

First, facilities for MLRS are not now eligible for NATO infrastructure funding.

Second, the infrastructure program is oversubscribed with currently eligible high priority projects.

Third, attaining eligibility for this category of facilities would require a change in the basic philosophy and purpose of the infrastructure program. Currently NATO funds facilities which support operational plans and NATO assigned forces; have a high degree of common interest, including availability for use by all NATO forces during wartime; and conform to NATO-approved criteria and standards and do not exceed established minimum requirements for wartime. As agreed by all nations, the program is restricted in its appreciation and peacetime requirements do not qualify for common funding.

Finally, if this basic policy were changed to fund the kinds of facilities required by MLRS fielding, the infrastructure program could incur a significantly larger backlog, requiring larger annual contributions.

Mr. GINN. Is the German Army also procuring and operating multiple-launched rocket systems?

General DELBRIDGE. Yes, the German Army plans to procure and field the multiple-launch rocket system. MLRS is being developed as a cooperative effort between the United States, Germany, United Kingdom and France under the terms of a Memorandum of Understanding between the nations. Each nation will procure MLRS according to its national needs.

Mr. GINN. What is the planned program for this system over the next several years, and what will be the NATO infrastructure funding.

General DELBRIDGE. The MLRS program for fiscal year 1983 is $33.4 million; for fiscal year 1984, $57.9 million; and for fiscal year

1985, $10 million. None of the facilities in the program will be funded by NATO since none are eligible for NATO funding.

OPERATIONAL FACILITIES

Mr. GINN. The committee continues to hear the need to provide improved operational facilities for our personnel in Germany. Although there is a large program for improved operational facilities in this year's request, I understand that some of the facilities will be for German personnel rather than U.S. personnel. Doesn't the Army have a commitment to improve the facilities for our own personnel prior to improving operating facilities for the Germans?

General DELBRIDGE. Yes, sir. That basically is a true statement, except as it pertains to the decision we made on these two facilities. These two facilities are specifically intended for heavy equipment maintenance and repair on the one hand, and vehicle engine repair, on the other. They are not staffed by German personnel. There may be a few, but essentially they are third-country nationals. They provide a definite benefit to our forces in giving them a greater maintenance capability. If we did not have these facilities, we would have to man them with U.S. forces. So we have made a deliberate decision that the derived improvements in combat readiness permit us to put this into a priority category.

Mr. GINN. Could you tell us which of these facilities requested in fiscal year 1982 have non-U.S. personnel as their primary occupants?

General DELBRIDGE. The two I mentioned, Mr. Chairman. There is a heavy equipment maintenance shop at Mannheim for $8.4 million and an engine test cell facility at Kaiserslautern for $207,000.

Mr. GINN. Provide for the record a listing of all operational facilities requested in Germany for fiscal year 1982 and provide their cost, location, and relationship to the ———.

[The information follows:]

Location	Project number	Description	Cost in thousands		Relationship to ———
			Appropriated	Authorized	
Feucht AAf, Nuernberg	943	Helicopter Support Facilities (CEWI)	$930	$930	(1)
Grossauheim Kaserne Hanau	962	Bn Hqs & Clsrm (Patriot)	2,150	2,150	(1)
Nuernberg	942	Operational Intelligence Bldg. (CEWI)	2,050	2,050	(1)
Wuerzburg	017	Bn Hqs & Clsrm (CEWI)	2,100	2,100	(1)

[1] The occupancy of this facility is not affected by the ———. Unit occupying the facility upon completion is scheduled to remain in that facility for the foreseeable future.

TRAINING FACILITIES

Mr. GINN. What is the total request for training facilities in Germany for fiscal year 1982?

General DELBRIDGE. The total request for training facilities in fiscal year 1982 for USAREUR is $39,200 million. This includes ranges, simulators and classrooms.

Mr. GINN. Will any of these training facilities be used by other NATO allies?

General DELBRIDGE. Three projects, major training area renovation (PN 685), M–L tank crew qualification range (PN 908), and XM2 and XM3 fighting vehicles range (PN 851), will be used by forces of Germany, France and Canada. In return, the United States Forces obtain training time at Baumholder, Daaden, Schwarsenborn, Ehra Lessien, Muensingen, Hammelburg, Ingolstadt, and Todendorf. These are all German major training areas. The latter three are particularly significant since they provide special type training facilities. Hammelburg is the only facility in Europe where battalion-size training can be conducted in urban terrain. Ingolstadt is an area which enables training in all aspects of engineer operations; for instance, river crossing, bridging, and demolitions. Todendorf is the only aerial gunnery installation available to USAREUR for Vulcan firing. The benefit of the other training areas is that they are close to home stations of certain US forces. That permits saving transportation funds to accomplish smaller caliber weapons firing. The French reciprocate by permitting the U.S. to use a French-controlled range in Germany. Canada pays the direct costs for its use of U.S. facilities.

Mr. GINN. If so, why shouldn't there be at least partial infrastructure funding for these facilities?

General DELBRIDGE. The NATO infrastructure program is oversubscribed with high priority alliance projects already NATO eligible. Even if we were immediately successful in gaining eligibility, we could not expect funding before 1985 at the very earliest. Accordingly, we are submitting precautionary prefinancing statements to protect U.S. recoupment rights should NATO accept responsibility under the conditions defined by the 96th Congress. There are two reasons the Germans would support making the U.S. major training areas NATO ranges while strongly opposing retention of U.S. Control.

First, under NATO operation CENTAG would allocate training time. One of the basic tenents of the NATO infrastructure program is the policy of equal access to joint facilities. The practice in NORTHAG has been to allocate training time on the basis of number of troops needing training in an area. These rules, if applied to CENTAG, would increase the MTA time allocated to the Germans from the present 30 percent to nearly 50 percent.

Second, if the Germans were successful in preventing the US from assuming host nation responsibilities, the training areas would operate under German range safety and noise rules which would resolve an increasingly difficult political problem. There is growing opposition in the communities immediately surrounding the major training areas to the noise of the day and night firing and to the dust and mud from the year round use of the ranges. This increasing pressure would make it difficult for the Federal Government to justify, to its citizens, relinquishing host nation control to the US when retention of control would reduce the disruption caused by current operations.

Mr. GINN. Provide for the record a listing of each training facility requested in Germany, its cost, location, and percentage use by non-U.S. personnel.

[The information follows:]

The following table lists training facilities requested in Germany for fiscal year 1982.

Location	Project number	Description	Cost in thousands		Percent use by non-U.S.
			Appropriated	Authorized	
Grafenwoehr training area	685	Major training area upgrade	$1,400	0	[1] 30
Grafenwoehr training area	851	Range upgrade	5,800	$5,800	[1] 30
Grafenwoehr training area	908	Tank crew qualification range	15,000	15,000	[1] 30
Hanau	335	Flight simulator building	9,950	9,950	[2] 0.5
Kitzingen/Giessen	772	Stinger target simulator	2,800	2,800	0

[1] Under current land use agreements, German forces receive 30 percent of the available training time at Grafenwoehr, Wildflecken, and Hohenfels. U.S. forces receive the balance with a very small percentage to others. In return for 30 percent training time at the above installations, the Germans provide 50 percent of the available training time available at Baumholder and U.S. access to several other specialized training areas in Germany.

[2] Canadian and Norwegian pilots use UH–1 flight simulator on a "space available" basis. They contract and pay for use of this facility under foreign military sales program.

AMMUNITION IGLOOS, GERMANY

Mr. GINN. The Army has requested more than $10 million for ammunition igloo projects in Germany. Explain for the record why these facilities are required and why they cannot be funded through the NATO infrastructure program.

[The information follows:]

These projects are required to store unit basic load ammunition, primarily for new weapon systems being deployed to Germany. Two projects provide facilities for units that are currently storing ammunition in temporary facilities or in depots away from their operational sites. Basic load sites cannot be funded through the NATO infrastructure program because they are not eligible. The NATO criteria for forward storage sites specifically excludes unit basic load storage of all classes of supply, including ammunition, from eligibility.

The division of responsibility for funding reserve storage facilities for all classes of supply follows:

Basic load—National.

Forward storage—NATO.

Facilities for supplies up to the long term defense.

Facilities plan level for supplies—National.

For reinforcing nations until resupply can be established—NATO (RCS).

NATO has funded 90 percent of the forward storage sites authorized the U.S.

The U.S. has constructed its share of facilities to meet th Long Term Defense Plan objectives set by NATO heads of State. Construction for facilities for supplies required to be on hand until resupply is established have been submitted for NATO funding. NATO's responsibility for funding this category is for larger than that the U.S. has for basic load facilities.

Mr. GINN. Provide for the record a listing of fiscal year 1982 ammunition igloo projects, their cost, location, and purpose.

[The information follows:]

Following are the ammunition igloo projects in the fiscal year 1982 Military Construction-Army Program:

Location	Purpose	Cost (millions)
Butsbach, Germany	Store Multiple Launch Rocket System (MLRS) unit basic load	$1.250
Hanau, Germany	Store MLRS unit basic load	1.150
Hanau, Germany	Unit basic load storage for 3 artillery battalions, 1 engineer battalion and 2 aviation units.	2.650
19 Locations, Germany	Secure storage for Chaparral, Vulvan, Redeye/Stinger unit basic loads for 32d Army Air Defense Command units.	1.850
Wertheim, Germany	Store MLRS battery unit basic load	.630
Geissen, Germany	Store unit basic load of other ammunition and Redeye Stinger for Patriot air defense battalion (Patriot ammunition storage is NATO-funded).	.890
Hanau, Germany	Store unit basic load of other ammunition and Redeye/Stinger for Patriot battalion (Patriot ammunition storage is NATO-funded).	.890

Location	Purpose	Cost (millions)
Zweibruecken, Germany	Store unit basic load for one Roland battery	.890
Weilerbach, Germany	Store unit basic loads for two Roland batteries	2.900
Sembach, Germany	Store unit bvasic load for one Roland battery	.660
Total		13.760

FLIEGERHOST KASERNE, HANAU, GERMANY—FLIGHT SIMULATOR BUILDING, $9,950,000 (PART 1, PAGE 515)

Mr. GINN. The Army has proposed constructing a new flight simulator building at Hanau, Germany, which will cost $10 million in military construction funds and $31 million in Defense appropriations. Justify for the record the need for a $41 million program at this location.

[The information follows:]

This flight simulator facility will be the largest in Europe. One UH-1 flight simulator (FS) is currently housed in a hangar. The plan is to build a complex to house the existing UH-1 FS which will free the hangar space for aircraft; plus an AH-1 Cobra FS and UH-60 Black Hawk FS. Common use of utilities, classrooms, etc., will save money. This FS facility will serve approximately 1,000 UH-1 pilots for training; until a second AH-1 FS opens at Illesheim in early 1985, the facility will also serve approximately 600 attack helicopter pilots for flight and gunnery readiness training; thereafter it will serve about 300 pilots from attack units. The UH-60 FS will serve approximately 300 Black Hawk pilots until 1988 when a second UH-60 FS will be placed at Illesheim,; thereafter, it will serve about 150 Black Hawk pilots. Estimated savings per year are as follows:

[In millions of dollars]

	UH-1 FS	AH-1 FS	UH-60A FS
Gallons fuel	1.08	0.752	0.924
Aircraft operating costs	2.1	2.74	2.55
Ammunition		2.79	

Mr. GINN. The Air Force has encountered problems with the visuals associated with their flight simulator facilities. Has the Army modified its trainers for the same reason?

General DELBRIDGE. The Army utilizes visual terrain model boards with television projection for some of its simulators, while experimenting with improvements with laser scam technology. In addition, the Army is working with computer generated imagery. The UH-60 flight simulator is being tested with both model board and computed generated imagery to determine the most effective means of portraying imagery, considering cost and training effectiveness.

Mr. GINN. Will any non-U.S. forces use this facility?

General DELBRIDGE. Currently, Canadian and Norwegian pilots utilize this facility to train in the UH-1 flight simulator under agreement of space available. Their use does not interfere with U.S. mobilization.

Mr. GINN. If they will, what measures have been taken to recoup the costs for the facility through the NATO infrastructure program?

General DELBRIDGE. The Canadian and Norwegian forces contract for use of the facility and pay under the Foreign Military Sales program.

KATTERBACK KASERNE, ANSBACK, GERMANY—COMMISSARY WAREHOUSE, $1,650,000 (PART 1, PAGE 635)

Mr. GINN. Justify why a $1.7 million commissary warehouse has been proposed at Ansback through the use of military construction funds rather than nonappropriated funds?

General DELBRIDGE. Sir, at the present time, the warehouse in Katterbach is located in an aircraft maintenance hangar. With the increase in helicopters in the First Armored Division, it is essential that building be dedicated to operational use.

Mr. GINN. Why does it not require authorization?

General DELBRIDGE. This project was authorized, Mr. Chairman, in 1981.

Mr. GINN. It has been authorized?

General DELBRIDGE. Yes, sir, it has.

Mr. GINN. When was it completed?

General DELBRIDGE. The present commissary was completed in 1975. That is when that building was renovated to house a commissary, and that was a surcharge fund of almost a half million dollars.

GERMANY, VARIOUS LOCATIONS—AUTO SELF-HELP GARAGE, $4,300,000 (PART 1, PAGE 646)

Mr. GINN. Justify the need to spend $4.3 million for auto self-help garages in Germany.

General DELBRIDGE. Privately owned vehicles are an essential part of overseas life. The married soldier not provided government housing must seek quarters at a distance from his duty station to reduce rental costs and conserve funds. Automotive self help garages provide soldiers with an opportunity to reduce their cost of living, encourage the correction of vehicle safety defects, provide wholesome recreation, and enhance mechanical skills which are transferable to military occupations. The facilities in Europe are particularly critical since the average enlisted soldier there lives a considerable distance from his duty station, drives a six year old car, and repairs on the economy are extremely costly or not available.

Mr. GINN. Where will these facilities be located?

General DELBRIDGE. Anderson Barracks at Dexheim, Coleman Barracks at Mannheim, Ayers Kaserne at Kirchgoens, and Sullivan Barracks at Mannheim.

Mr. GINN. What priority have you given to this program in light of the housing and operational problems in Germany?

General DELBRIDGE. Housing, operations, Community and other programs are functionally related to readiness. A balance of programs is needed to achieve optimum readiness. The Army request reflects our efforts to attract, train, maintain, and retain or force and represents our position that Community facilities, specifically in this case the automotive self-help garages, are essential to personnel retention and readiness, and are considered to be of the same priority as housing and operations. These facilities are part of

a $1.5 billion backlog of morale, welfare and recreation facilities and are essential to provide married junior military personnel a reasonably priced facility where they can repair and maintain their used automobile. Thus the automobile is used to transport soldiers for military duty and spouses to work so that they can maintain family integrity. The soldier who is not worried about this potential family problem feels more of a commitment to the Army and is a more effective soldier, thus contributing directly to soldier readiness, and these type facilities must be accorded the appropriate priority.

BUEDINGEN, GERMANY—TANK MAINTENANCE SHOP, $7,300,000 (PART 2, PAGE 1084)

Mr. GINN. The fiscal year 1982 budget amendment adds a $7.3 million tank maintenance shop at Buedingen, Germany. Does this project include tank hardstands?

General DELBRIDGE. Yes; this project includes 26,000 square yards of hardstand.

Mr. GINN. For the record, how many other facilities in Germany require a similar improvement?

[The information follows:]

Construction of maintenance facilities in USAREUR is receiving increasing attention by the Army. During the period fiscal year 1983 thru fiscal year 1986, the Army has programed 54 maintenance facilities at an estimated cost of $311.7 million. This includes such items as major new maintenance facilities construction and modernization. This is USAREUR's known requirements in the fiscal year 1983-86 time frame. USAREUR's fiscal year 1987 maintenance facilities construction program is still under formulation. At the end of this 5-year construction program fiscal year 1983-87, if approved, the Army will have constructed and modernized an appreciable amount of its known high priority construction requirements for maintenance facilities in USAREUR.

Mr. GINN. Has the design of this facility now progressed to a satisfactory level?

General DELBRIDGE. Yes; the project is 35 percent designed.

Mr. GINN. Do you feel the $7.3 million cost estimate is adequate?

General DELBRIDGE. Yes; it is based on design progress of 35 percent.

Mr. GINN. What is the construction schedule for this project?

General DELBRIDGE. Design is scheduled for completion in January 1982 with construction award scheduled for May 1982. The facility is expected to be complete November 1983.

Mr. GINN. Is there any portion of this work that is eligible for NATO infrastructure funding?

General DELBRIDGE. No. This project is not within a NATO infrastructure category of eligibility since it is not for joint use or in the common interest.

ARMY PROGRAM IN TURKEY

Mr. GINN. What is the expected change in U.S. strength in Turkey over the next several years?

General DELBRIDGE. We have no projected changes at the present time.

Mr. GINN. What is the primary mission of the U.S. Army in Turkey?

General DELBRIDGE. Sir, we do not have many troops in Turkey. Principally, they are involved in ———. That is in our LRSP program. There are some port terminal operations, ——— and communications facilities.

Mr. GINN. After limited funding for Turkey in the past several years, the Army has requested more than $20 million in fiscal year 1982. What has changed your planning in this area?

General DELBRIDGE. Mr. Chairman, heretofore we have been somewhat reluctant, because of the political situation. That was stabilized, sufficiently in March, 1980, with the economic cooperation agreement, and we feel we can put funds into a more assured position in Turkey.

Mr. GINN. What is the estimated backlog in Army facility requirements for Turkey?

General DELBRIDGE. Turkey has no documented military construction backlog other than the $40.2 million already identified in the five year plan.

Mr. GINN. Turkey is our closest NATO country to the Persian Gulf area. Has the Army reviewed any of the Turkey facilities———?

General DELBRIDGE. No. As a result of the political situation in Turkey at the time and the sensitivity of the issue, ——— was not considered.

Mr. GINN. Which Army or Air Force installations in Turkey———?

General DELBRIDGE. U.S. Army personnel stationed in Turkey are primarily involved in NATO missions and are configured for the most part in small detachments in isolated areas. These sites would not be suitable for use as ———.

Mr. GINN. In the area of family housing, the Turkish Government has demanded that Turkish firms be used. What has been the experience in the normal military construction program?

General DELBRIDGE. In normal military construction, the Ministry of Defense, Turkey, has decision authority on the bidders list. However, the U.S. can request the addition of bidders to the list provided by the Ministry of Defense. The U.S. solicits and awards contracts unless NATO is involved in the procurement.

TURKEY—FISCAL YEAR 1982 ARMY PROJECTS, $20,800,000 (PART 1, PAGE 660)

Mr. GINN. Have each of the projects requested in Turkey been reviewed to determine whether they are NATO infrastructure-eligible?

General DELBRIDGE. Yes; they have.

Mr. GINN. Are any of these projects potentially eligible for infrasturcture funding?

General DELBRIDGE. The barracks and administration facilities were built in the mid 1960s by NATO to austere standards. For example, the barracks are temporary construction with an allowance of 60 square feet per person. NATO would pay for restoration of these facilities to their original condition. The potential reimbursement from NATO for the restoration is a small percentage of the total project cost. The programing and construction would be difficult and lengthy. If the projects were announced as prefin-

anced projects in the hope that some minor recoupment might ultimately be approved by NATO, then the entire project would be constructed by the Government of Turkey in accordance with Turkish public laws which prohibit the U.S. from directly managing the contracts of prefinanced projects. The maximum which NATO might recognize is so low that is would not cover the increased costs incurred as a result of the longer time it takes the Turkish construction agency to build facilities.

Mr. GINN. Has the Government of Turkey concurred with all of the construction proposed in fiscal year 1982?

General DELBRIDGE. Yes sir.

AIR FORCE PROGRAM IN THE UNITED KINGDOM

RAF FAIRFORD, UNITED KINGDOM—UNACCOMPANIED ENLISTED PERSONNEL HOUSING, $6,360,000 (PART 1, PAGE 2016)

Mr. GINN. Over the past several years, this committee has been interested in the buildup of Fairford Air Force Base and its effect on facilities in the U.S. Will the unaccompanied enlisted housing proposed in fiscal year 1982 be used for a change in mission requirement?

General WRIGHT. No, sir, it will not.

Mr. GINN. The Air Force at one time was reviewing the possibilities of using Fairford ———. What happened to that plan?

General WRIGHT. That is still a viable plan. The ———, but that is secret. It is classified.

Mr. GINN. What is the distance from Fairford to the Persian Gulf? How does that compare to Diego Garcia?

General WRIGHT. The distance from Fairford to the Persian Gulf is approximately 3,700 nautical miles; the distance from Diego Garcia to the Persian Gulf is about 2,500 nautical miles.

Mr. GINN. ———?

General WRIGHT. The Ministry of Defense is sympathetic to the desire of the USAF ———.

HARDENED LOGISTICS FACILITIES IN EUROPE, VARIOUS LOCATIONS

Mr. GINN. The Air Force has proposed constructing several hardened logistics facilities in Europe. What is the total fiscal year 1982 cost for these facilities, and where will they be located?

General WRIGHT. The cost is $6.37 million, Bitburg, Germany, and Lakenheath in the United Kingdom.

Mr. GINN. Can you explain why these facilities are a national responsibility and are not NATO-eligible?

General WRIGHT. As mentioned in the briefing earlier, the logistic support facilities are considered a national responsibility, and the hardening is not part of the NATO criteria as currently specified.

Mr. GINN. Since it is operational, wouldn't it meet requirements?

General WRIGHT. They don't consider maintenance facilities as operational in the true sense of the word.

Air Force Program in Germany

RAMSTEIN AIR BASE, GERMANY—RELOCATE 497TH RECONNAISSANCE TECHNICAL GROUP, $13,700,000 (PART 1, PAGE 2033)

Mr. Ginn. The Air Force has proposed a $14 million project to relocate the 497th Reconnaissance Technical Group from Wiesbaden, Germany, to Ramstein. How old is the current facility?

General Wright. This is in an old Kaserne similar to some we saw in the Army briefing built in the '20s.

Mr. Ginn. When was it last modernized?

General Wright. We did work on it 10 or 12 years ago. That was really the last major expenditure of money.

Mr. Ginn. What is the distance between its current location and Ramstein Air Base?

General Wright. About 70 miles, sir.

Mr. Ginn. What would be the cost of keeping the group in the current location and renovating that facility?

General Wright. I would have to look at that to give you an exact figure there, but the real problem is not the renovation of facilities, per se, even though they are old.

The real problem is to consolidate the intelligence support with the decision-makers at the Air Force headquarters in Europe located at Ramstein. Currently we have to down link information——— reconnaissance aircraft and other intelligence sources into Ramstein. Then it is transported over road to Schierstein which is east about 70 miles up toward the Rhine River, where it is processed and interpreted, and then taken back to Ramstein for use. It is that weak link in our intelligence chain that we are trying to eliminate with this project.

Mr. Ginn. What communications are now available between the two locations?

General Wright.———.

Mr. Ginn. If it is necessary to locate the reconnaissance group with other functions at Ramstein, why wasn't this done when the new communications center was built at Ramstein?

General Wright. That is the telecommunications center which is essentially a base communications center and the one we are talking about now is an intelligence function primarily.

Mr. Ginn. When was that building completed?

General Wright. It is not completed. It is about 10 percent complete now. It was in the 1979 construction program.

Mr. Ginn. Provide for the record a map showing the location of the current facility and Ramstein Air Base.

[The map follows:]

scale - 1 inch = 24 miles.


SCHIERSTEIN
RAHSTEIN
Siegburg
Bonn
Bad Godesberg
Bad Honnef
Andernach
Koblenz
Mayen
Bad Ems
Nassau
Oberlahnstein
Braubach
Bad Salzig
St. Goar
Oberwesel
Kaub
Lorch
Bacharach
Kastellaun
Zell
Cochem
Mosel
Traben-Trarbach
Bernkastel
Wittlich
Hetzerath
Neumagen
Schweich
Morbach
Ruwer
Trier
Merzig
Losheim
Oberthal
Saarlautern
Dillingen
Sulzbach
Dudweiler
Saarbrücken
Forbach
Folschviller
Puttelange
Rohrbach
Bining
Sarralbe
Grostenquin
Insming
Bénestroff
Sarre Union
Niederbronn
Les Bains
Reichshoffen
Ingwiller
Bouxwiller
Schweighouse
Hochfelden
Saverne
Phalsbourg
Sarrebourg
Etang de Lindre
Dabo
Wasselonne
Molsheim
Mutzig
Schirmeck
Badonviller
Baccarat
Raon l'Etape
Senones
La Broque
Barr
Obernai
Benfeld
Erstein
Dambach la Ville
St. Dié
Châtillon
Vezouze
Cirey sur Vezouze
Abreschviller
Schiltigheim
Bischheim
Strasbourg
Kehl
Rhinau
Sasbach
Achern
Oberkirch
Offenburg
Gengenbach
Haslach
Wolfach
Oberndorf
Freudenstadt
Baiersbronn
Alpirsbach
Aalen
Nagold
Altensteig
Tübingen
Rottenburg
Reutlingen
Metzingen
Urach
Hechingen
Sulz
Horb
Gomaringen
Mössingen
Bad Wildbad
Calw
Herrenberg
Wildberg
Nürtingen
Böblingen
Sindelfingen
Stuttgart
Esslingen
Ludwigsburg
Waiblingen
Fellbach
Plochingen
Neuffen
Weilheim
Kirchheim
Göppingen
Backnang
Murrhardt
Marbach
Bietigheim
Heilbronn
Neckarsulm
Bad Friedrichshall
Öhringen
Weinsberg
Schwaigern
Eppingen
Brackenheim
Lauffen
Löwenstein
Heidelsheim
Bretten
Knittlingen
Gondelsheim
Bruchsal
Graben
Neuereut
Grötzingen
Karlsruhe
Durlach
Ettlingen
Maulbronn
Mühlacker
Pforzheim
Enz
Neuenbürg
Kuppenheim
Gaggenau
Malsch
Rastatt
Baden-Baden
Gernsbach
Forbach
Bühl
Achern
Appenweier
Oberkirch
Offenburg
Oppenau
Wildbad
Herrenalb
Weilder Stadt
Kornwestheim
Leonberg
Ludwigsburg
Vaihingen
Enz
Pforzheim
Bad Mergentheim
Tauberbischofsheim
Wertheim
Miltenberg
Klingenberg
Obernburg
Aschaffenburg
Laufach
Frammersbach
Grossauheim
Hanau
Gelnhausen
Bad Orb
Bad Soden
Salmünster
Steinau
Altengronau
Schlüchtern
Gedern
Nidda
Lauterbach
Grünberg
Alsfeld
Homberg
Ohm
Kirchhain
Niederaula
Rotenburg
Bebra
Fulda
Hersfeld
Herbstein
Lauterbach
Schotten
Hungen
Lollar
Giessen
Wetzlar
Leun
Braunfels
Weilburg
Weilmünster
Butzbach
Limburg
Usingen
Bad Nauheim
Friedberg
Bad Homburg
Assenheim
Büdingen
Wächtersbach
Bad Vilbel
Frankfurt am Main
Höchst
Hofheim
Kelkheim
Eschborn
Neu Isenburg
Offenbach
Sprendlingen
Langen
Mainz
Kastel
Gustavsburg
Ingelheim
Bingen
Worrstadt
Nierstein
Oppenheim
Gernsheim
Pfungstadt
Darmstadt
Dieburg
Münster
Rossdorf
Groß Umstadt
Groß Gerau
Reinheim
Obernburg
Wörth
Klingenberg
Miltenberg
Wertheim
Tauberbischofsheim
Lauda
Bad Mergentheim
Wallstein
Bad Kreuznach
Sobernheim
Kirn
Idar-Oberstein
Meisenheim
Kirchheimbolanden
Osthofen
Worms
Bensheim
Lorsch
Bürstadt
Lampertheim
Viernheim
Heppenheim
Fürth
Erbach
Amorbach
Walldürn
Hardheim
Buchen
Mosbach
Neckargemünd
Eberbach
Adelsheim
Krautheim
Mudau
Osterburken
Adenburg
Heidelberg
Schriesheim
Weinheim
Beerfelden
Mannheim
Ludwigshafen
Frankenthal
Grünstadt
Wolfstein
Baumholder
Rockenhausen
Nohfelden
Otterberg
Bad Dürkheim
Neustadt
Hassloch
Speyer
Schifferstadt
Mutterstadt
Hochspeyer
Landstuhl
Lambrecht
Homburg
Zweibrücken
Pirmasens
Waldfischbach
Edenkoben
Landau
Germersheim
Philippsburg
Wiesloch
Walldorf
Rauenberg
Schwetzingen
Hockenheim
Oftersheim
Plankstadt
Ketsch
Brühl
Wesseling
Bornheim
Duisdorf
Troisdorf
Eitorf
Hennef
Altenkirchen
Hachenburg
Marienberg
Dierdorf
Neuwied
Rheinbrohl
Linz
Remagen
Sinzig
Bad Neuenahr
Ahrweiler
Hönningen
Rheinbach
Meckenheim
Euskirchen
Mechernich
Gemünden
Prüm
Bitburg
Wittlich
Daun
Ulmen
Cochem
Zell
Kastellaun
Simmern
Kirchberg
Stromberg
Bingen
Ingelheim

Air Force Facilities in Spain

TORREJON AIR BASE, SPAIN, $3,940,000 (PART 1, PAGES 2052–2057; PART 2, PAGE 1160)

Mr. Ginn. What is the status of our base rights negotiations with Spain?

General Wright. Sir, the current agreement expires this September.

Mr. Ginn. When do you feel these negotiations will be completed?

General Wright. Sir, we hope to have them completed prior to expiration of the current agreement, but they have not started formal negotiations yet.

Mr. Ginn. What elements of the negotiations are Spain objecting to?

General Wright. Sir, we don't know that yet. It is too early to tell in this current round of negotiations.

Mr. Ginn. Is it true at this point the Spanish are concerned with flight operations at Torrejon and actually control landings and takeoffs?

General Wright. I am not aware of any serious problems. Over the years, the Spaniards have complained about noise, and Torrejon is located relatively close to the commercial airport at Madrid, but they have not restricted flight operations per se. The control tower is manned by Spaniards and U.S. air traffic controllers, because it is a Spanish base.

Mr. Ginn. Have the Spanish suggested we move our flight operations away from Torrejon?

General Wright. I am not aware of that, sir, if they have.

Mr. Ginn. ———.

General Wright. ———.

Mr. Ginn. What would be the effect of deferring the projects requested in 1982 until all of these issues have been resolved?

General Wright. Sir, one of the projects at Torrejon is a dormitory, and that is important to quality of life. The other would affect the European aircraft conversion program, as I mentioned earlier.

Navy NATO Construction Programs

KEFLAVIK, ICELAND—DUAL PURPOSE TERMINAL $20,000,000

Mr. Ginn. Last year, the Congress approved the requested $20 million for the U.S. contribution to the dual-purpose terminal in Keflavik, Iceland. Has the Icelandic Government approved its portion of the funding for this project?

Captain Brune. No, sir, not yet. ———.

Mr. Ginn. How many times per week are commercial flights using the existing terminal?

Captain Brune. During high season, the average number of flights per week is between 80 and 90. This includes about 65 Icelandic DC–8's and 727's, a couple flights from SAS and nonscheduled flights about 20 a week.

Mr. Burgener. Who would be entitled to the landing fees, Iceland?

Captain BRUNE. Yes, sir.

Mr. BURGENER. I know when we were at the naval base in Bermuda, which is a different deal, it is used heavily by commercial aircraft, and we get all the landing fees.

Captain BRUNE. The airfield at Keflavik is an international airport run by the Icelanders.

Mr. BURGENER. It is really their airport?

Captain BRUNE. Yes, sir.

Mr. GINN. Is it likely that it ever will approve and provide its portion of the cost?

Captain BRUNE. ———.

Mr. GINN. What do you propose to do if they refuse to fund their share of the project?

Captain BRUNE. The fiscal year 1981 authorization legislation prohibits the Navy from contracting the terminal if the Icelanders do not provide their payment. We do expect the Icelanders to obtain their funding.

Mr. GINN. Since the Icelandic Government has not supported this project, why shouldn't the $20 million be rescinded?

Captain BRUNE. We feel the Icelandic funds will be made available. We do not consider this delay as meaning they will not joint us.

Mr. PEEL. Why are you optimistic? Last year, this subcommittee took the lead for the Navy in convincing the Senate, who took the project out, that we would bet on the Icelandic Government approving it by the beginning of fiscal year 1981. This hasn't occurred. The action did not take place in November as the committee was told. What is your reason for optimism in moving the project? This is a commerical terminal.

Mr. MURPHY. Iceland is a constitutional republic, and they have a parliament which must take this matter up. They intended to take it up when they convened in October 1980. That is what we testified would happen last year. ———.

Mr. PEEL. How long is eventually?

Mr. MURPHY. The Parliament will be in session for another two months in their current session.

Mr. PEEL. Would you keep us posted on the progress we make on that?

Captain BRUNE. Yes, sir.

NAF SIGONELLA, ITALY, $12,350,000 (PART 1, PAGES 1285 AND 1288)

Mr. GINN. The Navy facility at Sigonella appears to be a strategic location in terms of supporting missions in the Middle East. What planning has been done to make this an RDF support base? What are its possibilities?

Captain BRUNE. Sigonella is a strategically located base in support of the Sixth Fleet, as well as the antisubmarine warfare mission in the Mediterranean. With the Mil-Con program to improve the capability to serve missions the real estate available is fully utilized. It would be extremely difficult to expand that facility to include the RDP capability.

Mr. FLIAKAS. It is a needed location for the Sixth Fleet but limited as far as expansion is concerned.

Mr. GINN. Why has the Navy requested $9,200,000 for maintenance hangar improvements at Sigonella, Italy, since this facility was originally built with NATO funds?

Captain BRUNE. The existing NATO hangar is the typical austere facility which was built by NATO criteria as adequate, for the minimum wartime mission. However, it does not—it only satisfies requirements derived from the NATO airfield criteria. However, these do not meet the national standards for peacetime operations of the Navy in Sigonella.

Mr. GINN. Why are you not funding this project through the NATO infrastructure program?

Captain BRUNE. As I say, NATO use of the hangar space is fully adequate for the military requirement in wartime. However, the facilities that are there do not serve some of the Navy's requirements in there, such as logistics support for the Sixth Fleet and other logistic support-type missions.

Mr. GINN. How does this project "exceed the scope as described in the approved NATO criteria and standards"?

Captain BRUNE. In two ways.

First, from a quantitative viewpoint NATO does not provide maintenance facilities for those U.S. logistics aircraft such as MAC C–5's and C–141's which regularly use Sigonella. Also, station aircraft used intra-theatre on logistics and administrative flights are not recognized. NATO views logistics operations as a national responsibility and furnishes no facilities for them.

Also, carrier-based tactical aircraft frequently present at Sigonella in peacetime for training, or which are "shore-based" for a period of time, are viewed by NATO as carrier-based in wartime, hence no shore facilities needed.

Squadron and intermediate level maintenance facilities are needed at Sigonella to support both these categories, however.

Second, the sophistication of U.S. aircraft based at Sigonella, including the P–3C patrol aircraft and CH–53E helicopters, demand shop area, special electrical service, and environmental controls well beyond NATO's austere allowance. We consider fire protection sprinklers essential in areas where valuable items are stored or worked on. NATO criteria allows for no such fire protection.

Also relevant is Navy's mode of accomplishing aircraft maintenance in the Mediterranean whereby Sigonella is used as a central maintenance point for numerous aircraft, engines and accessories. This procedure makes economic sense in peacetime. As a result, aircraft based in Rota, Spain, not a NATO country, are dependent on these Sigonella facilities for support.

A large part of this project is for a calibration laboratory, mainly civilian manned, which Navy has placed at Sigonella to serve the Sixth Fleet as well as shore bases throughout the Mediterranean. This type facility is not covered by NATO criteria, the premise being such activities would be moved to a more rearward location in wartime.

Mr. GINN. If the project "in its entirety * * * exceeds the scope * * * of approved criteria," why wasn't it broken up into parts?

Captain BRUNE. Were this project broken up into usable pieces, even then none would qualify for NATO funding.

Mr. GINN. In regard to the request for $3,150,000 for an aircraft ground support equipment shop, why is this project not eligible for NATO infrastructure funding?

Captain BRUNE. NATO has provided a ground support equipment shop at Sigonella and it is in use today. At just under 3,800 square feet, it is inadequate for our national peacetime operations. This results from the same quantitative and qualitative divergence discussed previously on the hangar.

NATO does not recognize facilities needed to maintain and preserve ground support equipment for national logistics or carrier-based aircraft. Yet, we must have numerous pieces of such equipment in place permanently at Sigonella in peacetime.

Similarly, NATO will not furnish covered storage sheds in which to park equipment out of the elements as a means of preserving them and keeping them in top condition once serviced and readied for use. Note that this proposed facility includes 20,000 square feet, about 60 percent of the project, for covered storage shed space. Experience with problems on the hundreds of units now on board and parked outside in the open tells us that moving them in under cover will greatly improve their readiness for use and prolong their usefulness.

FOREIGN CURRENCY EXCHANGE RATE FLUCTUATION FUNDS

Mr. GINN. In fiscal year 1980 Congress provided $125 million to cover shortages in military construction and family housing programs resulting from unfavorable foreign currency exchange rate fluctuations.

In fiscal year 1980 and continuing into fiscal year 1981, the Air Force has accounted for gains and losses in military construction and family housing programs. The Navy has not accounted for these variances. A Navy official said that it does not have large overseas construction and housing programs and exchange rate fluctuations have not been a major problem. The Army accounted for gains and losses in these programs during fiscal year 1980 but has discontinued this procedure for fiscal year 1981 programs.

In October 1980, Army headquarters advised the overseas commands that since there will not be a foreign currency fluctuation appropriation for fiscal year 1981, they should not compute gains and losses for fiscal year 1981 construction and housing programs. The commands were instructed to continue accounting for variances in prior years' programs.

Why does DOD not have uniform procedures to account for gains and losses due to foreign currency exchange rate fluctuations in military construction and family housing programs?

[The following was provided for the record:]

On February 29, 1980, the Assistant Secretary of Defense (Comptroller) issued guidance to all Defense components providing uniform procedures for implementing the Foreign Currency Fluctuation, Construction, Defense (FCFCD) appropriation. Its provisions remain in force, with the intent of assuring that all funds provided in that appropriation are obligated and expended in accordance with the intent of the legislation, which restricts their use solely to offset losses in the purchasing power of dollars budgeted as a result of unfavorable fluctuations in foreign currencies. In this process, it must be recognized that the FCFCD capitalization of $125,000,000 was sufficient to cover only about one-half of the foreign currency caused shortfalls then known to exist. This, or course, required that all FCFCD funds be applied to existing programs leaving no balances available to cover subsequent years pro-

grams, such as fiscal year 1981. Since the impact of foreign currency losses on the Department of Navy were minimal relative to the other services, none of the FCFCD funds were transferred to the Navy which, in turn, did not require Navy to participate in FCFCD implementation procedures. Insofar as the Department of Army's guidance to overseas commands is concerned, it is fully appropriate that those commands be advised that no FCFCD funding relief be presumed for fiscal year 1981 programs in the absence of specific appropriations for this purpose. In summary, uniform procedures have been placed in force to assure uniformity of control of funds provided from the Foreign Currency Fluctuation, Construction, Defense appropriation. Beyond that, it is the responsibility of each Defense component to operate its overall system of fund control in such fashion as to avoid overexpenditures in violation of the Anti-deficiency Act (R.S. 3679).

Mr. GINN. Why is the Army not accounting for exchange rate variances in fiscal year 1981 military construction and family housing programs?

Mr. FLIAKAS. The Army is not accounting for exchange rate variances in fiscal year 1981 military construction and family housing programs because no fiscal year 1981 appropriation was authorized for foreign currency fluctuation. All currency fluctuation funds made available in fiscal year 1980 were allocated to the fiscal year 1980 and fiscal year 1979 projects. Therefore no funds were available for allocation in fiscal year 1981. The Army interpretation is that no formal reports are required; however, the need for tracking gains and losses attributable to foreign currency is recognized and appropriate action is being taken to establish memorandum accounts to ascertain the fiscal year 1981 status on a continuing basis.

Mr. GINN. As of December 31, 1980, the Army had realized currency fluctuation gains in fiscal year 1981 operations and maintenance programs amounting to $11.3 million and had accrued additional gains on unliquidated obligations totaling $15.2 million. Wouldn't the Army also be showing gains in fiscal year 1981 construction and housing programs if it was accounting for variances in these programs? Answer that for the record.

[The information follows:]

Yes the Army would be showing gains in fiscal year 1981 for construction and family housing. The Army recognized a need to track gains and losses attributable to foreign currency fluctuation and is taking appropriate action to establish memorandum accounts to ascertain the fiscal year 1981 status on a continuing basis.

TABLE UPDATE

Mr. GINN. Provide an update of the table which appears on page 306, part 3, of the fiscal year 1981 military construction hearings and indicate population, gross domestic product, defense expenditures, and military personnel among NATO countries.

[The information follows:]

1980 NATO DATA[1] [2] [3]

Country	Population (thousands)	Gross domestic product (millions)	Defense expenditures[3] [4] [5] (billions)	Military personnel[6] (thousands)
Belgium	9,876	$120,736	$4.0	109
Canada	24,027	246,834	4.4	80
Denmark	5,134	67,977	1.5	35
France	53,665	664,233	26.5	575
Germany	61,034	826,170	27.2	495

1980 NATO DATA[1] [2] [3]—Continued

Country	Population (thousands)	Gross domestic product (millions)	Defense expenditures[3] [4] [5] (billions)	Military personnel[6] (thousands)
Greece	9,517	41,621	2.2	180
Italy	57,110	393,034	8.9	500
Luxembourg	364	4,572	.05	1
Netherlands	14,069	160,842	5.3	107
Norway	4,083	55,992	1.7	39
Portugal	9,971	24,763	.9	83
Turkey	45,227	50,434	2.4	717
United Kingdom	55,952	500,725	25.9	328
United States	222,327	2,538,605	140.5	2,047
Total non-U.S./NATO	350,258	3,160,772	111.0	3,249
Total NATO	572,585	5,699,377	251.5	5,296

[1] Figures shown here are preliminary.
[2] National currency has been converted to U.S. dollars using 1980 exchange rates.
[3] Calendar year data.
[4] All figures shown here are based on NATO documents. These data represent actual outlays, or estimates of outlays, adjusted to conform to a definition agreed in NATO on what is included in total defense spending. This ensures a higher degree of comparability than could be achieved using any otherwise available data. The NATO definition of defense spending includes certain outlays beyond those of the U.S. Department of Defense (e.g., Department of Transportation expenditures for the Coast Guard and Department of Energy spending for nuclear weapons).
[5] The defense spending figures for several countries do not yet include some or all the funding that was added to cover inflation. Some nations follow a national planning process whereby future funding is planned on the basis of constant—or a mixture of current and constant—prices with the understanding that additional funds to cover inflation will be provided as needed during the year.
[6] Yearly average.
[7] The defense expenditure data for Denmark shown for Denmark and included in the totals is for 1979 (latest data available) and is converted to U.S. dollars using 1979 exchange rates.

Mr. GINN. Are there any concluding comments, Mr. Fliakas?

Mr. FLIAKAS. No, sir. I think this has been a very good day. This is a very important subject. It is critical to us. It represents a goodly part of our budget, and it is very vital that we, together with you, support these programs.

We know your concerns, and I think we have addressed most of your concerns. I think the program is obviously well supported by the administration. The Reagan amendment reflected some adjustments in the program, upward. The administration is solidly behind it.

This represents our best judgment as to what a balanced program should be. We commend your attention to it.

Mr. GINN. Thank you.

Are there further questions?

We will stand in adjournment, to meet tomorrow at ten o'clock and start with the Reserves.

Thank you very much.

TUESDAY, MARCH 31, 1981.

PERSIAN GULF/INDIAN OCEAN MILITARY CONSTRUCTION PROGRAM DEFENSE POSTURE IN THE PACIFIC

DEPARTMENT OF DEFENSE

WITNESSES

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

ROBERT H. PELLETREAU, JR., DEPUTY ASSISTANT SECRETARY OF DEFENSE (NEAR EASTERN, AFRICAN AND SOUTH ASIAN AFFAIRS), OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

DALE A. VESSER, BRIGADIER GENERAL, USA, DIRECTOR, WASHINGTON LIAISON OFFICE, RAPID DEPLOYMENT JOINT TASK FORCE

DAVE R. PALMER, BRIGADIER GENERAL, USA, DEPUTY DIRECTOR, POLITICO-MILITARY AFFAIRS, PLANS AND POLICY DIRECTORATE, ORGANIZATION OF THE JOINT CHIEFS OF STAFF

THOMAS E. EGGERS, COLONEL, USAF, MIDDLE EAST-AFRICA DIVISION, PLANS AND POLICY DIRECTORATE, ORGANIZATION OF THE JOINT CHIEFS OF STAFF

THOMAS J. HALLY, COLONEL, USAF, CHIEF, SOVIET-WARSAW PACT DIVISION, DEFENSE INTELLIGENCE AGENCY

KARREN SCOTT, INTELLIGENCE ANALYST, SOVIET AIR FORCES, DEFENSE INTELLIGENCE AGENCY

EDWARD HONOR, BRIGADIER GENERAL, USA, DEPUTY DIRECTOR FOR PLANNING AND RESOURCES, LOGISTICS DIRECTORATE, ORGANIZATION OF THE JOINT CHIEFS OF STAFF

DONALD M. O'SHEI, BRIGADIER GENERAL, USA, DIRECTOR, CONSTRUCTION OPERATIONS AND FACILITIES MANAGEMENT, OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND HOUSING)

VYTAUTAS B. BANDJUNIS, DIRECTOR, MILITARY CONSTRUCTION AND SPECIAL PROGRAMS, OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATION AND HOUSING)

HOWARD J. TEICHER, POLICY ANALYST, NEAR EAST AFRICAN AND SOUTH ASIA, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

DEPARTMENT OF THE ARMY

J. E. MOORE, JR., BRIGADIER GENERAL, USA, DEPUTY DIRECTOR FOR OPERATIONS, READINESS AND MOBILIZATION, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS

NORMAN G. DELBRIDGE, JR., BRIGADIER GENERAL, USA, ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

ALLEN M. CARTON, CHIEF, PROGRAMMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS

DEPARTMENT OF THE NAVY

PETER B. BOOTH, REAR ADMIRAL, U.S. NAVY, DEPUTY DIRECTOR, STRATEGY, PLANS AND POLICY DIVISION
W. D. CENTER, COMMANDER, USN, STRATEGIC CONCEPTS GROUP, OFFICE OF THE DEPUTY CHIEF OF NAVAL OPERATIONS FOR PLANS, POLICY, AND OPERATIONS
WILLIAM M. ZOBEL, REAR ADMIRAL, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND
F. E. PETERSEN, BRIGADIER GENERAL, USMC, DIRECTOR, FACILITIES AND SERVICES DIVISION, UNDER DEPUTY CHIEF OF STAFF FOR INSTALLATIONS AND LOGISTICS
J. B. LEAP, COMMANDER, USN, DIRECTOR, PROGRAM DEVELOPMENT DIVISION, MILITARY CONSTRUCTION PROGRAMMING, NAVAL FACILITIES ENGINEERING COMMAND
W. K. TAYLOR, DIRECTOR, PACIFIC LIAISON DIVISION, MILITARY CONSTRUCTION PROGRAMMING, NAVAL FACILITIES ENGINEERING COMMAND

DEPARTMENT OF THE AIR FORCE

PERRY SMITH, BRIGADIER GENERAL, USAF, DEPUTY DIRECTOR, OPERATIONAL PLANS, DEPUTY CHIEF OF STAFF, OPERATIONS AND READINESS
CLIFTON D. WRIGHT, BRIGADIER GENERAL, USAF, DEPUTY DIRECTOR, ENGINEERING AND SERVICES, HEADQUARTERS, U.S. AIR FORCE
GERALD L. ROBINSON, MAJOR, USAF, ENGINEERING AND SERVICES STAFF OFFICER, HEADQUARTERS, U.S. AIR FORCE
ROBERT G. LAWRENCE, LIEUTENANT COLONEL, USAF, AREA STRATEGIST, MIDDLE EAST-AFRICA DIVISION, DIRECTORATE OF PLANS AND OPERATIONS, HEADQUARTERS, U.S. AIR FORCE

DEFENSE LOGISTICS AGENCY

DONALD S. BOLINGER, CAPTAIN, USN, CHIEF OF INSTALLATIONS DIVISION, INSTALLATION AND SERVICES AND ENVIRONMENTAL PROTECTION

DEFENSE INTELLIGENCE AGENCY

JAMES M. MISTRETTA, INTELLIGENCE ANALYST
ROBERT C. JOHNSON, LIEUTENANT COLONEL, INTELLIGENCE ANALYST
ROBERT P. VITRIKAS, INTELLIGENCE ANALYST
CHARLES PRICE, INTELLIGENCE ANALYST
RICHARD B. THOMPSON, CAPTAIN, LEGISLATIVE AFFAIRS OFFICER

Mr. GINN. The succommittee will please come to order.

Today, the subcommittee will review the amended fiscal year 1982 request for $522 million for construction in the Persian Gulf/Indian Ocean and for $425 million for the defense posture in the Pacific.

The committee intends today to comprehensively review the proposed program for construction in the Persian Gulf region, which in the last year has grown from the development of one base, Diego Garcia, to a planned expenditure of about $1.5 billion in the next four years in five countries. We intend to explore the extent of the Soviet threat to that region and to discuss how the construction plan meets that threat.

The committee has a number of concerns that must be addressed before informed decisions can be made on the extent of our construction program for the region. The committee is concerned that funding for the design and construction of some of these bases will occur too far in advance of the development of the operational plans. The fact that there may be contingencies where U.S. access that is available in peacetime would be denied in a crisis raises the concern that political rather than military considerations are motivating certain portions of this request.

We will also explore the capacity and availability of Saudi Arabian military bases, the rationale of requesting B–52 capability, the role of the proposed U.S. military presence in the Sinai and the contracting policy for this construction.

We will begin with a briefing on the Soviet threat and then proceed with our discussions of these issues with representatives from the Joint Chiefs of Staff.

Mr. Fliakas, we will turn to you now to introduce your support witnesses and to hear your overview comments.

Mr. FLIAKAS. Thank you, Mr. Chairman.

I would like to introduce Ambassador Pelletreau, on my left, Deputy Assistant Secretary of Defense in the International Security Affairs Office; General Dave Palmer, representing the Joint Chiefs of Staff; and General Dale Vesser, representing the Rapid Deployment Joint Task Force.

In addition, we have representatives of the Defense Intelligence Agency, other members of the JCS, the military services and my own staff. We will call on them from time to time.

I would like to present a very brief overview, Mr. Chairman, and I will confine my remarks this morning to only the Indian Ocean/Persian Gulf area, since I understand we will get into the Pacific area in the afternoon.

Mr. GINN. That is correct.

STATEMENT OF MR. FLIAKAS

Mr. FLIAKAS. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before this committee to discuss those aspects of the fiscal year 1982 Military Construction Program which relate to the Defense Posture in the Pacific and Indian Ocean/Persian Gulf areas. Today, following my brief overview, representatives of the Defense Intelligence Agency will provide a threat analysis briefing.

They will be followed by representatives of the Organization of the Joint Chiefs of Staff who will brief U.S. actions in developing a military security framework for the area.

In addition, Mr. Robert Pelletreau, Deputy Assistant Secretary of Defense (Near Eastern African and South Asian Affairs), members of our staff and representatives of the military departments, are all present. Together, we will be prepared to respond to any questions you may have on the threat and our response capabilities in these areas and to furnish whatever additional details you may require concerning individual projects.

The national interests of the U.S. are inextricably tied to the Indian Ocean/Persian Gulf region of the world. The instability and volatility in Southwest Asia over the past several years has created

opportunities for a shift in the regional balance of power. The Soviets have extended their influence in the region, most notably through their invasion and occupation of Afghanistan. The U.S. is acting to counter those efforts and to improve significantly the capability to maintain forces in the region during peacetime and to project appropriate elements of the Rapid Deployment Force during contingencies.

Many factors contribute to our overall force projection capability. The primary constraints on U.S. power projection into Southwest Asia are strategic mobility and sustainability. If regional facilities were not available or adequate to receive and support combat and support forces, then the ability to project power in a timely fashion would be lacking. We believe, therefore, that one of the most critical elements of our strategy is pre-arranged access and infrastructure improvements to Indian Ocean area facilities. Access agreements were concluded with Oman, Kenya, and Somalia last year, and we have begun to improve facilities in each country using the $105 million fiscal year 1981 special contingency facilities construction funds.

The JCS developed multi-year plan for construction was forwarded to your committee on January 21, 1981, in accordance with the provisions of section 405 of Public Law 96-418. The total construction program in fiscal year 1981 and the fiscal year 1981 supplemental request is $245.9 million, which includes Oman, Kenya, Somalia, and Diego Garcia.

Improvements to regional facilities in fiscal year 1982 will continue in Oman, Kenya, Somalia, Egypt and Diego Garcia. The fiscal year 1982 request is for $472,620,000.

Now, I would like to review briefly our general Indian Ocean and Persian Gulf military construction requirements for fiscal year 1982. We need to improve four types of facilities in the Indian Ocean and Persian Gulf: Facilities to support peacetime presence; facilities to support sea control operations; rear-staging facilities for use in crisis; and forward operating facilities for use in a conflict. In order to support increased naval presence, during peacetime and contingencies, military construction funds are required for port improvements such as dredging, warehouses, communication facilities and administrative functions; fleet logistics support activity such as runway improvements, cargo terminals, billets and navigation and communication aids; and support for surveillance missions.

For sea control purposes, Oman, Kenyan and Somali facilities are ideally located. Situated near three choke points, the Strait of Hormuz, the Bab el-Mandeb, and the Mozambique Channel, access to these facilities is vital to keep oil flowing and to protect the movement of sealift in a crisis.

Rear staging facilities, such as Ras Banas in Egypt, are critical for closing units to the region as a deterrent prior to hostilities and for delivering and sustaining large combat units. Improvements at Ras Banas would enhance the responsiveness of major combat units and increase substantially the perceptions of our capabilities, thereby strengthening deterrence. Most importantly, a built-up rear-staging facility would significantly improve the ability to fight successfully and defend U.S. vital interests in the region.

Finally, facilities close to any potential conflict will be critical to our ability to maintain significant forces in the region. These facilities will be needed to bed down tactical fighter aircraft and as in-theater terminus for sealift and airlift.

The $472.6 million requested in this budget provides for a continuation of the construction approved in the fiscal year 1981 program. Specifically, the fiscal year 1982 request includes $106.4 million for rapid deployment force facilities at Ras Banas, Egypt, $237.4 million for Navy and Air Force facilities at Diego Garcia, $26.0 million for base support facilities in Kenya, $78.5 million for rapid deployment force facilities in Oman, and $24.0 million for port improvements in Somalia.

In addition, the fiscal year 1982 requests funds for planning and design for approximately $18.8 million. These facilities continue the construction which was approved in fiscal year 1981 for facilities in the Indian Ocean/Persian Gulf. In fiscal year 1981, $236.9 million was provided, including a special contingency fund of $105 million for Indian Ocean/Persian Gulf construction which has been applied to projects in Oman, Kenya, and Somalia. The fiscal year 1981 supplemental includes $9.0 million for additional dredging in Kenya, and $62.0 million for planning and design needs.

Appreciating the almost complete lack of supporting facilities in the region and the necessity to provide on-line facilities as quickly as possible, the department developed a construction policy which provides for preference to U.S. firms in order to ensure a dependable, technically-proficient and responsive regional construction capability.

The required dredging program for the area will be accomplished in accordance with Public Law 96-436, which provides U.S. contractors with a beneficial 20 percent bid factor.

The United States Army Corps of Engineers and the Naval Facilities Engineering Command, as the DoD construction agents in the area, have been instructed to take all necessary actions to execute and carry out this military construction program in an expeditious manner. We have a high degree of confidence that the construction program for the Indian Ocean/Persian Gulf has been carefully planned and programmed to provide needed facilities and will be constructed in a manner responsive to the support needs of our operational forces and to our national interests.

With that statement, sir, as a backdrop, I would like to turn now, unless there are questions——

[Mr. Fliakas' prepared statement, with attachments, follow:]

Statement of
Perry J. Fliakas
Deputy Assistant Secretary of Defense
(Installations and Housing)
Before the
Subcommittee on Military Construction
House Appropriations Committee

March 31, 1981

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before this Committee to discuss those aspects of the FY 1982 Military Construction Program which relate to the Defense Posture in the Pacific and Indian Ocean/Persian Gulf areas. Today, following my brief overview, representatives of the Defense Intelligence Agency will provide a threat analysis briefing. They will be followed by representatives of the Organization of the Joint Chiefs of Staff who will brief U.S. actions in developing a military security framework for the area. In addition, Mr. Robert Pelletreau, Deputy Assistant Secretary of Defense (Near Eastern African and South Asian Affairs), members of our staff and representatives of the Military Departments, are all present. Together, we will be prepared to respond to any questions you may have on the threat and our response capabilities in these areas and to furnish whatever additional details you may require concerning individual projects.

Construction in the Indian Ocean/Persian Gulf

The national interests of the United States are inextricably tied to the Indian Ocean/Persian Gulf region of the world. The instability and volatility in Southwest Asia over the past several years has created oppportunities for a shift in the regional balance of power. The Soviets have extended their influence in the region, most notably through their invasion and occupation of Afghanistan. The United States is acting to counter those efforts and to improve significantly the capability to maintain forces in the region during peacetime and to project appropriate elements of the Rapid Deployment Force (RDF) during contingencies. Many factors contribute to our overall force projection capability. The primary constraints on U.S. power projection into Southwest Asia are strategic mobility and sustainability. If regional facilities were not available or adequate to receive and support combat and support forces, than the ability to project power in a timely fashion would be lacking. We believe therefore that one of the most critical elements of our strategy is pre-arranged access and infrastructure improvements to Indian Ocean area facilities. Access agreements were concluded with Oman, Kenya, and Somalia last year, and we have begun to improve facilities in each country using the $105 million FY 81 special contingency facilities construction funds. The JCS developed multi-year plan for construction was forwarded to your committee on January 21, 1981 in accordance with the provisions of section 405 of Public Law 96-418. The total construction program in FY 1981 and the FY 1981 Supplemental request is $245.9 million which includes Oman, Kenya, Somalia, and Diego Garcia. Improvements to regional facilities in FY 82 will continue in Oman, Kenya, Somalia, Egypt and Diego Garcia. The FY 82 request is for $472,620,000.

Now, I would like to review briefly our general Indian Ocean and Persian Gulf Military Construction requirements for FY 1982. We need to improve four types of facilities in the Indian Ocean and Persian Gulf

- facilities to support peacetime presence;
- facilities to support sea control operations;
- rear-staging facilities for use in crisis; and
- forward operating facilities for use in a conflict.

In order to support increased naval presence, during peacetime and contingencies, military construction funds are required for port improvements such as dredging, warehouses, communication facilities and administrative functions; fleet logistics support activity such as runway improvements, cargo terminals, billets and navigation and communication aids; and support for surveillance missions.

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Rear staging facilities, such as Ras Banas in Egypt, are critical for closing units to the region as a deterrent prior to hostilities and for delivering and sustaining large combat units. Improvements at Ras Banas would

enhance the responsiveness of major combat units and increase substantially the perceptions of our capabilities, thereby strengthening deterrence. Most importantly, a built-up rear-staging facility would significantly improve the ability to fight successfully and defend U.S. vital interests in the region.

Finally, facilities close to any potential conflict will be critical to our ability to maintain significant forces in the region. These facilities will be needed to bed down tactical fighter aircraft and as in-theater terminus for sealift and airlift.

The $472.6 million requested in this budget provides for a continuation of the construction approved in the FY 1981 program. Specifically, the FY 1982 request includes $106.4 million for rapid deployment force facilities at Ras Banas, Egypt, $237.4 million for Navy and Air Force facilities at Diego Garcia, $26.0 million for base support facilities in Kenya, $78.5 million for rapid depoyment force facilities in Oman, and $24.0 million for port improvements in Somalia. In addition, the FY 1982 requests funds for planning and design for approximately $18.8 million. These facilities continue the construction which was approved in FY 1981 for facilities in the Indian Ocean/Persian Gulf. In FY 1981, $236.9 million was provided including a special contingency fund of $105 million for Indian Ocean/Persian Gulf construction which has been applied to projects in Oman, Kenya, and Somalia. The FY 1981 Supplemental includes $9.0 million for additional dredging in Kenya, and $62.0 million for planning and design needs.

Appreciating the almost complete lack of supporting facilities in the region and the necessity to provide on-line facilities as quickly as possible, the Department developed a construction policy which provides for preference

to United States firms in order to ensure a dependable, technically proficient and responsive regional construction capability. The required dredging program for the area will be accomplished in accordance with Public Law 96-436 which provides United States contractors with a beneficial 20 percent bid factor. The United States Army Corps of Engineers and the Naval Facilities Engineering Command, as the DoD construction agents in the area, have been instructed to take all necessary actions to execute and carry out this military construction program in an expeditious manner. We have a high degree of confidence that the construction program for the Indian Ocean/Persian Gulf has been carefully planned and programmed to provide needed facilities and will be constructed in a manner responsive to the support needs of our operational forces and to our national interests.

Construction in the Pacific

In recent years, construction in the Pacific Ocean regions has been assigned a somewhat lower priority in deference to the need to address urgent facilities requirements in Europe and the Indian Ocean/Persian Gulf areas. However, while those areas continue to receive major consideration, this year's construction requirements in the Pacific total $425.1 million and therefore represent a significant element of the total program.

As might be expected, the greatest emphasis has centered in Korea for which $149.4 million has been requested. Of this amount $62.3 million has been programmed by the Army to continue efforts begun last year to undertake extensive construction in light of the announced reassessment of the Second

Division withdrawal. Similarly, $51.3 million has been programmed by the Air Force to enhance its operational capabilities in that area. The Defense Logistics Agency has programmed $29.0 million to construct POL tankage, and two dependent school projects for $6.8 million are programed in Korea. This effort is also reflected in Air Force requests for facilities in Japan where $18.7 million has been programmed in addition to some minor Army and Navy requirements. Two dependent schools are also included in Japan for $9.5 million.

Construction is also being requested in the Republic of the Philippines. Last year we proceeded with some essential Air Force new construction following the completion of negotiations for a base rights agreement involving Clark Air Base. Now, in the FY 1982 request, we are following with a series of Navy and Air Force facilties at Subic Bay, Cubi Point and at Clark Air Base totalling some $29.1 million.

The balance of the requirements in the Pacific are located in Hawaii, ($92.0 million); Alaska, ($70.9 million); the Marianas, ($32.2 million), Kwajalein, ($3.2 million); New Zealand, ($1.2 million); and Wake Island, ($14.5 million). In this instance, we have included Alaska because of its vital role in Pacific operations. Highlighted are the minimally-attended radar facilities in Alaska, and the acquisition of the leasehold interest in 18,200 acres of land originally agreed to in 1975 as part of the convenant to establish the Commonwealth of the Northern Marianas Islands. Other projects are operational, training, environmental, and quality of life facilities for our forces in these areas.

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Mr. Chairman, this completes my summary of this portion of the FY 1982 Military Construction Program. For your convenience, I have attached to this statement a complete listing of all projects and tables identifying them by facility category.

Because of the immediate need to improve our combat and logistical support of operations in the Indian Ocean/Persian Gulf and Pacific, we urge your support of these vital facilities requirements.

Thank you.

FY 1982 MILITARY CONSTRUCTION PROGRAM
PACIFIC REGION
MILLIONS

	Op.&Trng	Maint.& Prod.	R&D	Supply	Medical	Admin	Housing	Community	Util.	Real Estate	Total
Alaska	49.520	1.470	--	.250	--	.400	7.490	8.460	3.290	--	70.880
Hawaii	11.517	10.600	--	3.600	3.800	1.090	22.950	3.010	35.390	--	91.957
Japan	5.690	5.460	--	8.990	--	.550	--	10.720	1.220	--	32.630
Korea	29.133	4.324	--	46.050	--	1.450	32.230	13.310	22.860	--	149.353
Kwajalein	--	2.700	--	.540	--	--	--	--	--	--	3.240
Mariana Islands	--	--	--	--	--	--	--	--	.230	32.000	32.230
New Zealand	--	--	1.250	--	--	--	--	--	--	--	1.250
Philippines	2.700	2.990	--	--	--	.550	22.040	--	.810	--	29.090
Wake Island	--	--	--	14.500	--	--	--	--	--	--	14.500
TOTAL	98.560	27.540	1.250	73.930	3.800	4.040	84.710	35.500	63.800	32.000	425.130
%	23	7	--	17	1	1	20	8	15	8	100

FY 1982 MILITARY CONSTRUCTION PROGRAM
INDIAN OCEAN/PERSIAN GULF
$ MILLIONS

	Op.&Trng	Util.	Total
Diego Garcia	235.990	1.750	237.740
Egypt	106.400	--	106.400
Kenya	26.000	--	26.000
Oman	78.480	--	78.480
Somalia	24.000	--	24.000
TOTAL	470.870	1.750	472.620
%	99	1	100

1982 MILITARY CONSTRUCTION PROGRAM

IN THE PACIFIC AREA
($ MILLIONS)

State/Component	Installation/Project	Project Cost	Installation Total	State Total
ALASKA				70.880
ARMY	Fort Greely		1.150	
	Vehicle Exhaust System	1.150		
	Fort Wainwright		1.200	
	Vehicle Exhaust System	1.200		
NAVY	Naval Security Group Activity, Adak		5.510	
	Unaccompanied Enlisted Personnel Housing Modernization	3.700		
	Ocean Surveillance Facility Upgrade	1.300		
	Sanitary Sewage Collection and Treatment	.510		
	Naval Station, Adak		1.550	
	Child Care Center	1.550		
AIR FORCE	Eielson Air Force Base		2.800	
	Flight Simulator Training Facility	1.700		
	Alter Telecommunications Center	.450		
	Addition to Munitions Maintenance Complex	.400		
	Munitions Holding Area	.250		
	Elmendorf Air Force Base		7.440	
	Alter Alert Hangar	.200		
	Alter Field Training Facility	.800		
	Add to and Alter Communications Transmitter/Receiver Facility	1.180		
	Alter Unaccompanied Enlisted Personnel Housing	3.790		
	Fuel Cell Repair Dock	1.470		
	King Salmon Airport		8.050	
	Add to Taxiway	1.140		
	Composite Support Facility	6.910		
	Various Locations		42.750	
	Minimally Attended Radar, Phase I	40.250		
	Power Upgrade for Special Operational Facilities	2.500		

State/Component	Installation/Project	Project Cost	Installation Total	State Total
ALASKA (Continued)				
AIR NATIONAL GUARD	Kulis International Airport		.430	
	Energy Conservation Investment Program	.430		
HAWAII				91.957
ARMY	Schofield Barracks		3.800 [a/]	
	Dental Clinic	3.800 [a/]		
NAVY	Naval Air Station, Barbers Point		9.650	
	Unaccompanied Enlisted Personnel Housing Modernization	7.200		
	Aircraft Support Facilities	2.450		
	Pacific Missile Range Facility Barking Sands		8.100	
	Airfield Pavements	8.100		
	Naval Communication Area Master Station Eastern Pacific, Honolulu		2.300	
	Stand-by Generator Plant	2.300		
	Marine Corps Air Station, Kaneohe Bay		2.650	
	Gymnasium	2.650		
	Marine Corps Bases Pacific, Camp H. M. Smith, Oahu		2.900	
	Maintenance	2.900		
	Naval Station, Pearl Harbor		10.520	
	Unaccompanied Enlisted Personnel Housing	9.400		
	Dredging	.520		
	Heating, Ventilation, Air Conditioning	.240		
	Family Services Center	.360		
	Naval Submarine Base, Pearl Harbor		13.350	
	Unaccompanied Enlisted Personnel Housing	6.350		
	Fire Protection Pipeline	3.250		
	Shore Intermediate Maintenance Activity	3.750		

[a/] Prior year authorization

State/Component	Installation/Project	Project Cost	Installation Total	State Total
HAWAII (Continued)				
	Naval Supply Center, Pearl Harbor		.520	
	Lighting Systems	.520		
	Navy Public Works Center, Pearl Harbor		13.700	
	Facility Energy Improvements	7.500		
	Compressed Breathing Air System Improvements	6.200		
	Pearl Harbor, Naval Shipyard, Pearl Harbor		14.100	
	Fire Protection Pipeline	9.200		
	Dry Docks Electrical Improvement	4.900		
AIR FORCE	Hickam Air Force Base		1.530	
	Alter Data Processing Facility	1.090		
	Energy Conservation Investment Program	.440		
ARMY NATIONAL GUARD	Wahiawa (Wheeler Air Force Base)		1.397	
	300-Person Armory	1.397		
AIR NATIONAL GUARD	Kahului Airport, Maui		3.840	
	Reserve Forces Communications Electronic Training Facility	1.500		
	Automotive Maintenance/Support Equipment/Mobility Storage	1.500		
	Site Preparation/Roads/Parking/ Fence/Utilities	.840		
DEFENSE LOGISTICS AGENCY	Defense Fuel Support Point, Pearl City		3.600	
	JP-4 Fuel Storage Tank	3.600		
JAPAN				32.630
ARMY	Kawakami		1.950	
	Ammunition Storage Facilities	1.950		
NAVY	Naval Air Facility, Misawa		.170	
	Lighting Systems	.170		
	Marine Corps Base, Camp Smedley D. Butler, Okinawa		.480	
	Facility Energy Improvements	.480		

State/Component	Installation/Project	Project Cost	Installation Total	State Total
JAPAN (Continued)				
	Fleet Activities, Yokosuka		1.370	
	Gymnasium	1.250		
	Heating Ventilation, Air Conditioning	.120		
	Naval Ship Repair Facility, Yokosuka		.450	
	Steam and Condensate Systems	.450		
AIR FORCE	Kadena Air Base		18.740	
	Aircraft Weather Shelters	4.440		
	Commando Falcon Support Facilities	4.730		
	Sound Suppressor Support Facility	.730		
	Jet Fuel Storage Facility	7.040		
	Alter Data Processing Facility	.550		
	Alter Communications Facility	1.250		
DEPENDENTS SCHOOLS	Misawa Air Base		6.180	
	Middle and High School	6.180		
	Yokota Air Base		3.290	
	East Elementary School Addition	3.290		
KOREA				149.353
ARMY	Gymnasium, Camp Carroll	2.150	62.320	
	Upgrade Airfield, Camp Humphreys	6.300		
	Gymnasiums, Camp Owen/Hovey	3.300		
	Upgrade Electrical System, Camp Red Cloud	.940		
	Upgrade Water System, Camp Red Cloud	.960		
	Sewer System Upgrade, Camp Red Cloud	1.900		
	Barracks, Camp Red Cloud	1.750		
	Recreation Center and Library, Camp Walker	1.050		
	Petroleum Oil, Lubricants Pipeline Storage Facility, Kunsan	7.300		
	Airfield Parking, K16	3.800		
	Tactical Equipment Shop, Taegu	1.050		
	Upgrade Sewage System, Various Locations, 21D	3.150		
	Upgrade Water System, Various Locations, 21D	7.600		
	Barracks, Various Locations 21D	17.500		
	Thermostatic Controls, Yongsan	.620		
	Barracks, Yongsan	2.950		

Country/Component	Installation/Project	Project Cost	Installation Total	State Total
KOREA (Continued)				
AIR FORCE	Hampyong Communications Station		1.540	
	Multi-Use Facility (Commando Lion)	1.540		
	Hunghae Communications Station		1.500	
	Multi-Use Facility (Commando Lion)	1.500		
	Location 177		1.550	
	Aircraft Maintenance Hangar	1.550		
	Kunsan Air Base		12.813	
	External Tank Maintenance Facility	.510		
	Engine Inspection and Repair Facility	1.210		
	Jet Fuel Storage Facility	3.100		
	Traffic Management Facility	1.450		
	Unaccompanied Enlisted Personnel Housing	5.110		
	Petroleum Operations Complex	1.000		
	Commando Bead Support	.433		
	Kwang-Ju Air Base		6.650	
	Jet Fuel Storage Facility	6.650		
	Osan Air Base		27.170	
	Airfield Pavements (Choke Points)	4.240		
	Dangerous Cargo Pad	.900		
	Aircraft Instrument Landing/ Navigation Facility	.520		
	Aircraft Shelter Doors	9.450		
	Unaccompanied Enlisted Personnel Housing	4.920		
	Alter/Upgrade Electrical System	2.890		
	Water Supply Treatment and Storage Facility	3.800		
	Commando Bead Support	.450		
DEFENSE LOGISTICS AGENCY	Various Locations		29.000	
	Construct POL Tankage	29.000		

Country/Component	Installation/Project	Project Cost	Installation Total	State Total
DEPENDENTS SCHOOLS	Pusan		2.460	
	Elementary, Middle, and High School Addition	2.460		
	Seoul		4.350	
	Elementary School Addition	4.350		
KWAJALEIN			3.240	3.240
ARMY	Marine Shop	1.550		
	Live Explosives Storage Facility	.540		
	Rocket Assembly Building	1.150		
MARIANA ISLANDS				32.230
NAVY	Defense Installations		32.000	
	Land Acquisition	32.000		
	Naval Ship Repair Facility, Guam		.230	
	Heating, Ventilation, Air Conditioning	.230		
NEW ZEALAND				1.250
NAVY	Circle Transit Station, Blenheim		1.250	
	Celestial Observatory	1.250		
PHILIPPINES, REPUBLIC OF THE				29.090
NAVY	Naval Air Station, Cubi Point		12.150	
	Unaccompanied Enlisted Personnel Housing	6.700		
	Unaccompanied Personnel Housing Improvements	5.450		
	Naval Magazine, Subic Bay		.230	
	Lighting Systems	.230		
	Naval Station, Subic Bay		6.800	
	Unaccompanied Enlisted Personnel Housing	6.800		
	Naval Ship Repair Facility, Subic Bay		.580	
	Lighting Systems	.580		

Country/Component	Installation/Project	Project Cost	Installation Total	State Total
AIR FORCE	Clark Air Base		9.330	
	Various Operations/Maintenance Facilities	2.700		
	Cope Thunder Support Facilities (Camp O'Donnell)	1.830		
	Cope Thunder Support Facilities	1.160		
	Add to and Alter Data Processing Facility	.550		
	Alter Unaccompanied Enlisted Personnel Housing	3.090		
WAKE ISLAND				14.500
DEFENSE LOGISTICS AGENCY	Defense Fuel Support Point		14.500	
	Petroleum Storage Facility	14.500		
	GRAND TOTAL PACIFIC AREA			425.130

FY 1982 MILITARY CONSTRUCTION PROGRAM
IN THE INDIAN OCEAN/PERSIAN GULF
($ Millions)

Country/Component	Installation/Project	Project Cost	Installation Total	State Total
EGYPT				106.400
ARMY	Various Locations		36.000	
	Rapid Deployment Force Facilities	36.000		
AIR FORCE	Various Locations		70.400	
	Upgrade/Construct Rapid Deployment Force Facilities	70.400		
INDIAN OCEAN				237.740
NAVY	Navy Support Facility, Diego Garcia		122.750	
	Facility Expansion	121.000		
	Solid Waste Disposal System	1.750		
AIR FORCE	Navy Support Facility, Diego Garcia		114.990	
	Upgrade/Construct Rapid Deployment Force Facilities	114.990		
KENYA				26.000
NAVY	Naval Activities, Kenya		26.000	
	Base Support Facilities	26.000		
OMAN				78.480
AIR FORCE	Oman		78.480	
	Upgrade/Construct Rapid Deployment Force Facilities	78.480		
SOMALIA				24.000
NAVY	Naval Activities		24.000	
	Facilities Expansion	24.000		
			GRAND TOTAL 10/PG	472.620

Mr. GINN. Could I interrupt you just a moment?

The Chair recognizes Mr. Bevill.

Mr. BEVILL. Mr. Chairman, I move that the Military Construction Subcommittee hearings today and one subsequent meeting, if required, be closed, as necessary, because of the classified nature of the discussion.

Mr. GINN. May we have a roll call?

Mr. PEEL. Mr. Ginn?

Mr. GINN. Aye.

Mr. PEEL. Mr. Bevill?

Mr. BEVILL. Aye.

Mr. PEEL. Mr. Hefner?

[No response.]

Mr. PEEL. Mr. Addabbo?

[No response.]

Mr. PEEL. Dr. Long?

[No response.]

Mr. PEEL. Mr. Chappell?

[No response.]

Mr. PEEL. Mr. Alexander?

Mr. ALEXANDER. Aye.

Mr. PEEL. Mr. Regula?

Mr. REGULA. Aye.

Mr. PEEL. Mr. Burgener?

Mr. BURGENER. Aye

Mr. PEEL. Mr. Loeffler?

Mr. LOEFFLER. Aye.

Mr. PEEL. A sufficient number voting aye, the hearing is considered closed.

Mr. GINN. Please proceed, Mr. Secretary.

DEFENSE INTELLIGENCE AGENCY BRIEFING

Mr. FLIAKAS. If there are no questions, Mr. Chairman, I would like to introduce Colonel Hally, from the Defense Intelligence Agency, and turn the briefing, a short briefing, over to him, for your information.

Colonel HALLY. Mr. Chairman, I am Colonel Tom Hally, Chief, Soviet-Warsaw Pact Division, of the Defense Intelligence Agency.

With me this morning, to give you a briefing on the Soviet threat to Southwest Asia and briefly on Korea, is Ms. Karren Scott, who will be the briefer, and Mr. James Mistretta, a Soviet Naval analyst; Mr. Bob Vitrikas, a Middle East Analyst; and Lieutenant Colonel Robert Johnson, who covers the Korean area.

Without any further ado, Ms. Scott will present the briefing.

Mr. GINN. We are delighted to have you and your associates here.

Ms. Scott, you may proceed.

[CLERK'S NOTE. The vugraphs referred to in the following briefing were classifed and have been retained in Committee files.]

NORTH KOREA

Ms. SCOTT. (VG–1) Threat to U.S. forces in Southwest Asia and Pacific: Our briefing this morning discusses the threat to U.S.

forces in Southwest Asia and the Pacific. We will begin the briefing with a discussion of the military capabilities of North Korea. We will describe trends over the previous decade and the current and projected capabilities of their ground, air, and naval forces. We will then move on to the Soviet Union/Warsaw Pact and highlight trends in overall pact tactical warfare capabilities, in order to provide a base from which to focus specifically on the Soviet threat in the Far East and Persian Gulf region.

(VG–2) Starting now with North Korea, since 1970, the regime of Kim Il Sung has made constant qualitative and quantitative improvements in its armed forces. The decision to carry out this program of force upgrading has provided the political leadership of the north with the option of attempting to reunify the Korean Peninsula by force.

The military threat that the North Koreans pose to the Republic of Korea is the result of combining the ground, air, naval, and special warfare forces into a well-trained, multi-service, combined arms team. The force is primarily equipped, trained, and designed for ground combat operations and is fully capable of threating ——— South Korea.

(VG–3) The bulk of the North Korean threat lies in its large army. With an estimated current strength of approximately ——— men, it is the fourth largest Communist army and sixth largest army in the world. Manned at a level between ——— and ——— percent of full strength, it is an army in a high state of readiness and can be expected to mobilize to full strength with ———. While there was a ——— in the size of the army between ———, even more noteworthy is the fact that the bulk of this ——— occurred between ———. Continued assessment of the force will probably result in some increases in strength, but we feel the quantitative increases seen in the 1970s ———.

(VG–4) In recent years there has been added dimension to their military capability through the development of a special purpose elite force of approximately ——— men, or ——— percent of total ground force strength. These lightly armed but highly trained troops are trained for special missions which include ——— and a light infantry role.

(VG–5) This slide shows the trends in equipment strengths for North Korea. Most of the equipment through the early 1970s came from China and the USSR. These outside deliveries ———. Since then, the north has been able to produce ———, as well as most ———.

(VG–6) Turning now to air, major items of Air force equipment are shown here. The 1970s saw a ——— in combat aircraft totals and a modernization effort is anticipated. The fighters' primary role is air defense, but most can carry bombs and could strike major targets in the ———. The IL–28 bombers and some of the newer fighters could attack targets anywhere on the peninsula.

(VG–7) The North Korean navy is essentially a costal defense force consisting of ——— torpedo boats, gunboats, and coastal patrol craft. However, the navy possesses a formidable capability for offensive operations against the Republic of Korea. Its greatest strengths are in numbers of craft, its readiness, and relative age of the force. The majority of the naval combatants ———. The North

Korean navy appears to be well led, equipped, and trained. Based upon its past performance and present capabilities, we believe that the Navy will ———.

(VG–8) In summary, North Korea, for its part, will remain dedicated to bringing about Korean reunification on its own terms. In pursuing this objective it is unlikely to rule out the use of force to reunify the peninsula.

(VG–9) Even though North Korea has become the dominant military force on the peninsula, it is restrained from attempting forceful reunification by the security factors listed here. The North Korean military expansion program of the last decade, we believe, was motivated by a desire to create a credible military reunification option. Having gained significant advantages over the South Korean military forces, we expect the North Koreans to work hard to maintain them.

WARSAW PACT

(VG–10) Turning now to the Warsaw Pact, we believe that it would be useful to review overall military capabilities before we specifically address the Far Eastern and Near Eastern theaters.

(VG–11) We will start with the ground forces, which constitute the largest of the five major components of the Soviet armed forces. The ground forces of the Soviet Union, including the non-Soviet Warsaw Pact consist of ——— active divisions, of which ——— are Soviet. Personnel strength is approximately ——— million men.

(VG–12) In addition, division equipment mobilization bases have been identified for ———. In peacetime these bases consist of pre-positioned equipment configured in unit sets which are earmarked to form a new division upon mobilization. Personnel for these new divisions can be drawn from the ——— ground force reservists who have completed military service within five years.

Mr. REGULA. Are you suggesting a POMCUS type of basing mode ———?

Ms. SCOTT. In terms of pre-positioning, yes, sir.

Mr. REGULA. Similar to what we do in West Germany?

Ms. Scott. Yes, sir.

(VG–13) During the past 10 years the Warsaw Pact has made both quantitative and qualitative improvements in their ground force structure. Quantitative growth in size, equipment and personnel of the ground forces are best illustrated on this Vu-Graph.

(VG–14) Qualitative improvements made during this period include the introduction of new tanks such as the T–72, and the T–80, expected on line in the early to mid-'80s.

(VG–15) Projecting to 1990, we anticipate a ——— in the total number of divisions, probably resulting from ———.

Perhaps more significant is our belief that Soviet ground force capabilities for both conventional and nuclear warfare will steadily improve over the next decade through ——— modernization programs.

(VG–16) Air Forces: The next force element we will discuss is the offensive air forces. The offensive air forces consist of Long Range Aviation, which is the Soviet bomber force; Frontal Aviation, other-

wise called tactical aviation; the offensive aircraft of the non-Soviet Warsaw Pact countries, and Military Transport Aviation.

(VG–17) The Long Range Aviation force currently totals some ——— aircraft, comprising five bomber types. The three bombers highlighted on this Vu-Graph are the LRA bombers which would play a primary role in support of theater operations. The Backfire, which is the only bomber in production, is being introduced to Long-Range aviation's operational inventory at a rate of about a ——— year.

(VG–18) Military transport aviation provides airlift services for the Soviet armed forces, particularly the airborne troops.

(VG–19) Military Transport Aviation has the capability of transporting ——— airborne division within a ——— NM radius. The civilian airline Aeroflot, with over 1,500 medium and long-range aircraft, provides additional transport capability for the military.

(VG–20) In Frontal Aviation there are over ——— fixed-wing combat aircraft. Over the past 10 years, force size has ——— while modernization has resulted in additions of more capable and improved aircraft.

(VG–21) Nearly ——— of Frontal Aviation aircraft are dedicated to ground attrack, while the remainder support the counter air and reconnaissance missions. Over ——— of the ground attack force has been modernized with the aircraft shown.

(VG–22) These aircraft, with their modern avionics and improved design, have greatly increased ground attack force capabilities over the last ten years.

(VG–23) The remainder of the Frontal Aviation force which supports the counter air mission is comprised of the MIG–23/Flogger and MIG–21/Fishbed. The counter air force is now ——— modernized with third-generation fighters introduced since 1969.

(VG–24) Overall, the Pact air forces we foresee for 1990 will ——— with the introduction of the systems highlighted here. In addition, it will have air crews ———.

(VG–25) Soviet Navy: Structurally, the Soviet navy is organized into four fleets and a small flotilla in the Caspian Sea. Mission-wise the navy is oriented toward political and military objectives of the USSR. General military doctrine devised at the highest levels dictates the direction of naval strategy and tactics. This factor, combined with the large spatial separation between the four fleets has dictated that the fleets each be unique, primarily self-sufficient entities. Generally the peacetime function is to act as a visible, active agent of Soviet national policy through the maintenance of a naval presence in those regions in which the Soviets hope to influence events. In war, the primary function will be to defeat enemy naval forces at the greatest possible distance from the Soviet Union, especially those capable of delivering nuclear weapons.

(VG–26) The four fleets—Northern, Baltic, Black Sea, and Pacific—and their assets are shown here. We will highlight the Pacific Ocean fleet.

The Pacific Ocean fleet, headquarted at Vladivostok, operates from two widely separated major base areas—the Kamchatka Peninsula and the Soviet coastline along the Sea of Japan. It has the largest number of ——— and ——— and is ———. Most of the units deployed to the Indian Ocean (IO) are provided by the Pacific

Ocean fleet. We will be discussing the IO squadron in greater detail later in the briefing.

(VG-27) Now that we have discussed individual force elements. We will briefly mention the Pact's ability to sustain a military operation before discussing the disposition of forces in the Far Eastern and Near Eastern theaters.

The Soviet Union/Warsaw Pact's ability to sustain its forces is based upon the calculated pre-positioning of wartime stocks of ammunition and POL. Their supply of wartime stocks is estimated to be capable of supplying the forces for ——— of intensive combat. Of course, the availability of lines of communication and actual distances involved will impact on their ability to support forces on the offensive. In addition, the Soviet's ability to ——— may enhance their ability to fight a war of longer duration.

DISPOSITION OF FORCES

Now let us turn specifically to both the Far Eastern and Near Eastern theaters and examine the disposition of forces and overall Soviet objectives in each one.

(VG-28) Far East Theater: The Soviets have been ——— on the upgrading of their forces opposite China. The ground forces maintain ——— divisions in the Far East, of which ——— are at or near full strength.

(VG-29) These ——— divisions field over ——— tanks, and other equipment as shown on this slide. The equipment totals here represent about ——— of that deployed opposite NATO.

(VG-30) While air assets ——— in terms of ———, significant qualitative gains have been accomplished in recent years with the introduction of ——— aircraft to the region. The ——— is expected to continue for the near term with continued deployment ———.

(VG-31) Threat: The primary factor in Soviet policy toward Asia is the desire to combat and contain the influence of the People's Republic of China. An important aspect of this policy is the maintenance of superior military forces on the Sino-Soviet border. The Soviets would like to improve bilateral relations with the Chinese and would prefer to resolve their differences and resume their former relationship. Barring some dramatic event, however, the next few years will ———.

(VG-32) The dynamics of the relationship are more likely to be tested in other regions, particularly in Southeast Asia. Soviet ties to Vietnam have expanded dramatically since the 1979 Sino-Vietnamese border war and have both strengthened and complicated the Soviet position vis-a-vis Beijing. Since 1979, Soviet naval and air forces ———, have maintained a modest presence in the South China Sea. This Soviet presence provides a base from which the Soviets could expand to confront U.S. forces in the region.

(VG-33 and 34) In the Near Eastern theater, as elsewhere, the USSR continues to pursue its long-range objectives of replacing western influence and controlling access to natural resources. These objectives may be achieved by ———. The Soviet Union now sees itself as the preeminent military power in the region.

(VG-35 and 36) In this theater, Soviet ground forces could deploy ——— divisions. These divisions can field over ——— tanks, ———

armored vehicles and other equipment as shown here. Most of the divisions in this area of the USSR are ———.

(VG–37) The Near Eastern theater has ——— been ——— in terms of numbers and sophistication of Soviet aircraft. It has had the ———. There are no ——— in this area. During the invasion of Afghanistan, in December 1979, ———. The range arcs depict Frontal Aviation's ground attack capabilities in the area, not only from home bases in the USSR, but also from airfields in Afghanistan ———.

(VG–38) In addition to those forces opposite the Gulf area, the Soviets could deploy airborne elements to the region. Elements of the airborne divisions at ——— and ——— are currently operating in Afghanistan.

(VG–39) While the Soviets already possessed a significant capability to interevene militarily in the Gulf region prior to Afghanistan, they since have made ———.

Over the past several months ——— has been asked to look at several scenarios ———. ——— concludes that the Soviets could achieve the necessary readiness for a full-scale ——— in about ———. A smaller force of ——— with a limited objective of ——— could be prepared for combat operations in approximately ———. It should be noted that the divisions involved in this ——— scenario ———.

(VG–40) To bring you up to date on Afghanistan, the Soviets have committed approximately ——— ground, air, and support troops to military operations, of which some ——— are based in-country. There has been ——— in these force levels since ———.

(VG–41) Yet, after more than one year of Soviet operations, the military and political situation is still far from stable. The intensity of the insurgency is as strong as ever, and ———. In addition, the Afghan Government has achieved only limited control of the countryside.

(VG–42) Despite the problems the Soviets have encountered in combatting insurgent activity during the past year, ———. Combat troops have been placed in-country and the ———. These forces now have a year of experience in counter-insurgency warfare, and ———. Most importantly, however, a Communist regime continues to exist in Kabul. In this regard, ———. In the absence ———, the Soviets ———. They seem to be ——— while the Kabul regime continues its efforts ———.

Mr. LONG. You say there are ——— Soviet troops there?

Ms. SCOTT. In-country; yes.

Mr. LONG. How many of those are combat, and how many logistic?

Ms. SCOTT. I have no figures on that with me.

Colonel Hally, do you know?

Colonel HALLY. They are either combat or combat support, whatever it takes. There are ——— complete active divisions. ——— complete combat divisions are in-country, ———.

Mr. LONG. Are these their best divisions?

Colonel HALLY. Well, I'd say they are ———, their best being ———, but they are a ——— now obviously a year after going in than they were when they started.

Mr. LONG. This must take up a considerable amount of support in the Soviet Union not counted as part of this presence here in Afghanistan; is that right?

Colonel HALLY. Yes, sir.

Mr. LONG. I am just wondering what percentage of their ability to supply a combat force is absorbed by the Afghanistan war, which is absorbing a very small portion of their combat troops. To what extent does it absorb a much larger proportion of their logistics and supply?

Ms. SCOTT. They have had a ——— with the logistics aspect of prosecuting the war there. This is ———. At this time, we don't see any indications that this resupply effort is ———, and they seem to be drawing most of their resupply materials from the ———. We are not seeing them ———.

Mr. LONG. We are thinking in terms of all these other areas that we have to defend. The Soviets must have a considerable logistics problem that drain resources, and would limit their ability to move into other areas, and thereby create a flexibility problem for them.

Ms. SCOTT. Are you speaking perhaps of the other theaters, such as NATO and the Far East?

Mr. LONG. That is right.

Ms. SCOTT. We feel this has ——— to wage war in either of those theaters.

Mr. LONG. You wouldn't have thought Vietnam would tie us down the way it did, but it did, apparently. We were pretty well incapacitated by it in other areas. I would assume the same thing would apply to the Soviet Union, since the Soviet Union's logistic problems have always been greater than their combat problems.

Mr. REGULA. How do you analyze the objectives of the Soviet Union in being present in Afghanistan? Does it remove a threat to their border? Does it get access to the warm-water ports? Obviously there are no natural resources there. What is the quid pro quo, the price they are paying to be there?

Ms. SCOTT. We believe it is a combination of factors; ———.

Mr. LONG. Which is most important? You are mixing defensive and offensive objectives. Which is the most important in their minds? Are they doing this to get a foothold for a future incursion into the Persian Gulf, or is it more a defensive move?

Colonel HALLY. I think the prime reason is ———. Obviously it is a border state containing the problems Ms. Scott outlined. The problems they were having with the Communist regime in Kabul were a cause, also. We see it obviously as a ———. We expect that the forces they have in-country are going to remain there for a considerable length of time.

Mr. GINN. Ms. Scott, would you please proceed?

Ms. SCOTT. DIA assesses that ———.

(VG-43) To complement their ground and air forces opposite Southwest Asia, the Soviet Navy has maintained a continuous presence in the Indian Ocean since 1968.

(VG-44) From 1972 to 1979, the number and types of ship comprising the Soviet squadron—excluding crisis reaction deployments and special operations ———.

Following the Iran and Afghan crises and the introduction of two U.S. carrier battle groups into the Arabian Sea in late 1979, the

Soviets increased their naval presence in early 1980 to ———. It has remained at these levels since then.

(VG–45) Along with increases in force levels, there also has been an increase in capabilities, particularly in those units equipped with ———.

(VG–46) Of the Soviet units currently deployed to the Indian Ocean, ——— to U.S. naval forces. ———.

(VG–47) ———.

(VG–48) Soviet activity in the Indian Ocean involves close surveillance of U.S. forces and ———.

Over all, the Soviet surveillance effort in the North Arabian Sea has been ———. Except for occasional port visits ———. They have, however, maintained ———.

(VG–49) Soviet combatants currently deployed to the Indian Ocean have ———.

Most importantly, though, the squadron serves as a rapid reaction force, and as a nucleus which the Soviets could further reinforce in the event of heightened regional tensions. This reinforcement was demonstrated ———.

During these augmentations the Soviet naval presence has served as a visible symbol of Soviet military power and political concern. Moreover, it has provided the Soviets with a ———.

(VG–50) We have discussed Soviet objectives in different theater areas. As you have seen, Soviet military forces support those objectives by their very presence, and, if need be, by direct military action. You have seen that the Soviet Union is continually improving its force structure and capability. The Soviets have a war-fighting military doctrine for multiple theaters and have structured their forces accordingly.

Mr. GINN. Thank you very much, Ms. Scott.

Mr. Secretary, are there any others who want to comment on that before we get into questions?

Mr. FLIAKAS. If you would like, General Palmer is prepared to give a very brief operational-type briefing and also Ambassador Pelletreau has a statement he would like to submit for the record.

Mr. GINN. Why don't we get into a few questions while the DIA people are with us? We will operate under the five-minute rule this morning, since we have so many of our members here. We are delighted to see you all.

SOVIET MOTIVATION

Mr. GINN. Dr. Long got into a moment ago the Soviet motivation for being in Afghanistan. Ms. Scott, I would like to hear your comments on that motivation for being in the Persian Gulf/Indian Ocean area, the entire ball game. Could you comment on what you think?

Ms. SCOTT. Looking at it from an overall perspective, we believe that the primary motivation is to degrade western influence in the area through various military, political and economic means and essentially to be in a position to deny the west access to the natural resources in this area.

Mr. GINN. Would you comment on exactly how a Soviet invasion of this area would take place? Where would supplies come from,

and what drawdown of European Warsaw Pact troops would have to take place?

Ms. SCOTT. First of all, we don't believe that an invasion in the Persian Gulf region would ———. We believe that the most likely incursion would be into ———.

To really get anywhere in the Persian Gulf area they have to go through Iran first, and that would be a first stage in their progress in that area.

Mr. GINN. You touched on it briefly in your briefing, but what is Iran's defense capability in terms of defending itself from a Soviet offensive?

Ms. SCOTT. It is ——— I might turn to my colleague, Bob Vitrikas, to provide more detail.

Mr. VITRIKAS. Iran's posture in the northwest area has been ———.

They have ——— divisions, which number perhaps ——— thousand men and paramilitary forces in the area could add perhaps another ———. These forces would be ———.

———.

Mr. GINN. How far in advance would the United States be likely to see a Soviet offensive into Iran?

Ms. SCOTT. We believe it would take the Soviets about ——— to launch a full-scale invasion of Iran. However, we believe that we would probably be aware of this ———. For a limited invasion scenario, we would probably have ——— warning.

Mr. GINN. Does the intelligence community feel the Soviets will look for a political or a military takeover in the Persian Gulf?

Ms. SCOTT. I think I will turn to Mr. Vitrikas again for that one.

Mr. VITRIKAS. Sir, we feel the Soviet interests in this area would probably best be exercised ———.

Mr. GINN. There is no shortage of that, is there?

Mr. VITRKAS. No, sir.

Mr. GINN. Is there any conflicting CIA–DIA assessment on this particular point?

Ms. SCOTT. No.

Mr. GINN. What is your assessment of Iran's guerrilla capability, which would be the probable result of a successful Soviet offensive into Iran?

Mr. VITRIKAS. Sir, the Iranian capability to mount a guerrilla offensive or defensive measures against the Soviets would probably be ———.

The Iranian population has historically been divided and fractured particularly in the area of the obvious invasion route through Azerbaijan. ———.

———.

Mr. GINN. Well, although your briefing more or less highlights ———, what are some other likely targets of a Soviet offensive in the Persian Gulf area?

Ms. SCOTT. We do see ———.

Mr. GINN. If you don't see a military offensive in the future, why are we spending so much money?

Ms. SCOTT. ———.

Mr. FLIAKAS. Primarily, Mr. Chairman, for insurance and continued support of our fleet operations as well as in the event of contingencies. It is a precaution.

Mr. REGULA. Ms. Scott, in your analysis of this region, I would like to turn to a political assessment. What would be the judgment of your group in terms of what political impact an invasion of Iran would have in terms of NATO allies, in terms of Japan?

Obviously, a move by the Soviets would trigger a great deal of concern throughout the oil-consuming free world. How would you assess it in their point of view as to whether the reverberations of such an invasion would perhaps create far more problems that they anticipate?

Ms. SCOTT. I can only offer my opinion at this point.

That is not my specialty area, but I would think ———.

Mr. REGULA. To the Soviets?

Ms. SCOTT. ———. If the Soviets were in a postion to deny access to the natural resources in that region, to the west, I think it ———.

Mr. REGULA. When you say ———? The free countries would be denied access to that oil. Or are you saying it would be ———?

Ms. SCOTT. I think both. ———.

Mr. REGULA. What do you estimate their responses would be, ———?

Ms. SCOTT. I am afraid I can't really comment on that.

Colonel HALLY. We haven't the expertise here to speak to that.

ALLIED RESPONSE

Mr. REGULA. It is a very significant part of this decision-making process here. We are talking about bases in that part of the world. It is going to interface with the Soviets. Is that correct? We have to consider allied attitudes in terms of our own posture?

Mr. FLIAKAS. It may be beyond DIA's ability to respond, but may I ask Ambassador Pelletreau to speak?

Mr. PELLETREAU. Yes, I think the European response to a Soviet invasion of Iran would depend upon U.S. leadership in the first instance, as we saw when the Soviets moved into Afghanistan. In the absence of our ability to project and maintain forces in that area, the European response was quite soft. They now, a year and three months later, recognize that their vital interests are involved in this area, but without our strong leadership the Europeans, as such, do not have the ability to respond to a Soviet thrust into the Southwest Asia area.

Mr. REGULA. You say leadership. Would the development of a strong U.S. presence, i.e., Somalia, Kenya, Oman, Diego Garcia, given today's circumstances, trigger some strengthening of resolve on their part, or will they be perfectly content to let us carry the load?

Mr. PELLETREAU. It would trigger a strengthening of resolve on their part. The strengthening of our facilities in that part of the world is being done in consultation with our European allies as well, and they are in agreement with what we are doing; they are supporting it, and we are actively involved now in gaining greater support from them.

Mr. REGULA. What percentage of the Japanese petroleum requirements come out of this part of the world?

Mr. PELLETREAU. I haven't the exact figure.

Mr. VITRIKAS. It is 73 percent.

Mr. REGULA. We have no formal military agreement with the Japanese, but it seems to me they would be a little nervous about the stability of this part of the world.

Where are they in all this, either overtly or covertly, insofar as providing support is concerned?

Mr. PELLETREAU. The Japanese have increased their economic assistance to countries in the area. In the last year they have doubled their assistance, for example, to Pakistan. They are very involved in a commercial way in helping to build the internal strength of the nations of the area. They are not actively involved in any military sort of way.

Mr. REGULA. How do you think they would react in the event there was an invasion of Iran?

Mr. PELLETREAU. They would be very concerned. I think their first response would be to want to consult closely with us and the Europeans who are greatly reliant on the resources of that part of the world, and to cooperate within their own political framework and capabilities in developing a coordinated response to any such Soviet action.

Mr. REGULA. Consulting is not much of a deterrent. Does it not occur to the Japanese that strengthening of their forces in their portion of the world would create the same pressures that the Chinese do and would reduce the likelihood of such an incursion into Iran. Why don't they understand that and reflect it in grater defense capability? The constitutional argument is baloney. I have read it. It doesn't stop them from providing unusually strong defense forces.

I think that is possible under their constitutional restrictions.

Mr. PELLETREAU. I recognize your point. A detailed comment on the Japaneses internal political system is beyond my own capability. I would rather pass that question.

Mr. GINN. The Chair now recognizes the distinguished Chairman of the Defense Appropriations Subcommittee, Mr. Addabbo.

Mr. ADDABBO. May we understand that the intelligence Community all agrees on this threat?

Colonel HALLY. In the area we are talking about, yes, sir.

BASE USAGE

Mr. ADDABBO. That is the first time in a long while.

Turning to a different point other than the threat, some of the members of the subcommittee made a visit to Egypt and to the wasteland known as Ras Banas. If we are going to completely rebuild it—we are talking about a billion dollars, probably, if we don't use the storage area. We are talking about several hundreds of millions of dollars in this budget. You have $106 million and $236 million in Diego Garcia, $26 million for Kenya, et cetera.

In my meeting with President Sadat, he said no American flag, no agreement.

Now, the American people, in our defense budget, with tax dollars, have gone to many bases. We have built bases in Libya, Vietnam and Thailand.

What guarantee do we have after we put in this untold millions of dollars, what guarantees will we have after we get them built, that they won't say, "Thank you again for building it. We will see you in 100 years and we will take over the bases."

Mr. PELLETREAU. The guarantee we have is not absolute. It would never be absolute, even if we had a signed and sealed written agreement of the type you discussed with President Sadat. As long as President Sadat is in power, and as long as we conduct our relations with him in a way that is not destabilizing to his internal political situation, we are confident that he and his government will provide us the assets we would need in case of emergency contingencies.

———.

Mr. ADDABBO. In other words, the work we will do there, as he told us, will be without a written agreement. It will be a gentleman's agreement. On that basis do we intend to merely put in storage space, or do we still expect to build the entire base?

Mr. FLIAKAS. As you know, sir, the facilities are austere. It will not be a base in sense that we speak of a base that supports a contingent of troops. It will be a very minimal caretaker force there, but it will support, ultimately, ———in an austere way. No cantonment area. Mostly pads for tents, and the like. And the life-sustaining kinds of features: water, munitions storage, POL and support, of course, for tactical air and airlift. Those are primary types of facilities.

All told, we do not envision the magnitude that you indicated. Perhaps up to $400 million at Ras Banas over a phased period.

Mr. ADDABBO. Will we rebuild the air strips?

Mr. FLIAKAS. Yes.

Mr. ADDABBO. Will we rebuild the shelters for planes and the like?

Mr. FLIAKAS. So far as I know, no shelters. No shelters, sir.

Mr. ADDABO. Will we be required to build new quarters for the contingents that will be there?

Mr. FLIAKAS. There will be a caretaker force. There will have to be some kind of quarters built for them and for transient people moving in and out, but I was referring to ———. In that case, no. There will be just pads to put down tents.

Mr. ADDABBO. You have come to some agreements with Kenya, Oman and Somalia. For what do those agreements provide? What do they get?

Mr. PELLETREAU. We get agreements. First of all, peacetime access in support of our naval operations in the area. We get greater contingency access in terms of being able to stage or mobilize forces in these areas in times of crisis. What they get is a strong security relationship with the U.S. Our interest in their independence and in their general development and in some cases, as we are discussing here today, we will help them improve their facilities for our joint use.

Mr. ADDABBO. Somalia is involved in border confrontations. Will we under agreement have to supply them with military advice?

Mr. PELLETREAU. No, sir, we will not.

Mr. ADDABBO. Will we have to supply them with military equipment which they can use in support of problems they have at the present time?

Mr. PELLETREAU. The military equipment that we have agreed to supply Somalia will be entirely defensive in nature.

Mr. ADDABBO. Any and all equipment we place in Egypt, Kenya, Oman, or Somalia—will that be under the direct control of U.S. personnel, or will it be under the joint control of the host nations and U.S. forces?

General PALMER. It will be under joint control in that they own the area, and the building, but the key and the lock would be ours. It would be U.S. equipment.

Mr. ADDABBO. It will be protected and guarded by U.S. personnel or by host nation personnel?

General PALMER. By host nation personnel.

Mr. ADDABBO. We will own it, but they will control it.

General PALMER. We will have a caretaker group, but security of the installation will be their responsibility.

Mr. ADDABBO. I have no further questions.

Mr. GINN. The gentleman from California, Mr. Burgener.

NATO INVOLVEMENT

Mr. BURGENER. We are going to build up this presence and the hope is it will be a stabilizing force and become a real deterrent, which is what you said, Mr. Secretary; that the object is deterrence.

If we are strong enough and have enough will, we hope nothing will happen; that the Persian Gulf area might be a little more stable than it is now. Some others might view it as saber-rattling.

A number of us have met with British Parliamentarians, labor and conservative, and they are more together than we are.

Any of you might comment about Western European passivism. Is that real? How deep is it? They are more dependent than we. You mentioned that in your testimony, on the Persian Gulf Oil. Eighty percent of our total energy supply we produce in the 50 States. Not oil, but total energy.

I would like some comments on Western European pacifism, how deep it is. They seem to be nervous about our going in there. I would hope they would be reassured. Those are things I would like to hear about.

Mr. FLIAKAS. I am going to ask Ambassador Pelletreau to respond, but perhaps we don't have the people most knowledgeable with the Western Europe and the NATO alliance. If we can't furnish a complete answer today, when we meet tomorrow on the NATO program, we will get into that. We can supplement that.

Mr. BURGENER. The Indian Ocean is not a NATO operation.

Mr. FLIAKAS. That is correct.

Mr. BURGENER. Yet it is largely to protect NATO interests.

Mr. REGULA. Are there not forces of some of our NATO allies such as the French?

Mr. FLIAKAS. Yes, indeed. They are operating in the area. both the French, the Germans and the British are operating ships in the area. That has been going on for some time.

Mr. BURGENER. I certainly don't quarrel with the premise of some kind of a real deterrent, and hopefully what would become a stabilizing force. But this rapid deployment force at the moment isn't yet rapid, deployable or much of a force. But we want it to be. I guess we can confine ourselves today to real estate, buildings and agreements with other countries. We will get into NATO more tomorrow.

Mr. GINN. The Chair now recognizes the distinguished Chairman of the Foreign Operations Subcommittee on Appropriations, Dr. Long.

JAPANESE INTERESTS

Mr. LONG. Thank you, Mr. Chairman. The Japanese don't seem terribly nervous. Would that be because they would balance out the possibilities of getting oil elsewhere than in the Middle East—possibly at a higher price—against defense build-up costs, but feel that they would save money by buying the oil?

Mr. PELLETREAU. They do get their oil from a number of sources, but there is no combination.

Mr. LONG. They could get it elsewhere at a somewhat higher price?

Mr. PELLETREAU. Not their full requirements.

Mr. LONG. Not even at a high price?

Mr. PELLETREAU. If Persian Gulf oil were denied to the world market, there would be such a scramble that at any price, insufficient oil would be available for everyone. The Japanese are very quick on the market, and they keep their storage facilities topped off. This enables them——

Mr. LONG. They do have great storage capacity?

Mr. PELLETREAU. They have significant storage capacity, which they do their best to keep topped off with oil from any source they can get it, from the Persian Gulf, or from Indonesia, or from the European markets.

PORT OF BERBERA

Mr. LONG. Why did we cancel the military base in Berbera, Somalia? I was told we retreated from $69 million to a very small holding.

Mr. FLIAKAS. The initial submission submitted January 15 by the Carter administration did not include Somalia. The Reagan amendment submitted on March 10 did include $24 million for Berbera, port improvement at Berbera.

Mr. LONG. That is about one-third of what they planned. Is $69 million the correct figure?

Mr. FLIAKAS. I believe that $24 million will complete the port improvements at Berbera.

Mr. LONG. The port improvements or base improvements?

Mr. FLIAKAS. Primarily it will be port improvements. Base improvements generally, yes, but my understanding is that will complete the work.

Mr. LONG. Why is it being downgraded?

General PALMER. It has to do with the process of negotiations in the budget process we went through last year. In December, 1979,

we first opened contact with Somalia, Kenya and Oman. We went through a series of negotiations in consultation with Congress to gain facilities there.

We did have moneys in the budget, the moneys you are referring to I believe, although I am not sure of the exact number now.

For two reasons, the funding for Somalia was delayed way past the other two. One was, we had a requirement from the Congress that before any money would be devoted to Somalia, that we would have our own ——— assessment that they were no longer involved in the Ogaden.

It took us a long tome before they first got out of the Ogaden, and we produced.

Mr. LONG. We were assured ——— they are out. Is that assurance correct?

General PALMER. Yes, sir.

Mr. LONG. That is different, as I understand, from the base. The base is appropriated funds.

Mr. FLIAKAS. I believe, sir, at one time there may have been some discussion of ———. Our plan at the moment, sir, for the ——— period in question, ———, at least, does not provide for additional money.

Mr. LONG. Why?

Mr. FLIAKAS. My understanding is, this is what it will require to make Berbera operational for our purposes, and there is no other requirement.

Mr. LONG. The Russians or somebody built a magnificant airstrip there, one of the best in the world. Why are we retreating from its use?

Mr. PELLETREAU. Our initial figures when we submitted them included the possibility of developing Somalia and Berbera ———, as well as to support naval operations. ———. Ras Banas is more directly located on the air and sea lines of communication between the United States and potential conflict areas.

BASE RESTRICTIONS

Mr. LONG. Can you be assured you will continue to be allowed to use it? It seems that Sadat puts so many restrictions on our use of things, that I wonder sometimes whether we ought to be putting too much reliance on such facilities.

Mr. PELLETREAU. We will agree there is some need for redundancy, ———.

Mr. LONG. Could you provide something that would tell us how many of our bases in this whole Middle East or Persian Gulf area, have restrictions on their use, so we would find it very difficult to use them for one reason or another in all-out war?

Mr. PELLETREAU. We will be happy to provide that statement.

[The information follows:]

Diego Garcia. ———.

Egypt. The U.S. has no bases in Egypt, and U.S. forces are not permanently stationed there. Each U.S. deployment, and the purpose thereof, is subject to Egyptian approval. However, Egypt has been very cooperative in granting transit and overflight rights to U.S. forces in support of Southwest Asian contingencies, and has permitted realistic U.S. training exercises, including use of live ammunition.

Oman. ———.

Kenya. ———.

Somalia. ———.

Mr. LONG. Have there been a lot of restrictions imposed on our use of these bases in various countries?

Mr. PELLETREAU. The overall major restriction is the restriction that these are facilities that belong to host countries are available for our use in certain contingencies. They are not U.S. bases flying U.S. flags, in that sense.

Under the agreement we have negotiated, we have access to these bases in contingencies in which both countries would have a common interest.

Mr. LONG. In a crisis or a real shooting war we might need them fast; is that correct?

Mr. PELLETREAU. Yes.

Mr. LONG. How many bases have we in that area that we could use quickly without going into political negotiations?

Mr. PELLETREAU. If we are in active battle, I believe we would have access to every single facility that we have negotiated.

Mr. LONG. Right away?

Mr. PELLETREAU. Yes.

Mr. LONG. Without delay?

Mr. PELLETREAU. Right away.

Mr. LONG. I don't quite understand how that is consistent with what you just said a little while ago.

Mr. PELLETREAU. The whole basis for negotiating these access agreements was that we have a common interest in having the U.S. have the ability to respond fast to a crisis and the crisis you are referring to, I believe, would be a Soviet intervention into the area.

Mr. LONG. Who decides? Do we decide unilaterally and go ahead and use them?

Mr. PELLETREAU. ———, but on this question of rapid response in the event of a Soviet intervention, I am very confident we would have them.

Mr. LONG. Rapid response from these governments doesn't necessarily follow.

Mr. GINN. I think you have raised an interesting point, Dr. Long, if I might interrupt.

Do you mean we have to consult again, despite the agreement we have, before we could rapidly and immediately use the base, as Dr. Long points out?

Mr. PELLETREAU. I should look at the agreements before I give you a definite response.

Mr. LONG. It seems to me the mere fact, Mr. Chairman, that we have to consult, would telegraph our punches. We would be under severe restrictions. In wartime, you want to move fast without telling the enemy what you might be planning to do. If we are out there consulting you can bet your sweet life the Soviets are going to know all the things we are consulting about.

Mr. PELLETREAU. ———.

———.

Mr. GINN. But you see ———?

Mr. PELLETREAU. ———.

Mr. GINN. Could you get us the pros and cons of your military community on that question? There must be some people who have

some question whether we would then find it so easy to use them real quick-like. I would like to get some information on that. There might be different opinions on this.

Mr. FLIAKAS. I would like to point out, sir, with the construction of these facilities and the capability that they will represent, we will have continued use and operation of them.

Mr. GINN. During the consultation?

Mr. FLIAKAS. We will have maneuvers; we will have P–3 flights; we will have continued operations throughout all of this area.

Mr. LONG. Suppose we wanted to make a nuclear attack?

Mr. FLIAKAS. I realize I haven't answered the question, but I want to point out we will have continued access, and we will be using them.

Mr. LONG. There will be some kind of use, but we may want a particular use. ———?

Mr. PELLETREAU. ———.

Mr. LONG. I am concerned about this. When I was in Torrejon, I was told that base is almost useless for us so far as strategic purposes are concerned. I am just wondering at how many bases around this world we are putting good money that we couldn't use.

I think this committee should be given the full information, the pros and cons among your own military community on whether these facilities are usable as fast as we want, without "consultation," without telegraphing our punches.

Mr. ADDABBO. When you supply the information, I would like to have you supply information on whether there are any restrictions on fly-over.

Mr. FLIAKAS. We will supply that.

[The information follows:]

We do not have blanket, pre-arranged overflight clearance.

Diego Garcia. If we planned to hold large-scale air exercises over the Chagos Archipelago (of which Diego Garcia is a part) ———.

Kenya. Requests for overflight are handled routinely through military-to-military channels.

Somalia. Requests for overflight are handled routinely through military-to-military channels.

Oman. Requests for overflight are handled routinely through the Ministry of Foreign Affairs.

Mr. GINN. The gentleman from Texas, Mr. Loeffler.

NORTH AND SOUTH YEMEN

Mr. LOEFFLER. Ms. Scott, would you elaborate on the Russian activities in North Yemen and state what the present relationship is between North and South Yemen?

Ms. SCOTT. I will defer to Mr. Vitrikas on that one.

Mr. VITRIKAS. I am not prepared to speak to Soviet involvement in North Yemen, nor can I speak about the relations between North and South Yemen. I can provide some information if you would desire at a later time.

I could certainly do that.

Mr. LOEFFLER. The reason you are not prepared is because it doesn't fall in your area?

Mr. VITRIKAS. Primarily, that is correct; yes, sir.

Mr. LOEFFLER. As I recall, during the first of the briefing, you mentioned briefly that North Yemen is a growing problem. I would expect that you could follow through on this question.

Mr. PEEL. Is there someone here who could answer that? We specifically asked for someone to be here today who could answer questions on North Yemen.

Colonel HALLY. Sir, we will get back with a written response tomorrow.

[CLERK'S NOTE.—The information was provided by Mr. Charles Price, DIA Intelligence Analyst, during the afternoon session. See page 204.]

Mr. LOEFFLER. A critical element in the Middle East, and one of the major reasons the Soviet Union moved into Afghanistan and waits intently to move on further south, is the tremendous oil reserves in the area. What is the current amount of production on a daily basis in the Middle East today, as compared to a year ago, and are we now in a position where peak production from the known reserves in the Middle East is now beginning to decline?

Ms. SCOTT. I am afraid I can't provide an answer here. We will provide that to you at a later date.

Mr. LOEFFLER. Please submit that for the record.

Mr. FLIAKAS. We will.

[The information follows:]

Current oil production in the Middle East, specifically the Persian Gulf countries, is about 16 million barrels per day. At this time last year, production was about 18.5 million barrels per day. In general, proven oil reserves in the Persian Gulf region can support an increase in production.

Mr. LOEFFLER. I have no other questions. However, when you know that the amount of Middle East production that goes to Japan is 73 percent—and frankly I think there is problably more than that going to Japan from the Middle East—I don't know of any other area of the world that can produce enough oil to meet Japan's requirements as well as ours and others.

How can you give us a 73 percent figure for Japan and then not be able to repond as to the total amount of production in the Middle East, which is one of the reasons we have had this briefing today?

If you don't know that, how can you tell us that Japan is a recipient of 73 percent of the oil exported from the Middle East?

Mr. FLIAKAS. Sir, the witnesses we have here are primarily prepared to address military questions.

Mr. LOEFFLER. They are very military questions, are they not?

Mr. FLIAKAS. Yes, sir, and I know there are people and we are remiss in not having those people, but we can get the answers, and we will provide them for the record.

Mr. LOEFFLER. Thank you, Mr. Chairman.

Mr. REGULA. Somebody mentioned here about Japan keeping their tanks topped. How many days' supply do they have in their capactiy to hold?

Mr. FLIAKAS. We do not have that.

Mr. PELLETREAU. At least a hundred days.

Mr. REGULA. I just wanted a ballpark figure on this.

Mr. GINN. This afternoon, we will be getting into Oman. Could you try to have someone here who can discuss the North Yemen situation?

Mr. FLIAKAS. From the standpoint of the Russian influence and the relationship?

Mr. GINN. Yes.

Mr. FLIAKAS. All right, sir.

IRAN

Mr. GINN. Under what circumstances would the U.S. come to the aid of Iran, and if we did, what congressional action would be required?

Colonel HALLY. Sir, I will ask Bob here to speak to the first portion of that question, at what stage do we think the Iranians will come to us. The second part I wouldn't attempt to address in my role in DIA.

We talked about this last night, the Iranian request, if it ever would come.

Mr. Vitrikas. We feel Iran—given the current regime, the current tone of the political scene in Iran today—would be ———.

Mr. GINN. Would we wait until the Soviet invasion was accomplished before we responded?

Mr. VITRIKAS. Sir, I can't respond to that question.

General PALMER. ———.

Mr. REGULA. As I look at this map, it appears that any invasion route would include some pretty hostile territory; is that accurate?

General PALMER. That is very accurate.

Mr. REGULA. Is there any easy way?

General PALMER. There is no easy way. When we finish with the DIA, I will throw a slide up that will refer to that.

Mr. REGULA. It would appear the only easy route would be through Iraq.

General PALMER. And that is not easy.

Mr. REGULA. Even that has hostile terrain; is that correct?

General PALMER. Yes, sir.

Mr. REGULA. All of these routes are highly undesirable?

General PALMER. That is right. We always tend to look at our problems, and we have severe problems in projecting power to that part of the world. The other side has pretty severe problems, too.

A map I will show you in a moment superimposes Iran on the western part of the U.S., and it is sort of like attacking from Seattle to Albuquerque, through the Rockies. It is not easy, and it is a very limited road net.

Mr. REGULA. With our bases that we are contemplating, would they give us the ability to have air strikes out into this area? That has to be a key element.

General PALMER. ———.

Mr. GINN. In your opinion will an increased U.S. presence or capability in the Persian Gulf bring about the Soviet buildup we are trying to combat or prevent? Is it going to be at this time or at that time? What do you think?

Colonel HALLY. From what we have seen in the Soviet Navy presence, sir, it has increased from ——— to ———. This is due to the increased U.S. Naval presence in the area. I am not so sure

that what we have seen in the past in that area would hold true in the future.

Mr. PEEL. As we increase our Navy, they increase their Navy. Is that correct?

Mr. MISTRETTA. That is correct. Historically, since 1970 the Soviets have countered an augmented U.S. Naval presence by augmenting their squadron with additional combatants. They did this during late 1979 and early 1980 when their forces increased from ———. This augmentation appears to be directly related to the two U.S. carrier battle groups the U.S. has maintained in the area since late 1979.

While there is perhaps a small drawdown on this ———, we don't see it ———, as long as the U.S. maintains its current two carrier battle group presence in the region.

PAKISTAN

Mr. GINN. What is your assessment of the Soviet threat to Pakistan?

Ms. SCOTT. We feel a Soviet incursion into Pakistan would be a ——— for them at this time. ———. There are only ——— they can go into Pakistan. All ——— of them are very narrow passes with a mountainous terrain; we feel at this time they are ———.

We do see some ———.

Mr. GINN. Shall we move now to General Palmer's slides?

DIEGO GARCIA

Mr. ADDABBO. I have one general question. With regard to Diego Garcia, we have looked to the possibility of expanding our presence on Diego Garcia in military personnel, et cetera. Recently, I received a communication from a friend of mine in the Navy who had served at Diego Garcia, who was home on leave and didn't want to go back because he felt there was a tremendous drug problem and he had fought the problem off, and he didn't want to go back into that jungle.

I received word from the military that this is not true, that we have no problem, et cetera, et cetera. Subsequently, there was a press release, an article by UPI, indicating the British Government has admitted that there is a tremendous drug problem on Diego Garcia and they are working together with the American forces to try to curb the problem, et cetera.

What actions will be taken—first, you will be constructing so you will have difficulty with that—then you have the deployment of forces. What action will be taken to, first, cure this tremendous problem of drug abuse on Diego Garcia? If we are going to expand, we are just expanding our problem, because we all know if you have a drug-infested military, you do not have a fighting force.

Will anything be done before we are asked to invest this money and invest more American lives and clean lives into this kind of a cancer? Will anything be done to correct it?

Mr. FLIAKAS. I would like to refer to the Navy, if I might, sir.

Mr. BOOTH. I do not know the answer to the question.

The Navy's position is that there is not a drug problem, and, I think that the sources that your mention, in all honesty, would be

one constitutent, plus a British newspaper article; so I would simply have to say that the Navy's position is no, there is not a drug problem on Diego Garcia, and that, I will certainly go back to my superiors and corroborate my statement.

Mr. ADDABBO. Go back and clear up the record, because it was not a British newspaper; it was UPI, which is not British, and, secondly, the statements were not by any British press, but by a Royal Navy Lieutenant Commander.

[The information follows:]

The Navy has always recognized the potential for drug problems on Diego Garcia just as it has at any other military installation worldwide. The Navy has fully cooperated with British customs agents on the island to limit the potential for drug flow into Diego Garcia. As a result of press articles on alleged drug abuse on Diego Garcia, Navy conducted an investigation with the results being provided to the Secretary of State who in turn provided information to the American Embassy, Port Louis, Mauritius with info to the American Embassy, London and various Department of Defense agencies. The essence of the State Department message was that drug abuse on Diego Garcia is not "widespread" or "out of hand". Neither is there evidence that sailors have been "deeply involved in drug trafficking." There have been some instances of drug possession and use. US and UK authorities are cooperating in measures to prevent entry, possession and use of illegal drugs.

Mr. FLIAKAS. As we build up our permanent party there, Mr. Chairman, of course we will be seeking—this is very vital to almost any remote area—we will be seeking recreational facilities to combat that very thing. There will ultimately be a permanent party of 1,500 people there, I believe.

As you know, all the construction up to this point has been by the Seabees. We will begin to have, with the advent of this new request, contractors there. We will try to get you a specific answer with regard to addressing those articles.

I agree with what has been said that officially we are not aware of that problem in the magnitude you indicate.

Perhaps Admiral Zobel could speak to that.

Admiral ZOBEL. I would like to talk specifically to the Seabees. We have had Seabees there for a number of years now, Mr. Addabbo, and I think our problem there is no greater than other parts of the United States, where drugs do exist. We all know they exist; they exist in every part of our society. We have had some problems there. However, we do not see a drug problem on Diego Garcia any larger than other parts of the world.

We have been doing things there to help with the drug problem, to keep it down, and I think they have been successful. We can say, as far as the Navy is concerned, that the drug problem there is not unusual.

Looking forward to the time the contractor arrives, we believe we will have to take some fairly unusual security measures. The arrival of equipment and supplies, and things of that sort, will require security forces to check the incoming shipments. Obviously, that is going to take some work, but we expect to do it.

Mr. ADDABBO. I appreciate that because the statement that we have no problem—I know we see, by reports from our British allies, that there is a problem—I hope we don't bury our heads in the sand until you do have a problem or, if there is a problem, we are going to take proper action to make sure it doesn't spread and abolish it.

Admiral ZOBEL. I think that article was overdrawn.

Mr. GINN. General Palmer, do you want to proceed?

MILITARY SECURITY FRAMEWORK

General PALMER. Due to the line of questioning, perhaps I should just submit the briefing and talk to some of the issues that would perhaps give you a concept of how we developed a military strategy for that part of the world, which then would give us a framework for discussing the military construction requirement.

["Military Security Framework for Southwest Asia" briefing material follows:]

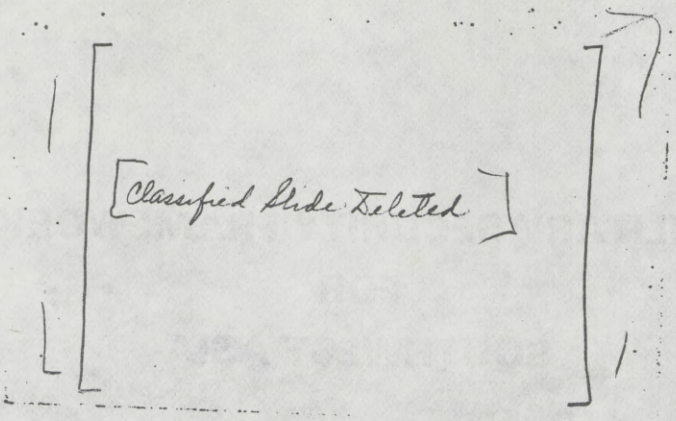
MILITARY SECURITY FRAMEWORK FOR SOUTHWEST ASIA

TITLE SLIDE

MILITARY SECURITY FRAMEWORK FOR SOUTHWEST ASIA

THE PRIOR DIA BRIEFING DEVELOPED THE SOVIET THREAT TO SOUTHWEST ASIA. THIS BRIEFING WILL DISCUSS A FRAMEWORK FOR A RESPONSE TO THAT THREAT,

THREATS



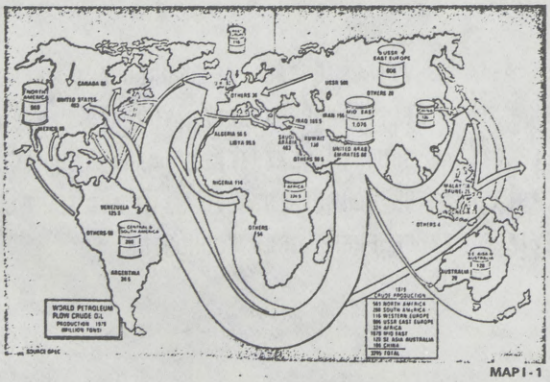
[#b 3/m.

US SUPPORT FOR INTERNAL CONFLICT WOULD INVOLVE ECONOMIC, TECHNICAL, POLITICAL AND SECURITY ASSISTANCE PROGRAMS. CONSTRAINTS ON THE ROLE OF US MILITARY POWER IN THIS SITUATION ARE WELL RECOGNIZED.

FOR INTRAREGIONAL CONFLICT THE US MUST EMPHASIZE COOPERATION AND COLLECTIVE ACTION WITH ALLIES. US ACTIONS SHOULD SEEK TO DEFUSE SPREAD OF ANY CONFLICT BY SUPPLEMENTING SELF-DEFENSE CAPABILITIES [3/m.

AT THE POINT WHERE A SOVIET ARMED INTERVENTION OCCURS, US COMBAT POWER WOULD BE THE NECESSARY FORCE FOR A CREDIBLE ATTEMPT TO BLOCK THE SOVIETS IN A DRIVE TOWARD THE GULF. 3/m. [ ] FORCES DESIGNED FOR THIS CASE WOULD ALSO HAVE THE FLEXIBILITY TO BE USED IN A SOVIET SURROGATE OR INTRA-REGIONAL CONFLICT SITUATION.

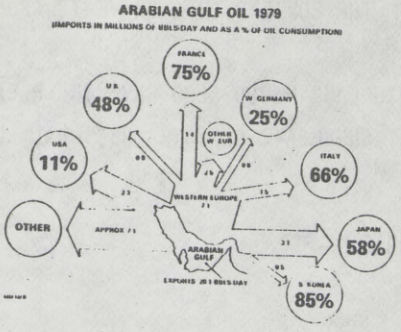
OIL FLOW FROM GULF



MAP I-1

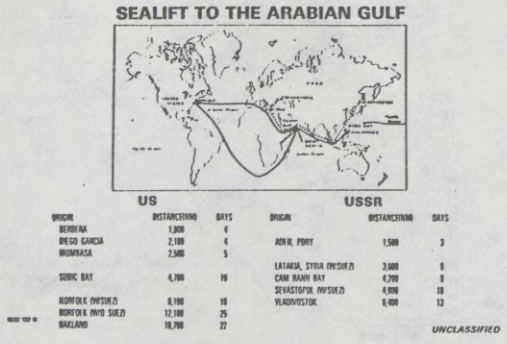
THE FIRST STEP IN DEVELOPING A STRATEGY FOR A THREAT TO AN AREA IS DEFINING INTERESTS AND OBJECTIVES. IN SOUTHWEST ASIA IT IS OIL; THE FLOW OF GULF OIL TO ALL CORNERS OF THE WORLD AS INDICATED.

ARABIAN GULF OIL



SOUTHWEST ASIA IS VITAL TO THE FREE WORLD AND VULNERABLE TO BOTH REGIONAL INSTABILITY AND EXTERNAL THREATS. DEPENDENCE ON ARABIAN GULF OIL AS SHOWN, INEXTRICABLY LINKS THE SECURITY OF SOUTHWEST ASIA WITH US COMMITMENTS TO NATO AND EAST ASIA AND WITH THE VIABILITY OF FREE WORLD ECONOMIES.

US POWER PROJECTION



THE ESSENCE OF OUR PROBLEM IN SWA IS POWER PROJECTION - TO GET FORCES THERE AND SUSTAIN THEM. IT IS IN EFFECT A RACE TO PROJECT POWER TO THE AREA.

US PROBLEMS IN DEPLOYING FORCES TO SOUTHWEST ASIA ARE ILLUSTRATED BY THE LONG SEA LINES OF COMMUNICATION AS SHOWN AND BY THE AIR LOC OF OVER 6300 MILES.

SOVIET POWER PROJECTION

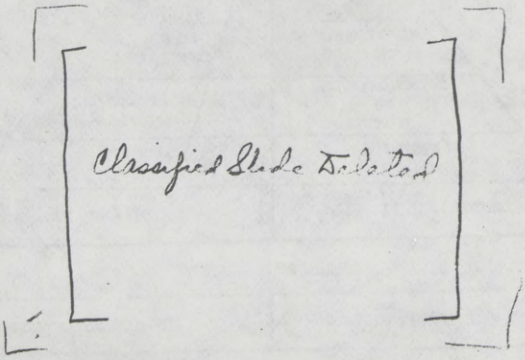


SOVIET PROXIMITY TO THE REGION RESULTS IN ADVANTAGES FOR POWER PROJECTION INTO SOUTHWEST ASIA BUT THEY STILL FACE FORMIDABLE PROBLEMS. AN ATTACK ACROSS IRAN WOULD APPROXIMATE THE DISTANCE FROM SEATTLE TO ALBUQUERQUE WHILE FIGHTING ACROSS THE ROCKY MOUNTAINS.

NEVERTHELESS, TODAY THEY HAVE THE EDGE.

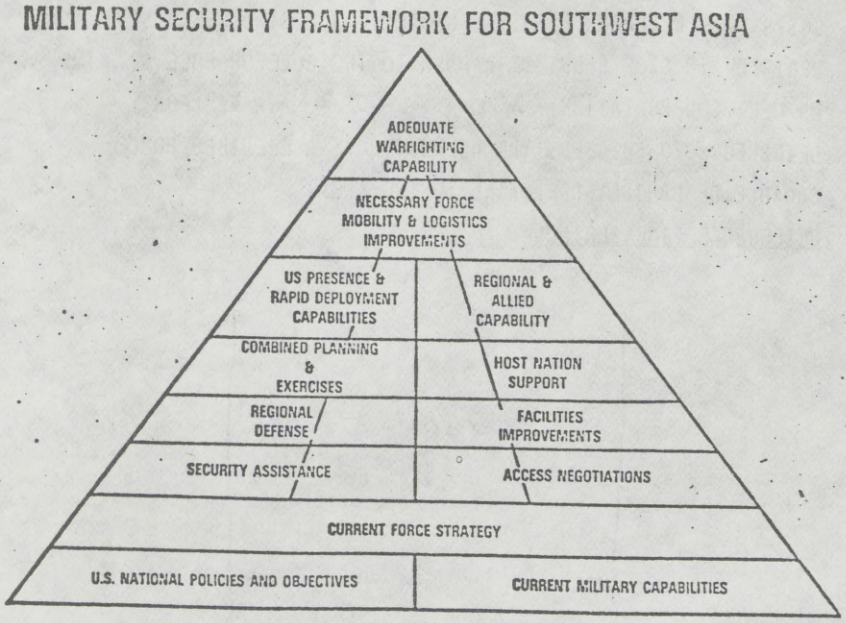
THEREFORE, THE US STRATEGY EMPHASIZES DETERRENCE - TO CONVINCE THE SOVIETS THAT GAINS WILL NOT BE WORTH THE COSTS. IF DETERRENCE FAILS, US ACTIONS MUST CAUSE A SOVIET DECISION TO STOP SHORT OF A PUSH TO THE GULF OR FACE A US/USSR CONFRONTATION [3/M.] FOR DETERRENCE TO SUCCEED, THE US MUST HAVE A CREDIBLE FORCE CAPABLE OF RAPIDLY DEPLOYING TO THE AREA.

DETERRENCE TIME PERIODS



US ACTIONS MUST FOCUS ON THE SOVIET DECISION MAKING PROCESS TO DETER ANY AGGRESSIVE ACTIONS. ACTIONS BY THE US MUST BE DESIGNED TO CONVEY TO THE SOVIETS THAT WE WOULD RESPOND PROMPTLY WITH MILITARY FORCE. THUS A SMALLER FORCE SOONER IS BETTER THAN A LARGER FORCE LATER. IN THE FINAL ANALYSIS THE PROSPECT OF ACTUAL COMBAT WITH THE US AND POSSIBILITY ITS ALLIES, [3/M] MAY BE THE ULTIMATE DETERRENT TO SOVIET AGGRESSION. A MILITARY CONSTRUCTION PROGRAM TO INCREASE OUR ACCESS TO THE REGION AND IMPROVE AVAILABLE FACILITIES IS AN IMPORTANT PART OF THAT DETERRENT.

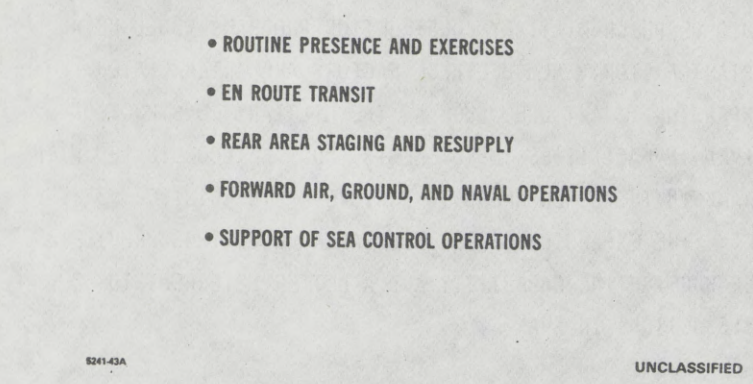
MILITARY SECURITY FRAMEWORK FOR SWA



IT MUST BE EMPHASIZED THAT FACILITIES IMPROVEMENTS AND ACCESS NEGOTIATIONS INVOLVED IN THE MILITARY CONSTRUCTION PROGRAM ARE INHERENTLY A PART OF THE LARGER FRAMEWORK, DEPICTED HERE AS A TRIANGLE, TO PROVIDE SECURITY FOR US INTERESTS IN SOUTHWEST ASIA. THE CAPSTONE OF THIS PYRAMID

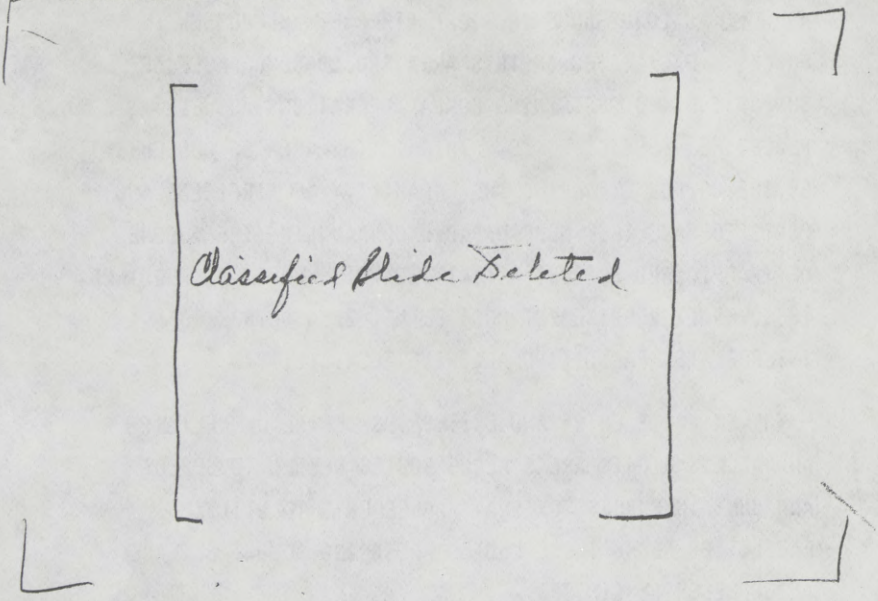
TO POWER PROJECTION WOULD BE AN ADEQUATE WARFIGHTING CAPABILITY. TO REACH THAT CAPABILITY FROM THE BASE WHICH RESTS ON NATIONAL POLICY, CURRENT MILITARY CAPABILITIES AND FORCE STRATEGY, REQUIRES ALL THE ELEMENTS IN THE CENTER OF THE PYRAMID OF WHICH MILITARY CONSTRUCTION PROGRAMS WOULD BE AN IMPORTANT FACTOR. ALL OF THESE FACTORS ARE INTERRELATED. AN EXPANSION IN ANY ONE, SUCH AS THE MILITARY CONSTRUCTION INVOLVED IN FACILITIES IMPROVEMENTS, MUST BE COORDINATED WITH PROGRAMS IN THE OTHER AREAS TO ACHIEVE A SYNERGISTIC EFFECT. THE EXPANSION OF THE BLUE AREA WOULD THUS PROVIDE A BETTER WARFIGHTING CAPABILITY AND A BETTER DETERRENT TO HOSTILE ACTIONS IN SWA.

NEED FOR REGIONAL FACILITIES



MILITARY CONSTRUCTION AND FACILITY ACCESS PLAY AN IMPORTANT ROLE IN THE SECURITY FRAMEWORK FOR MANY REASONS. THE US MUST HAVE ACCESS AND FACILITIES FOR ROUTINE PEACETIME PRESENCE AND EXERCISES TO PROVE THAT WE HAVE AN IMMEDIATE FORCE IN THE AREA READY TO RESPOND. IN THE EVENT OF A CONTINGENCY, FACILITIES FOR TRANSIT, STAGING AND OPERATIONS WILL BE VITAL IN THE EARLY CRITICAL PHASES. EARLY ARRIVING OR IN-THEATER FORCES ARE VERY IMPORTANT FOR DETERRING ANY THREAT AND DEMONSTRATING US RESOLVE ESPECIALLY IN A SOVIET THREATENED ACTION.

SOUTHWEST ASIA AREA



NOW LETS VIEW THE REQUIREMENTS IN A REAL RATHER THAN A THEORETICAL CONTEXT.

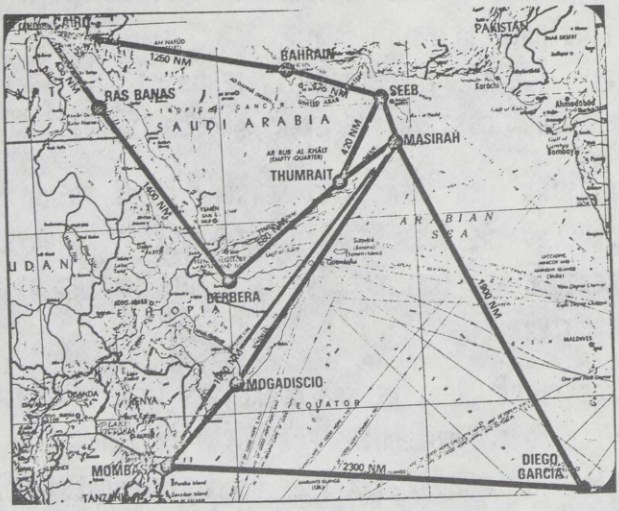
- THE RED CORE AREA IS THE OPERATIONS AREA WHERE OIL IS LOCATED 3/m.
US ACCESS TO FACILITIES IN THIS AREA IS PRESENTLY VERY LIMITED.

- THE LARGER BLUE AREA DEFINES THE AREA NEEDED FOR SUPPORT OPERATIONS AND PROJECTION INTO THE COMBAT AREA. THIS AREA MUST ACCOMMODATE REAR-STAGING, AIR-SEA INTERFACE

POINTS, MEDICAL FACILITIES AND OTHER SUPPORT REQUIREMENT AS WELL AS LONG RANGE TACTICAL AIRCRAFT AND BOMBER FORCES. FACILITIES IN THIS AREA SHOULD BE CAPABLE OF SUPPORTING AND SUSTAINING COMBAT OPERATIONS AS WELL AS A PEACETIME PRESENCE FORCE. THIS IS THE AREA OF CONCENTRATION BY THE US FOR EXPANDING THE CAPABILITY OF AIRFIELDS AND PORTS TO MAKE THEM MORE CAPABLE OF HANDLING THE VOLUME OF TRAFFIC AND SUPPORT ACTIVITIES WHICH WOULD BE REQUIRED. THE OVERALL REQUIREMENT MUST BE MET BY A NETWORK OF INTERRELATED FACILITIES ALLOWING FLEXIBILITY.

- THE EN ROUTE ENTRY AND EXIT PATHS DEFINE OVERFLIGHT AND ACCESS RIGHTS AREAS ALONG ROUTES NEEDED TO DEPLOY AND SUSTAIN FORCES FOR SWA. AGREEMENTS TO UTILIZE FACILITIES ALONG THESE ROUTES ~~ARE BEING SOUGHT~~ BUT ARE ALSO PRESENTLY LIMITED.

FACILITY NETWORK



THIS MAP ILLUSTRATES THE EXISTING FACILITY NETWORK

AT PRESENT US ACCESS TO FACILITIES IS LIMITED AND THE DISTANCES FROM THE OBJECTIVE AREA AS SHOWN ON THIS MAP ARE GREAT. THE FACILITY NETWORK BEING DEVELOPED CONSIDERS THE FOLLOWING FACTORS:

- VARIETY AND TACTICAL FLEXIBILITY
- PROXIMITY TO ALOCs & SLOCs AND TROUBLE SPOTS
- MUTUAL SUPPORT

- SEA/AIR INTERFACE
- EFFICIENCY AND EFFECTIVENESS IN TAKING ADVANTAGE OF EXISTING FACILITIES.
- OPTIMIZING THE INVESTMENT IN TERMS OF DOLLARS AND MINIMAL SUNK COST IN THE EVENT ACCESS IS LOST.

IN CREATING SUCH A FACILITY NETWORK THERE IS NO SIMPLE FORMULA. WE MUST SEEK TO OPEN DOORS TO COUNTER SOVIET PRESENCE AND INFLUENCE WHILE DEMONSTRATING US RESOLVE AND LEADERSHIP.

THE LOCATIONS WHERE WE ARE CURRENTLY INVESTING MILCON DOLLARS WILL DO THE FOLLOWING FOR US.

- o OMAN - DOMINATES STRAIT OF HORMUZ. CLOSEST CONFIRMED US ACCESS.
- o SOMALIA - OVERLOOKS BAB EL MANDEB. OFFSETS SOVIET ACCESS.
- o KENYA - SUPPORT OF SEA CONTROL OPERATIONS AND FACILITIES FOR TRAINING, MAINTENANCE AND RESUPPLY.
- o DIEGO GARCIA - COULD PROVIDE AIR, LOGISTIC COMMUNICATION, INTELLIGENCE AND POSSIBLE STRIKE SUPPORT. SITE FOR PRE-POSITIONING SHIPS.
- o EGYPT - RAS BANAS COULD PROVIDE SUPPORT FOR EN ROUTE TRANSIT, A DIVISION STAGING AREA, RESUPPLY ACTIVITIES ---.

IN SUMMARY, ACCESS TO FACILITIES AND MILITARY CONSTRUCTION PROGRAMS MUST BE A DELIBERATE AND ITERATIVE PROCESS. ALTHOUGH ADDITIONAL FACILITIES WILL BE NECESSARY FOR SUCCESSFUL IMPLEMENTATION OF A SWA STRATEGY, A COMPREHENSIVE PROGRAM TO ACQUIRE THOSE FACILITIES MUST RECOGNIZE THE POLITICAL CONSTRAINTS AND INHERENT INSTABILITIES IN THE AREA. RESULTING MILCON PROGRAMS FOR THE NEXT YEARS WILL THEREFORE BE DYNAMIC AND INTERACTIVE AS POTENTIAL SITES ARE RELATED TO US REQUIREMENTS AND HOST COUNTRY SENSITIVITIES. THE PRESENT PROGRAM HAS BEEN CAREFULLY CONSIDERED TO BE RESPONSIVE TO PROJECTED OPERATIONAL REQUIREMENTS. AS REQUIREMENTS ARE FURTHER REFINED THE PROGRAM WILL BE EXPANDED TO FIT THOSE NEEDS.

79-370 O - 81 - 11

General PALMER. I will be talking about what we actually foresee doing today, with today's situation, today's equipment, today's units.

In developing strategy you look at three factors, obviously: the threat, what it is you are expected to do to counter that threat, and the capabilities—and this gets into the capabilities of what you can do and the geographical limitations of the area in which your are working.

[CLERK'S NOTE.—Slide 1 was classified and has been retained in Committee files.]

As pointed out in DIA briefing I think quite well, the major threat we are looking at there is the Soviet threat. It is not necessarily the most likely threat we would encounter, but it is certainly our sizing case. ———.

We look at the entire array of threats, including the Iran-Iraq war that is going on right now, the intra-theater conflict gives us a great deal of concern, too. We developed our strategy based on the Soviet threat. The main objective is oil but there are lots of other reasons we would want to keep the Soviets out of that part of the world.

Mr. REGULA. I think the third item is subversion. Now we have been talking about counter-military forces. What can we do? Given the constraints on our agencies to also have counter subversion forces, it seems to me in the real world, you have to be able to do that.

General PALMER. Militarily not a great deal, but we can tend to help to strengthen the countries, themselves. We can provide them assistance and advice. ———, and then they could devote themselves to their internal problems, but we couldn't do it for them.

Mr. REGULA. You are talking about a military ——— which I understand is not subject to this discussion, but it seems to me it is cogent in relation to your third item up there.

General PALMER. I guess I am remiss in jumping into it too soon. I am talking about our U.S. military approach. There are clearly major economic initiatives we are going to take, political, diplomatic, the ——— kinds of activities you are talking about. There are lots of other things that our national strategy in that part of the world has to encompass. I am talking about the overt military activities.

Mr. REGULA. It would appear to me that perhaps the greatest threat at the moment to the destabilization of that area, is item 3.

General PALMER. I think you are right. I think we see that now already. It is the threat now.

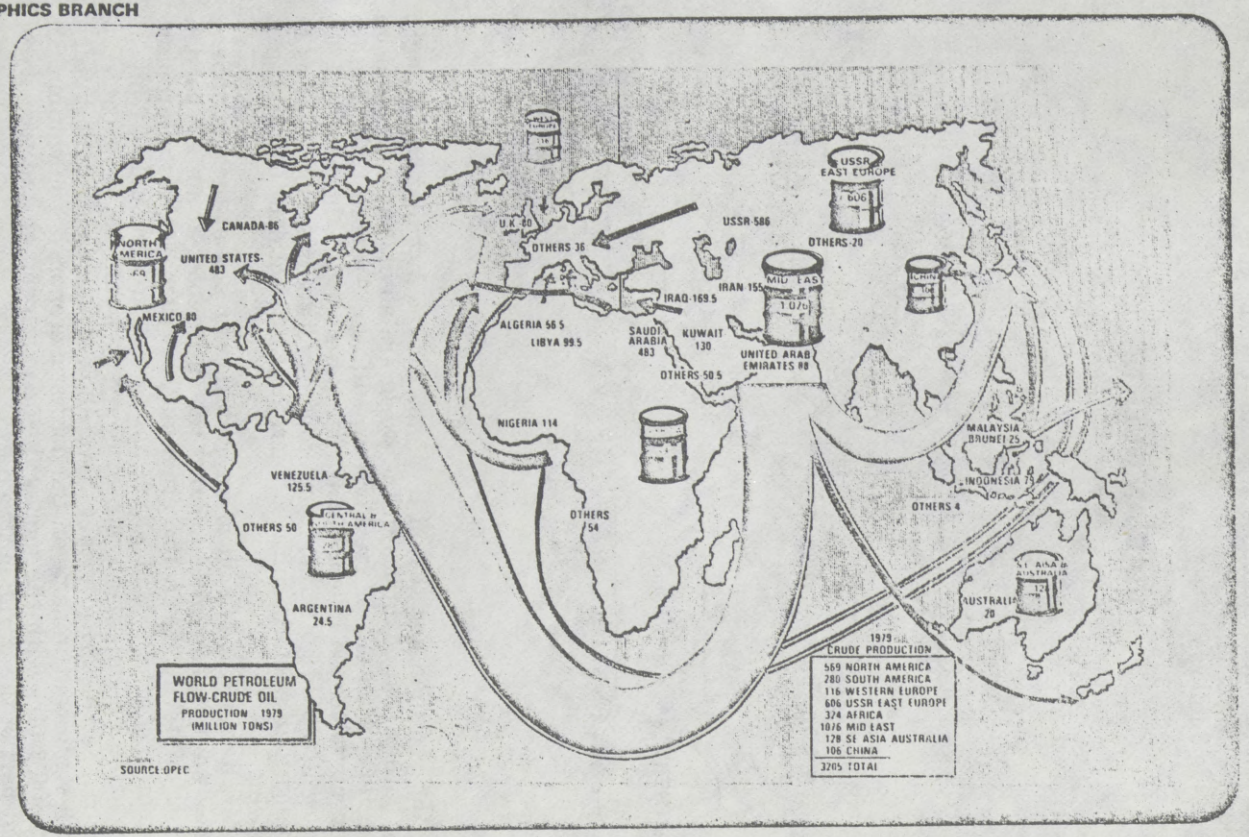
Mr. REGULA. Go ahead, General.

OIL RESOURCES

General PALMER. In terms of the objective, our purpose for committing forces there would be to protect the oil sources themselves, and the sea LOCs out of there, the routes over which the oil is carried.

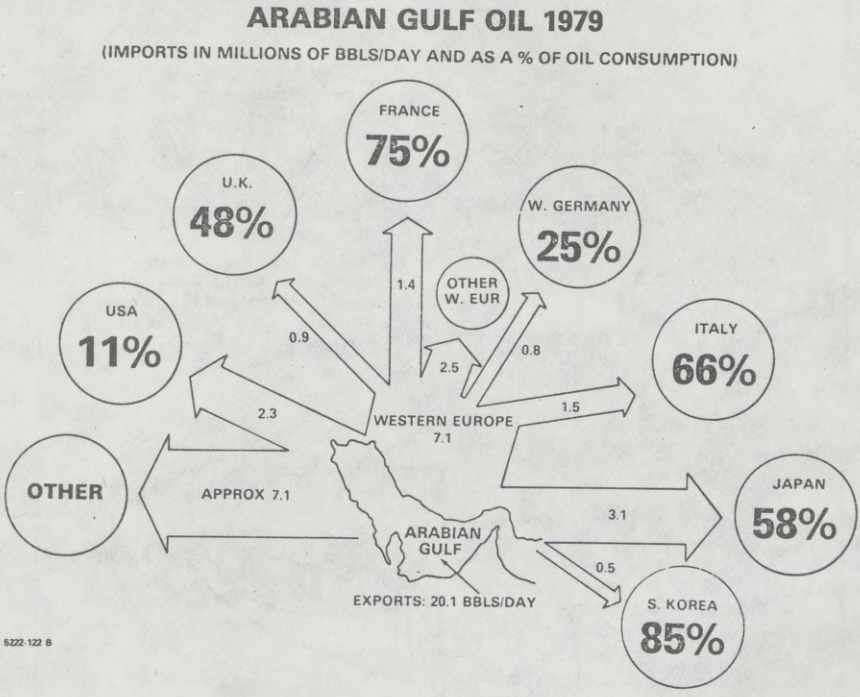
[Slide 2 follows:]

ORGANIZATION OF THE
JOINT CHIEFS OF STAFF
DIRECTORATE OF ADMINISTRATIVE SERVICES
GRAPHICS BRANCH



In all of those numbers the information you were looking for may be in this chart.

[Slide 3 follows:]



More so than just the oil flow, itself is the fact that was brought up earlier that countries in the world are absolutely dependent on the flow of oil out of the Persian Gulf, the Arabian Gulf. We are not, ourselves, so much, but if that were cut off, the world, as we know it, would go through an economic dislocation so severe as to change our western culture. Therefore, it is vital to us to keep it flowing.

Mr. REGULA. It is a bit of an irritation to look at these numbers. They want to lean on us to carry the entire load, or a great portion of it, militarily, when the other nations such as West Germany, Japan and France, and so on, have a far greater stake. While it would be an impact on our economy, it would be far greater on theirs. Yet historically they have allowed us to carry the burden with significant impacts on the domestic economy. You can build a lot of Toyotas with the money they don't spend on the security of that part of the world, but we do.

General PALMER. I will come back to your point later. It is a central one to the discussion today.

There are two things about this chart. The source is the Persian Gulf. Secondly, because the oil in there is so vital to allies who are vital to us, we say that the defense of that area is inextricably

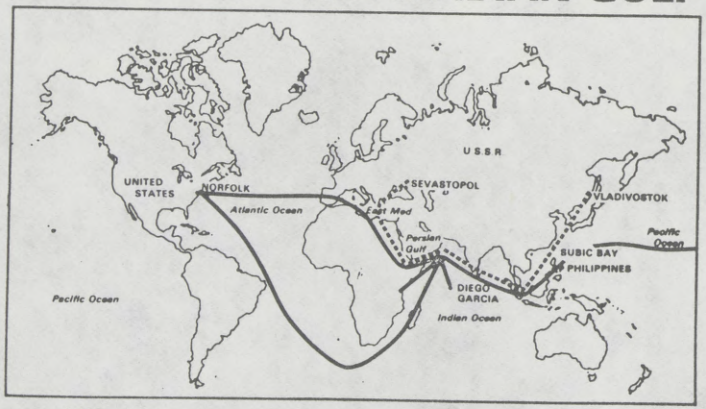
linked to the defense of NATO, to the defense of Japan. You can't separate them into regions really.

DISTANCE AND DEPLOYMENT

———.

[Slide 4 follows:]

SEALIFT TO THE ARABIAN GULF



US

ORIGIN	DISTANCE(NM)	DAYS
BERBERA	1,800	4
DIEGO GARCIA	2,100	4
MOMBASA	2,500	5
SUBIC BAY	4,700	10
NORFOLK (W/SUEZ)	8,100	18
NORFOLK (W/O SUEZ)	12,100	25
OAKLAND	10,700	22

USSR

ORIGIN	DISTANCE(NM)	DAYS
ADEN, PDRY	1,500	3
LATAKIA, SYRIA (W/SUEZ)	3,600	9
CAM RANH BAY	4,200	9
SEVASTOPOL (W/SUEZ)	4,800	10
VLADIVOSTOK	6,400	13

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UNCLASSIFIED

General PALMER. I talked about the capabilities. Literally, that is the other side of the world for us. When we start looking at that area militarily, when we began seriously a year and a half ago, we had no bases; we had no command structure, no units, no forces there, no alliances, no assured ways of getting there. This points out that it is still a long way. No matter what we do, those distances are not going to change. We have a severe problem of creating a structure to work in there and creating a way to project power. This brings up the real problem that we are talking about in terms of military strategy, and that is power projection. For both us and the Soviets. That is where our real competition is.

[Slide 5 follows:]


Seattle
IRAN
Bandar-e 'Abbas
Albuquerque
UNITED STATES
SCALE OF MILES
0 50 100 200 300

General PALMER. Power projection is both getting forces there, deploying them, and then sustaining them once you have them there. In our case that is more demanding than getting them there. We can get more forces there and faster than we can sustain in a combat operation; so the key element is some sort of a network that will allow us to keep our forces in the field supplied and operating.

I mentioned earlier that the Soviets, though, have severe problems, too. Our projection is going to be air and sea.

The projection is over land. This just points out graphically some of the mass confusion. We are talking about great distances. ———.

They have about 800 miles to get to the Persian Gulf. If they attack in the eastern part of the country, it goes to about 1,200, and that is over a very, very small road net over great distances. This gets at what the essence of our strategy is.

———.

Mr. REGULA. Would this be predicated on a very strong and sustained effort by our allies in Western Europe? Or are you divorcing them from your equation?

General PALMER. We could not do it without the assistance of our allies in Western Europe.

Mr. REGULA. If they were to respond in a sort of total mobilization mode, could they, in conjunction with us, change the equation that you have just outlined in terms of the ability to resist a Soviet incursion into the Persian Gulf area?

General PALMER. Yes, it will, and that is exactly what we work at. To paint this picture, I have isolated a U.S. and Soviet confrontation ———.

Mr. REGULA. That isn't really the real world, is it?

General PALMER. That is not the real world. Well, yes, it is real world, and that is why we would intend to deter them by convincing them that war would not be a U.S.-Soviet war only in Iran.

Mr. REGULA. From the numbers I don't see how it could be. Unless those people in Europe are willing to acquiesce to that kind of scenario.

General PALMER. Without the assistance of our European allies, we couldn't even get there.

Mr. LOEFFLER. Following on the questions of Mr. Regula, you mentioned that the power curve now ———. Assuming we advance with a rapid deployment force, which is currently in the tentative schedule, when do we ———?

Mr. REGULA. "We," Just United States?

Mr. LOEFFLER. I would expect it would have to be just the U.S. ———.

General PALMER. Let me address both questions at once, if I can.

———.

Mr. LOEFFLER. To place your comment on the overall picture in the Middle East, when, assuming all these things you have mentioned occur, will we be in the position ———?

General PALMER. My favorite philosopher is Casey Stengel. Casey Stengel said forecasting is a very risky business, especially about the future. Fortunately, there are asymmetries in what we can do to project power, the Soviets and us. ———.

Mr. LOEFFLER. Do you need the rapid deployment force to do that?

General PALMER. I do, and I need a network of facilities. We need to do all of those things that allow you to project and sustain power in the region. They are pretty well limited.

What they can do today is essentially what they will be able to do ———.

It doesn't matter if they double the number of divisions. It matters if they are better quality, but their capability today is what it will be ———. They may get a new airplane or something.

We are starting so far behind that we can improve a great deal—in terms of our airlift and sealift to begin with, in terms of the facilities ——— over there, in terms of the forces that we commit to it, in terms of the planning and the organization and the command and the training that we do.

In the past year there has been a tremendous amount of work done. We have progressed a great, great way. We still have a long, long way to go.

When it will be, depends on the outcome of the budget process more than any other single thing. I think our government, our political leadership, knows where it wants to go, and where we have to go. It is a matter of getting the resources and then doing smart things with the resources.

I am confident that in a few years, two or three—no witness here will say, "There is no way I can see, ———."

Mr. REGULA. The total Western European economy is probably equal to ours. Therefore, if they were to make a commitment to—you used the phrase, they have no capability to project power in the Middle East, but if they were to make a commitment to project power and develop that capability, they could have a force equal to ours; given the same economic base, given the same demographics, the same political base, they could do so, the same as we, and that would, in effect, double the problems of the Soviets, because the Warsaw Pact nations I don't think have the ability to be nearly as much of a counter force, assuming them in totality.

What is being done, if anything, by the Western European nations to develop a capability to project power to protect their vital interests, which are much greater than ours?

General PALMER. In the short run, nothing, because of the lead-time. For instance, with a carrier, if the European nations decided through a consortium to field a half a dozen carriers to help them project power, it would be eight years before that happens.

Mr. REGULA. But they could get there quickly in the aircraft end of it.

General PALMER. They can help in the airlift. They can assist that way. They can assist through providing naval support, mine-sweeping, for instance. That is an area we are very weak in. They could help there.

There is a lot that could be done.

I am getting a little out of my field. I am also getting into areas that could be a little higher qualified than this area.

Mr. REGULA. They are extremely relevant to what we are talking about.

Mr. FLIAKAS. It very much concerns political issues.

Mr. REGULA. I understand that, but you can't really divorce them.

General PALMER. When the Iran-Iraq war erupted, that focused the thinking of a lot of people. The people in that region and our allies as well. With minimum delay we had several or our allies onboard with us. We never had to effect any of the operations, but they were willing to assist. That was not a Soviet scenario. Each scenario is different. They understood they had a stake in keeping the oil flowing out of that area.

Mr. REGULA. The NATO charter, I understand, restricts that alliance to Western Europe. Is that correct?

General PALMER. That is right. They have a geographical restriction. Now individual countries can do what they want to outside of NATO.

Mr. REGULA. Given today's economic facts of life, would it not seem logical that the NATO charter, if you will, should be enlarged to encompass the Middle East, because that is so fundamental to their economic base in Europe. Are the NATO countries discussing that?

General PALMER. They are discussing it. I am not hopeful, just because of the nature of that organization, how slowly things develop, that any rapid decision will be made.

Mr. FLIAKAS. I will ask our people who will represent the NATO interests tomorrow, to try to respond to that question. There have been discussions, sir, between Mr. Weinberger and the MOD of the Federal Republic of Germany, the Minister of Defense.

Mr. REGULA. As this committee contemplates the commitment of a lot of resources through the next decade in basic systems out there, it seems to me that these issues are very relevant to our decision as it relates to military construction

(CLASSIFIED)

General PALMER. They are very relevant to what we do in relation to military strategy.

[CLERK'S NOTE.—Slide 6 was classified and has been retained in committee files.]

General PALMER. What I have talked about so far has been strictly in the context of Soviet-U.S. confrontation. ——— our job is to get them to not make a desicion. Deter them from coming in.

The Soviets are in the top bar of this deterrence time period chart. Early on, as they start thinking about it, we would be in the mode of sending signals, which we have been in the last year. Signals of determination. The fact that we are developing a rapid force to be deployed, the fact that we have kept major elements at sea out there, and that force remained in place when the hostages were removed, was a signal for the Soviets to pick up. The fact of our exercising in that area, demonstrating that we are serious about developing our military capabilities there, the fact that we are constructing facilities, the fact that we are working in and out of various locations in various contries, ——— everything we do, whether it is planning and coordination, or anything else, sends signals of national determination.

———.

We have another point to work on and deter. Until they cross the border and invade, we can do things to change their minds. Up to that point, we failed to convince them we were serious. ———.

If at that point we still hadn't been convincing, and they crossed the border, there is still one more dissuasion rather than deterrent, because we are now talking about fighting, but it still works at getting them to change their mind. ———.

In their calculus they would have to ask themselves, is the Persian Gulf and its oil resources so vital to us that we will take on the U.S. ———?

The answer we give when we ask that question, is that Soviet planner there will say no, because that area is not vital to them. It is vital to us. When you say vital, it is something you are willing to go to war for. We are willing to go to war for that; they are not. Therefore, the deterrence would be successful.

Mr. REGULA. Realistically, could a confrontation, a Soviet-U.S. confrontation in the Middle East, or the Persian Gulf possibly avoid spilling into the European theater?

General PALMER. That is a question that we scratch our heads over endlessly, and there is no answer to it. The only answer you can give is that no one knows what would happen. It could be that both sides would be so terrified of a nuclear war, or a wider war, that they would see it had gotten out of hand, and would stop.

I cannot paint a scenario that would show it stopping at that point.

Then I go back and say that is why we pin our strategy at this point on deterrence, the very reason to——

Mr. GINN. Do we have a specific military plan?

General PALMER. Yes, we do.

Mr. GINN. Do you have any additional comments, sir?

REGIONAL FACILITIES

[Slide 7 follows:]

NEED FOR REGIONAL FACILITES

Routine presence and exercises.
En route transit.
Rear area staging and resupply.
Forward air, ground, and naval operations.
Support of sea control operations.

General PALMER. Mr. Chairman, this is a slide I designed to attempt to relate the strategy concept I have scoped out to the specific business before your committee, and that is the military construction.

[CLERK'S NOTE.—Slide 8 was classified and has been retained in Committee files.]

When we look at facilities in that part of the world, there are three general areas. this is oversimplified, over-generalized I know, but it helps to put it in a framework for discussion.

The red core in the middle encompasses the location of the combat, and it also encompasses the oil-producing fields we would be attempting to protect.

Bases or facilities in that area would be forward-operating bases, tactical air bases, forward supply bases for ground forces, and so forth.

The blue area would not be in the area of conflict, but would—facilities in that area would be those that would support it. That is where we would have the rear supply depots, the staging areas we would fly troops into from the U.S., in 141s, transfer them into tactical aircraft or ships and move them on up.

It is where we would pre-stock our equipment. ———.

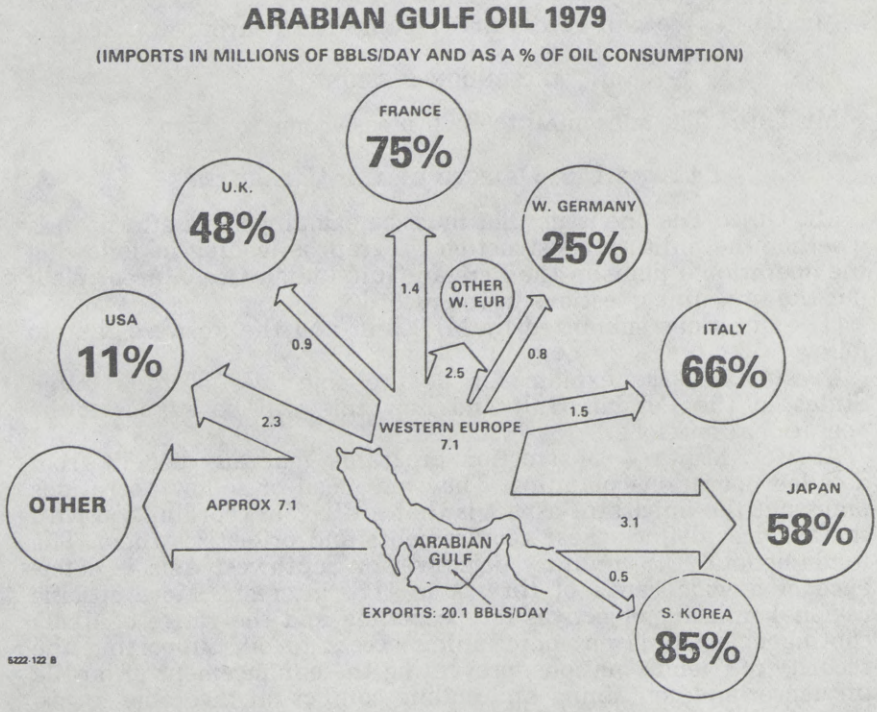
The brown is just a way of depicting that we have got to get there; we have got to be able to get into the area, and then, of course, anything that flies in has to fly out, to go pick up the next group or the rest of the equipment, or bring out wounded.

It is a two-way road.

When we talk about facilities and our network of facilities, we are talking about things that will operate in three different areas. Some of them fit on the border where a couple colors come together and have more than one purpose

That, in a few minutes, is a thumbnail sketch of our strategic approach to it militarily.

[Slide 3 follows:]



Colonel EGGERS. Returning to the Arabain Gulf Oil 1979 chart, before we get too hard on the Europeans about their use of oil, I would like to make one comment. If you multiply these figures out,

it shows that the U.S. uses twice the energy per capita that Germany does.

Mr. REGULA. You are saying 11 percent of our consumption is.

Colonel EGGERS. Yes. Two point three billion barrels a day, and Germany's is .8 million barrels a day. They are keeping 60 million people going on half the oil per capita when you multiply that out.

Mr. REGULA. Don't forget we are supporting a much bigger economy which is a value to them.

Colonel EGGERS. I wouldn't argue that, sir.

Mr. REGULA. I think what you have to do is take the per capita consumption related to the per capita production and scale that as a realistic analysis.

Colonel EGGERS. It is still in our vital interest to keep them afloat, sir.

General PALMER. The big figures in the circles are percent of oil consumption. The little figures are barrels.

Mr. GINN. An interesting slide. I would like to have a copy of that.

What would be the NATO reaction to identifying a portion of our U.S. troops in Europe as our rapid deployment force which would be replaced in Europe by NATO allies in time of conflict? What do you think the reaction to that would be?

General PALMER. ———.

Mr. GINN. We will recess and resume the hearing at 1:30 p.m.

AFTERNOON SESSION

Mr. GINN. The subcommittee will please come to order.

PRESENT U.S. OBJECTIVES AND CAPABILITIES

Mr. GINN. The one issue that must be examined this afternoon is whether the military construction program is leading or following the operational plans in the Persian Gulf/Indian Ocean area. We'll put the first nine questions in the record.

[The questions submitted by Mr. Ginn and the answers thereto follow:]

Question. Please explain for us the objectives of the United States in the Persian Gulf and how this will be supported by operational missions.

Answer. Military construction programs generally benefit from detailed operations planning. They may lead or follow operations plans but the important aspect is that a CINC in coordination with the Services defines these requirements and prioritizes them. The fundamenatal U.S. military objective for Southwest Asia is deterence of a wide range of threats to U.S. interests. More specific regional military objectives for peacetime and the range of likely contingencies focus on maintaining access to oil, supporting the security of friendly nations, preventing the enhancement of hostile influence, and containing and ending conflict on favorable terms. Operational plans contribute to all of these by defining forces and requirements necessary to accomplish these objectives.

Question. Has a specific military plan been established?

Answer. Yes.

Question. What is our current reaction capability?

Answer. Mobility and logistics considerations—which are prime determinants of our reaction capability—are dominated by the great distances to and within that region, harsh geographic and climactic conditions, the relative paucity of logistics infrastructure in the area, and the limited U.S. Military access to regional facilities.

Within ———. Closure times vary for different forces.

This force ———.

Question. What is our long-term goal for reaction?

Answer. To avoid being presented with an unacceptable fait accompli the U.S. must possess the ability to rapidly project forces which are capable of arresting sudden Soviet attacks against our interests and those of our Allies. In general, ———.

Question. What personnel and equipment are required to meet that goal?

Answer. The U.S. needs a balanced program of sealift, airlift, and pre-positioning to have an assurance of success in deterring or defeating a potential adversary be it in the Persian Gulf region or elsewhere.

Major new programs are underway which would provide an order of magnitude increase in our sealift capability. The SL–7 program concept provides for acquiring eight large modern 33-knot container ships, converting them to roll-on roll-off configuration and funding them as a dedicated surge force, staged at Continental U.S. loadout ports, ready to load and go when a contingency requires. The Near Term Pre-positioning ships (NTPS) Program features 7 ships currently on station at Diego Garcia containing equipment and ——— supplies ———. Funds have been requested to charter six additional NTPS to provide sustaining supplies ———. NTPS will be replaced by the Maritime Pre-positioning Ships or MPS program. MPS consists of 12 TAKX ships which would support in groups of four, three MABS for 30 days. Funds have been requested for a SEABEE Barge ship to enhance our ability to offload and through-put equipment and supplies in underdeveloped port areas. Finally, funds have been requested to load five National Defense Reserve Fleet ships with ammunition and forward station these ships in order to provide critical sustainability to deployed forces.

A number of airlift programs are underway which will significantly increase capabilities in that area. The C–5A aircraft wings are being strengthened. This modification will provide an additional 30,000 hours of flight-time for each aircraft. C–141 aircraft are being lengthened (23 feet) and configured for in-flight refueling. Funds have been requested for 20 KC–10 cargo/tanker aircraft. Additional funds have been requested to modify civilian airline aircraft to be used as cargo aircraft as a part of the Civilian Reserve Air Fleet (CRAF). Additionally, funding has been requested to procure sufficient spare parts to attain wartime/surge utilization rates for the C–5 and C–141 aircraft. Finally, and certainly not least, the C–X aircraft concept calls for a long range, outsize cargo aircraft with the capability to operate from small austere airfields. ———.

Question. What is the time frame for obtaining that equipment and personnel?

Answer. Obtaining those airlift, sealift and maritime pre-positioning items required to reach our long-term goals for reaction is contingent upon approval of those portions of the fiscal year 1981 Supplemental Budget Request and the fiscal year 1982 Amended Budget Request.

Item:	*Initial operations capability*
Sealift/maritime prepositioning:	
6 additional NTPS	(1)
12 TAKX ships (MPS)	(1)
5 NDRF ammunition ships	(1)
SEABEE Barge	(1)
8 SL-7 ships	(1)
Airlift:	
20 KC-10 Tanker aircraft	(1)
C-141 modification	(1)
C-5 modification	(1)
CRAF Improvements	(1)
C-X	(1)
Wartime/surge utilization rates:	
[Deleted]	(1)
[Deleted]	(1)

[1] Deleted.

Question. How would the U.S. respond to a Soviet invasion of Iran today?

Answer. The U.S. would respond to a Soviet invasion of Iran through a broad spectrum of initiatives ———.

Question. Explain why the proposed U.S. buildup in the Persian Gulf is expected to deter, not encourage a Soviet buildup in the area.

Answer. There has already been a major Soviet buildup in the area. They have for some time had very significant forces in or adjacent to the region. ———. A U.S. presence in SWA, together with a modest supporting facilities structure clearly expresses U.S. concern and interest in the region; it is aimed at countering the Soviet presence and deterring military intervention on their part.

Question. Describe the likely scenarios of a U.S. military response to a Soviet invasion of Iran and how that relates to the Persian Gulf construction program.

Answer. Specific U.S. military response to a Soviet invasion of Iran is, of course, outlined in operations plans ———. However, a presence in the region together with the resolve and capability to deploy rapidly, is the key to the deterrence of Soviet adventurism. ———. The military construction program for SWA will provide for a minimum of these facilities to support our objective of deterrence in the region.

[End of questions submitted by Mr. Ginn.]

Rapid Deployment Force

Mr. Ginn. Is there really a rapid deployment force, or is it in name only?

General Palmer. I defer to the member of the rapid deployment forces, General Vesser.

General Vesser. Thank you, Mr. Chairman.

There is a Rapid Deployment Joint Task Force Headquarters. Lt. General Kelley, U.S. Marine Corps, is its commander. He is in peacetime under the operational command of USCINCRED. His

responsibilities involve planning for, jointly training and exercising, and then deploying and employing forces in the Persian Gulf area should that become necessary.

I would emphasize that he has forces designated for planning only.

Perhaps I could have a slide put up which will show the forces about which we are talking.

[The slide follows:]

TENTATIVE RAPID DEPLOYMENT TASK FORCE COMPOSITION (U)

Army forces	Air forces	Naval forces
XVIII Airborne Corps, HQ	Air Force, Forces, HQ	(1) Surface action group
24th Infantry Division (Mech.)	(4) Tactical fighter wings	(3) Carrier battle groups
9th Infantry Division	(2) Tactical RECCE squadrons	(1) Marine Amphibious Force
82d Airborne Division	(2) Tactical airlift wings	(5) Patrol squadrons P–3
101st Airborne Division (Air assault)	[Deleted.]	
6th Cavalry Brigade Air Combat		
194th Armored Brigade		
1st/75th Infantry Battalion (Ranger)		
2d/75th Infantry Battalion (Ranger)		

These forces are rapid deployment forces. You have heard General Palmer talk about the different kinds of contingencies that we have been asked to develop plans to meet.

General Kelley has been given the forces you see here. They are designated as available to him for planning.

Mr. PEEL. Those are all existing units?

General VESSER. Those are all existing units.

I would have to say he would tailor the force to meet a specific contingency and would also consider our strategy.

I think perhaps it is more relevant to talk, given the constraints that have already been touched on with respect to lift and sustainability, about the maximum force that we believe we can deploy to the Persian Gulf area and possibly sustain against the largest Soviet threat which General Palmer mentioned.

[CLERK'S NOTE.—The slide shown here was classified and has been retained in Committee files.]

We believe that if the monies that have been identified in the Reagan supplemental and 82 amendment are appropriated, we will have the capability to deploy these forces and support them, ———.

Further, the programs which I have described should reduce the times, given Mr. Burgener's concern that we don't get there fast enough, and that is also our concern.

———.

Mr. BURGENER. ——— days sounds like a long time but I realize you are talking about a lot of people and a lot of equipment moving a long distance.

General VESSER. We are talking about a total force that would place, with its logistical support, ——— men into the region.

Mr. BURGENER. I guess the concept of a lot of people including my own had no idea about the size we were talking about.

Mr. GINN. The size actually deployed would depend on circumstances.

General VESSER. It could be much smaller and, of course, it is our view that, in line with what General Palmer has already said about deterrents, it is important to get a small force there rapidly that has a credible capability.

Mr. BURGENER. That has the backup?

General VESSER. And can fight.

Mr. BURGENER. And can fight and you are talking about ——— for a large number of people here.

Mr. PEEL. This morning General Palmer indicated that based on approval of programs—and you just used the same phrase a few minutes ago—are you talking about the approval of operating programs or construction programs?

Which programs are you talking about which require approval before the RDF can become actually effective?

General VESSER. ———.

We are talking about communications equipment. Some monies for ——— improvement and, in addition, we are talking about getting on with the development of facilities within military construction.

Everything that can be pre-positioned or that we can use is something that we don't have to use that precious airlift to take into the region with us.

Mr. FLIAKAS. ———.

The word General Palmer used that we like so much and that I commend to you is a "network" of bases and facilities, not just any one place, to go into the Strait of Hormuz, let's say.

Mr. PEEL. That word seems a little bothersome here since we have to wait for approval of various operating programs prior to implementing the RDF force, and yet we are in the process of building $1.5 billion in facilities.

General VESSER. I would not want to leave that impression. Obviously we are prepared, if directed, to deploy now, and we believe if we can gain regional access, we can move the force you see here in a longer time into the region.

The point is that it takes us more time to get there.

———.

We believe the requirements of the modern battlefield and the distances we will encounter will require some new equipment. That is the kind of equipment that is in the program.

Mr. GINN. ———?

General VESSER. That is not planned at the moment in my understanding.

Mr. GINN. Who would be the lead service in the RDF?

General VESSER. I think the Chiefs, and I know my Commander, are on record, that there is no lead Service in the RDF. The RDJTF is a four-Service Headquarters.

Each Service has strengths that it can contribute in specific contingencies.

Mr. GINN. Isn't it still being debated at the highest levels as to whether or not to have a lead service? In fact, haven't we been talking about it for over a year now?

General VESSER. I am not aware we are talking about whether there will be a lead Service, sir.

Mr. GINN. Would you explain why the ongoing U.S. naval presence in the Indian Ocean is not a sufficient deterrent to the Soviets?

General VESSER. I would have to say from our study of the area that the U.S. Navy in the Indian Ocean is attractive to our friends in the region because it is an over-the-horizon presence. What they are looking for is assurance that something will be there on the ground when required.

I am talking first about our allies and friends.

———.

ALLIED FISCAL AND MILITARY ROLE

Mr. GINN. What role both fiscally and militarily are our allies, especially Germany, France and Japan, expected to play in ensuring the security of the Persian Gulf region?

Mr. PELLETREAU. In the period following the Soviet invasion of Afghanistan, the U.S. proposed a division of labor in which the U.S. would take the lead in enhancing security in Southwest Asia, while the Allies pick up any slack in improving NATO defense in Europe. The Allies also endorsed the concept that Allies should contribute to security in Southwest Asia in the political, economic, and security fields. They also agree that some allies could deploy military forces to the area and that all should support providing transit facilities enroute to Southwest Asia. The Reagan Administration is encouraging the Allies to become more involved in Southwest Asia security. France has significant military forces in the Indian Ocean area, the British are militarily involved as well.

Although Japan has 45 destroyer-type ships, 15 submarines, and other modern weaponry, Japan has political and constitutional limitations on deploying forces far away from its shores; for example, to the Indian Ocean. Japan is responding to our calls for economic assistance to strategically important countries, such as Turkey, Pakistan, and Somalia, and Japan can do much more in its own defense which will benefit the U.S. and other free nations as well. We would like to see Japan attain effective self-defense capability as quickly as possible as its first priority objective.

Mr. GINN. What is the NATO role in the Persian Gulf?

General PALMER. NATO, per se, does not have a role in the Persian Gulf, which is outside NATO's agreed geographic boundaries. The Allies, however, do recognize the importance of Southwest Asia to Western security and consult on Southwest Asia security matters. To date, efforts to improve security in Southwest Asia have been taken by Allies individually and on a limited bilateral or multilateral level.

Mr. GINN. What will the U.S. response be to this expected lack of support?

General PALMER. The U.S. encourages the Allies to be more active in Southwest Asia security. It is too early to say to what extent the Allies will participate.

Mr. GINN. Will the U.S. consider reducing its contribution to NATO or to the defense of Japan since we apparently will be solely responsible for maintaining their access to Middle Eastern oil?

General PALMER. As I indicated before, we are encouraging our Allies to be more active in Southwest Asia security, noting that

they are more dependent than we on Persian Gulf oil. The U.S. has greater capabilities than any other Ally to contribute to security in Southwest Asia, but the Allies can make contributions which will be important.

Mr. GINN. What would be the NATO reaction to identifying a portion of our U.S. troops in Europe as our rapid deployment force, which would be replaced in Europe by NATO allies in time of conflict?

General PALMER. ———, we have acknowledged that NATO-allocated forces might be deployed to Southwest Asia and have asked the Allies to pick up the slack by such steps as providing Host Nation Support for U.S. stationed/reinforcing forces. ———. Under the HNS concept manpower from Allied countries would assume functions ordinarily covered by U.S. personnel.

Mr. GINN. Has the possibility of addressing the protection of the Persian Gulf region through existing facilities in Europe and Turkey been examined?

General VESSER. I am not clear how one protects the Persian Gulf in Europe. ———.

Mr. PEEL. The distance from Turkey to the Persian Gulf area, Kenya or Diego Garcia is certainly closer to Turkey than it is to either of those two areas.

General VESSER. ———.

Mr. PEEL. Let's take that a little further then.

Could not your stated objectives for the region's protection be met by use of existing air bases in Incirlik, Turkey, and Sigonella, Italy, a drawdown of NATO forces already stationed in Europe, which could easily be replenished from the U.S., and the continuation of our present naval strength in the Indian Ocean?

Could it be done faster that way?

General VESSER. I would turn to my colleague from the Joint Staff.

General PALMER. The short answer is no, sir. If you look at the map of the area, you cannot negate the value of Sigonella and Incirlik and other bases in Turkey. They are vital and do play a role.

If you will recall the slide we had up that showed the area if we are going to make a stand in that area, it is ———. Those are a part of the network to get us there, en route facilities both in and out, but they are ———.

Ras Banas is not one of the fighting bases. We still have to get forces ———.

Mr. GINN. What prevents the U.S. from pursuing this alternative or one similar to it, since it could be considerably cheaper to use existing bases and, for the most part, they are located in more politically stable countries?

General PALMER. To effectively carry out U.S. interests in SWA we must have access to facilities within and adjacent to the region. ———.

SAUDI ARABIAN ROLE

Mr. GINN. What is Saudi Arabia's position on the U.S. buildup in the Persian Gulf?

Mr. TEICHER. Saudi Arabia has consistently stated that while it does not desire a permanent military presence on the Arabian Peninsula, ———, and feels the U.S. has a responsibility directly to counter Soviet activities in the region.

Mr. GINN. More specifically, what is their position on the proposed bases at Ras Banas, Egypt and in Oman?

Mr. TEICHER. The Saudis welcomed our efforts to counter destabilizing activities of the Soviet Union in the region and ———. They understand that our negotiations are for facility to access and not permanent bases.

Mr. GINN. Can you tell us what proposals the Secretary of State will make when he visits Saudi Arabia in April?

Mr. TEICHER. U.S. Government concept planning for facility access has already been accomplished and presented to the countries concerned, including the Saudi Arabian government. This is not a new initiative requiring the presentation of proposals by Secretary Haig.

Particular details of his trip are a matter of principal concern to the Department of State and should be addressed to that department.

Mr. PEEL. Would you go through that again, the first part of that statement?

Mr. TEICHER. We briefed the Saudis last year on our concepts for rapid deployment forces in the region and have on other occasions as well.

To the best of my understanding—and I am not involved in the preparations for Secretary Haig's trip. ———.

Mr. PEEL. If your office is in charge of international security affairs and are dealing in this particular affair, why are you not involved in the Secretary's visit to that country?

Mr. TEICHER. The Department of Defense role is being assumed at a higher level, not in my immediate office.

Mr. LONG. What you said about the facilities access that the Saudis will allow us. What does that mean?

Mr. TEICHER. ———.

Mr. LONG. Regarding facilities access, they will ———, what does that mean?

Mr. TEICHER. The question, I believe, was in reference to Saudi reaction to our request for facilities access in Oman and in Egypt.

Mr. LONG. What does facilities access mean?

Mr. TEICHER. The type of arrangements we have sought to date are not to establish permanent bases where the U.S. flag would fly and where we would have what we consider a sovereign base.

Instead, we are seeking to gain access rights to other nations' facilities for our use; to other countries' military and civilian facilities, such as Oman.

Mr. LONG. What kind of military base is that? What arrangement is that? How does that help us militarily?

Mr. FLIAKAS. We intend to station U.S. forces, Dr. Long, in the Federal Republic of Germany. They would oppose that.

What Mr. Teicher is saying, I believe, is that these agreements are unique in the sense that we have joint use and we have access to those facilities, but we haven't permanent troops stationed there. It is a small caretaker force.

Mr. LONG. I fail to see the significance of that.

Mr. FLIAKAS. I think it is the best we can get.

Mr. LONG. Is it something they can turn on or off at their pleasure?

Mr. FLIAKAS. It is a question of the best we can get.

Mr. LONG. I gather it is, but I want to find out whether the best we can get is good enough for our purposes. What can we do with it?

Mr. FLIAKAS. My understanding is, as we have these facilities available, we will be able to exercise through them, have maneuvers and joint exercises with the host nation forces. We will have POL and munitions storage available there.

Mr. LONG. Suppose war breaks out?

Mr. FLIAKAS. Then we can use them.

Mr. LONG. We can use them then?

Mr. FLIAKAS. Yes, sir.

Mr. LONG. At the pleasure of the Saudis?

Mr. FLIAKAS. We are talking about Oman, Egypt, Somalia and Kenya, is that correct? With respect to those.

The intent would be in a contingency to use them, yes, sir.

Mr. LONG. I want to know what the limitations on our use would be. A war breaks out. We want to fight it. We want to hit the enemy at some vital place. That is what you use bases for.

The Russians say, oh, don't let the U.S. do that, or we will slam the heck out of you. Then what do these countries do? Say, no, we are sorry. We can't let you use the bases.

Mr. FLIAKAS. Some of the agreements do require consultation.

Mr. GINN. We covered that this morning, I believe, the consultations on which ones.

Mr. LONG. I just don't know what consultation means. Also, the administration consulting Congress. I have found in the past it was pretty meaningless.

Mr. GINN. I gather activity could be ongoing during the consultation; did I not gather that this morning?

Mr. FLIAKAS. Yes, sir.

Mr. TEICHER. In each agreement there are different conditions for access.

———.

RESTRICTIONS ON BASE USAGE

Mr. GINN. Let's take a case.

Mr. TEICHER. ———.

Mr. GINN. I got that.

Now I want to know just what that means with regard to our ability to use those bases if the Soviet Union threatens—if we use them they will hit oil fields or something like that. Then do we have to just say, sorry?

Mr. TEICHER. We are undertaking a variety of measures in many fields to try to re-establish U.S. credibility throughout the world to ensure that countries recognize that we will support our friends and punish our enemies.

In this context I believe the relationships we are establishing with these countries and the convergence of interests between us will lead to a situation in a contingency where they will not hesitate to cooperate with us.

Mr. GINN. But this is a belief, not a certainty. The landlord can kick us out?

Mr. TEICHER. That is right. As in any base agreement anywhere in the world.

Mr. GINN. It can kick us out?

Mr. TEICHER. As is true anywhere in the world.

As the Egyptians kicked the Russians out; as the Somalis kicked the Russians out?

Mr. LONG. That is what bothers me, Mr. Chairman. We are putting a lot of money into these bases. How many countries will tell us—after we've spent the money—that we can't use them?

Mr. GINN. It is my understanding the agreement with Somalia says we shall give them 24 hours' notice prior to arrival of the aircraft.

Mr. FLIAKAS. In the case of Somalia, it is most flexible.

Mr. GINN. Unless precluded by military exigency.

That says we shall give them 24 hours' notice unless the military exigency requires that we act immediately.

Mr. LONG. I would like to know whether that means that, regardless of what they say, we can go ahead and use those bases if we really need them, if war should break out? That is what it is all about.

We are creating bases there, or hoping we are, that we can use in the event of hostilities. In the event the Soviet Union invades Iran or tries to take over the Persian Gulf, we want to know whether we have bases we can use to hit the Soviets from.

I am not getting from you a certainty that we would be able to do that.

Mr. BURGENER. Is that really our primary mission or is it to establish a bona fide presence to prevent that other thing you talked about from happening?

Mr. LONG. What is a bona fide presence if you can't use it? If the time comes and everybody knows the probabilities are will we be denied?

Mr. BURGENER. I can't buy that. If the probabilities are we will not be denied, we have no business being there.

Mr. LONG. That is the point I want to make.

Mr. FLIAKAS. It is certainly not the intent of the administration to seek these funds in order to walk away from these facilities, no, sir. It is intended we would use them.

What Mr. Teicher is trying to explain, the particulars of the agreements and how they are worded, but it is certainly the intent that we will use them, establish our presence and, incidentally, the concept of the network and redundant facilities is important here as well.

You are right, sir. I know where you are coming from. We have been denied overflights and landing rights and so forth in past contingencies.

Mr. LONG. We are being limited, are we not, in base after base in our ability to do the things we would need to do to fight a real war if the time came? Is that true now?

Mr. FLIAKAS. The only ones that come to mind, sir, and I am not an expert in this, is, of course, Torrejon where the Spanish government denied us.

Mr. LONG. All we can use those for are training flights.

Mr. FLIAKAS. In the Azores the Portuguese Government had certain restrictions which I think have since been resolved. I am going back to the 1973 support of the war in Israel.

Those are the ones that come to mind.

As has been pointed out, throughout the world where we have base rights agreements, we just concluded a five-year agreement for Incirlik in Turkey, but up to that point there have been doubts as to our continuing presence in Turkey and we were stymied from seeking additional construction in those areas.

The same way in the Philippines with Marcos where we have now just completed another five-year agreement.

This is a product really, sir, of our planning and the alternatives, as I know them—and I am a hard hat guy; I seek the construction to support the requirements, but what are the alternatives?

We need presence in that area. The fleet is operating in that area. Right now we have two carrier groups planned for continued operation in the Indian Ocean. We need sea surveillance; we need ASW operations, we need to have tactical air and ultimately a place for staging ground troops and that is what the whole thing is about.

Mr. LONG. You may be right. This may be what we have to do if this is the best we can get. But we would be derelict in our duty if we did not understand and lay before the Congress the fact it is possible all these bases could be denied us at the very moment when we would need them in a shooting war.

Mr. FLIAKAS. This is a very sensitive area we are getting into with regard to American presence. Someone mentioned it a little while ago about the desirability of having us ———, but not on the ground. That is what we are dealing with and that is why we haven't a plan for permanent stationing of forces there. These are access agreements for use in a contingency.

Mr. GINN. Under what threat conditions would Saudi Arabia not allow the U.S. access to its bases?

Mr. TEICHER. The Saudis have indicated that they prefer to address their response to regional crises in the context of a specific situation when they develop, ———.

Mr. PEEL. Would you explain, without reading it, what that means?

Mr. TEICHER. ———.

Mr. PEEL. You do not feel——

Mr. TEICHER. I do not feel there are situations where they will not be cooperative.

An example is recently the Iraq/Iran war. It serves our interest, it serves their interests. During the signing of the Camp David Treaty in March, 1979, AWACS were operating out of Riad. It served our interests and their interests. Though they had political problems at the time, and given Arab politics one can construe that as a scenario where they might not be anxious to have U.S. presence in their country.

Nonetheless, their interests were threatened and they recognized that we were the only ones who could help them out. They are increasingly aware they can rely on us.

———.

Mr. LONG. I feel that we would like to get some statement from someone who is in a position to state the policy of the U.S., and our official understanding about our ability to use these bases in case of a real hostility with the Soviet Union. Could you get such a policy statement?

Mr. TEICHER. We are confident in a contingency like the one you are describing——

Mr. LONG. Who is confident? Who is "we"?

Mr. TEICHER. This Administration.

Mr. LONG. Who states it, you?

Mr. TEICHER. Others have said this.

Mr. LONG. I would like to get this statement from the Secretary of Defense if we could get it, Mr. Chairman.

If we are going to be putting billions of dollars into our defense, it ought to be something we know we can use when the time comes.

Mr. FLIAKAS. The current Secretary of Defense, Mr. Weinberger, has reviewed and has endorsed and has so stated that he supports the JCS-developed multi-year long-range plan for the area, which was reflected in the docmument I sent to the committee on January 21st, that supports the construction requirements.

That question was raised. Yes, it was developed in the previous Administration, but I took great care, Dr. Long, that both Mr. Weinberger and Mr. Carlucci reviewed that plan, concurred in it and supported it.

Mr. LONG. May we have the statement of Mr. Weinberger?

Mr. FLIAKAS. I didn't bring it, but I have a letter he sent to Mr. Laxalt along those lines.

Mr. LONG. I am sure he supports the request for the money but I would like his assurance as the Secretary of Defense that these are bases that we are going to be able to use when the crunch comes.

Mr. FLIAKAS. We will provide that.

I indicated that he personally has signed a letter to Senator Laxalt indicating his support for that. Of course, the President's budget, as amended by President Reagan on March 10—that supports his budget.

Mr. LONG. I know they support the budget, but we have to understand that Congress' job is to vote the money and not just take the word of the Administration.

We have to decide whether it is a good idea. Otherwise we have no reason for being. I would like to know as a Congressman whether we are going to be able to use these bases when the time comes.

I get an awful lot of beating around the bush here, Mr. Fliakas.

General PALMER. Sir, I will speak only for the Joint Chiefs of Staff. I think I can speak authoritatively for them. I have been involved in their personal discussions on this for the last year and a half.

In the deliberate discussion of what you are talking about, they did go country by country, place by place, and decide whether it was vital we be able to get into that country and use facilities there on the one hand and, on the other hand, whether they felt we would be able to.

Now clearly no one knows what the situation will be out into the future.

Mr. LONG. They have gone over that then. Is that down in writing, so this committee can review it and I can review it?

General PALMER. It is in writing, but it is in a document I can't provide now.

Mr. LONG. I would gather it is something I could see. I have never broken faith with our security yet, but I would like to be able to see that personally and I am sure the Chairman would, and I am sure every member of the subcommittee would.

Mr. GINN. When was it sent to Senator Laxalt, Mr. Fliakas?

Mr. FLIAKAS. I sent you a plan on January 21.

Mr. GINN. It is the same document you sent to Senator Laxalt?

Mr. FLIAKAS. Yes; to all committees, indicating how it was intended to use these facilities in these areas that we call access areas.

Senator Laxalt, because of the date on it, January 21, asked Mr. Weinberger if he personally agreed with it and concurred and Mr. Weinberger replied ten days later that yes he did. He had concurred in it fully before it was sent, and that he supports it.

Of course, the fact is I have a copy of the letter dated February 11th.

It was reviewed again by the new Administration and the President and OMB, in the review of the budget and subsequently amended. Every item was endorsed and as a matter of fact they added money. They added the $24 million I spoke to this morning for Somalia.

This Administration added the $24 million. We also added money for Diego Garcia. We added money in other areas. So in effect the new Administration has beefed-up the request by about $117 million, I believe is the figure.

The answer to all of your questions is yes, it is endorsed; it is the position of the Administration that access to these bases will be sought.

Mr. LONG. Mr. Fliakas, I believe that the Administration is asking for this money. I asked for something different. I asked for assurance we would be able to use these bases in the case of an all-out war against the Soviet Union.

There is nothing in this letter that says that or indicates it in any way. It simply says it is desirable to have these bases.

Mr. FLIAKAS. Surely it is desirable in peacetime, but I would like to assure you from at least my small position where I sit, that we are not asking for $1 billion in facilities over a period of years, not to use it.

Mr. LONG. You wouldn't ask for it if you didn't think it was a good idea, but this committee can't go on that alone. We have to have some feeling in our own independent judgment whether it is a good idea. Otherwise there would be no sense in having a congressional committee.

I have dealt with you before, Mr. Fliakas, and I know how difficult it is to pin you down on anything. I am trying to pin you down and I am going to pin you down on this so make up your mind to it.

Mr. GINN. I think you are talking about two different things. Mr. Fliakas is in charge of construction, not our actual policy.

I think you are directing your questions to the wrong individual.

Mr. LONG. I would ask to get a statement from our Joint Chiefs of Staff or whoever can speak with authority on the question of whether we will be able to use those bases if a real war breaks out with the Soviet Union; what would be the limitations; and if there are time problems in getting permission to use them, whether we have to get that permission or whether we would get it right away. Whose decision is it?

General PALMER. I would be glad to be pinned down on that, sir.

Mr. GINN. All right. Be pinned down.

General PALMER. ———.

Mr. LONG. Have they written that down anywhere?

General PALMER. It is in internal documents.

Mr. LONG. Send me that document. I will make my own judgment.

As you say, that is your understanding, but I would like, after examining those documents, to be able to make it my understanding. Do you understand?

General PALMER. Yes, sir.

Mr. LONG. It is the easiest thing in the world to spend a lot of money on defense and then end up not getting anything. We have done that before.

Mr. REGULA. Mr. Chairman, I think by the same token you have a lot of understandings that are in a delicate area that may not be emblazoned on the front page of the New York Times.

Mr. LONG. We have no intention of putting this in the New York Times. I want this for my own satisfaction.

Mr. REGULA. I am just saying I think there are many times codicils for agreements that address these issues.

Mr. GINN. I think General Palmer has given about all the assurance that can be given here today. If you can furnish additional information in writing, we will appreciate that, General.

[Supplementary information follows:]

The Joint Chiefs of Staff believe that the Southwest Asia countries listed below would support U.S. initiatives as indicated. [Classified table retained in Committee files.]

General PALMER. I will be in the Congressman's office with that in writing or my hat in my hand to say why I can't.

Mr. GINN. Why is a U.S. base at Ras Banas necessary ———?

General PALMER. ———.

Ras Banas is a little tip that sticks out into the Red Sea. It is really not an either/or situation. They have different functions.

If you will hark back to the chart we had showing the center red core——

Mr. PEEL. It seems in your answer to that question you indicated that they have different purposes. Have we in fact established a purpose for bases in Saudi Arabia?

General PALMER. ———.

Mr. PEEL. Are the Saudi bases being built in a way they could accommodate more capacity than they use?

General PALMER. ———.

Mr. PEEL. Are they being built for the reason that they could support U.S. planes and personnel?

General PALMER. ———.

I would like to say we were smart enough many years ago when we started working with them on the construction—and of course, you know how long it takes to construct—I would like to say we had the foresight to know ———.

Mr. PEEL. I don't want to hark back on it again, but if they have the capacity and it is the right location, when this discussion takes place with the Secretary of State in the next several weeks, why isn't the Defense Department elevating that situation to be brought up to the Saudis as a contingency plan?

General PALMER. ———.

If we could go in there totally openly, there are things we would like to do. We would like to make sure the nozzles are exactly the kind of nozzles we need and so forth.

———.

ROLE OF U.S. FORCES IN SINAI

Mr. GINN. What strategic role would the proposed U.S. presence in the Sinai have in relation to the Persian Gulf plan?

General PALMER. None whatsoever, sir. You are speaking of the thing that has been in the newspapers recently of a Sinai peacekeeping force. Nothing at all.

Mr. GINN. Could these be used as staging areas?

General PALMER. They are fighter bases that will be given back to Egypt when Israel vacates that part in about a year.

They are fighter bases and one of them is probably one of the best fighter bases in the world, or the best fighter base.

Unless you are going to fight in the Sinai, Egypt, Cairo to Tel Aviv, they are beyond the range.

If we had them, it would be something nice to have. It would be a place to land to refuel and so forth, but in terms of a Persian Gulf scenario, they are not that important.

Mr. PEEL. What is the difference in the distance between the Sinai bases and Ras Banas?

General PALMER. They are about the same.

Mr. PEEL. What is the rationale of taking a base that has nothing and taking a base that is already built?

General PALMER. That wasn't the question. The bases as they now are, are not staging bases. Before we would be able to use them as staging bases as in the Ras Banas, we would have to convert them to staging bases, so there would be construction.

The cost, although we haven't been able to get engineers in and figure it out precisely, the costs are going to be about the same. But then the problem right now, those bases are on land that belongs to Egypt. The water, the fuel, the electricity, everything that comes to them comes from land that will belong to Israel. Liven the situation there, when you could depend on having that is problematic.

As I say, we would like to have them; they are valuable as fighter bases, which we would use in a scenario in the Persian Gulf, as crew rests for our fighter aircraft. What we need is a staging base in an area next to the sea where we can bring in the heavy things, the ammunition and POL. We can bring it in by sea or extract it by sea.

———. If we can have that back in that area where it is safe, we are in good shape.

Mr. FLIAKAS. The current plan is to demilitarize those bases. According to the peace accords, the Camp David peace accords, with the completion of the air bases in the Negev and the withdrawal of the Israeli fighter aircraft from the Sinai, current plans as they are turned over to the Egyptians will be to demilitarize them.

Mr. GINN. Mr. Loeffler?

Mr. LOEFFLER. The drift of our conversations with respect to the Persian Gulf has been the scenario of the worst case of Soviet activities moving out of Afghanistan into such countries as Iran.

What about smaller skirmishes that can occur which could possibly be another Arab-Israeli situation? We know the area is a tinderbox. What about something occurring internally which could eventually cause the Middle East to erupt? There could be a lesser skirmish than the Soviet Union moving in. Could you comment on that?

General PALMER. You are asking a very, very crucial question, I think, ———.

I would refer to General Vesser.

General VESSER. The network of facilities that has been described allows us to support, or provide support, for planning, if we are invited there to assist friendly governments in the lesser contingencies.

Mr. LOEFFLER. If that happens, it would be more complicated, because of the various religious factions that come into play. If you have an Arab-Israeli situation, will you still have access to Oman, Kenya, Somalia, or Egypt?

General VESSER. I wasn't addressing a conflict between the Arabs and Israelis with ourselves intervening on one side or another. ———. What I propose to address is ——— threat, to either Saudi Arabia or Kuwait, or some other country which would invite us in for assistance. The sort of situation you describe could occur in a country where there are competing factions for power in which one would ask the United States for assistance. All I can say is that the kind of planning we are doing would permit us to introduce forces on the decision of the National Command Authority, with a network of bases that had been described.

Mr. LOEFFLER. If you have a deployable RDF, does that serve as a deterrent to the more real Middle East skirmishes, say, a Syrian or an Iraqi attack on Kuwait?

General VESSER. We think that it would, but you would have to talk about what country we were deployed in at the time the crisis you describe arose. Similarly, we think that the exercise programs, the network of bases, also is designed to support peacetime deployment of naval and marine forces, as well as some air forces. You will recall that we have four AWACS from the RDJTF currently deployed at the Saudi Arabian Government's request in Saudi Arabia.

B-52's

Mr. GINN. According to an article in this morning's Washington Post, B-52s currently stationed in Oklahoma have the capability of reaching anywhere in the Persian Gulf, using air-to-air refueling. ———?

General PALMER. That is George Wilson's article this morning?

Mr. GINN. Yes.

General PALMER. I am surprised at Mr. Wilson. He knows better than that. Maybe he wrote it carelessly or didn't do his homework. The fact is, you cannot get from Oklahoma to that area and back on two refuelings. ———. Possibly, I suppose, if you were to fly high altitudes, strictly a milk-run profile, you can fly that many miles and get back home, but if you were going to carry a bomb load, if you are going to fly the profile you have in order to penetrate, you are going to have to do the maneuvering necessary to get into the target; ———.

Mr. GINN. You are saying it is impractical for your purposes?

General PALMER. Yes, sir. It is not impractical for the B-52, although you are really putting a demand on your crew, and you don't get much turnaround because they spend all of their time flying instead of dropping bombs, but the real bind is in the KC-135s. You have to have them positioned at so many places en route.

General VESSER. I would like also to address this and simply say he is describing a capability that could be very important, ———.

On the other hand, General Palmer is absolutely right. You can't sustain anything like that. That is why General Kelley strongly supports development of bases within the region which can support what could become his theater of operations.

Mr. GINN. How much would it cost, then, to go ahead with your plans to develop both ———.

What is your price tag on that?

General VESSER. I would defer to the Air Force, sir.

General WRIGHT. The total cost estimate right now is ———.

Mr. GINN. What is our present ——— in the Persian Gulf region and in Europe?

Colonel LAWRENCE. Mr. Chairman, we don't have any ———. All of our operations are conducted in the Pacific or the United States.

Mr. GINN. I refer to capability.

Colonel LAWRENCE. If we are talking ———.

Mr. GINN. Why can you choose ——— instead of upgrading existing facilities ———, which would be cheaper?

Colonel LAWRENCE. One good reason for not wanting to be ———.

Mr. PEEL. I was told just a few minutes before the hearing began that the Air Force has now decided, the Defense Department, or the administration, one, has decided not to make ———. Is that the case?

Mr. FLIAKAS. Mr. Carlucci has asked to review it prior to affirming or changing the decision. It is merely a study of the capability at ———. The planning moneys that would be required for ——— are in the 1981 supplemental, so nothing has started yet. We would require as part of the supplemental before we would proceed, and Mr. Carlucci—as we are doing in many other areas—this is the

only one that affects this particular thing—but that is not correct that a decision has been made not to proceed.

Mr. PEEL. When will the decision be made on that?

Mr. FLIAKAS. As I say, it is not intended that a decision——

Mr. GINN. Do you mean on the review by Mr. Carlucci?

Mr. PEEL. On the decision. We have money in the supplemental for design and potentially money in the 1982 request to build the ———.

Mr. FLIAKAS. I was going to say this month, or April.

Mr. GINN. It seems like at times we are proceeding full steam ahead while a lot of things are under review. We got into this the other day on the MX—designing at four different locations while the whole matter of MX is up for review. Yet we are proceeding with money requests. Here we are at Ras Banas.

Mr. FLIAKAS. That is a deliberate decision to proceed.

Mr. GINN. But is it a waste of money?

Mr. FLIAKAS. It could be a loss of design money, but as I believe we have explained, it is the position of the administration—this has been reviewed at the highest level, with the President——

Mr. GINN. It is being reviewed again?

Mr. FLIAKAS. Yes, the basing mode is being reviewed but also a deliberate decision has been made to proceed with design so as not to impact on the IOC date.

Yes, you are right; it could be a loss.

Mr. GINN. After 20 years of talking about it, can't we wait a few more months until we know where we are headed? I didn't mean it to get off into the MX.

Mr. FLIAKAS. It is a good analogy. It is what is called a double track. Before any of the truly big money is put into the ground, a decision will be made.

Mr. GINN. What else are you presently reviewing in the Persian Gulf areas?

Mr. FLIAKAS. To my knowledge, nothing else, sir.

Mr. PEEL. To go back to the ———, I want to make sure we get this for the record correctly. there are no installations in ———? In other words, the same situation we are creating at ———? We can't ———?

Colonel LAWRENCE. ———.

Mr. PEEL. I don't think the committee should be left with the impression that the two bases we are talking about here would be the only capabilities that would be near the Persian Gulf ———. We are talking about 300 million ———. We were given an answer to a question in a previous hearing about how much it would cost to improve the base at Incirlik, Turkey, ———, and the answer is $30 million.

Straighten that out for the record with regard to where else we can't ———.

[CLERK'S NOTE.—The information was classified and has been retained in Committee files.]

Mr. FLIAKAS. You can get several answers to that question. The military point of view is easy, but you have to consider the political complications and why there are no ———, or why, since it is a NATO base in Incirlik. We have a whole new ballgame when we are talking about support out of NATO bases, or our forces commit-

ted to NATO. You must understand the political consequences. We are not suggesting there are not bases that can ———.

U.S. Objectives in Region

Mr. Ginn. In January, the committee received a copy of the administration's "Southwest Asia Facility Access and Development Strategy." Has this been endorsed by the new administration?

Mr. Fliakas. Yes.

Mr. Ginn. What is the justification for establishing a network of facilities that are redundant?

General Palmer. You can't always depend on having every base, and we might, in fact, find ourselves moved out of one. There is redundancy. We want austere facilities in several places, so if we, either through political problems, lose one, or through military problems—if the Soviets catch us by surprise and remove our facilities.

Mr. Ginn. What do they have? Do they also have a network of facilities that are redundant?

General Palmer. They are not, as we are, prisoners of air and sea LOCs to get into that area. They do, however, have quite a series of facilities in the area. Aden, Socotra, an island up in the Red Sea, Dahlak and, of course, in Ethiopia and throughout Africa. And they are working diligently right now to expand elsewhere in the Indian Ocean.

General Vesser. I think there is an aspect we haven't really touched on, Mr. Chairman, if I could address the question.

———.

It makes good sense, from our point of view, to have enough facilities to support and introduce the kind of force we can get out there to deal with a contingency in hand.

Meeting of Gulf Cooperation Council

Mr. Ginn. What do you expect of the upcoming meeting of the recently formed six-state Gulf Cooperation Council in terms of U.S. presence in the Persian Gulf?

Mr. Teicher. That meeting, I believe, was March 8 through 10. This was just the second meeting of this group. The basic purpose was to define their roles in a regional context and to try to develop a de facto constitution. They have agreed on how they will proceed in setting up an organization, what level of representation different countries will contribute, and what issues they will seek to address.

Mr. Ginn. What countries make up the Gulf Cooperation Council, and when will this meeting take place?

Mr. Teicher. It is all the countries of the Gulf: Saudi Arabia, Kuwait, except for Iraq and Iran; Qatar, Bahrain, United Arab Emirates and Oman.

Mr. Ginn. You say the meeting has already taken place?

Mr. Teicher. The meeting I think you are referring to took place the 8th through the 10th of March.

Mr. Ginn. What position do you expect Saudi Arabia to take at this conference, and how does it relate to the sale of F–15 aircraft equipment to them?

Mr. Teicher. ———.

Mr. LONG. To what extent do the Russians know about the various limitations on the use of our bases?

Mr. TEICHER. I honestly don't know to what extent the Soviets are familiar with the contents of our agreements. The agreements are classified. If the Soviets are aware of them, there would be a compromise of the agreements.

Putting myself in a Soviet military planner's point of view, I would assume the worst case, and I would assume we would have unlimited access to these facilities at all times and in all contingencies. ———.

Mr. LONG. It would be nice if they thought that, but, on the other hand, if they were aware of the ———.

Mr. TEICHER. Given the current state of relations between the Soviet Union and Oman—there is no diplomatic representation. The status between Somalia and the Soviet Union and Kenya and the Soviet Union, I would have to disagree with you these are ———.

Mr. LONG. You just got through saying that ——

Mr. TEICHER. Within the letter and spirit of the agreement, that is correct.

Mr. LONG. I would think the Soviet Union would have spies in every one of those countries. They might not get the information from us, but they surely could get it in all these various countries from somebody they can buy. I would think they would know exactly what were our base agreements in the various countries and would be able to take what advantage they need to limit our redundancy, or leave us without a base at the time we need it the most.

Mr. TEICHER. One could speculate that they have that type of knowledge. I can't disagree with you on that.

Mr. LONG. You say they would assume the worst case. We have to assume the worst case; that they know everything, don't we?

Mr. TEICHER. That is a good assumption to make, but I think, given the status of relations between the countries we are talking about, between them and the Russians, and the Russians' ability to coerce them, now, and given our strategic objectives of building a new strategic consensus in the region where the countries of the region recognize they can count on us, they can rely on us, and will be able to withstand Soviet pressure and intimidation, in this environment, in this political context, we will be able to rely on them because they know that they can rely on us to defend them. It is a political bargain. We are doing our best to drive that point home to them now.

Mr. REGULA. I think it is a legitimate point. You didn't talk about the length of the agreements. They are ———, most of them?

Mr. TEICHER. Those are questions which we are going to come to later. We can speak of them now. ———.

Mr. REGULA. At the end of that period we may have to abandon and then we would have to consider the political stability.

Mr. LONG. Or they may up the price when the time comes.

The administration makes these requests for F-15s for Saudi Arabia. They ask for air-to-air missiles and extra fuel tanks. Those things I presume are rent for using the bases. The time may come

when they may present us with demands we couldn't meet. For instance, it would affect our good faith arrangement with Israel. These are things we have to consider.

Mr. FLIAKAS. That is, of course, a traditional approach over the years, that we have provided foreign and economic assistance in lieu of rents.

We have base rights agreements throughout the world on that basis.

Mr. LONG. Don't tell me something I know, Mr. Fliakas. What I am trying to find out is, how stable and reliable are the agreements? I think Mr. Regula has raised an important point. How long do these things last, and how long will it take for the countries to raise the rent to a price we can't pay? Politically, I mean, not economically.

Mr. FLIAKAS. We can't answer that.

Mr. LONG. You haven't thought of that?

Mr. FLIAKAS. I can't answer that question.

Mr. GINN. I don't know that anyone could answer that.

Mr. TEICHER. We run a risk being a super power. We have to run a risk in order to extend our influence into other parts of the world. We all agree there is a price we must pay.

We can't have access to these countries' facilities without paying a price. They are running a risk with regard to their own political constituency. Part of what we are trying to do, and the way we would like to see this entire question viewed, is in the context of the general political military and economic relationship. It is not strictly a question of buying our way into these countries. We try to improve the general nature of our relationship with the countries.

Mr. LONG. I have no objection to being a super power or doing the things that we have to do to continue to be a super power. I am concerned we may pay the price and not get anything for it. Not have anything we can use when the time comes. Don't you see?

Mr. GINN. You have made an excellent point, Mr. Long. However, where we are today, I don't know that we can get any deeper into it.

Mr. LONG. I hoped we could get some private briefings so I can look at the agreements and get some feeling for it. Get statements from your top people as to how reliable or unreliable these agreements may be.

Mr. GINN. I think they have offered to furnish the information.

Mr. TEICHER. We have made the agreements available. We have also had legal interpretation of the agreements provided, per the request of the committees in the last two or three months.

CONTRACTING FOR MIDDLE EAST PROJECTS

Mr. GINN. Mr. Fliakas, during several hearings this year, we have discussed the Department of Defense plan for providing American preference to contractors doing work on the Persian Gulf/Indian Ocean program. In the past two months, actual construction contracts have been awarded under this program. Explain how the procedures were followed and what results occurred.

Mr. FLIAKAS. At this point, Mr. Chairman, two contracts have been awarded. One is a dredging contract at Diego Garcia let by

the Naval Facilities Engineering Command and the other was a mobilization camp at Masirah Island in Oman. That was just let on the 28th of February.

With respect to the first, on the dredging contract, none of the American firms after application of the 20 percent bid factor advantage still qualified. As a consequence, a foreign firm actually received an award of the contract.

In other words, the 20 percent bid advantage did not get the American low bid within the ballpark. As a consequence, a Japanese firm was awarded the contract.

In the case of the small contract, less than $5 million, the American preference policy did not apply. The contract was awarded to a British firm.

Mr. GINN. How much were the contracts?

Mr. FLIAKAS. For the mobilization camp the contract was awarded for $3.4 million. The dredging contract was on the order of $17 million.

Admiral ZOBEL. Seventeen point nine million dollars.

Mr. GINN. With a 20 percent edge, the American firm couldn't come in?

Admiral ZOBEL. The lowest American bid was about $42 million.

Mr. GINN. Do you feel that any additional costs were incurred by awarding the construction contracts in this manner?

Mr. FLIAKAS. We have no experience to draw on so far. The premium we are prepared to pay on dredging is up to 20 percent. Our cost estimates were not revised to include any—the first large contract in Oman is scheduled for mid-summer, July and August. That will be the first real experience that we will have in attracting and determining American competition.

Mr. GINN. We haven't the capability of doing this type dredging ourselves through the Corps?

Mr. FLIAKAS. I believe in this case a Japanses firm already had dredging in place. Do you ask whether we have in-house capability?

General DELBRIDGE. We have a capability, Mr. Chairman. That capability is normally mobilized and is working back here in the States, generally in competition with civilian contractors, and we retain a fleet only large enough for contingency operations. Normally we do not employ it overseas unless it is such a contingency. This is normally done on a contractual basis.

Mr. GINN. Can you save money in the long term by taking our Corps of Engineer capability that is in competition with private industry in this country, and move it over there to do this work?

General DELBRIDGE. Yes, sir. It would put our dredging capability there which would be used from that location for contingency. I believe so.

Mr. GINN. Why didn't we do that rather than contract with the Japanese? They are out-trading us all the way around, and we are still defending them.

Admiral ZOBEL. I would have to look into the competitiveness of the Corps' prices compared with the Japanese, Mr. Chairman. I am not saying the Corps is too expensive, but it is a long way over there, to the Indian Ocean.

Mr. GINN. We are going to be there a long time.

Admiral ZOBEL. Yes, sir, but we have been through the process of towing a sea construction platform, to Diego Garcia to put moorings in place, and it is not cheap. It costs money to get there, and since the Corps' dredges are in this country—it happened the Japanese dredge was in the Suez Canal/Red Sea area, it can be very expensive to get them there. It also depends on who is actually working on the dredges and how much you have to pay them. A number of different factors come into play and if you are willing to pay the premium, certainly you can get U.S. or Corps' dredges. We have not looked at the Corps' costs.

Mr. REGULA. You made a comment there, depending on who was on them. Suggesting the Japanese may be using locals for their labor force at a low cost. Is that a possibility?

Admiral ZOBEL. That is a possibility. I suspect third-country nationals will be used.

Mr. FLIAKAS. There is very little labor involved. It is more equipment.

Mr. GINN. Would you recommend following this procedure in the future?

Mr. FLIAKAS. We believe, Mr. Chairman, this is a sound policy for this particular area. It is a volatile area, and we feel we need the stability that is offered by a reliance on American firms. I know of no other situation where it might apply, however, and we have restricted it to only that area.

Mr. GINN. President Reagan's economic plan calls for changes in the way Americans working on construction overseas are taxed. If reductions are made in the taxes paid overseas, will that eliminate the need for a preference program?

Mr. FLIAKAS. I have no direct knowledge that the tax laws are being revised, but certainly if that were to happen and American firms were localized in the area, then the tax advantage would certainly enhance their ability to compete, and we probably would no longer need that American preference policy.

As a matter of fact, in testimony, when we discussed the American preference policy and the desirability of it, we would have preferred that that kind of competition be enhanced in other areas, primarily through tax reform. But in order to make American firms competitive and in order to be able to rely on American firms, we developed that policy.

JOINT VENTURE AGREEMENTS

Mr. GINN. Are joint venture agreements, where a host nation firm must be one of the partners, required in each of the countries included under the program?

Mr. FLIAKAS. No, sir, my understanding is all of the agreements require participation by host nation firms, but only the one with Diego Garcia stipulates that a joint venture partnership be formed.

For example, in Oman, that host nation participation may take the place of the use of subcontractors.

Mr. GINN. How have you determined in the first contracts that the host nation firm is legitimate?

Mr. FLIAKAS. That hasn't actually occurred yet, but I believe we will have to rely on local law and on the host nation, guidance from the host nation.

Mr. GINN. Last year, the committee directed the department to proceed with construction contracting at Diego Garcia on a competitive bid basis. Instead, the Navy is proceeding with the contracting for construction at Diego Garcia on a sole source contract. Why has this been done?

Mr. FLIAKAS. I would like to correct the statement, sir. Certainly it is not a sole-source contract.

Mr. GINN. It is not?

Mr. FLIAKAS. No, sir. It will be competitive. I would ask Admiral Zobel to speak to it.

Mr. PEEL. Where did you get your information? Is it sole source? I guess we should clarify that. Sole source is no competition, and there is one source.

Mr. FLIAKAS. And that connotation is incorrect. There is very definite competition involved—18 or 20 firms, as a matter a fact.

Mr. PEEL. There is no bidding competition?

Mr. FLIAKAS. May I ask Admiral Zobel to outline the procedure? I just wanted to correct the impression that it was sole source. It is not sole source. There will be competition, and I have asked Admiral Zobel to explain that.

Admiral ZOBEL. Seventeen firms responded to our Commerce Business Daily announcement, indicating an interest in the construction. We have selected eight from those 17 firms and they are on a trip to Diego Garcia. We will then go through a competitive negotiation process to select one firm. There will be competition based on technical competence, proven performance and management capability. It will not be a lump-sum bid, if you will, whereby we award to the low bidder. That is primarily because of the remote nature of the island, the interweaving of what the contractor will furnish and that which the U.S. Government will furnish in the way of materials transportation of materials and people. Certain infrastructure we have in place there will be used by the contractor.

Mr. GINN. If we have to do all that, why don't we do it ourselves?

Admiral ZOBEL. Mainly because of the labor, equipment and managerial capability required on the island. We have been doing the construction with Seabees until now, but the size of this job is such that we now believe it is time to send in a contractor.

Mr. GINN. What will be the award for the construction at Diego Garcia?

Admiral ZOBEL. Between $70 million and $90 million initially with the fiscal year 1981 appropriation.

Mr. GINN. How many firms did you say were reviewed for consideration?

Admiral ZOBEL. Seventeen.

Mr. GINN. If there were a large number of contractors interested in the work, why couldn't you competitively bid to obtain the best bid? I think you answered that a moment ago.

Is it true that the Navy is flying the final six construction firms to Diego Garcia at government expense? Why must this be done? I think you answered that, too.

Admiral ZOBEL. Eight firms, and they are paying their own way.

Mr. FLIAKAS. It will be reimbursed.

Mr. GINN. The rationale for proceeding with a sole source contract was to expedite the program. However, it has been almost 10 months since passage of the fiscal year 1980 supplemental funding for Diego Garcia and six months since passage of the fiscal year 1981 bill, and no contract has been signed. In this time frame, couldn't competitively-bid contracts have been developed?

Admiral ZOBEL. I would like to correct that a little. For the 1980 supplemental the 10 month figure is correct. However, that money is fully obligated for advanced procurement of diesel generators, preengineered buildings and switchgear. We will also pay shipping costs to get the material to the island from those funds.

We plan to make a contract award in June with the fiscal year 1981 funds and that really isn't a significant departure from what we indicated to the committee last year.

Mr. GINN. If you had to begin the contracting process at Diego Garcia all over again, would you go through a competitively bid program?

Admiral ZOBEL. No, sir, we believe competitively bid contracts in that location would be fraught with many claims and actually have a higher cost in the long run.

Mr. GINN. The fiscal year 1982 request includes additional funding for dredging at Diego Garcia, Kenya, and Ras Banas. How will these contracts be advertised and awarded.

Admiral ZOBEL. I can speak for Diego Garcia. We have an option in the present contract for the additional dredging required there.

In Kenya, we would again use the same process we did for Diego Garcia with the 20 percent preference for U.S. firms because we will still be operating under the fiscal year 1981 legislation which requires that.

Mr. FLIAKAS. Ras Banas is not programmed in 1982. It is programmed in 1983, I believe.

Mr. GINN. In other words, whoever gets this first contract has pretty well got it made.

Admiral ZOBEL. It is certainly an advantage to us as well, because of the cost savings in not mobilizing a dredge and getting it there.

PLANNING FOR MILITARY CONSTRUCTION PROGRAM

Mr. GINN. What is the current estimate of the total cost to complete the Persian Gulf program?

Mr. FLIAKAS. Mr. Chairman, we estimate that, incuding the fiscal year 1981 Supplemental, there remains approximately $916 million for construction in the Indian Ocean/Persian Gulf. In addition, there is approximately $134 million for RDF facilities programmed for Lajes.

Mr. GINN. How will this be programmed over the next five years?

Mr. FLIAKAS. The fiscal year 1981 supplemental includes $9.0 million for construction, the fiscal year 1982 program includes $473 million, the fiscal year 1983 program includes $297 million, and for fiscal year 1984 and beyond, we are programming $137 million. This totals $916 million for construction in the Indian Ocean/Persian Gulf. In addition, for Lajes, there is $49.6 million in fiscal

year 1982 and $84 million in fiscal year 1983 in support of the RDF.

Mr. GINN. How is the construction program coordinated with the operational program?

Mr. FLIAKAS. The construction is in accord with the Joint Chiefs of Staff multi-year plan which was forwarded to your committee on January 21, 1981. We will of course keep your committee appraised of significant changes and as new requirements may arise.

Mr. GINN. In addition to the projects presented today, is there any ongoing planning to review other countries where facilities might be located? Which countries are being considered?

General PALMER. We continue to refine our requirements and attempt to improve our capabilities. ———.

Mr. GINN. A major design effort is involved with the Persian Gulf program. What will be the total cost for design?

Mr. FLIAKAS. Mr. Chairman, the current estimate for the design effort involved with the Indian Ocean/Persian Gulf effort is $96.4 million. Again, the design effort for Lajes totals $11.2 million.

Mr. GINN. Will design contracts be awarded to U.S. firms?

Mr. FLIAKAS. Yes. Contracts for this work will be awarded by the Atlantic Division Naval Facilities Engineering Command and the U.S. Army Engineer Division Rear at Winchester, Virginia to U.S. firms.

Mr. GINN. Do any of the country-to-country agreements require host nation firms to obtain design contracts or joint ventures for design contracts?

Mr. FLIAKAS. No; they do not.

EGYPT, RAS BANAS—CONSTRUCT RDF FACILITIES, $106,400,000
(PART 1, PAGES 722, 2064)

Mr. GINN. In last year's review of the department's Persian Gulf program, the department made no mention of plans to develop contingency facilities in Egypt. Explain to us what has transpired since that time to justify a large-scale development at Ras Banas.

I think we covered that pretty well.

General PALMER. We have talked around that. ———. He gave us what we needed, and we used it. It was sometime after that when it missed the budget cycle that Ras Banas was put in.

Mr. GINN. Is the selection of Ras Banas based on political motivation or military planning?

General PALMER. Military planning. We looked at every facility in Egypt. Every possible place a 141 would go into.

Mr. GINN. What is the status of obtaining a country-to-country agreement with Egypt?

Mr. TEICHER. ———.

Mr. GINN. You say when you are consulting with Congress, who, specifically?

Mr. TEICHER. The Secretary for ISA, my boss, the past Assistant Secretary, Mr. McGiffert, held a considerable number of consultations with, as far as I am aware, Senator Huddleston and other members of the Senate Appropriations Committee and Armed Services Committee.

Mr. GINN. The Foreign Affairs and Foreign Relations Committee.

Mr. TEICHER. I believe he also consulted with some of you. I am sure he would be happy to meet with you and discuss whatever details you would like.

Mr. FLIAKAS. We met with Mr. McKay last year. In addition, I don't know what contacts were had with the Foreign Relations Committees. I had arranged meetings with all four of the committee chairmen so Mr. McGiffert did meet with Mr. McKay, Mr. Huddleston, and I guess Mr. Nedzi on the House Armed Services side.

Mr. GINN. Could you give us some idea about ——— this ———?

Mr. TEICHER. To the Egyptians, the term "facilities" is not a euphemism. They make a serious distinction between facilities and bases. They have had historic experience with the Turks, with the British, and most recently with the Russians, involving bases, which they found repugnant and which caused domestic political problems for the Egyptians' leadership. The Egyptians have made this clear to us, both in terms of President Sadat, and the members of the Egyptian Parliament.

———.

Mr. GINN. If we make an exception with regard to Egypt, what will that do to the other country agreements?

Mr. TEICHER. We do not think it will affect them.

Mr. GINN. It will not have a negative impact?

Mr. TEICHER. No.

Mr. GINN. Is there a compromise to the country-to-country agreement being proposed by the State Department?

Mr. TEICHER. There is no particular compromise. We are continuing at the staff level to try to devise an alternative formula that would be acceptable both to the Congress and to the Egyptians.

Mr. GINN. What is the total cost of the proposed Ras Banas development?

Mr. FLIAKAS. Almost $400 million.

Mr. GINN. What will be the design cost? What is the status of design?

Mr. FLIAKAS. The total design costs are expected to be almost $38 million. Broken out at $12 million for the Army and almost $26 million for the Air Force. The design has not started yet because the request for the initial design is in the 1981 supplemental.

Mr. PEEL. How did you do the estimates on this?

Mr. FLIAKAS. Primarily on the basis of the preliminary master plan, by the people who visited on the ground.

Mr. GINN. Why does it cost the Army $6 million to design this bare-bones base?

General DELBRIDGE. Sir, we looked at the estimate, as Mr. Fliakas mentioned, based on the master plan.

We see the estimate being broken down essentially into about four percent for the actual design costs, which are less than we would normally experience on a regular construction project because of the simplicity of the construction here, and about two percent additional based on the fact of the isolated location, the movement back and forth, plus some of the problems we see that would be somewhat different. The hydrology, topography, and a few technical aspects.

Mr. GINN. Four hundred million? Is that how we describe an austere base?

General DELBRIDGE. Sir, my answer was confined to the Army's portion of it, which essentially consists of the facilities ———. That is the concrete pads, the tent frames and the pre-engineered buildings.

Mr. FLIAKAS. It will be austere in the sense there are no stepped-up cantonment areas. Most of it is for the Air Force, as a matter of fact.

Two hundred thirty-one million dollars for the Air Force and 167 for the Army.

Mr. GINN. There are several other bases in Egypt. Why did you select Ras Banas?

General PALMER. The air-sea interface was a major element of it. We wanted a place where we could put troops, have a port and an airfield near at hand. They had already begun some work there, so that is why we began to look at that particular piece of terrain.

It is across the Red Sea from, as I mentioned earlier, I believe, from a pipeline and a refinery that we hope will come on-line about 1982.

It is also very remote. ———. Because it is remote, we can go out and train nearby. If we were to put forces there, staging for combat, or put forces there as we exercise our deployments, they can go out in the desert nearby and train.

Other areas of Egypt, such as Cairo West, Wadi Kenia, and others we have been using, they suffer from a massive POL troop-lift problem. We would have to use the internal Egyptian fuel movement system and it would not bear the load.

Mr. BURGENER. Could you describe briefly this base? ———.

General PALMER. ———.

Mr. BURGENER. ———.

Mr. FLIAKAS. That is correct, and I am glad that was brought up. In response to an earlier question with regard to restudying the decision, there were no funds actually provided in the 1982 program to initiate the construction for ——— capability. If affirmed, the Air Force, in effect, will have to stretch out other things, and we will in the 1983 program, follow on.

I believe that is correct. The three hundred ninety-nine does not include it.

Mr. BANDJUNIS. ———.

Mr. BURGENER. How many runways?

Mr. BANDJUNIS. There are two runways currently. ———.

Mr. BURGENER. ———?

Mr. BANDJUNIS. I believe we are talking about ———.

Mr. BURGENER. ——— more than what?

Mr. BANDJUNIS. I believe the existing runway is about ———.

Mr. BURGENER. Could you describe existing runways? What is there now?

Mr. BANDJUNIS. If I were to describe it, I would say it was an asphalt road in the desert. It was built for light tactical aircraft.

Mr. BURGENER. No real base under it?

Mr. BANDJUNIS. No, sir. We have taken tests.

We have had field tests on the existing runway. It will have to be beefed up quite a bit.

Mr. BURGENER. What was the Air Force portion?

Mr. FLIAKAS. Two hundred thirty-one million dollars.

Mr. BURGENER. Do you have that broken down between their facilities, like runways, and support buildings, and so on?

Mr. FLIAKAS. We will provide that for the record.

[The information follows:]

As a result of recent Architectural-Engineering cost estimates with regard to Ras Banas, the total Air Force portion has risen to $299 million dollars. This is broken down into $19 million for the runway, $29 million for the taxiways; $76 million for aprons, $30 million for fuel storage and distribution, $17 million for munitions storage, $19 million for water supply and storage, $18 million for electrical power supply and distribution, $23 for cantonment facilities, $14 million for airfield operations and maintenance facilities, $19 million for supply facilities and $35 million for site preparation grading, drainage and roads.

Mr. FLIAKAS. ———

Mr. BURGENER. Included in that is design?

Mr. FLIAKAS. That is in the supplemental, $50 or $60 million all told, I believe. I am giving you wrong figures. ———.

Mr. BURGENER. How much real estate are we talking about, about how many acres?

General DELBRIDGE. I do not have the total acres. I have the sketched plans, but I haven't the acres. I would roughly estimate Ras Banas, which is configured on a bay, is approximately three-quarters of a mile around the bay, and I would say in the neighborhood of three-quarters of a mile deep, sir.

Mr. BURGENER. That is not very big over all.

Thank you.

Mr. FLIAKAS. There is access, I believe, to the training areas and range areas.

Mr. BURGENER. When we think of one of our bases here like Camp Pendelton, which is 90,000 acres.

Mr. FLIAKAS. We are not talking about maneuvers.

Mr. TEICHER. We are talking about improving an Egyptian facility for ———. We are not talking about having a lot of guys spending a lot of time there. It is an air-sea head.

Mr. FLIAKAS. There is very definite need for troops acclimatizing themselves to that very harsh environment.

Mr. BURGENER. There would be no long-term duty there. People would come and go.

General PALMER. Yes, sir.

Mr. BURGENER. The happy day is when you go.

General PALMER. It is not going to be in competition for tourists.

Mr. BURGENER. What is the climate there; desert conditions?

General PALMER. Yes, sir.

Mr. BURGENER. Very hot?

General PALMER. Hot.

Mr. BURGENER. How do they get water?

General PALMER. I think we would need desalinization. There is some talk Egyptians considered a pipeline coming in from Aswan Lake, but that is right now just talk.

Mr. BURGENER. Being the leader of the free world doesn't come cheap, does it?

Mr. GINN. No, it doesn't.

Mr. PEEL. To follow up on Mr. Burgener's question about the purpose of Ras Banas, the question in 1982 is $70-some-million,

essentially addressing runways lighting, and so forth, where, ———, certainly this would have to be changed or amended. You wouldn't build the bases the same way for strictly rapid deployment ———. Is that correct?

General PALMER. I would let some engineer give exactly what it would do, but it is obviously correct. You could go in and build it, ———.

Mr. PEEL. ———; you would have to do something else?

Mr. FLIAKAS. The funding would be used. ———.

There is a target of opportunity, of course, in the 1982 amendment.

Mr. PEEL. Is there also the targeted opportunity of waiting until 1983?

Mr. FLIAKAS. The $106 million—actually it was 109 initially, in the 15 January submission ———.

Mr. GINN. It sounds like another example of moving ahead when we don't know where we are going.

Mr. FLIAKAS. ———.

Mr. GINN. We'll put questions 85 through 96 in the record.

[The questions submitted by Mr. Ginn and the answers thereto follow:]

Question. How is Ras Banas currently used?

Answer. ———.

Question. What other bases in Egypt were considered for a staging area?

Answer. ———.

Question. What criteria did you use to determine where a staging area should be located?

Answer. ———.

Question. Does Ras Banas, of all the possibilities in the Persian Gulf/Indian Ocean area, rank as the best location?

Answer. ———.

Question. The development of Ras Banas will cost more than a quarter of a billion dollars. How much of this expense is due to having to practically build a facility from scratch?

Answer. Since Egypt has never had a requirement for a military airfield capable of supporting strategic airlift, upgrade at all locations examined was expensive due to the large amounts of ramp space required. At Ras Banas, existing airfield pavements and the existing port will be improved as well as enlarged and thus will not be built entirely from scratch. Other facilities will be constructed so as to provide only an austere facility.

Question. If you were to select an alternate site to Ras Banas, which base and location would you choose?

Answer. ———.

Question. How many personnel will be located at Ras Banas during a conflict?

Answer. This would depend on which stage of operations we are in. ———.

Question. If a conflict were to develop in the Persian Gulf, how would personnel located at Ras Banas be transported to the area?

Answer. This was one of the key aspects in selecting Ras Banas ———.

Question. Has Ras Banas been chosen because the Saudis will not permit staging areas in their country?

Answer. ———.

Question. If Saudi Arabia were concerned over a conflict, would they let the U.S. stage from there?

Answer. ———.

Question. If the Saudis were not involved in a conflict, would they allow us to fly personnel over their country?

Answer. ———.

Question. Is it possible that at the time we would really need to use Ras Banas, either better staging sites would be available or we would be able to acquire air access to the area of conflict?

Answer. ———.

[End of questions submitted by Mr. Ginn.]

Mr. GINN. One of the reasons stated for selecting Ras Banas is the sea access. However, with the Soviets occupying the island of Socotra at the Gulf of Aden, wouldn't the use of the Red Sea seem a risky supply route by sea?

General PALMER. To use the Red Sea you have to control it at both ends. If you can't control it at both ends, it is no longer valuable. Due to our current good relations with Egypt, we have access that is as assured as anything in that part of the world, through the Suez.

We do not have that kind of assurance at the other end. We have the Soviets in Ethiopia, the Soviets in Aden and elsewhere, so they have the position with their bases to interdict the entire southern end of the Red Sea. ———.

Mr. GINN. We'll put the remaining questions on Ras Banas in the record.

[The questions submitted by Mr. Ginn and the answers thereto follow.]

Question. What equipment and supplies would be brought by ship rather than plane?

Answer. We would expect many heavy and bulky end items and pieces of unit equipment, all bulk POL and most ammunition to be sealifted. Airlift would be used to transport personnel, unit equipment, and critical items of supply whose early delivery is essential to mission success.

Question. How will these supplies and equipment be transported to the conflict area?

Answer. Once again, critical items of all categories which must be delivered rapidly to insure mission success would be delivered by airlift, either tactical or strategic, with the remainder following by sealift.

Question. The Army and Air Force have proposed separate projects at Ras Banas. Are there any separate missions planned here?

Answer. The requirement for a staging facility at Ras Banas has been discussed. ———.

Question. Will the Air Force improvements for runways ———?

Answer. The new administration is reviewing the question of developing a ———. It is anticipated that the review will be completed by the end of April.

Question. What is the need for ——— capabilities at this location?

Answer. ———.

Question. Is a fuel supply being developed that would meet ——— requirements?

Answer. The new administration is reviewing the question of developing a ———. It is anticipated that the review will be completed by the end of April.

Question. What is the cost of making this base ——— capable?

Answer. The new administration is reviewing the question of developing a ———. It is anticipated that the review will be completed by the end of April.

Question. Although the plan presented today indicates the cost for the Ras Banas program is approximately $250 million, other estimates have ranged from $400 million to $500 million. Are there other costs to this program that have not been presented here today?

Answer. The preliminary estimates for the cost of Ras Banas are approximately $400 million. Initial review of a recently completed master plan indicates these estimates will increase. Other costs to this program are not presently planned.

Question. Since no design has been initiated for Ras Banas, what is the basis of your estimate?

Answer. The estimates were based on the recently completed preliminary master plan.

Question. Has the Egyptian Government recommended constructing a $100 million water pipe from the Aswan Dam to Ras Banas?

Answer. No. However, the UN did examine building a pipeline from Aswan as part of a feasibility study resort development on the Red Sea.

Question. Is this plan still being given serious consideration?

Answer. Using the UN data, we have compared the pipeline to desalinization and have determined that the pipeline would not be cost effective.

[End of questions submitted by Mr. Ginn.]

Oman—Upgrade/Construct Rapid Deployment Force Facilities, $78,000,000 (Part 1, Page 2068)

Mr. Ginn. When was the country-to-country agreement signed with Oman?

General Palmer. June 4, 1980.

Mr. Ginn. In addition to constructing contingency bases, what other commitments by the U.S. are made in the country-to-country agreement?

Mr. Teicher. I would like to clarify, again, we are not going to construct bases because the word bases would imply a sovereign U.S. facility. We call it host nation facilities.

In addition to describing our intent to improve Omani facilities, we agreed to provide them with $25 million in foreign military sales credits in both fiscal year 1980 and fiscal year 1981 and an additional $5 million in economic support funds in order to help establish a joint economic commission between the U.S. and Oman to assist in economic development as part of the strategic relationship. These were discussed in aides-memoire to the agreement and are not per se a part of the actual agreement.

Mr. GINN. How do you assess the internal political stability and relations with neighboring countries?

Mr. TEICHER. Oman is currently a rapidly developing country, thanks to the efforts of Sultan Qaboos. We believe the political situation is very stable in Oman right now. The principal threat would come from the People's Republic of Yemen to the west and perhaps Soviet-sponsored subversion inside Oman. There is a guerrilla organization called the Popular Front for the Liberation of Oman, which received most of its support from PDRY, and it is conceivable they could try to incite dissidents in Oman again. There has been no sign of such dissidents in the recent past.

Mr. GINN. Could you bring us up to date on the border conflicts between Oman and North Yemen and how far is this fighting from our proposed facility?

Mr. TEICHER. The incident to which I believe you are referring was between South Yemen and Oman and not North Yemen. There were several skirmishes in the last few weeks that we would not consider to be significant. It would be East and West Yemen if you look at them on the map. Thumrait which is a base in Dhofor province, is approximately a hundred miles from the People's Democratic Republic of Yemen. Mashirah Island is the facility where we are devoting the bulk of our resources and is approximately 500 miles from the PDRY and outside the range of any aircraft or naval craft——

Mr. GINN. Will any of the bases be ———?

Mr. FLIAKAS. No, sir.

Mr. GINN. Has the base at Thumrait been considered as a candidate for a staging area?

Mr. TEICHER. ———.

There were a variety of facilities where a variety of types of operations would be conducted. We have no plans, at this time.

Mr. GINN. Has the Government of Oman approved the projects requested in fiscal year 1982?

Mr. TEICHER. The Government of Oman has approved in principle in our fiscal year 1982 design proposals except for some engineering specifics.

Mr. GINN. Will the Corps of Engineers or the Navy supervise construction in Oman?

Mr. TEICHER. The Corps will supervise projects in Oman under the guidance of the Air Force.

Mr. FLIAKAS. For the information of the committee, the Corps has been assigned the construction and design agent for Oman and Egypt and the Navy for Somalia and Kenya and, or course, Diego Garcia.

SOVIETS IN NORTH YEMEN

Mr. LOEFFLER. Have we had someone discuss with us this afternoon the Soviet activity in North Yeman and the current relationship between North and South Yemen?

Mr. GINN. No, we have not gotten into that.

Mr. FLIAKAS. If I may, I will call on the witness at this point.

Mr. GINN. We will proceed with that.

Mr. PRICE. I am Chuck Price, Defense Intelligence Agency.

There are ——— military advisers currently serving in North Yemen, advising all three of the armed forces in North Yemen. North Yemen has a predominance of Soviet equipment in their inventory, and that is why the Soviets are there to provide technical assistance as well as training to the North Yemenis on the Soviet fighter aircraft, armor, artillery, naval ships, and so forth.

Mr. LOEFFLER. In what activities are the Soviets currently engaged in North Yemen——

Mr. PRICE. Relations with the Soviet Union were established back in the 1920s. The military equipment started coming into the country in the early 1970s, along with some military advisers. They were the predominant military supplier of equipment up until the 1976 to 1978 timeframe, when the Saudis sponsored a reorganization of the ground forces. U.S. plans, with Saudi financing and concurrence, buying French equipment to upgrade the North Yemen forces.

In 1979, because of a border skirmish between North and South Yemen and Saudi fears of increased pressure from South Yemen coming through the North, we agreed to provide North Yemen with 64 M–60 tanks, 100 M–113s APCs, and a dozen of F–5 fighters. This was a U.S. supply of arms to North Yemen.

——— North Yemen signed a subsequent arms deal with the Soviets and additional Soviet supplies have come in over the last year and a half.

Mr. LOEFFLER. Then we should express concern about both North and South Yemen.

Mr. PRICE. Not really. The threat is from South Yemen. The threat from North Yemen militarily and politically is not realistic.

Mr. LOEFFLER. Describe that further. Why from South and not from North?

Mr. PRICE. North Yemen is very incapable as far as a military force is concerned. ———.

In South Yemen, which is espousing a Marxist line, ——— there is someone ——— that does have the military competence to come forward in case of a situation.

Mr. BURGENER. What is the population of these two countries and their traditional relationship with each other?

Mr. PRICE. The north has approximately six million, which is the largest country in population on the peninsula. The south has 1.8 million.

Mr. BURGENER. The north is the least competent and has by far the most people. Is that what you are saying?

Mr. PRICE. That is correct, but in addition to the north having the least competence, they also have a tremendously strong tribal influence. It is hard to discuss it in the realm of politics, but I liken it to the Hatfields and the McCoys. This constant tribal skirmishing is going on between various tribes, either for revenge, old-time animosities or just for the heck of it.

Mr. BURGENER. Let me get that population straight again.

Mr. PRICE. The north has approximately six million, and the south has approximately 1.8 million.

Mr. GINN. Mr. Burgener will assume the Chair.

Mr. BURGENER. Unless there are further questions, we will take up Somalia.

SOMALIA—FACILITIES EXPANSION, $24,000,000 (PART 2, PAGE 1123)

Mr. BURGENER. When was the country-to-country agreement signed with Somalia? What is the period of the agreement?

Mr. TEICHER. August 22, 1980. ———. The flexibility is involved in the modifications, the consultations on whether anything should be changed and renewed.

Mr. BURGENER. In addition to constructing contingency bases, what other commitments by the U.S. are made in the country-to-country agreement?

Mr. TEICHER. There is no commitment to construct a contingency base of facilities improvements. ———.

Mr. BURGENER. How do you assess the internal political stability and relations with neighboring countries?

Mr. TEICHER. We assess the regime of the president to be basically stable. However, his regime is faced with severe economic hardship right now, The after-effects of a major war, at least 1.2 million refugees and all the assorted problems that go with being a developing country in a drouth-stricken area. Somalia's irredentist policy has strained relations both with Ethiopia and Kenya.

Mr. BURGENER. What has been the recent level of fighting between Somalia and Ethipoia?

Mr. PELLETREAU. For the past three months the level of fighting has been low. Minor border contacts have occured, but the level of activity is at its lowest point since mid 1978. Ethiopia has "secured" the Ogaden and Somalia has been forced to remain within her borders. Ethiopian intentions are turned towards the North and Eritrea.

Mr. BURGENER. A major problem in supplying aid to Somalia has been the presence of Somalian regular units in the Ogaden area on the Ethiopian-Somalian border. Has this issue now been resolved?

Mr. PELLETREAU. Yes. Congressman Long, chairman of the House Appropriations Committee, visited Somalia in January of this year, and at the time accepted the "verified assurances" of the intelligence community that Somali regular forces were no longer in the Ogaden, thus lifting the congressional restriction on an FMS program for Somalia.

Mr. BURGENER. How far is this area from the facilities being developed to Berbera?

Mr. TEICHER. The Ogaden region is approximately 120 miles south of Berbera. That is where the fighting went on.

Mr. BURGENER. And refugees?

Mr. TEICHER. One point two to 1.3 million, or approximately 30 percent of the total population of the country.

Mr. BURGENER. Thirty percent?

Mr. TEICHER. A small country, a large land mass, a small population.

Mr. BURGENER. What effect does the refugee situation have on our presence in this country?

Mr. TEICHER. It has no direct effect on our presence, but the burden of the refugee situation clearly arose in the already weak economy and causing problems for the regime.

Mr. BURGENER. What is the planned military construction program for Somalia?

Mr. FLIAKAS. Essentially the $24 million.

Mr. BURGENER. What would that buy?

Mr. FLIAKAS. Mostly the port improvement at Berbera. There is also $400,000 that we will proceed within this year's program, the '81 contingency fund for minor improvements such as tie down pads and navigation aids.

Mr. BURGENER. How many bases would we hope to have in Somalia?

Mr. TEICHER. Well, the major facility of interest is in Berbera.

Mr. FLIAKAS. It is principally at Berbera. Now the port at Mogadiscio has some capability, but it is not planned for us to provide any of the facilities there. The improvements we will be spending money for are at Berbera.

PORT FACILITY, BERBERA

Mr. TEICHER. The focus of our effort will be at Berbera.

Mr. BURGENER. That is a port-airfield complex?

Mr. TEICHER. Yes.

Mr. BURGENER. You have mentioned the pier. Previously, the department has indicated that one of the reasons Berbera was chosen is because it already has a good pier, which has been built by the Soviets. Is that correct? Why is it necessary to build a new pier?

Admiral ZOBEL. It is an extension of the existing pier. It will double the amount of berthing that is available there now. The existing berthing space is currently being use and will continue to be used by ships that are bringing in medical aid and food supplies.

Mr. BURGENER. Would this accommodate a carrier, after we get through?

Admiral ZOBEL. It is not designed to do that, sir.

Mr. BURGENER. We would have to accommodate them some other place?

Admiral ZOBEL. Yes, sir.

Mr. BURGENER. Are any port facilities available for commercial use in Somalia other than this?

Mr. TEICHER. In Mogadishu, in Chisimaio, 10 years ago, as an economic development assistance project, the U.S. Government built a port for the Somali Government.

Mr. PEEL. Is the reason the pier needs to be extended because the ships bringing in food for the refugees are currently taking up the port facility?

Admiral ZOBEL. That is my understanding.

Mr. TEICHER. It is more than just that. That is a major problem. I was there in December. There is a long line of a variety of types of commercial shipping waiting to get into the piers. It is a major export point for Somalia to the Arabian Peninsula. They mainly export camels.

Mr. PEEL. In time of serious conflict could we dock a Navy ship there?

Mr. TEICHER. I am confident in a contingency the Somalis would do the best they can. My view is this is one of the most important geostrategic locations in the entire Indian Ocean and for us not to double the pier from 330 meters to 660 meters would represent significant shortsightedness. It is too important an area to leave at its current capacity.

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Mr. BURGENER. You have talked about the ——— agreement over all, but how about the specific projects requested for fiscal year 1982 in here? Has the Government of Somalia—is it necessary for the government to approve these?

Mr. TEICHER. They have approved.

KENYA—FACILITIES EXPANSION, $26,000,000 (PART 2, PAGE 1115)

Mr. BURGENER. When was the country-to-country agreement signed with Kenya? What is the period of the agreement?

Mr. TEICHER. June 26, 1980, ———.

Mr. BURGENER. In addition to improving facilities, what other commitments by the U.S. are made in the country-to-country agreement?

Mr. TEICHER. There are no other commitments within the agreement except to ———.

Mr. BURGENER. How do you assess the internal political stability and relations with neighboring countries?

Mr. TEICHER. The Kenyan regime has shown itself to be remarkably stable, peacefully making transition from Jono Kenyatt to President Moi. Although the current economic situation is less bright than it was several years ago, we believe the regime there is very stable.

Mr. BURGENER. Now, the country-to-country agreement ———?

Mr. TEICHER. It is renewable———.

Mr. BURGENER. You anticipate it will be renewed?

Mr. TEICHER. Yes.

Mr. BURGENER. Does this agreement commit us to dredge Mombasa harbor?

Mr. TEICHER. No. The agreement does not commit us to do anything in particular, but we have proposed the dredging because it is needed and desired by our Naval forces as well as the Kenyan Government. Presently, the carriers cannot negotiate the narrow channel leading into the harbor and therefore have to anchor out in unprotected waters which can be dangerous at certain times of the year.

Mr. BURGENER. How do the Kenyans feel about our increased aid to Somalia?

Mr. TEICHER. It certainly cannot be said the Kenyans are pleased with our new military relationship with Somalia. The Moy government has shown good understanding of our strategic need in the region.

Mr. BURGENER. Place the rest of the questions on Kenya in the record.

[The questions submitted by Mr. Burgener and the answers thereto follow:]

Question. What is the mission of the facilities in Kenya?

Answer. The facilities in Kenya will support limited P–3 aircraft operations, logistics support by sea and air, voyage repairs to ships, and crew liberty.

Question. The Navy has or will request over $60 million to dredge Mombasa harbor in order to provide the berthing capability for aircraft carriers. The committee has withheld approval of the first increment of $16.2 million, which was to be derived from the $105 million contingency fund approved in fiscal year 1981, pend-

ing further review and completion of a hydrographic survey. What is the status of the hydrographic survey on Mombasa harbor. When will it be completed?

Answer. The hydrographic survey is underway at this time. It will be complete in early April 1981.

Question. When will the Navy be able to provide an accurate cost estimate for dredging?

Answer. The Navy will provide a cost estimate in early May 1981.

Question. How long will it take to complete this work?

Answer. Based on the original estimate, it will take approximately eighteen months to complete the dredging. That may vary depending on the results of the survey and the contractor's capability.

Question. Briefly review for us the justification for this dredging project and the strategic importance of berthing capability in Kenya.

Answer. The harbor at Mombasa is the only large, deep draft harbor available on the east coast of Africa. All sizes of regular commercial shipping now use the harbor, and so can all classes of U.S. Navy ships excepting carriers, AOE's, and large LHA amphibious ships. The harbor lies along the sea lines of communications between the Persian Gulf and South Africa, thence the Atlantic Ocean. At present, when carriers or other large ships make a port call at Kenya, they must anchor out and operate small boats for transfer of personnel and supplies. During five months of the year, the wind and wave conditions are too severe to permit safe boat operations. The entrance channel and turning basin will permit large ships to enter the harbor, where rapid, safe operations can be conducted.

Question. Does the U.S. project having two carriers in the Indian Ocean for an extended number of years?

Answer. There will be two carries in the Indian Ocean for the forseeable future.

Question. How many port calls will there be at Mombasa when the dredging is complete?

Answer. Future port calls for aircraft carriers are anticipated to average a half-dozen each year.

Question. How many port calls have there been in the last two years?

Answer. During the past two years there have been two aircraft carrier visits per year.

Question. Where are the two carriers in the Indian Ocean resupplied presently?

Answer. The carriers presently resupply primarily at Diego Garcia. However, Kenya and Oman have been used to a limited extent.

Question. To what extent will this proposed dredging benefit the commercial capability of Mombasa harbor?

Answer. Ships are presently restricted to 650 feet in length at night, 820 feet in length in the daytime, and to a maximum of 32 feet draft during high winds and heavy seas. It is anticipated that these restrictions would be lifted, as no longer required for port safety.

Question. Describe the projects other than dredging requested in fiscal year 1982 for Kenya and the justification for them.

Answer. Beside harbor improvements, the fiscal year 1982 program includes an air cargo terminal at Moi International Airport to facilitate movement of supplies that are brought in by air or are to be airlifted to the fleet. Communications and navigation aids will also be constructed at the airport for operation of U.S. aircraft.

At the Navy Base at Mombasa, a road will be constructed to gain access to the U.S. Navy facilities area. A general warehouse will be built to store materials for resupply and repair of ships. Also, utilities and pads will be constructed to support van mounted transmitters and receivers to maintain communications with fleet units operating in the Indian Ocean, and with the worldwide defense communications network. ———.

Question. What amount is Kenya expected to receive in military aid from the U.S. in fiscal years 1981 and 1982? What amount in foreign aid?

Answer. Military aid: Fiscal year 1981—$6 million FMS credit; $.5 million IMET; $5.5 million ESF. Fiscal year 1982—$51 million FMS credit (all concessional); $1.3 million IMET; $10 million ESF.

Economic aid: Fiscal year 1981—$21.1 million; $23.7 million (PL-480). Fiscal year 1982—$34.5 million; $19.2 million (PL-480).

Question. Has the Government of Kenya approved the projects requested in fiscal year 1982?

Answer. No, but we see no serious problems. We are currently discussing the projects with Embassy Nairobi and soon hope to approach the Kenyan Government with final plans.

[End of questions submitted by Mr. Burgener.]

Diego Garcia—Facility Expansion and Support, $237,740,000 (Part 1, Page 1263, and Part 2, Pages 1117 and 1152)

Mr. Burgener. What type of agreement does the U.S. have with Great Britain for the use of Diego Garcia?

Mr. Teicher. We have two formal agreements with the U.K. We have a 1966 agreement for joint defense purposes and a 1976 agreement which authorizes establishment of the U.S. Naval support facility on the island. The initial term is to 2016, and it can be extended until 2036, unless either government gives notice.

Mr. Burgener. This is long term, obviously. Are there any restrictions?

Mr. Teicher. There are some restrictions. The first restriction is that the agreements permit our use of the island for defense purposes only.

Mr. Burgener. Defense purposes only?

Mr. Teicher. Yes. ———.

Mr. Burgener. ———?

Mr. Teicher. ———. We will conduct further consultations with the British Government before starting actual construction work.

Mr. Burgener. How big is this place?

Admiral Zobel. It is a horseshoe shaped atoll. It is about 13 miles long, north to south and about five and a half miles wide east to west.

If you go around the atoll, it is about 40 to 42 miles.

Mr. BURGENER. Is there anything such as a typical tour of duty over there?

Admiral ZOBEL. Yes, sir, about a year, if you are on a normal Navy tour.

Mr. BURGENER. Obviously very confining duty.

Admiral ZOBEL. Very much so. Not a bad climate but very remote.

Mr. BURGENER. What is the elevation and latitude in there?

Admiral ZOBEL. It is only four feet in elevation and is located at about seven degrees south latitude.

Mr. BURGENER. What construction contracting provisions are called for in the agreement?

Mr. PELLETREAU. The 1966 agreement specifies that the United States government may freely select United States contractors and sources of materials and labor, except that workers from Mauritius and the Seychelles shall be employed to the maximum extent practicable, consistent with United States policies, requirements and schedules. ———.

In negotiating the 1976 agreement, the British delegation requested and was given oral assurances that U.K. contractors would be given an opportunity to compete for contracts awarded in connection with Diego Garcia construction.

Mr. BURGENER. The purpose for the original development of Diego Garcia was that of a communications station. How does the department now envision the purpose of Diego Garcia?

Admiral ZOBEL. It is still a vital communications link, Mr. Burgener. It has now become a spearhead for logistic support of power projection into the Indian Ocean as well.

Mr. BURGENER. Do you happen to know how far it is to western Australia—Perth, for example?

Admiral ZOBEL. It is 2,850 miles to Perth.

Mr. BURGENER. Then up to Oman?

Admiral ZOBEL. To Oman it is 2,100 miles.

Mr. BURGENER. It is about midway?

Admiral ZOBEL. Yes, sir.

Mr. BURGENER. Very strategic, obviously.

What units/commands are currently present on Diego Garcia, and what is their size and mission?

Admiral ZOBEL. There is a naval support facility, of about 800 people, and they do normal stationkeeping, Primary tenants are a communication station, s security group, an anti-submarine warfare patrol squadron, and a re-con squadron, totaling about 900 people. Then there are tenants like the Air Force detachments, a carrier beach detachment, and others totaling about 450.

Finally, there are about 850 Seabees. About 3,000 total.

Mr. BURGENER. Can a carrier come in nearby?

Admiral ZOBEL. A carrier can come into the harbor to be resupplied.

Mr. BURGENER. No port facilities, as such?

Admiral ZOBEL. No, sir. It would be anchored out in one of the berths.

Mr. BURGENER. ———? We talked about capability or agreement with the British, we could do it.

Mr. FLIAKAS. The 1982 program does provide the initial capability. This is the President Reagan amendment which provided an additional $39 million, ———.

Mr. BURGENER. Obviously this is a very limited place. ———.

General PALMER. ———.

Mr. BURGENER. ———?

Mr. FLIAKAS. ———.

Mr. PEEL. ———?

General PALMER. It is my understanding that Mr. Carlucci is looking at that and ———.

Mr. FLIAKAS. That has to do with ———.

Mr. TEICHER. The fiscal year 1983 budget process will yield the programmatic decision to proceed in dollar terms.

Mr. BURGENER. What are the present air facilities, roughly? Runways, length, capacity?

Admiral ZOBEL. Twelve thousand-foot runway, 150 feet wide and no taxiways.

Mr. BURGENER. What weight airplane would that accommodate?

Admiral ZOBEL. It can take C–130s, P–3s, which are antisubmarine warfare patrol planes. It can also take fighter planes and all our cargo-carrying planes.

Mr. BURGENER. It wouldn't accommodate a ———?

Admiral ZOBEL. ———.

Mr. PEEL. ———?

Mr. FLIAKAS. ———.

Mr. PEEL. What was the discussion on 1982 program planning?

Mr. TEICHER. ———.

Mr. PEEL. Something is missing there. That doesn't make any sense.

Mr. TEICHER. Operationally Diego——

Mr. BANDJUNIS. ———.

Mr. PEEL. ———?

Mr. BANDJUNIS. ———.

Mr. BURGENER. How long will that take?

Mr. BANDJUNIS. It will take about three years.

Mr. PEEL. Did I understand you to say the ———.

Mr. BANDJUNIS. Yes, sir. ———.

Mr. BURGENER. ———.

Mr. BANDJUNIS. That is correct.

Mr. BURGENER. Put questions 170 through 179 in the record.

[The questions submitted by Mr. Burgener and the answers thereto follow:]

Question. Explain how and why ———.

Answer. ———.

Question. Is there any plan to actually base ——— at Diego Garcia?

Answer. No, there are no plans at present to permanently base ——— at Diego Garcia.

Question. What requirements are there for weapons storage (magazines) to support the ——— on Diego Garcia? How will these be used?

Answer. ——— concrete pads with earth berms are required. These will house ——— for use in the conventional role.

Question. How far is Diego Garcia from the Persian Gulf?

Answer. Diego Garcia is 2,286 nautical miles from the Strait of Hormuz and 2,655 nautical miles from Bahrain Island (near center of Persian Gulf).

Question. If ——— were refueled at ——— would they have to be refueled again before reaching the ———? How many times?

Answer. No; the ——— area is accessible to unrefueled ——— from ———.

Question. Is ——— now capable of handling the ———?

Answer. Yes, ——— is presently capable of handling ———; however, due to parking ramp limitations this would preclude any other aircraft operations from the airfield.

Question. Why can't we make ——— a refueling area for tankers and use existing bases that are ——— capable as staging areas?

Answer. While the ——— at ——— could provide some support, 3–5 aerial refuelings would be required for each ——— operating out of other available airfields.

Question. Provide for the record the bases and civilian airfields nearest to ——— that are ——— capable. The list should include sites such as ——— that are not now used but could be available.

Answer. Under normal operational conditions, the following airfields are ——— capable: ———.

Question. It appears that the program of providing adequate runway and turnaround space at ——— for ——— is both expensive and complicated. Describe the construction that has to take place.

Answer. The existing runway would have to have a nine-inch concrete overlay as well as a 25-foot shoulder on each side. The new apron and taxiway would have an additional ———.

Question. How many years will this take?

Answer. Construction time would be increased about six months for the apron and taxiway ———.

[End of questions submitted by Mr. Burgener.]

Coordination of Navy and Air Force Programs

Mr. Burgener. It appears that the Air Force and Navy programs at Diego Garcia are being developed separately. For instance, the Navy has underway a $45 million dredging program at Diego Garcia, and yet the Air Force has requested $7 million in fiscal year 1982 for dredging. Why is this?

Admiral Zobel. Program development is separate, but the programs are coordinated by the Joint Chiefs of Staff, they look over the programs very carefully. The Air Force had not previously programmed money for dredging, this is their share of the dredging.

Mr. Burgener. It is a distribution of moneys, but the job is one?

Admiral Zobel. Yes, sir.

Mr. Burgener. The Navy has received bids below the estimate for dredging at Diego Garcia. What is the difference between the government estimate and the actual award?

Admiral Zobel. The government estimate was $44 million, and we got a low bid of $17.9 million.

Mr. Burgener. Do you mean the estimate was forty——

Admiral Zobel. We were not sure how we were going to have to bid the job when we originally developed the estimate.

Mr. BURGENER. It was not a highly enlightened estimate for reasons you have indicated?

Admiral ZOBEL. That is right. As you know, there was a lot of controversy over how the job was going to be bid. We were not sure of dredging costs in that part of the world, where the dredge was going to come from, and what the competion was going to be.

Mr. BURGENER. The Navy and Air Force requests for additional dredging are really a combined request?

Admiral ZOBEL. Yes, sir.

Mr. BURGENER. If there is in the budget $44 million, and if it is going to cost $17 million, what is the application of the rest of the money if you are not going to use it?

Admiral ZOBEL. The government estimate originally was $44 million, and that would have been for the entire job. We were actually only funded at $25 million initially last year. It gets a little complex, but let me just say this: The Navy was originally going to submit a 1982 request for $12 million. There is now no request for dredging in this budget for the Navy because of the good bid we received. The Air Force was going to submit a request for $23 million, and they reduced it by about $16 million. There has been a great total reduction in the amount that would have been requested for dredging had we not gotten that good bid.

The Navy savings were applied to the program we had authorized last year, as well as, this year's program. We were not required, therefore, to ask for another $28 million in order to get the full dredging scope we needed for both the Navy and Air Force. We have taken all savings into account in the 1982 request.

Mr. BURGENER. Is this remedial dredging or original dredging?

Admiral ZOBEL. Original dredging to enlarge the anchorage and also to get material to do our building on the island. We are actually making more island.

Mr. BURGENER. You are creating more island?

Admiral ZOBEL. Yes, and we use the material for aggregate for concrete.

Mr. BURGENER. Explain for the record how the $66.5 million in aircraft paving requested under the Air Force differs from the $20 million requested by the Navy.

[The information follows:]

The $20 million for Navy request is for a ——— taxiway and parking apron. The $66.5 million Air Force request is for a large apron ———.

Mr. BURGENER. The Air Force has requested $14.8 million for hydrant refueling systems. Why can't hydrant refueling systens in the Navy program be used?

General WRIGHT. The Navy system is inadequate to support the projected mission requirements. ———.

Mr. BURGENER. Explain the need for a $83.1 million hazardous cargo pad under the Air Force program. What hazardous cargo will be transported here? Where will it be stored?

General WRIGHT. Sir, the cost of the hazardous cargo pad is currently $3.1 million. This project will provide a parking area for aircraft containing hazardous or explosive cargo. The hazardous cargo includes starter cartridges, flares and various types of munitions that may have to be flown in. The hazardous cargo will be stored in the existing ammunition revetments.

Mr. BURGENER. The Air Force has requested $1.7 million for airfield lighting. What lighting exists at Diego Garcia, and why isn't this sufficient? What funding has been approved or requested by the Navy for airfield lighting?

General WRIGHT. The Air Force's request for $1.7 million for airfield lighting provides for taxiway and apron edge lighting to support the apron and taxiway construction currently included in the fiscal year 1982 construction program.

Mr. BURGENER. What is the Air Force requirement for a $1.7 million demineralized water plant at Diego Garcia?

General WRIGHT. The KC-135s have water injected engines which require above 670 gallons per takeoff. The demineralized water plant will support the KC-135 needs in performing the refueling during the deployment of a heavy Marine amphibious brigade.

Mr. BURGENER. Why must the Air Force build its own $4.3 million operations facility at Diego Garcia? Can't this be combined with Navy facilities?

General WRIGHT. There is currently only limited space on the island to perform operational planning tasks. This facility is basically a large squadron operations facility to provide flight planning, briefings, life support and personnel equipment storage and a communications area in support of the peacetime Air Force contingent on Diego Garcia and specifically for the contingency refueling mission.

Mr. BURGENER. The Air Force fiscal year 1982 request does not include any housing facilities. How will Air Force personnel be housed?

General WRIGHT. We have crew quarters planned ———. Until that time, we would expect them to live in tents.

Mr. BURGENER. What additional funding and specific projects will be requested to support the Air Force program?

General WRIGHT. The Air Force's program at Diego Garcia is planned through fiscal year 1984. ———. This includes runway improvements, a maintenance and a supply facility, munitions storage and crew quarters.

NAVY PROGRAM AT DIEGO GARCIA

Mr. BURGENER. Explain the relationship between the $74,200,000 in appropriations for Phase I readiness approved at Diego Garcia in fiscal year 1981 and the $78,330,000 requested in fiscal year 1982.

Admiral ZOBEL. They are complementary programs. Our 1981 program was actually $90.2 million. It included such things as an air cargo terminal, wharf, utilities, ground support equipment shop, and personnel support facilities. Our 1982 program, as amended, is now $121 million, and includes a taxiway, apron, wharf, storage, personnel support facilities, utilities and a few other things. As you can see, these are follow-on items that allows us to provide support for the battle groups in the Indian Ocean.

Mr. BURGENER. Are there any fiscal year 1982 requests for projects previously approved in the fiscal year 1981?

Admiral ZOBEL. Yes, sir, there are some facilities in the 1982 program that were originally in the 1981 program. The 1981 pro-

gram was reduced by Congress, and it required us to re-order our priorities.

The $12 million savings that we had with the dredging helped for part of that, but we still didn't get all that we originally had in our 1981 program some of those things reappeared in 1982, as well as some additions.

Mr. BURGENER. The 1982 request includes $34.7 for a wharf and facilities to offload RDF equipment. Why would RDF equipment ever be unloaded at Diego Garcia?

Admiral ZOBEL. To check for performance, assure its combat-readiness, and to do some maintenance.

Mr. BURGENER. Who would do that work?

Admiral ZOBEL. It is currently planned that the organization that will actually employ the equipment in a contingency will send people on a temporary duty basis to Diego Garcia and do the work. They will not be there permanently.

Mr. BURGENER. Place questions 197 through 200 in the record. [The questions submitted by Mr. Burgener and the answers thereto follow:]

Question. Why shouldn't RDF equipment be offloaded at forward staging areas as part of specific RDF exercises?

Answer. Training exercises, where the equipment is offloaded and exercised, will be performed at forward areas. However, the Navy does not believe it is feasible nor cost effective to transport the equipment to a forward staging area for offloading and maintenance checks in the frequency required. The equipment should be ready-to-go on arrival at a staging area; the equipment should be continuously available for maneuvers at these areas, and any needed maintenance found necessary could better be performed at the Diego Garcia support site.

Question. How many times per year will equipment be loaded and offloaded at Diego Garcia?

Answer. The exact frequency of maintenance is under study. The first offload of equipment has recently been completed on Okinawa. The goal is to minimize the frequency consistent with high equipment availability.

Question. What specific projects are included under the $23.6 million request for support facilities?

Answer. The facilities to be provided include: General Warehouses, a Cold Storage Warehouse, a Waterfront Transit Shed and Open Storage; High Explosive Magazines; roads and paved parking areas; increased utility services and a Medical Clinic.

Question. When the Seabees leave, what will be done with the millions of dollars worth of equipment and facilities currently utilized by them?

Answer. Most of the equipment used by the Seabees will be returned to the U.S. for Seabee use on other jobs. Some specialized equipment such as concrete batch plants or aggregate plants will be offered to the contractor for his use. Equipment deemed unsuitable for further Seabee or contractor use will be turned over to the Defense Property Disposal Office, Subic Bay, Philippines for disposal.

The permanent facilities used by the Seabees will be either retained by the continuing Seabee maintenance detachment or turned over to the activity for other long term uses.

The temporary facilities used by the Seabees, largely housing, will be turned over to the contractor for housing of civilian construction workers. On termination of the construction effort, these temporary facilities will be demolised.

[End of questions submitted by Mr. Burgener.]

LAJES, PORTUGAL—UPGRADE/CONSTRUCT RDF FACILITIES, $49,570,000 (PART 1, PAGE 1898)

Mr. BURGENER. The Lajes program is included in the department's overall Persian Gulf program but not in your statement today. Are these projects to be withdrawn from the fiscal year 1982 request?

Mr. FLIAKAS. Absolutely not, Mr. Chairman. The reason for the omission is strictly geographic. They are vitally needed. It was purely a rack-up on our part of those facilities geographically located in the Indian Ocean/Persian Gulf and, as a consequence, they were left out of the totals, but certainly in support of the RDF, these are very vital facilities, and we urgently request approval.

Mr. BURGENER. In RDF exercises last year, the Government of Portugal denied the U.S. access to Lajes Airfield. Is this so, and, if so, why?

Mr. TEICHER. ———.

Mr. BURGENER. Under what conditions would the U.S. be denied access to Lajes in the future? What is your best estimate of what conditions might prevail?

Mr. TEICHER. There is a high degree of mutuality of interest between the U.S. and Portugal, but we cannot rule out the possibility that circumstances will develop where we may not be able to use Lajes. I really don't want to speculate on what those conditions might be.

Mr. BURGENER. Must the U.S. consult with the Portuguese Government for any non-NATO missions coming through Lajes?

Mr. TEICHER. ———.

Mr. BURGENER. If there is uncertainty as to the use of Lajes, why have you chosen it as the site for a $150 million refueling site for the RDF program?

General PALMER. There are alternatives to fly ———, or refuel several times. Lajes happens to be at the right distance out into the Atlantic and close enough to the Mediterranean that it is just the ideal place. That, and considering the fact that we are NATO allies with Portugal as well as the close relationship we have makes it worth upgrading.

Mr. BURGENER. What about the possibility of facilities in Spain instead of Lajes?

General PALMER. Spain would be another alternative.

Mr. BURGENER. When was a country-to-country agreement signed with Portugal that provides for the increases mission at Lajes?

Mr. TEICHER. An exchange of notes June 18, 1979, was agreed to, and that extended the original 1951 defense agreement. The extension will continue through February, 1983.

Mr. BURGENER. What commitments beyond military construction are required?

Mr. TEICHER. ———.

Mr. PEEL. Could you provide a copy of the revised agreement?

Mr. TEICHER. We will get it for you.

[CLERK'S NOTE.—The revised agreement was classified and has been retained in Committee files.]

Mr. BURGENER. What has been accomplished with the fiscal year 1981 funding for Lajes?

Mr. FLIAKAS. The design has been initiated and underway and contract award is scheduled for late this year, early fiscal year 1982.

Mr. BURGENER. How do you award contracts for Lajes?

Mr. FLIAKAS. The Navy is the design and construction agent, Mr. Chairman.

Mr. BURGENER. Anything unusual, Admiral, about the methodology of awarding contracts there, different from any other place?

Admiral ZOBEL. No, sir. It is a little remote and it is difficult to get in there.

Mr. BURGENER. Any American preference?

Admiral ZOBEL. No, sir.

Mr. BURGENER. You get the best price you can get?

Admiral ZOBEL. Yes, sir.

[Supplementary information follows:]

The urgency of some of the Air Force requirements for facilities at this remote location may require a competitively negotiated, cost-plus, award-fee contract be initiated, in addition to the more normal form of lump sum, competitive-bid type contracts that will also be used.

Mr. FLIAKAS. That was another reason we didn't include it in the rack-up because the so-called American preference policy only extends to the Indian Ocean/Persian Gulf—not to that area where we go international.

Mr. BURGENER. Explain why it is necessary to construct $42 million worth of new or improved POL storage at Lajes, and what POL storage?

General PALMER. Petroleum, oil and lubricants.

General WRIGHT. ———.

Mr. BURGENER. ———.

General WRIGHT. Our programs through 1983 will complete the need.

Mr. BURGENER. What is the location of the nearest POL storage to Lajes? What storage is available at this location? Do we know?

General WRIGHT. The major storage area is Lisbon on the continent, but I don't know what the capacity is right off-hand.

Mr. BURGENER. At Lajes the current storage is very limited or non-existent, or what.

General WRIGHT. ———.

Mr. BURGENER. What are you trying to achieve? How many barrels?

General WRIGHT. ———.

Mr. BURGENER. ———.

Colonel EGGERS. Regarding the Chairman's question on oil, about reserves and how it would run out, for example, Saudi Arabia, has 115 billion barrels of proven reserves. If they pump at 10 million

barrels a day, you take that times 365, and you come out at 3 billion a year, and they run out in 30 years.

If you believe Herman Kahn, that we are sitting on a sea of natural gas, when we run out of oil, we will probably find out they have all the natural gas. The Saudi's may cut production, feeling that leaving oil in the ground is better for them, so, and will cut back from the 10 million barrels a day—they upped it to continue production during the Iran-Iraq conflict. They were down as low a eight million for a while. They probably cut back because oil in the ground is better than money in the bank to them.

Mr. LOEFFLER. We have been told in an intelligence briefing that we have seen peak production approximately 30 million barrels per day in the Mideast countries. That was two years ago. Last year for the first time, we saw a decline in the maximum rate of production, taking aside the Iran-Iraq conflict, and that clear curtailment of production.

The reason I asked the question this morning was, there are two primary motivations for Soviet incursions into the Middle East. One is a warm-water port. The other is oil and natural gas. It is my understanding from my previous service on the Energy and Power Subcommittee, that the information you have given, from what I was once privy to, is much more optimistic today, then, than it was a year ago.

Colonel EGGERS. You are out of my field and have just about hit the limit of my knowledge. Those were figures that came out in a JCS study we made earlier this year, and they are backed by DIA.

Mr. TEICHER. At the same time, countries like Oman and Saudi Arabia continue to discover more reserves, more than they are producing. Although countries such as Bahrain and Kuwait are diminishing their production, and Iraq and Iran, there are other countries who are finding more oil all the time, not to mention the gas.

Colonel EGGERS. It is said that Iraq has more oil than Saudi Arabia, and they don't want anybody to know it, but that is pure speculation. We think there is a lot more oil out there than we know about.

PACIFIC PROGRAM

Mr. BURGENER. Considerable attention is now being given to new construction in the Persian Gulf. Are we able to continue to meet our facility requirements in the Pacific area?

Mr. FLIAKAS. The answer is yes. We have increased attention and emphasis in this year's budget. Over $425 million, the bulk of it going to Korea, some in the Philippines, Japan. There is the land acquisition in the Marianas. These are the highlights, I think.

Mr. BURGENER. What host nation support are we now receiving from Japan and Korea?

Mr. FLIAKAS. I will provide a more comprehensive answer for the record, Mr. Chairman, but briefly we have had several very successful programs ongoing with the Japanese to fund and construct facilities for the United States.

The first is known as the relocation construction program and the second is known as the facilities improvement program. I will provide this for the record, but, over all, both in terms of complet-

ed, underway, and projected requirements, it could add up to over $1 billion in facilities provided by the Japanese.

[Supplemental information follows:]

The Government of Japan (GOJ) has established two programs to fund and construct facilities for U.S. Forces stationed in Japan: The Relocation Construction Program and the Facilities Improvement Program. The Relocation Program provides new facilities to support the relocation of U.S. Forces in Japan (and Okinawa). Consolidation of U.S. Forces has resulted in the transfer of valuable real estate to the GOJ. (The Relocation Program is expected to be complete in 1985.) In 1978, the Facilities Improvement Program was established to improve and modernize existing U.S. facilities in an effort to defray U.S. base operations cost.

Within the Relocation Program, construction has been completed on 180 projects at a cost of $432 million. Another 38 projects are under construction at a cost of $77 million. Another 24 projects have been funded at $14.4 million. There are also 19 projects which have been identified for future construction, with a value of $175 million.

No projects have yet been completed under the Facilities Improvement Program; however, eight projects are under construction at a cost of $113.2 million. Another 15 projects have been funded at $107 million. There are 26 additional projects at a value of $146 million, which have been identified for accomplishment.

In summary, $432 million have been completed, $190 million are under construction, $121 million have been funded, and $324 million have been identified for accomplishment under the auspices of these two programs.

The future of these programs is optimistic. Anticipated funded for fiscal year 1981 is $146 million and for fiscal year 1982 a growth of about 20 percent. For the most part, projects selected by the GOJ for funding have been support facilities; however, operational facilities are now being included in limited numbers.

The Government of Korea (GOK) has agreed to fund and construct both operational and nonoperational projects in support of U.S. Forces.

The GOK has constructed 200 family housing units at Osan and 600 units at Seoul. An additional 200 units are planned, although not appropriated, for Taegu. The family housing construction is accomplished by the Korean National Housing Corporation.

Construction has been completed on two operational facilities for the U.S. Marine Corps and a hardened Tactical Air Control Center (TACC) at Osan Air Base. The cost of the TACC is $20 million. The GOK has approved for design an additional 39 U.S. Air Force operational projects at various locations with a value of $172 million.

Mr. BURGENER. What negotiations have taken place in the last year or are now ongoing to obtain additional host nation support?

Mr. FLIAKAS. In 1980, the Secretary of Defense met twice with Japan's Prime Minister and Defense Minister and four times with Japan's Foreign Minister encouraging additional Host Nation Support. Secretary Weinberger has met with Japan's Foreign Minister on this subject in March 1981 and further discussions are anticipated. In Japan's Fiscal Year 1981 (commencing in april 1981), Japan has again proposed approximately one billion dollars in HNS funds, including over $150,000,000 in construction projects for U.S. Forces. At U.S. request, for the first time this year, this list included operational projects such as hardened shelters for U.S. F-15 aircraft in Okinawa.

Mr. BURGENER. Has Japan increased or decreased its defense spending in the past year? By what amount?

Mr. TEICHER. In real terms Japan increased its defense spending by 2.5 percent over Japanese fiscal year 1979 into 1980.

Mr. BURGENER. Is that a ballpark guess? Could you convert that to American dollars?

Mr. TEICHER. I will have to provide that for the record.

[The information follows:]

In 1980 Japan increased its defense by 6.5 percent over the Japan fiscal year 1979. In real terms this amounts to approximately a 2.5 percent increase. Despite this low

performance in the past year, Japan's average increase the past ten years stands at 7.8 percent average real term growth.

The 1980 figure was $10.13 billion compared to $9.52 billion in 1979 using a constant exchange rate of 220yen/$1.

Mr. BURGENER. Can we count on any increased support by Japan of U.S. facilities as they spend less on their own defense?

Mr. TEICHER. Over the past five years, they have increased their support of U.S. facilities on an annual basis. Over an even longer period they have increased their defense spending in general. In the last decade it was approximately 7.8 percent average growth per year. We hope and expect the Government of Japan will continue to increase both in spending on its own self-defense as well as host nation support of U.S. forces operating in Japan.

Mr. BURGENER. Do you believe there are any serious restrictions in their constitution that inhibit them?

Mr. TEICHER. I cannot speak to that; I am sorry.

KADENA AIR BASE, JAPAN—VARIOUS FACILITIES, $17,490,000 (PART 1, PAGE 1933)

Mr. BURGENER. The major U.S. construction program in Japan is for facilities located at Kadena Air Base. Why will Kadena receive such a large program in fiscal year 1982?

General WRIGHT. It is a very large base. It is about 13,000 military and has a very fine mission. An F-15 wing, a SAC KC-135 unit, SR-71s and a MAC detachment.

Mr. BURGENER. It has multi-purpose missions?

General WRIGHT. It is our largest base in the Pacific. Projects include weather shelters for the F-15s, maintenance facilities for aircraft engines, sound suppressors, fuel storage for war reserve material and some data processing buildings.

Mr. BURGENER. What attempt has been made to have the Japanese Government pay for the facilities proposed at Kadena?

General WRIGHT. None for these particular projects. However, the Japanese have provided roughly $700 million for Air Force facilities in return for facilities and land returned to the Government of Japan over the past seven years. These facilities have all been in the support area. In addition, over the past two years the Japanese have contributed some $90 million for the Facilities Improvement Program (FIP) at Air Force installations. The primary difference between this program and the other one mentioned is that there is no "quid" associated with the FIP; we do not give up facilities or land in return for Japanese funding. We anticipate $50-$60 million in the 1981 FIP now being considered by the Japanese Diet.

Mr. BURGENER. Does the Japanese military use the Kadena Air Base?

General WRIGHT. No, sir.

Mr. BURGENER. That is strictly our own use?

General WRIGHT. Yes, sir.

Mr. BURGENER. Could you justify the need for a $7 million project for fuel storage?

General WRIGHT. Yes, sir, that is for war reserve material, fuel storage to sustain the fighter force.

KOREA—ARMY PROGRAM, $62,320,000 (PART 1, PAGE 449)

Mr. BURGENER. Have all questions regarding the long-term presence of the 2d Division in Korea been resolved?

General DELBRIDGE. Yes, sir. The President has concurred with the recommendations, not to continue the troop withdrawals. There are two units that will be withdrawn. In 1981 and 1982 there will be a Hawk battalion drawn each year back to the U.S. They will be disbanded, but the equipment will be left in Korea and turned over to the Koreans.

Mr. BURGENER. Do we have a time certain, or is it indeterminate for the stay of the 2d Division?

General WRIGHT. There is no specific time. We would have to say that is an indefinite time.

Mr. BURGENER. To summarize, we are not leaving?

General WRIGHT. We are not leaving; that is correct, sir.

Mr. BURGENER. What is the total cost of facility requirements to support the continued presence of the 2d Division? Do we have to build something new, repair something old, or both?

General WRIGHT. Mr. Chairman, a combination of both. The total program was started a year ago and runs through 1986. It totals about $530 million. We are requesting 62.5 percent of that amount for the fiscal year 1982 program.

Mr. BURGENER. Any attempt to have the Korean Government pick up any of this, or how do they contribute?

General DELBRIDGE. As was pointed out by Mr. Fliakas here a moment ago, there are some programs. There are two programs specifically—one called the quid pro quo program, which is very similar to the alternate facilities program in Europe, where the Koreans pick up projects that they will do in replacement for old U.S. facilities. In other words, they will take on the real estate and furnish new facilities to us. At the present time, that is amounting to about $84.3 million, which are in the hopper for us.

The other is what we call a combined defense improvement program, which heretofore has been generally the joint facilities occupied by both the Koreans and the U.S., but for this first time because of our force modernization activity, the Koreans will put in $7.5 million of their own direct support.

Mr. BURGENER. Are there any plans to develop a ——— like is being done in Germany?

General DELBRIDGE. ———.

Mr. BURGENER. Do each of the fiscal year 1982 projects requested for Korea support facility requirements of the 2d Division?

General DELBRIDGE. The fiscal year 1982 program is not dedicated to the 2d Division, but reflects the priority requirements of the Army mission in Korea. The most direct method of reflecting the program beneficiary is to outline each project. I'll supply that for the record.

[The information follows:]

[Dollars in millions]

Project description/location	CWE	Primary beneficiary
Barracks/Yongsan	$2.95	EUSA.
Barracks/Red Cloud	1.75	I Corps.

Project description/location	CWE	Primary beneficiary
Barracks/Various	17.50	2d Div.
Upgrade electric/Red Cloud	.94	I Corps.
Upgrade water/Red Cloud	.96	I Corps.
Upgrade sewer/Red Cloud	1.90	I Corps.
Upgrade sewer/Various	3.15	2d Div.
Upgrade water/Various	7.60	2d Div.
Thermostatic controls/Yongsan	.62	EUSA.
Upgrade airfield/Camp Humphreys	6.30	SPT CMD.
Upgrade airfield/K16	3.80	EUSA.
Gymnasium/Camp Owen, Hovey	3.30	2d Div.
Gymnasium/Camp Carroll	2.15	SPT CMD.
Recreation center/library/Camp Walker	1.05	SPT CMD.
Tactical maintenance shop/Teagu	1.05	SPT CMD.
POL tanks/Kusan	7.30	SPT CMD.
2d Division total	31.55	(50.6 percent)
Other	30.75	(49.4 percent)

KOREA—AIR FORCE PROGRAM, $58,033,000 (PART 1, PAGES 1927-32, AND 1946-81)

Mr. BURGENER. What has brought about the need for a large Air Force program in Korea?

General WRIGHT. To maintain a credible Air Force presence in Korea. We are introducing a new weapons system into the country, and we have considerable projects to upgrade our living and working areas in the country.

Mr. BURGENER. Any prospective joint U.S.-Korean bases?

General WRIGHT. Sir, in a sense they are all joint bases. Osan is the Air Force-managed base, but there is a ROK unit tenant on the base. At Kunsong there is a U.S. Air Force-managed base, but there is a ROC Air Force unit on that base. In Kindu and Taigu, those are managed by the Korean Air Force. In a sense, they are all joint bases.

Mr. BURGENER. Explain what the projects listed as Commando Lion and Commando Bead will be used for.

General WRIGHT. Commando Lion is a program to provide LORAN-C navigational coverage over the Korean peninsula. This will permit all-weather day/night operation by LORAN equipped aircraft. The LORAN stations at Hampyong and Hunghae are in operation now. Projects requested in this program will provide living and working facilities for assigned personnel who must now commute some distance daily. Commando Bead is a program to improve airbase ground defense capability at our bases in Korea. The projects at Kunsan and Osan are for machine gun bunkers, mortar pits, defensive firing emplacements and command bunkers.

Mr. BURGENER. Justify the need to spend $9.5 million for aircraft shelter doors. Was this project denied in the past?

General WRIGHT. The addition of doors provides protection from shrapnel, ground fire and rocket attacks. This is the second phase of a three-phase program to provide doors for all existing shelters. Phase one, for 28 doors, was approved in the fiscal year 1981 MCP. The third phase, to put doors on nine shelters, will be accomplished in the future. The additional protection afforded our aircraft by providing these doors is an essential part of our effort to insure the ability of our forces to counter the threat of enemy attack.

Mr. BURGENER. What is the long-term cost for aircraft shelter doors?

General WRIGHT. Not counting doors in current approved programs, we have a requirement to add doors to 137 shelters throughout Korea. Based on fiscal year 1982 costs, we estimate the total cost to be in the area of $70 million.

Mr. BURGENER. Has the aircraft shelter door protection been tested? What are the results?

General WRIGHT. Yes. Protective doors were tested by the Air Force Weapons Laboratory and the Civil Engineering Center in the 1970's. The tests were positive, showing that the doors protected sheltered aircraft from air-delivered rockets and machine-gun attack and from ground assault by mortars and small arms.

KOREA: DEFENSE LOGISTICS AGENCY—JET FUEL STORAGE FACILITY, $29,000,000 (PART 2, PAGE 1199)

Mr. BURGENER. Where will the $29 million in POL storage for Korea be located?

Mr. FLIAKAS. I believe the representative of the Defense Logistics Agency was excused. If I may submit that for the record?

Mr. BURGENER. Very well.

[The information follows:]

The POL storage provided for in the $29 million is located as follows:

	Barrels
Osan AB	100,000
Kunsan AB	100,000
Suwon AB (ROKAF)	100,000
Taegu AB	200,000
Total	500,000

Mr. BURGENER. Since your DLA man is not here, we will put the rest of the questions on this subject in the record.

[The questions submitted by Mr. Burgener and the answers thereto follow.]

Question. Why can't the Korean Government construct this storage?

Answer. The Korean Government is already committed to construction of a portion of the total military related construction including tankage and pipeline work.

Question. What is the deficit for POL storage in Korea?

Answer. The deficit against which this project is programmed, is based on Air Force projections of high sortie surge rates for 1984, providing ——— day in-country storage. Total deficit for fiscal year 1984 is ——— barrels against which there is programmed the following:

Agency	Gross cap. barrels	Net cap. (90% barrels)
Defense Logistics Agency	500,000	450,000
U.S. Air Force	700,000	630,000
Korean Government	180,000	162,000
Total	1,380,000	1,242,000
Remaining Deficiency		———

Question. What other POL storage has been built by the U.S. in the past five years?

Answer. The following projects have been included in approved programs for the Air Force in the past 5 year period:

	Barrels
Fiscal year 1979—Osan AB	140,000
Fiscal year 1979—Kunsan AB	130,000
Fiscal year 1981—Kwang Ju AB	100,000
Fiscal year 1981—Taegu AB	110,000

DLA has had no prior year fuel storage projects for Korea.

Question. If the proposed POL storage in Korea is funded, do you still require the project proposed at Wake Island?

Answer. Yes, these projects are for unrelated requirements. The Korean requirement is basically for tactical fighter bed-down. The Wake Island requirement is for en route airlift.

Question. What POL storage is now being built by the Korean Government?

Answer. The Korean Government is constructing the following:

	Barrels
Chong Ju	40,000
Jochon	80,000
Suwon	40,000
Kimhae	20,000

Question. Explain how the proposed POL storage in Korea might relate to fuel to support missions in the Persian Gulf/Indian Ocean.

Answer. No relation unless contingencies must be fought in both areas at the same time. In this case, the more fuel properly prepositioned, the less the demand on limited tanker assets.

[End of questions submitted by Mr. Burgener.]

Republic of the Philippines—$29,090,000 (Part 1, Page 1255, 1271, and 1905)

Mr. Burgener. What is the status of our base rights agreement with the Republic of the Philippines?

Mr. Teicher. The 1979 amendment to the military base agreement went into effect in January, 1979, and exercises Philippine sovereignty over the bases.

Mr. Burgener. Are we talking about Subic Bay and Clark Field, both, or more than that?

Mr. Teicher. The Philippine Government has worked scrupulously to respect its obligation and agreement to permit unhampered use of the facilities. The agreement seems to be working to the satisfaction of both countries.

Mr. Burgener. The number of years?

Mr. Teicher. I would have to check. I believe it is for five years.

General Palmer. It is five years.

Mr. Burgener. Is that in line with past agreements, the period of time?

General Palmer. Yes, sir.

Mr. Burgener. What are the prospects for U.S. presence in the Philippines for the long term?

General Palmer. We are optimistic.

Mr. BURGENER. Are there any studies or plans underway on the possibility of homeporting a carrier in the Philippines?

Admiral ZOBEL. Yes, sir, that is one site under consideration, along with many others both in the Pacific, and the Mediterannean.

Mr. BURGENER. How do the projects in this year's request relate to the prospects for our long-term presence in the Philippines?

Admiral ZOBEL. They are programmed because of our expectation of being there on a long-term basis.

Mr. BURGENER. How much is paid to the Philippine Government by the U.S. for rent of bases and land each year?

Mr. TEICHER. Five hundred million dollars over five years. So far, we have upheld our part of the bargain in security assistance.

Mr. FLIAKAS. The latter point is very important.

Mr. TEICHER. It is not rent. It is part of our mutual security relationships.

Mr. BURGENER. Thank you all for your cooperation. We will adjourn until 10:00 o'clock tomorrow morning.

WEDNESDAY, APRIL 8, 1981.

MEMBERS OF CONGRESS AND INTERESTED INDIVIDUALS AND ORGANIZATIONS

MEMBERS OF CONGRESS

Mr. GINN. The subcommittee will please come to order.

Today we will spend the entire day hearing testimony from our colleagues, Members of Congress, and other interested individuals and organizations. In order to provide time for everyone to testify—and we do have a rather large number—we will ask that oral testimony be limited to 10 minutes, if possible. However, we will certainly keep the record open for a week to accommodate any additional information that might need to be included.

We will begin our hearing today, I think very appropriately, hearing from the distinguished dean of the Georgia delegation, who also serves as Chairman of the Armed Services Subcommittee on Military Installations and Facilities, our counterpart and our close working partner, the Honorable Jack Brinkley.

Congressman Brinkley will speak to Fort Benning, Georgia—Brigade Maintenance Facilities; Trainee Barracks Complex.

Congressman, we are delighted to have you here, and we ask that you proceed as you see fit.

WEDNESDAY, APRIL 8, 1981.

FORT BENNING, GA.—BRIGADE MAINTENANCE FACILITIES; TRAINEE BARRACKS COMPLEX

WITNESS

HON. JACK T. BRINKLEY

Mr. BRINKLEY. I appreciate the opportunity to present the case for Fort Benning, Georgia.

We first wish to congratulate you on your service and for your meteoric rise to the chairmanship of this committee and to compliment Mr. Peel and others who were with you on our joint trip over the February Washington-Lincoln Birthday recess period. It was an informative time, and we learned a lot about military construction and the bases located in the southern U.S. from Georgia to Florida. It was a fruitful time and a useful trip. It is a pleasure to be with you.

Mr. GINN. We enjoyed it, too, Mr. Chairman.

Mr. BRINKLEY. I would like to introduce my military construction liaison person, Anne Cheek, Atlanta, Georgia, who is with me at the table today.

Mr. GINN. We are delighted to have you with us.

Mr. BRINKLEY. Mr. Chairman, I appreciate this opportunity to testify today on a crucial military construction project in my district, the Barracks Complex #8 at Fort Benning. One Station Unit Training for infantry at Fort Benning was delayed for several years and genuinely needs to begin catching up. One station and one unit has proven to be cost-effective for artillery at Sill, armor at Knox, engineering at Wood, and air defense at Bliss.

An important acceleration could be achieved by moving up Barracks Complex #8 as an add-on to this year's fiscal year 1982 Military Construction Appropriations bill. Five complexes have been completed at Benning and Complexes #4, fiscal year 1987; #6, fiscal year 1986; #8, fiscal year 1986; and #9, fiscal year 1988, remain to be done. Additionally, reception station barracks are scheduled for fiscal year 1985.

The significance of Barracks Complex #8 is the fact that the design status is 75 percent complete and the project could be placed under contract in fiscal year 1982. The current cost projection for fiscal year 1986 is $26.337 million, as compared with today's cost of $19.850 million. By bringing forward the project to fiscal year 1982, we would realize a substantial savings of $6,487,000.

Mr. Chairman, these barracks constitute a critical need now for our infantry trainees who are housed in World War II mobilization-type buildings.

As you and I observed, first-hand, during our Washington's Birthday Recess inspection of the existing Fort Benning barracks, this new construction is absolutely essential to the optimal, full implementation of OSUT. Let us act wisely, and with dispatch, to help ensure the most rapid and cost-effective timetable possible for construction of the Barracks #8 Complex.

Thank you, Mr. Chairman.

Mr. Chairman, you will recall we went into the new barracks there at Fort Benning and from there we went over to the World War II-type facilities, and the contrast was startling. This is the thing, Mr. Chairman, we seek to correct, and we ask consideration of this committee.

Mr. GINN. Thank you, Mr. Chairman, for taking the time to come and speak with us personally about the project. You are certainly correct in pointing out that we did tour, and I think rather extensively, Fort Benning just a few months ago, and we were very much impressed with what you are doing at Fort Benning. It is, of course, one of our most important installations.

You have answered in your excellent statement most of the questions I had. Let me just simply ask this, Mr. Chairman. Do you feel that the project can proceed within the fiscal year 1982? I guess that is really a question we didn't have to ask since the matter has to first come through your distinguished subcommittee. Obviously, you feel very strongly about it and have talked with your subcommittee about it or will be talking with them about it.

Mr. BRINKLEY. We have had a dialogue with the Army when it came before our authorizing committee. Additionally, I have corresponded with each of the members of the subcommittee, which I am privileged to chair, with reference to the project. We have

provided them with the same information we are now giving to you.

We are confident this project will be authorized. And then whether or not it can be met during fiscal year 1982 in my judgment has also been resolved. This project is substantially off the shelf. Project 8, unlike the other three projects listed, is very similar in design to the projects of the barracks complex which you and I visited. The basic format and procedure will be precisely the same, so it could be let during fiscal year 1982.

Mr. GINN. I believe you said, Mr. Chairman, the status design is about 75 percent?

Mr. BRINKLEY. That is correct.

Mr. GINN. And that it would save some $6 million by proceeding in 1982 rather than postponing, I believe you used the figure—

Mr. BRINKLEY. Yes, sir, that is correct, Mr. Chairman, and while the out-year extension between 1982 and 1986 is four years, the point that I had hoped to make in a gentle manner is the fact that one section of training has been substantially delayed because of studies that were interposed.

All of the studies have pointed in the same direction. We now believe we have eliminated all remaining doubts and therefore we think if we can move with greater speed, it will be in the best interest of the Army and of the country.

Mr. GINN. I definitely agree with you that the remaining doubts have been removed about the desirability of the one-station unit training.

I wonder if Mr. Chappell has any comments or questions?

Mr. CHAPPELL. I only wish to help our Chairman's welcome of another Chairman's appearance before this committee. I will certainly do what I can do to be cooperative.

Mr. GINN. Thank you, Mr. Chairman, and thank you Ms. Cheek, for being with us this morning.

Mr. GINN. Our next distinguished witness is certainly not a stranger to this subcommittee nor to our overall defense effort: The Honorable Charles E. Bennett, representing the great State of Florida, to talk with us about the Naval Station, Mayport, Florida, road access.

Mr. CHAPPELL. Before the witness starts, the State of Florida is somewhat of an impoverished area, and I want to say in the beginning we need all the help we can get.

WEDNESDAY, APRIL 8, 1981.

NAVAL STATION, MAYPORT, FLA., ROAD ACCESS

WITNESS

HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. BENNETT. Mr. Chairman, thank you for allowing me the opportunity to appear before your distinguished committee to bring to your attention the urgent need for improving roadway access to

the Naval Station, Mayport, Florida, from the off-base communities where military and civilian personnel reside.

Beginning in 1981 and continuing into the 1980s, the Navy plans to increase the base load at Mayport by adding 18 new FFG–7 class frigates to the fleet homeported there and by basing five LAMPS MK–III helicopter squadrons on the Mayport airfield; the helicopter buildup to begin in 1985. Military construction for the new ships is already approved, with more proposed in fiscal year 1982, including widening of on-base roads.

Military construction to provide a support complex for LAMPS will begin in fiscal year 1983. The impact of these plans will be a growth in the number of military personnel assigned to Mayport from the present 13,000 to approximately 20,000 as the new ships and squadrons are commissioned.

The Florida Department of Transportation, recognizing a need for improving Mayport Road, has completed designs for widening the road from the north city limits of Atlantic Beach to the Naval Station, Mayport main gate, approximately 2.3 miles, traversing Routes 101 and A1A.

Based on state-wide priorities, the Florida Department of Transportation is not able to project funding for this construction in time to coincide with the buildup of personnel for the Naval Station. The geographic location of the Naval Station, Mayport, precludes main roadway access by any other than the planned urban highway improvements to Routes 101 and A1A, being on a point of land surrounded by water.

The Military Traffic Management Command of the Department of Defense, which has joint responsibility with the Federal Highway Administration for the Defense Access Road Program, acknowledges that the roadway improvements are desirable, considering the expansion planned for the Naval Station, Mayport. However, the Military Traffic Management Command is not able to certify it for defense access road funding because Routes 101 and A1A are on the Federal Air Urban System and traffic growth will occur over several years.

Although everyone recognizes a need for improvements to the Mayport Road to coincide with the buildup of personnel for the Naval Station, neither the State of Florida nor the Federal Government has developed a solution to the problem. In researching this problem, I learned that a similar situation existed for the orderly completion of the road system to provide access to the Trident Submarine Base in Kitsap County in the State of Washington. In this instance, the State of Washington also recognized the need for improving a roadway that was also eligible for Federal aid primary funding through the highway trust fund. But, as is the case for Mayport, the State of Washington was unable to project funding for the needed improvements in time to coincide with the buildup of personnel.

For the Trident Submarine Base, the Congress recognized the exceptional need for this road, specifically directed accomplishment, and appropriated funds under Defense Access Roads, Navy, using the authority of 23 U.S.C., Section 210.

Although the buildup in personnel for the Naval Station, Mayport, is not as large as that for the Trident Submarine Base in

Bangor, Washington, the need for access road improvements to the station is equal to the need for improvements to the roadway system to the Trident Base. Therefore, I respectfully request that $3.5 million be included in the fiscal year 1982 Navy Defense Access Road appropriations for improvements to Routes 101 and A1A to the Mayport Station, which are, in fact, one highway to the base, not two.

Mr. Chairman, I have traveled this road many times, as I know Mr. Chappell has, and the Chairman has.

You will remember this is a road that runs right through the military base. It is a road which has very tremendous traffic because of that. It has inadequate protection for civilians. In fact, there have been rapes and murders occur on that road.

The road was a desolate little sandy road, to my recollection, but when the Naval Base came there, it became a major artery. It is practically a military road. Certainly the buildup on the road is almost entirely a military buildup. A school has been built by the local community to take care of the children. It is a dangerous road as it now exists. This work must be done and urgently I request that it be done because, unless this committee allows it to be done, I don't believe the technicalities of the various State and Federal criteria will allow it to be done.

There is the precedent of having done very similarly with regard to the Trident base on the West Coast. Therefore, I strongly urge it to be done.

If there are any questions, I would like to respond in any way I can.

Mr. GINN. I have more of a comment than a question. You showed us this situation when we were visiting with you in Florida back in February. We appreciated the opportunity to fly over this unit and see it first-hand. I appreciate your coming here today. I think you are giving us an opportunity to, if you will, dig a little into the defense access road situation. It seems to be fraught with technicalities, and it is very difficult to get anything done.

We will use this situation as an opportunity not only to consider your request on an individual basis, because there is precedent, as you just pointed out, but it is well to discuss with DOD why we cannot move faster and more effectively under the program.

Mr. Chappell, have you any comments or questions?

Mr. CHAPPELL. Mr. Chairman, only to thank my colleague from Florida for appearing before the subcommittee. As I say, I am familiar with this road. It is a real problem, and I want to associate myself with all of Mr. Bennett's remarks and urge favorable consideration of the project.

Mr. GINN. Mr. Chairman, you are kind to come and be with us. You are an old and dear friend of this subcommittee. We appreciate your appearance.

We will next hear from our colleague, Mr. Fazio.

We welcome you here this morning. We are delighted to have you come and talk with us about an unbudgeted hydraulic facility

at McClellan Air Force Base, and the Mare Island Shipyard in California.

WEDNESDAY, APRIL 8, 1981.

MCCLELLAN AIR FORCE BASE, CALIF.—UNBUDGETED HYDRAULIC FACILITY AND MARE ISLAND NAVAL SHIPYARD, CALIF.—SHIPYARD MODERNIZATION

WITNESS

HON. VIC FAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. FAZIO. I thank you very much, Mr. Chairman. I would like to express my appreciation for courtesies you have rendered on prior occasions, and I appreciate the willingness you have shown to become personally familiar with my district and the problems we have at our military facilities. Your willingness to travel with us last year is greatly appreciated.

Mr. GINN. We hope to return to California when we have more time.

They have a base there every 25 miles. It was part of the Pony Express system at one time, I think.

Mr. FAZIO. Mr. Chairman, I would like to thank you for your particular mention of the hydraulic pneumatic facility at McClellan, because it is very important to the development of the Air Force logistic command in general and specifically to McClellan Air Force Base, which is the fifth and westernmost point on the Air Force logistic command's scheme.

This facility is extremely important. Unfortunately, it has been deferred on several occasions in the past, and therefore I must request it as an add-on. It has a brief amortization period of 2.4 years. It is programmed to cost $12 million. If it were delayed until fiscal year 1983, it would cost another $1.3 million.

It is extremely important to the modernization of the base. This is something with which I am particularly concerned, as are Mr. Chappie, Mr. Shumway and Mr. Matsui, who share the workforce with me. The base has gone through a period when it did not get the attention it needed because there were some questions in the early 1970s about its continued existence. At this point, however, we are beginning to build back its capability. We know the Air Force feels very strongly about its place in the logistics command. We see this project as the centerpiece of the modernization effort.

I would simply point out some of the problems we encountered last year with the Senate, which we believe have now been resolved.

The issue of the use of existing buildings which will be vacated once the hydraulics facility is merged into this new building, have been resolved, I believe, to the satisfaction of all concerned. Therefore this project, which is 60 percent complete in the design phase, is ready to go, and I would urge, if you can find the wherewithal, that this be the year it gets off the starting blocks.

I would like to briefly touch on Mare Island. As you know, I sat in with you recently when the Navy presented its Military Construction budget. Mare Island is, as you saw, a facility also in need of modernization. Both of these industrial facilities are typical of the state that some of our shipyards have fallen into.

I believe you saw when you visited Mare Island the area where a ship lift and transfer system could be developed. This year, I would like to request an add-on of $2.5 million to begin planning and design of such a facility.

The Navy believes this would be important to their ongoing role of overhaul and repair of existing submarines—the 688 class which will soon be coming to Mare Island and will be our chief workload over the next 10 years—and in addition, should the Navy decide to go to new construction at a public shipyard, (we have high hopes, that it will come to Mare Island.) This system would be a very integral part of the effort to modernize the plant and to enable the yard to handle up to four ships at a time. We don't anticipate that much new construction at the beginning, and while we are capable of beginning with the existing facilities, this would certainly be part of what the Navy would request for a new construction program.

Private yards on the East Coast are unable to handle the additional work that the Navy apparently will be asking for, thus we should look to our public yards. We are ready at Mare Island and this particular facility would be extremely beneficial. I simply want to get this program going. I hasten to add the total construction will amount to $67 million, and while that, of course, is not the item in this year's budget, it does predispose us to move in that direction. It is obviously of some importance to consider.

Mr. GINN. That is the Mare Island project?

Mr. FAZIO. The ship lift and transfer facilities.

Mr. GINN. Over what period would that be spread out?

Mr. PEEL. It will be funded in one year.

Mr. GINN. This year you are seeking money for design and planning.

Mr. FAZIO. Yes. The Navy has estimated up to $200 million would be needed in the long run if they move to construction, but I hasten to add there is the capability to begin construction right now. The Navy does want to maintain Mare Island for purposes of surge for construction capability in any case. This would be the first yard that would have this kind of, assembly-line process in shipyard parlance.

It is really an innovation, I think, which many other public yards may wish to have. It is well established as being important to increasing productivity in the private sector. Almost every private yard has had this type of facility for many years. It is an effort to modernize the Navy's industrial plants.

I wanted to add one other item, which is already in this budget. It relates to Travis Air Force Base, which is also in my district, which is in need of an effort to gain additional accreditation for its hospital. There is a $4 million item in here for life-safety fire upgrade.

We have in the 1984 and beyond budgets, new construction for Travis Hospital. We are simply saying because for four years we

have had a one-year temporary extension of accreditation in the hospital because of these safety failures, that we do need a short-term infusion of dollars to bring the hospital up to fire safety code and to get permanent accreditation once more.

I would want to add that this facility when it is replaced, will still be used probably as a residence hall for airmen, so similarly safety requirements would be required in the future as they are today required for hospital patients.

I do realize the difficulty of appropriating money for a facility that is going to be replaced within the next 10 years, hopefully with the work beginning in the next two.

That concludes my remarks, Mr. Chairman. I realize that you understand how important military construction is to my district, and I appreciate your willingness to accommodate my requests.

[Congressman Fazio's prepared remarks follow:]

In this period of growing concern with regard to our defense capabilities, it is absolutely essential that we direct our resources in a manner which will ensure our military superiority; and, if we are to achieve such, we must not only have adequate weapon systems, but we must also have the ability to repair and maintain our planes, ships, tanks, etc. In view of this requirement, we cannot afford to expend the vast majority of our funds on new weapon systems at the expense of our equipment and repair facilities.

We must, therefore, be willing to spend sufficient monies to modernize our repair depots and to ensure a ready supply of parts and equipment. Otherwise our readiness will be severely effected. After all, an airplane in need of parts or repair cannot fly, and a plane which cannot fly is of little value in the event of an emergency.

The U.S. Air Force has five Air Logistics Commands which are responsible for keeping the Air Force aerospace weapon systems in a constant state of combat readiness. In carrying out this mission, AFLC provides logistics management needed to keep the Air Force's missiles aircraft and support equipment in top conditions.

The Sacramento, ALC, a major industrial complex, is one of three USAF facilities which is responsible for the overhaul of hydraulic pneumatic components. To adequately fulfill this crucial mission, a new Depot Hydraulics Facility is desperately needed. The cost of this facility is $12.0 million (FY 82 dollars). It is extremely cost-effective and has an annual savings of over $1.3 million, a one time savings of over $10.0 million, and can be amortized in only 2.49 years.

FUNCTIONS AND ACTIVITIES OF THE PROPOSED FACILITY

a. SM-ALC is the Technology Repair Center (TRC) for aeronautical hydraulic and pneumatic components. Over 50,000 Line Replacement Units (LRU-exchangeables) are overhauled/remanufactured each year. Major component categories include: hydraulic rotary pumps; hydraulic motors; flight control actuators; auxiliary and emergency backup system components; pressure and flow control regulators; complex valves; electro-hydraulic servo mechanism; high pressure pneumatic actuators; miscellaneous electro-hydraulic-mechanical components. Advanced versions of these components, used on the lastest weapon systems in the inventory, incorporated hybrid integration of electronics in master control elements.

b. This workload involves the overhaul of reparable units to like new (serviceable) condition. The components are then distributed through Air Force supply channels for replacement on mission aircraft in field by squadron maintenance technicians. Most units are high value investment items, acquired under spares provisioning through initial (or-follow-up) procurement of the weapon system they are used on. Due to improvement in component engineering and design, in recent years, they can be overhauled many times and still provide high-reliability performance on the aircraft. The result in extensive direct-dollar savings to the taxpayer, while assuring a reliable and ready Air Force defense capability providing that overhaul can be accomplished in modern, efficient facilities. The benefits to be achieved by the proposed new facility are aimed at producing overhauled (end) items at the lowest possible cost per unit.

c. Typical Air Force aircraft supported by these components are: F-100, F-101, F-105, F-106, F-111, F-4, F-5, F-15, F-16, A-7, A-10, B-52, C/WC-130, C/KC/WC-135, C-141, C-5, T-37, T-38, T-39, T-39, T-43, E-3, HH-53. In addition, components for

some, Navy and Marine aircraft are overhauled under interservice support agreements.

PRESENT LOCATION OF THESE FACILITIES

The five separate facilities now used are separated by a one-third mile between Bldg 243A and Bldgs 355 and 353. Bldgs 355 and 353 are separated by 200 yards. Bldg 280 is approximatly 400 feet from Bldg 243A and Bldg 475E is one (1) mile from Bldg 243A.

INADEQUACIES OF EXISTING FACILITIES

a. The shops and supporting functions cannot be arranged in either building for effective production process flow. This coupled with lack of space has caused severe congestion in both shops. It is diffiult to move parts and materials through these areas. It is not possible to economically install efficient process flow systems and mechanized conveyance systems. There is insufficient space for shipping/receiving, kit and materials stock/dispensing, cleaning and inspection and to properly install additional peculiar test equipment acquired in support of new weapons systems.

b. Because of separation of the facility production/test equipment and personnel skills have been duplicated in the two buildings. For example current acquisitioning of equipment in support of the F-15 has resulted in duplicate purchasing because the same equipment is required in both shops. Consolidation of personnel skills will also result in improved equipment, skills and facility utilization, if the proposed project is constructed.

c. With the trend to greater sophistication of aeronautical systems and components, a requisite sophistication and computerization of support equipment will occur. This involves electronic components, consoles and Automatic Test Equipment (ATE), which as peripheral units to the central test station demand a greater amount of floor space. At present, both buildings have congested test station areas. With the acquisitioning of new support equipment in both buildings, the duplication of equipment will result in greater congestion. Consolidation of functions in an adequately sized facility will relieve this problem. Due to a lack of adequate environmentally controlled space for increased A-10, F-15 and F-16 hydraulics components workload and test stands the Engineering/Planning Section has been moved out of Bldg 243A into Bldg 280 which is about 400 feet to the East. Although this move hampers Overhead support for the Hydraulic Shop it was necessary for mission accomplishment.

To elect to renovate and update the existing building would be far more costly, over $15 million which includes the cost of establishing a temporary location while the renovation proceeds. It makes sound fiscal sense to proceed with a new structure.

This facility is urgently needed and I hope the Members of this Subcommittee will proceed with the authorization of this project.

Mr. GINN. It is a pleasure to have you here, Mr. Fazio. We understand you are trying to get to a markup in another subject. We thank you very much for coming. I have had the opportunity to personally visit all three of these facilities. You may be assured of every consideration of this subcommittee.

Mr. FAZIO. I am sure I can be, Mr. Chairman. I thank you very much.

Mr. GINN. Next, we will hear from one who is no stranger to this subcommittee. He is in here every other day.

We are delighted to have at this time the Honorable Norman Dicks, from the great State of Washington.

You may proceed.

WEDNESDAY, APRIL 8, 1981.

PUGET SOUND NAVAL SHIPYARD, WASH.—STEAM GENERATION PLANT AND NSB, BANGOR, WASH.—COMMUNITY IMPACT ASSISTANCE AND FAMILY HOUSING

WITNESS

HON. NORMAN D. DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. DICKS. Mr. Chairman, thank you for this opportunity to appear before the Military Construction Subcommittee and express my thoughts and support for military construction budget requests for the Puget Sound Area I represent.

As this body is fully aware, the constraints of military construction budgets do not allow for funding of every needed project. Let me assure that based on first-hand observations the projects included in this budget are a necessity if we are to maintain the effective operation of the critical installations in this region.

I want to lend my particular support to the request for unaccompanied enlisted personnel housing at Puget Sound Naval Shipyard. Adequate low rent housing is simply unavailable in Bremerton and the immediate surrounding area. This project will help alleviate the pressures on retention that inadequate housing invariably provides.

The various projects requested for the Bangor Trident Submarine Base are also required to bring that installation up to full operational capabilities. While delays persist in delivery of Trident submarines, the Bangor base already serves as the base for three attack submarines.

Further, because of the delays in Trident ship construction, we cannot afford any additional delays in deployment capabilities that could come from an incomplete support base. We know what is required, and it makes good economic sense to proceed expeditiously and not incur the inevitable increases in cost that result from deferrals and delays.

I also wish to share my thoughts on the success of the Trident community assistance program. It is a little bit unusual for me to be here and not be testifying for continued support for this program. As you well know, the $55 million program's funding was completed in fiscal year 1981. While the program was of immeasurable assistance to the local community in offsetting the growth factors created by the Bangor base, it did not by any stretch of the imagination fully meet the added burdens. Additional roads, schools and sewers remain to be funded before the Navy-fueled growth can be accommodated.

I am particularly concerned with the housing situation we face in Kitsap County. Largely as a result of the addition of the Bangor Submarine Base, the population of the county has increased 44 percent over the last decade and is now at 147,000.

Housing starts have simply not kept up with this fantastic growth rate. Because of persistent high interest rates, money is simply not available for construction of multi-unit complexes. Prospects for a turnaround in the foreseeable future are virtually nonexistent.

A fiscal year 1982 family housing survey conducted by the Navy shows a shortfall of 1,315 units for Naval personnel. This shortfall forces new families assigned to Bangor to compete in the already inadequate private housing market. The result is an increase in rents and housing costs that have placed a considerable burden on ineligible and low income military personnel.

For instance, unfurnished three-bedroom units range from $250 to $500 a month without utilities. In many instances, affordable rental housing is simply not available as evidenced by the current 1.98 percent vacancy rate. The result is a serious retention disincentive for the personnel assigned to Bangor, one the Navy can little afford.

The only one solution to meeting the problem in a timely manner is through military construction. This is the unavoidable conclusion that the commander of the submarine base has reached as well. We attempted to rely on the private sector when we deferred an earlier request for 400 units. The simple fact of the matter is private sector housing did not, and cannot, meet the existing need. I strongly urge this subcommittee to consider funding for 500 family housing units in the fiscal year 1982 budget to allow us to meet the most immediate and pressing needs.

It will do us little good to finance housing in later years, with inevitable cost escalation, if in the interim, the housing situation drives more critically needed skilled personnel out of the service. I am more than willing to work with you in providing information on the need and options for this additional housing.

The largest employer subject to property taxes in Kitsap County is the local J. C. Penney store. Thus, the pressures on local government are immense and the resources available to deal with them very limited.

I am convinced that the time has come when we must recognize the need to provide some permanent accommodation for the few communities in this nation who have been asked to bear a disproportionate military burden in order to provide the facilities needed for our national defense. Some form of payment in lieu of taxes is a critical need for areas such as Kitsap County, and as new bases are developed for areas such as Kings Bay. Should we opt for a multiple shelter basing system for MX, we must help those rural areas impacted by that system as well.

I look forward to working with this subcommittee in exploring what options are available to meet this serious problem that could well lead to increased resistance by local communities to bases proposed for their areas.

Finally, I want to focus the subcommittee's attention on the desperate need for a new steam generation plant at Puget Sound Naval Shipyard.

If we are to execute the expanded Naval shipbuilding program advocated by this administration, public shipyards will be required to play an expanding role, either in new construction or in in-

creased overhaul and reactivation work. Efficient operation at those yards will be critical to the cost-effective execution of this plan.

The work at Puget Sound Naval Shipyard requires steam generation for operation of shipboard systems, machines, heating and for compressed air. A load maximum of 250,000 pounds per hour is currently required for overhaul work on an aircraft carrier during winter months, and it would be imprudent not to provide for substantial growth potential.

Steam generation capabilities are also needed to provide emergency electrical generation capacity. In the past, we in the Northwest have been able to rely on inexpensive power provided by the Bonneville Power Administration. However, population growth in the Puget Sound area has increased demand to a point that BPA can no longer guarantee power. In addition, the cost of available power in the area is growing rapidly. Both these factors dictate the necessity to have an independent power generation capability, which the proposed new steam generation plant would provide.

The present steam generation building is over 70 years old. It was badly damaged by an earthquake in 1965, and its unreinforced masonry construction cannot stand the type of damage a further quake would create. Of the existing seven boilers, six have been in service over 30 years, and two are out, one of them permanently.

A Naval architect engineer study concluded that repair of the existing plant was not a feasible option. I have seen the current plant and wholeheartedly agree with this assessment. It was built in the days of the great white fleet and cannot be expected to indefinitely meet the needs of the new nuclear Navy.

Construction options for a new steam generation plant have been underway for some time, and I am satisfied that the central coal plant option proposed makes the most sense. It will help alleviate current environmental problems associated with the discharge of heated water into the Sound.

Puget is the first of four public yards scheduled to receive new steam generation facilities in the next six to eight years. Its lead is based on an assessment of Admiral Fowler that its plant is in the most immediate need of replacement.

I recognize the level of investment in this plant is high. The first phase funding requested for fiscal year 1982 is $37 million. But the return we will achieve from it is far greater and fully justifies its funding.

I want to compliment the Chairman for the job he is doing in this important field.

Mr. GINN. The Chair appreciates your commendation. We understand and appreciate the importance of both of these projects you have testified in favor of. We will be doing what we can to be of help, as we have in the past.

Thank you for being here.

We will next hear from the Honorable Martin Frost, of the great State of Texas. Martin, we appreciate your being here this morning to talk to us about the Naval Air Station at Dallas.

Thank you for being here. Proceed as you see fit.

WEDNESDAY, APRIL 8, 1981.

NAS DALLAS, TEX.—UNBUDGETED AIR INSTALLATION COMPATIBLE USE ZONE

WITNESS

HON. MARTIN FROST, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. FROST. I appreciate the opportunity very much. I have a statement which I would like to go through. It won't take too long.

Mr. GINN. We will be glad to receive it in any form you care to follow.

Mr. FROST. Mr. Chairman, I am here today to request that an additional $5.55 million be added to the fiscal year 1982 Naval Reserve Military Construction Appropriation for the purpose of continuing with a clear zone acquisition program at the Dallas Naval Air Station. This property purchase program began last year after this subcommittee approved, at my request, a $4 million appropriation to begin the first of a three-staged acquisition program. Operations in that first stage are proceeding smoothly, and the funding I am seeking today will ensure that the acquisition process continues without interruption.

Before I go into the details of this request, I would like to briefly recount the series of events which have led me to seek this additional appropriation.

In April, 1978, the Department of the Navy published an Air Installation Compatible Use Zone (AICUZ) study of the Dallas Naval Air Station, a Naval Reserve facility located in my Congressional District in the City of Grand Prairie. That study concluded that noise and safety factors associated with the air station were threatening enough to warrant purchase of all property within a 100-acre area surrounding a portion of the runway, thereby designating this area a clear zone.

From that point on, however, the Navy failed to act on its own recommendation. It would not or could not seek the required funding to purchase the property in the clear zone which, by the Navy's own standards, constituted an area of unacceptably high noise and safety risk to support residential or commercial activities. In addition, the Secretary of the Navy informed me that he could neither seek funding for the acquisition before fiscal year 1984, or rescind the clear zone designation.

Property owners in the area were placed in double jeopardy. They were either living, working, or their children were attending school in an area that had been classified by the Navy as unacceptably dangerous. Their property values depreciated, and Federal grant assistance for the area had been terminated. To compound the problem, they were faced with the spectre of living under these conditions for at least three more years, or until the Navy saw fit to seek the money to buy their property.

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By the end of 1979, I became convinced that the Navy would not of its own volition seek the funding to begin the acquisition process. Consequently, I approached this subcommittee last year to ask that it appropriate the funding so that property purchases could begin.

As I have mentioned, a total of $4 million was appropriated last year. With it, the Navy has proceeded with the first phase of the purchase program, a phase involving approximately 101 residential units. Actual purchases are expected to begin this June and should be completed by September. I am pleased with the progress made thus far in effecting an orderly relocation of these residents.

The $5.5 million I am requesting today will fund acquisition of property in the second phase of the program. Of that total, approximately $3.8 million will be associated with the purchase of an elementary school which, though not entirely contained within the clear zone, must be replaced because of noise and safety factors. The $1.2 million will be used to purchase undeveloped property in the area, and the remainder of my request will involve miscellaneous costs associated with the acquisition.

The Navy believes these acquisitions should take priority over all others. The Grand Prairie School Board cannot continue operating the elementary school in its present location within the clear zone. The undeveloped land must be purchased without further delay, before local developers move into the area, set up operations, and increase the market value of the purchase. Members of the Grand Prairie School Board and the city Council have been advised of these plans and concur with the judgment to proceed along these priority lines.

The third and final phase of the acquisition will involve approximately 9 light commercial businesses and a fire station, and will cost about $14.2 million. However, I do not plan to seek that appropriation until next year, as there is some concern that an authorized but unfunded acquisition would in the interim artificially force property market values beyond reasonable expectations.

Mr. Chairman, I sincerely hope the subcommittee will approve the appropriation for the entire second phase of this project, so that the Navy can continue the momentum generated by last year's appropriation.

I realize that fiscal pressures may take their toll of what would otherwise be considered "must do" construction projects.

Please remember, however, that delaying acquisition at any point in this program will result in later purchases at measurably higher costs to the government.

Such a penny-wise but pound-foolish approach to the management of this project would constrain the Department of the Navy, and the Grand Prairie City Council and School Board in their long-term planning efforts. For these reasons, Mr. Chairman, I am hoping the subcommittee will signify its commitment to an uninterrupted acquisition by appropriating the entire $5.55 million I have requested today.

I thank you for your time. I have supporting material supplied by the Navy, which I will submit with my testimony, and I will be happy to answer any questions you might have at this time.

Mr. GINN. Thank you for being here.

[The attachment to Congressman Frost's statement follows:]

1. COMPONENT	FY 19 82 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
		2/18/81

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
NAVAL AIR STATION DALLAS, TEXAS	LAND ACQUISITION

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
	911-10	P-263	5,550

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Undeveloped Land	ac	30	40,000	1,200
Replacement of Fannin Elementary School				3,778
Site				(1,500)
Construction				(2,278)
Demolition of existing School				35
Subtotal				5,013
Contingency (5%)				251
Total contract cost				5,264
Supervision, Inspection and Overhead (5.5%)				289
Total Request				5,553
Total Request (Rounded)				5,550

10. DESCRIPTION OF PROPOSED CONSTRUCTION

Purchase of (a) total undeveloped real estate within the clear zone and (b) the Fannin Elementary School. Less than a fee interest in the School may be acquired if a suitable reuse can be identified.

11. Requirement: To provide 3000' clear zone in accordance with established Department of Defense criteria. Acquisition is required to preclude incompatible development on the undeveloped land and to discontinue the operation of a school within the clear zone.

Current Situation: Privately owned land in the clear zone is partially developed with residential, commercial, and light industrial improvements. The residential properties were included in FY-81 MCNR Project P-261 and are currently being acquired.

Mr. FROST. Mr. Chairman, I would add one comment to my prepared remarks. The Navy has been very cooperative. In discussing this matter with them, even though they did not seek the funding, they have said if the funding is to proceed, this is the order in which they would recommend that it proceed: That, since we have done the first phase, they suggest an appropriate second phase would be the school.

Mr. GINN. Thank you very much for being here. We are very much aware of the importance you place on this matter, and your presence here today is further indication you place high priority on it.

Since this is a phase 2 increment of a total 3-phase project, is additional authorization required?

Mr. FROST. Yes. I have appeared before the Committee on Armed Services, and they have indicated the authorization will be forthcoming for fiscal year 1982.

Mr. GINN. Could you tell me how this situation developed? How much additional housing has been built in this area?

Mr. FROST. No additional housing has been built. These are older homes that have been there about 25 years, some even longer than that. This is just a case of—the area basically has been frozen since the clear zone was delineated by the Navy. We are now trying to go in and do what the Navy recommended in the study. There has been no additional development since the study.

Mr. GINN. Could you tell me more about this undeveloped land which you are anxious to see purchased without further delay before local developers move into the area? Why would they do that, except, of course, for the possibility of getting a higher price?

Mr. FROST. I think that really what we are talking about is speculation.

Mr. GINN. Mr. Edwards, have you any comments or questions.

Mr. EDWARDS. I have no questions.

Mr. GINN. We thank you very much for being here this morning. As I said earlier, we understand the importance you place on this. You can be sure it will receive our very, very serious consideration.

I see another witness has arrived, the Honorable Barry Goldwater from the great State of California. Barry, will you come to the witness table, please? We are delighted to have you.

I understand you want to talk to us about Port Hueneme's proposed Naval Hospital.

Please proceed as you see fit.

WEDNESDAY, APRIL 8, 1981.

PORT HUENEME, CALIF.—PROPOSED NAVAL HOSPITAL

WITNESS

HON. BARRY M. GOLDWATER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. GOLDWATER. Mr. Chairman, I want to talk to you about a hospital at Port Hueneme, which is the West Coast construction battalion base. We have two Seabee bases in this country, one that

serves the Atlantic in Gulfport, Mississippi and the other on the West Coast, at Port Hueneme, which is 50 or 70 miles north of Los Angeles; up the coastline between Los Angeles and Santa Barbara.

There are two military installations there. One is the Pacific Missile Test Center at Point Mugu, and the other is the Seabee base at Hueneme. They are almost adjacent to each other. Here are a couple of pictures of the Seabee base you can look at with the port facility they use to load ships for the Pacific and Indian Oceans.

The recent outfitting for Tierra del Fuego was directed out of this base. It went on ships and out to the islands in the Indian Ocean.

The problem we have here in this area of Ventura County is that with the two bases we have a constituency of about 50,000 personnel, civilians, dependents, and active military, who are doing some very important military work.

The Seabee base was started in 1942 and was expanded in 1943. There has been virtually no new construction on that base since 1943, so most of the facilities are vintage World War II.

The only new thing they have is a battery shop built in 1970.

The former hospital deteriorated over this period and the Navy decided in 1972 that the base needed a new 80-bed facility. They began planning for it. Lo and behold, about 1979, they shut down the old hospital because it was about ready to fall down. Now all the base has is an outpatient clinic. Personnel on the base rely on the CHAMPUS program and local hospitals. We know how "good" that situation is. The nearest military facility is 150 miles away, down in Long Beach.

The Navy wants this medical facility. With the restrictions on funding, it has taken a back priority, but it is important. This is the area where the President lands when he goes out to the western White House. He lands at Point Mugu.

I recently testified before the authorizing subcommittee, the House Armed Services Military Installations subcommittee. The Chairman indicated to me he is concerned and intends to put language in the subcommittee report for fiscal year 1982 directing the Navy to complete their engineering and design work so that money can be put in the fiscal year 1983 budget for construction.

I am here to let you know I will be back next year; that this is a very serious problem. The Pacific missile test range that does all the testing on the F-14 and all the testing at Vandenberg as well as the Seabee construction battalion with 10,000 personnel on base, make for an expanding military situation out there. They are desperately in need of a medical facility. If we can get it into the pipeline, that is what I am requesting. I will be back next year to remind you of this situation.

I appreciate your consideration of it.

Mr. EDWARDS. Is there any authorization yet for the engineering and preliminary work?

Mr. GOLDWATER. There is not. NAVFAL does that with in-house money, I suppose. I am not sure about that.

Mr. GINN. What would be the total cost of the facility?

Mr. GOLDWATER. They are talking now about $7.8 million for the facility.

Mr. GINN. That is quite low.

Mr. GOLDWATER. We have a good climate out there so you don't have lots of climatic conditions to consider.

Mr. GINN. Are there questions?

Barry, we are aware of your interest in this matter, which is further evidenced by your being here today. We will do what we can. Thank you for being here.

[Congressman Goldwater's prepared statement follows:]

FY 1982 MILITARY CONSTRUCTION PROGRAM/PORT HUENEME, CALIFORNIA
The Honorable Barry M. Goldwater, Jr.
April 8, 1981

Mr. Chairman, I appreciate the opportunity to appear before you today on behalf of the military construction program at the Port Hueneme Construction Battalion Center in my district. The topic of upgrading the facilities at this particular SeaBee base is, as you can understand, near and dear to my heart.

The Port Hueneme SeaBee base has a long and honorable history of service to our nation. It was established in 1942, expanded in 1943 with the escalation of World War II; and has, since the end of the Korean War, been home port for four of our Naval Construction Battalions. As you know, the only other SeaBee facility is located in Gulfport, Mississippi and it similarly has four battalions. However, Port Hueneme is by far the larger and busier of the two because of the number of other, non-SeaBee tenants the Port houses.

I'd like to take a moment to highlight the Port's importance as the central Naval supply and construction base on the West Coast.

Its diverse operations include: the Naval Construction Training Center, the Naval Ship Weapon Systems Engineering Station and the Naval Support Forces/Antarctica. It's home port for the USS NORTON SOUND, a missile test platform ship; the USS QUAPAW, a Naval Reserve training ship/salvage and towing vessel; and the USS WHEELING, a support ship for the Pacific Missile Test Center.

SeaBees at the Port provide logistical support for Naval Construction Battalion Forces located in the Pacific and Indian Ocean areas. It's the largest military equipment overhaul and maintenance facility on the West Coast. The base also operates as Port Authority for the only deep-water port between Los Angeles and San Francisco and oversees a modest commercial operation, the Oxnard Harbor district.

Port Hueneme plays an integral support role in the Space Shuttle program now, and this promises to expand with the expansion of the shuttle program. Besides this, the Port provides support for the development, testing and evaluation of the DOD weapon and missile systems including: the TOMAHAWK cruise missile, HARPOON, TRIDENT, F-14, SPARROW and SIDEWINDER, among others.

Currently, there are over 10,000 active military, civilian and dependent personnel located on base. There are an additional 40,000 retired personnel in the area. This, obviously, is quite a community.

The facilities on base are, for the number of personnel, complexity and sheer size of the job being undertaken at Port Hueneme, vastly insufficient. For instance, the chapel is currently housed in a World War II quonset hut. The unaccompanied enlisted and officer personnel housing--we used to call them BOQ's and barracks--are in deplorable condition. Most have been modernized and upgraded only once since the 1940's when they were built, and they were temporary construction even then. The only new construction on base since 1970 has been

a battery shop; the most expensive alteration has been a hookup to the county sewer line mandated by environmental regulation pertaining to ocean dumping of sewage.

What angers me the most, however, is the hospital situation on base. This may not be a new subject for a number of the subcommittee members as planning for a new 80-bed hospital at Port Hueneme has been on the books since 1972. The story of the waffling and procrastinating on the part of DOD vis-a-vis the new hospital is a wonder and I'll share it with you now.

In 1972, because of the seriously deteriorated condition of the hospital structure--it was temporary construction in 1942--a new, 80-bed facility on the base was programmed for construction in 1975. This facility was to serve not only Port Hueneme's active military, dependents and the local retired military community, put also personnel from the nearby Point Mugu Pacific Missile Test Center. In 1973 the project was deleted from the FY75 milcon program and design efforts were terminated.

In 1974 the project was resubmitted for a 60-bed facility to be constructed in 1977.

In 1975 the project was deferred to the 1978 milcon program; similarly, in 1976 it was deferred to the 1979 program.

Then, and believe me I raised a stink over this, the existing facility, pathetic as it was, was shut down in 1979, leaving only an outpatient clinic on base. To add to this

insult, the new hospital project was deferred again to the 1983 military construction program. Until last week I believed that it was firmly on-line for the 1983 budget. I will address this particular point in a moment.

I wish that all of you could see the physical plant of the medical clinic as it now exists. The old hospital is simply boarded up...paint peeling from the clapboards. The only remaining medical facility on base, the antiquated outpatient clinic, remains in what had been the clinic wing of the now-closed hospital. It's so bad that commercial tenants and residential areas adjacent to the base complain of the slum-like appearance. This facility, my friends, is the only military medical care available to over 50,000 individuals within two hours' drive. The nearest military hospital is the Long Beach Naval Hospital, 100 miles away.

Last week I had startling and dismaying news. The proposed hospital has been put off for another year; pushed back into the 1984 military construction budget. I have called the Secretary of Defense to express my outrage over this further delay. Pushing the hospital back another year--making it fourteen years late--is doubly incomprehensible because I also understand that Port Hueneme is going to be assigned another Construction Battalion in 1984. This will represent another two thousand-plus personnel on base. The present clinic, besides being ramshackle and outmoded, can't handle the number

of personnel on base right now, much less an additional two thousand active duty personnel and dependents.

I have to admit that there is excellent private health care available in the surrounding Ventura County community, but this simply isn't the answer. The military medical compensation plan--CHAMPUS--does not reimburse doctors and hospitals at prevailing rates. Many private health care providers won't take military personnel as patients.

I believe, in light of the current and projected number of personnel in the area and the complexity and diversity of the job at Port Hueneme, this long-planned hosptial is an obvious necessity. Adequate medical care is one of the commitments the Navy makes its personnel, but the ongoing situation at Port Hueneme denies this necessity to a sizable number of our nation's military. For this reason, I respectfully request that the subcommittee consider this project with an eye to reinstating it in the FY83 budget and direct its construction in that year, if we can't come up with money to get it started in fiscal 1982, next year. I understand that the Navy's overall budget has limitations, but I do want to impress upon the committee the need to get on with this facility.

Thank you for your time and attention to this pressing matter. I will be happy to respond to any questions you may have.

Mr. GINN. Our next witness is the Honorable Dave McCurdy, of the great State of Oklahoma. We are delighted to have you here to talk with us about family housing at Tinker Air Force Base and your interest in enlisted barracks at Altus Air Force Base.

WEDNESDAY, APRIL 8, 1981.

TINKER AIR FORCE BASE, OKLA.—FAMILY HOUSING AND ALTUS AIR FORCE BASE, OKLA.—ENLISTED BARRACKS

WITNESS

HON. DAVE McCURDY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. MCCURDY. I appreciate the opportunity to meet with you. Of course, it is good to see my fellow colleague from Oklahoma on the committee.

I think we share a common interest in this, Mr. Edwards and I. It is an issue that has significance to the country and to our readiness capability and our ability to have the quality military, and certainly maintain our strong national defense posture.

I will quickly summarize the testimony we have provided for the record. I would like to have my testimony submitted for the record on both Altus and Tinker.

Mr. GINN. Without objection, it is so ordered.

Mr. MCCURDY. As you know, this is an issue that has been around for some time on Tinker Base. We request authorization and appropriation of $111.6 million for the 200-family housing units.

I also believe these are enlisted, again. I want to emphasize that fact because at both bases we are talking about the enlisted folks. We are not talking about the officers.

So many times it seems that the pay raises and the salary scales and the benefits in the military overeschew to the upper brass. This is for enlisted, and we certainly request the committee to consider this very vital project for Tinker Air Force Base.

It is also important when we are considering the deployment of AWACS, and that is where Tinker is important again, because AWACS is stationed there. It is important these people have adequate housing when the husbands are away overseas on different duty, and it is important to have the security, and it is helpful to overall morale. I think it is a critical problem, and it is one about which I know you are concerned. I appreciate your attention to this matter.

As far as the Altus project is concerned, I met with the authorizing committee on Armed Services last week, and again emphasized the importance of this project.

The request here is for $7.851 million. I sit on both the Procurement and Readiness Subcommittees. I would emphasize this project costs less than one Black Hawk UH-64 helicopter. That is the size of the project. That kind of puts it in perspective. This also is unaccompanied enlisted personnel housing. The importance of this is that Altus Air Force Base is a MAC training base. They bring

these people in for their training. They live in World War II barracks; they are termite-ridden, they are inefficient. They have long exceeded their life span and utility.

We would like to move these barracks into a uniform area. Many of the barracks are 500 feet from the flight line. When they rev up the C-5s out there, the decibel rating is 120 outside and 95 inside, and 85 is the standard above which they say damage could be incurred to the ear.

We think it is very important that we have this project moved up.

The request is for it to be moved from fiscal year 1983 to the fiscal year 1982 budget. I think the military is supportive of this. We have visited with General Hyser and a number of people at MAC, and I think they will support this, also.

This is a critical need. I think it provides a building for that area. Again, I emphasize the fact it is enlisted personnel housing. I think we can have a long-term savings because of the utilization of more energy-conscious design and construction, which I think will in the long run get the men out of these inefficient dwellings.

You have my statement for the record. I understand your concern for the time, and I just wanted to emphasize the fact these are enlisted personnel.

I think we can move very quickly if we receive appropriation for those. They are through the design phase.

I would entertain any questions you might have, Mr. Chairman.

[Congressman McCurdy's prepared statements follow:]

SUMMARY OF TESTIMONY—SUBCOMMITTEE ON MILITARY CONSTRUCTION—APPROPRIATION COMMITTEE

TINKER AIR FORCE BASE—ON BASE FAMILY HOUSING

Thank you, Mr. Chairman, for giving me this opportunity to testify with respect to Tinker Air Froce Base, Oklahoma—On Base Family Housing, which I would like to have inserted in the minutes of this hearing.

This project calls for the construction of 200 family housing units at a projected cost of 10.6 million dollars. This project was originally authorized in 1980 and funds were appropriated in the 1981 Air Force budget under general operating funds; however the project was not started and those funds were spent elsewhere.

There has been a long history of insufficient military housing at Tinker Air Force Base. And, the problem has become even more serious over the past five years. From June 30, 1976 to present, the military population has increased by 3,000 personnel. This growth in military population has set up a severe shortage of family housing. At the present time, there is a waiting list of over 700 military families needing on-base housing. As can easily be seen, the 200 units requested at this time will satisfy less than one-third of that need.

It is a well accepted fact that our military pay is not on a par with equivalent civilian jobs in the private sector. Insufficient family housing penalizes our military even more with present high housing costs exceeding the housing allotment provided the military. This out of pocket costs to our young airmen is one of the problems contributing to our inability to retain critical skills in the military ranks. On-base family housing is a strong incentive that goes a long way to help us hold our good military people in their service jobs.

This is clearly one of our most important and deserving projects, and for these reasons, I am asking this committee to appropriate funds for this project in the 1981 Air Force Supplemental Budget.

ALTUS AIR FORCE BASE—UNACCOMPANIED ENLISTED PERSONNEL HOUSING

Thank you, Mr. Chairman, for giving me this opportunity to testify with respect to Altus Air Force Base—Unaccompanied Enlisted Personnel Housing, which I would like to have inserted in the minutes of this hearing. I have on April 3, 1981 testified before the Subcommittee on Military Installations and Facilities of the

Armed Services Committee requesting that this project be authorized in the Fiscal Year 1982 Budget. In the event this project is approved by that committee, I would ask your committee to appropriate funds for this project in the Fiscal Year 1982 Budget also.

The Military Airlift Command (MAC) Fiscal Year 1983 Military Construction Program (MCP) contains an Altus Air Force Base project for Unaccompanied Enlisted Personnel Housing (UEPH), with a projected cost of $7.851 million. This project will provide adequate, efficient, economical housing for 392 unaccompanied enlisted personnel. It includes solar heating for domestic water and will be designed to achieve optimum supplementary environmental passive solar heating. The proposed construction includes a concrete foundation, concrete floor slab, concrete structure, and brick-skin with a shingle roof. This project has been submitted by MAC to HQ USAF to be included in the MAC Fiscal Year 1983 MCP. A design directive has been issued to the Corps of Engineers to proceed to the 35 percent stage.

Altus AFB unaccompanied enlisted personnel housing consists of 14 dormitories, totaling 278,585 sq. ft. This translates into 1,552 individual spaces. Of this total, six are sub-standard wood frame dormitories consisting of 90,025 sq. ft./520 spaces. All the sub-standard dormitories are located approximately 500 ft. from the flight line and have minimum sound attenuation construction. A July 3, 1980 noise survey conducted in the immediate vicinity of buildings 176 and 177 revealed that noise levels inside the facility reached 95 decibels (dB's) during the engine runups. Immediately outside the building, noise levels reach 120 dB's. These engine runups occur on a frequent basis throughout the day. Air Force standards cite 85 dB's as damaging to the ear. Four of the sub-standard dormitories were constructed in 1953 and two in 1956, all with an expected maximum life of 25 years. The existing facilities are outdated and have resulted in high energy use, inefficient heating/cooling, inadequate plumbing, and excessive maintenance man-hours. Central latrine facilities are a constant source of irritation. The remaining eight dormitories are considered adequate and total 188,560 sq. ft./1032 individual spaces. Of these eight, six were constructed from 1953 thru 1956. The two remaining were constructed in 1972.

Based on the required annual bachelor housing survey for 1980, Altus AFB has a projected enlisted housing requirement for 4th Qtr Fiscal Year 1984 of 409,035 sq. ft./1702 spaces, which represents a projected Fiscal Year 1984 deficit of 130,450 sq. ft./150 spaces. This deficit includes the current use of our sub-standard facilities; hence, the disparity in square footage and spaces. If we exclude these sub-standard facilities in our computation, the current deficiency increases to 220,475 sq. ft./670 spaces. Altus AFB enlisted housing requirements are now anticipated to rise significantly through the next few years due to the projected increase in enlisted aircrew training. Concurrent with the projected increase in student population, an increase in permanent party personnel of approximately 334 will be required to logistically support the training workload. Sixty-five percent of this increase will be unaccompanied enlisted personnel who will in large part require housing.

Construction of the proposed UEPH complex will provide 392 bed-spaces for assigned enlisted personnel. This 82,688 sq. ft. facility will include living quarters for all enlisted grade levels and provide adequate facilities for all permanent party enlisted personnel. The proposed complex will be designed to meet federal standards and Air Force energy conservation goals. It will include the maximum allowable use of passive and active solar energy. Additionally, it will provide sufficient space and the degree of privacy necessary for proper rest, relaxation and individual well-being. This modern complex will become a positive factor in improving the morale and retention of highly skilled enlisted technicians.

The principle justification for this project is to replace sub-standard facilities which have exceeded the maximum expected life span, and are no longer cost effective to maintain. The new complex will provide adequate housing for permanent party personnel and a vastly improved study environment for the students. A decrease in energy and maintenance costs, as well as an elimination of noise problems, are supporting factors in this project. The addition of this facility will replace four of the base's six sub-standard wood frame dormitories. Upon completion of this project, four of the sub-standard buildings which have exceeded their life expectancy will be scheduled for destruction.

Mr. GINN. We want to thank you, Dave, for being here again today to talk to us about Tinker and Altus. You and Mr. Edwards are very persuasive.

I will do something I rarely do; I will tell you now that on Thursday afternoon, at three o'clock, we are going to mark up the supplemental military construction appropriation bill, and I intend

to recommend the $12.4 million for Tinker housing at that time, and I am sure Mr. Edwards will be there reminding me that I have made that pledge.

Mr. McCURDY. A bipartisan effort there. We appreciate that.

Mr. GINN. The housing at Tinker has been around entirely too long, and it is time we move quickly to take care of it.

You have both made impressive arguments in favor of it.

With regard to Altus, you are asking, I believe you said, to move up from 1983 to 1982 because of the critical nature of it.

Mr. McCURDY. That is correct.

Mr. GINN. We will be giving very, very careful consideration to your request for that.

Mr. McCURDY. When will your markups be on 1982?

Mr. GINN. In June or July.

Mr. McCURDY. If there is any additional information needed or requested, don't hesitate to contact us. We have excellent rapport with the personnel out there, and they provide everything they can. We will be glad to stay on top of it.

Mr. GINN. Thank you, Dave. Let me see if Mr. Edwards has any comments or questions.

Mr. EDWARDS. I am delighted to hear what you said.

Dave, we had a good meeting not long ago where we talked about Tinker and got good commitments out of the people at the Pentagon and the Air Force people, and the Chairman has been very helpful to us on Tinker. We will look very seriously at the Altus matter. I know how important that is, also. We very much appreciate all you have been doing to try to get the housing for Tinker. It has been very helpful, and it is something very important to both of our districts.

I appreciate the hard work you have put into it.

Mr. McCURDY. Thank you. We appreciate your efforts, too. It is important. It is not just for us, but it helps the overall defense posture. I am glad to see the Chairman is taking the lead trying to acquire additional funding and also alert people to the need here that we have to have this part of the budget which is so often overlooked.

I think it is important we take advantage of it now.

Mr. GINN. Next we will be delighted to hear from our distinguished colleague, the Honorable Tony Coelho, from the great State of California. He has various projects at Castle Air Force Base to talk with us about.

WEDNESDAY, APRIL 8, 1981.

CASTLE AIR FORCE BASE, CALIF.—VARIOUS PROJECTS

WITNESS

HON. TONY COELHO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. COELHO. Thank you, Mr. Chairman. I would hope we could continue in the spirit of bipartisanship that prevailed with the previous witness, I like that attitude.

Mr. Chairman and Mr. Edwards, I do appreciate your giving me this opportunity to come before you today to discuss two projects which are of vital importance to Castle Air Force Base and the

people I represent—the addition and alteration of the base medical facility and improvement to Santa Fe Road, a major access road to the base.

Last year, Congress authorized construction of the addition to the medical facility/dental clinic. Although funds for the project, $16.4 million, were included in the bill approved by this committee and the full House, they were not included in the Senate proposal and were deleted by the conferees.

Having toured Castle Air Force Base last November, the Chairman, I know, is aware that the hospital is grossly inadequate to meet current needs. The facility, designed more than 15 years ago for 5,000 outpatient visits per month, has a current workload of 11,000. There is a severe space shortage, and part of the main surgery suite must now be used as an emergency room. Several important medical activities, such as flight medicine, mental health, medical supply and optometry, have had to be moved to other locations on base. This decentralization has cost dearly in time and managerial effectiveness.

Mr. Chairman, if you will recall the manner in which the drugs and everything else had to be dispensed—that is an indication of our problems.

Castle Air Force Base can no longer provide quality services to its growing patient population of more than 33,000. Unfortunately, little relief is available from local community sources, which are already strained to capacity. Castle is located in Merced County, California, a rural farming community in the Central San Joaquin Valley.

The City of Merced and a major portion of the county have been declared physician shortage areas by the Bureau of Health Manpower, Health Resources Administration, Department of Health and Human Services. Thus, even the ultimate safety valve for active and retired military personnel and their dependents, CHAMPUS, is not working well here because we simply do not have the physicians. If neither the base hospital nor the local community can provide essential care to those entitled to it, where can we ask them to go?

According to the Department of Defense, the amended fiscal year 1982 military construction program "places added emphasis on those facility requirements which are the most urgent and necessary to maintain a high degree of readiness and mobilization capability, to meet high priority national requirements, and to correct fact-of-life, quality-of-life, and modernization deficiencies." I am sure you will agree that providing essential medical care to our men and women in uniform is a necessary and urgent requirement.

The longer this project is delayed, the higher the costs will soar. Already the air staff estimates that if this project is delayed until fiscal year 1983, its costs will increase from $16.4 million to $23.3 million. I urge you to approve these needed funds now.

As you know, Castle is a base for the B-52s, and this is something that the military is in need of right now; so it is not an outdated, outmoded facility. It is something that the whole military establishment is dependent upon and Castle is right in the heart of it. We need to provide some type of medical facilities for these people. It

has been in our budget before, and it is critical we fund this project now.

The need for access funds to widen and improve Santa Fe Road has been recognized for quite some time. Santa Fe Road—Star Route 291—the primary access to Castle Air Force Base, runs adjacent to the Atchison, Topeka, and Santa Fe Railroad lines from Merced, California to Empire, a distance of approximately 30 miles. Here is the City of Merced, and here is Santo Fe Road extending to Winton. Here is Castle Air Force Base. Here is the railroad. What you have, within this captioned area right here, are all these cars going from Merced, the main population center, up to Winton and trying to get into the base. You have from Highway 99, people coming in through here, and they converge in this area in here, and it is a major trap. We have the most deaths in the county right here. The military acknowledges it is a major problem.

What I will be asking for today are funds to start from here to here, 2.5 miles, and then we will come back in fiscal year 1983 hopefully, if you agree, for funds to do the balance of the 2.5 miles from this road to the entrance to the base. Everybody feels we need to go on to complete the 7.3 mile stretch which then gives you your major access here, but I am really more concerned about the first five miles. That is where the really major need is. That would take us from the main population center to the base and from Highway 99, which is also a main thoroughfare here from there to the base and take care of the major traffic safety problem that we have.

As I have said, our particular interest is with the 7.3 mile section between Merced and Winton, California which passes directly in front of the base. It is a two-lane macadam surfaced road, 24 feet wide, with shoulders on either side averaging three feet.

Originally built in 1942 to handle 4,000 vehicles daily, it now handles more than four times that number. This increase, combined with its narrow width and numerous cross streets, private driveways and commercial entrances, totaling 70, make Santa Fe an extremely hazardous route for commuting military and civilian personnel assigned to Castle even under the best of weather conditions.

The accident rate—approximately 80 per year—along this 7.3 mile stretch of highway is the highest in the county. During the winter months, when dense fog is common in the San Joaquin Valley, driving on Santa Fe Road is even more treacherous and the California Highway Patrol must frequently lead caravans of vehicles from Merced to Castle Air Force Base. While helpful, these efforts still fall woefully short in reducing accidents and traffic snarls.

As far back as 1966, various base commanders at Castle have made efforts to have the road improved. The problem has been and remains one of funding.

In 1979, at my suggestion, the base commander submitted a report on the access road requirements for Castle Air Force Base to higher headquarters, with the expectation that an objective evaluation would confirm those findings and a recommendation made that defense access road funds be requested for the project. It was my understanding that a final determination would be made by the Military Traffic Management Command following evaluation of the

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access road needs by the Federal Highway Administration. However, in transmitting its request to the FHA, the Deputy Special Assistant for Transportation Engineering for MTMC stated: "There has been no buildup of personnel or other unusual defense impact at Castle Air Force Base; therefore, we consider that the road deficiencies should be remedied by regular Federal-aid, State, or local highway funds rather than defense access road funds."

In other words, denial of the request was a foregone conclusion. Therefore, it was no surprise when on June 5, 1980, MTMC formally notified the Air Force that Santa Fe road deficiencies would have to be remedied by regular Federal-aid, State, or local highway funds.

Mr. Chairman, if these Federal-aid, State, or local funds had been available, the improvements would have been made long ago.

According to the District Engineer of the California Division of FHA, similar inquiries on the defense access needs at Castle were made by MTMC's predecessor agency, the MTMTS, in August of 1970 and August 1961.

In the Merced County Regional Transportation Plan of March 1975, the Merced County Association of Governments, as Regional Transportation Planning Agency for the Merced County Area, unanimously directed that Santa Fe Road be upgraded to a 4-lane conventional highway to accommodate increased traffic flow.

Again, in 1977, the Merced County Public Works Department had a long-range plan to widen the roadway to four lanes. None of these plans have been realized because the county simply cannot obtain the funds needed—now estimated at more than $8 million—for such a project.

To give you a better understanding of the problem, the county's annual budget for maintenance of some 1,750 miles of highway is only $4 million. This includes county, State and Federal road funds. Of that total, only about $450,000 in Federal/State Secondary Road Funds—FAS—are available to the county each year.

Last year, Merced County determined that improvement of the Santa Fe Road would have to be given priority and included the initial widening of a 2.5 mile section of the road in its 5-year plan. The estimated cost of that first phase of the project is $3.5 million, with a projected completion date of fiscal year 1974-75.

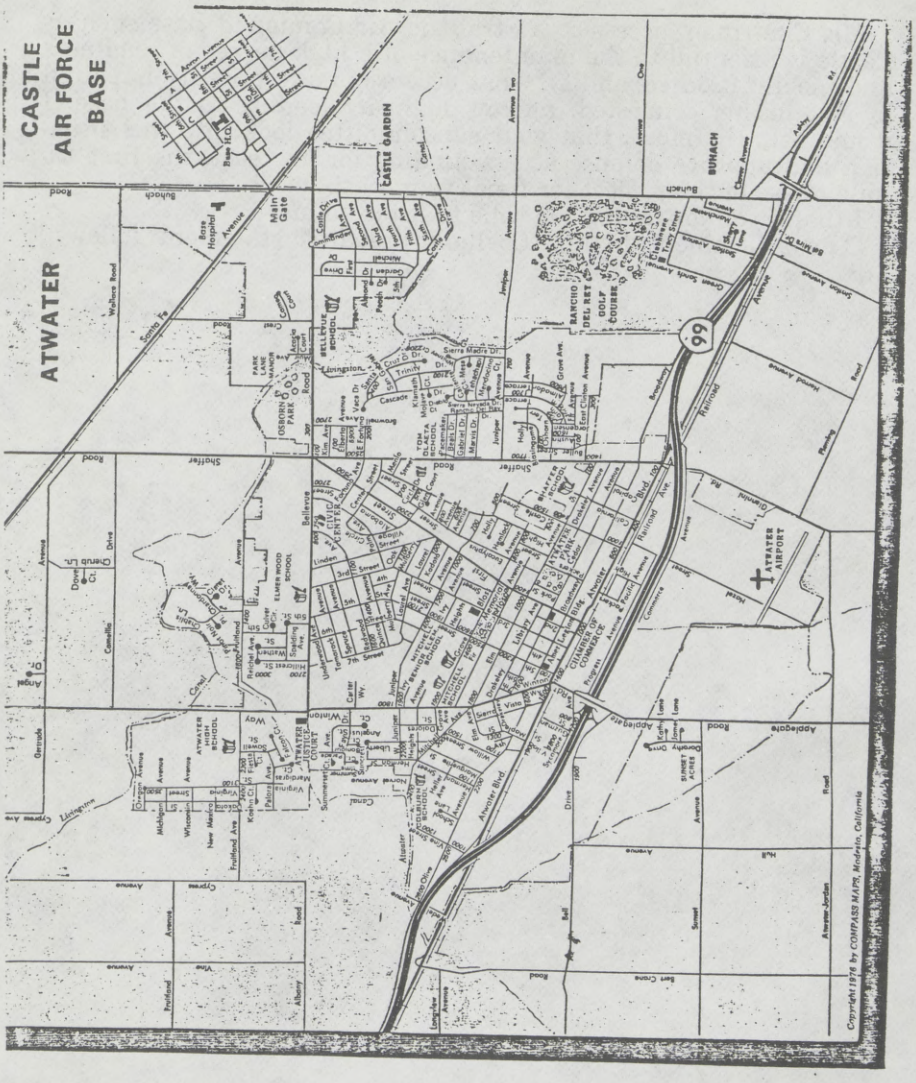
Thus far, the county has accumualted $900,000 in FAS funds for the project. Unfortunately, FAS funds will probably not be available after fiscal year 1983. Under President Reagan's proposed budget, these funds would be increased slightly in fiscal year 1982, so that the county would receive about $500,000 instead of $450,000. However, in fiscal year 1983 less than half of that amount would be available, and none would be available in fiscal year 1984 and thereafter.

During its field review of traffic patterns on Santa Fe Road, the District Engineers of the Federal Highway Administration found that "virtually 100 percent of the traffic" was related to Castle Air Force Base. They noted further that while the number of base employees had remained stable for many years, MTMC had failed to consider the fact that "the trip generation characteristics of these employees have vastly increased as the armed forces have gone from draftees to an all-volunteer operation.

Mr. Chairman, access to a Strategic Air Command Base such as Castle is essential to the maintenance of a high degree of readiness and mobilization capability. That access is now seriously impaired by an unsafe, congested, narrow highway leading to the base. I would ask, therefore, that your subcommittee look into this situation and approve defense access funding for, at least, the first 2.5 mile phase of the project for fiscal year 1982.

I thank you for taking the time to listen to me.

[The attachment to Mr. Coelho's prepared statement follows:]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Linden
Laurel
Cypress
Juniper
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Avenue Two
Canal
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Railroad Avenue
Applegate Road
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Vista
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Sunset
Valley
Willow
Wood
Grove
Lake
Mission
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Kentucky
Frankfort
Fairfield
Cascade
Trinity
Klamath
Sierra Madera
Mercy
Vera
Tuolumne
Stanislaus
Merced
Mariposa
Yosemite
Sierra
Cascade
Trinity
Klamath

Mr. COELHO. I would like to also introduce my staff assistant, Gwen Luty, who has worked on this project not only for me in the last two-and-a-half years, but for my predecessor, Congressman Sisk, for many years before.

I might point out to you, Mr. Chairman, this problem might have been resolved a long time ago had this particular area of the county right here not been transferred in the past several years between three different Members of Congress. Congressman Bob Mathias had it, the Congressman Sisk, then Congressman Bob Mathias, and then Congressman McFall had it, and then Congressman Sisk got it back, all because of a reapportionment problem we were having.

Everyone agreed it was a major problem, but as district boundaries changed, so did the approaches to resolving the problem.

I hope to be there for a while.

Mr. GINN. You hope to be there for a while?

Mr. COELHO. I want to address this problem and get it over with. At Castle, in the Atwater, Merced and the Winton areas, we have one of the best based community coordination efforts probably in the country. Everybody there totally supports the efforts of the base. They want to solve this one problem. It is a major problem. As you will recall, Mr. Chairman, you were there, and you were inpressed with the support given the base by the local community.

There is no way to solve the access problem through other Federal-local or State programs. The county is putting money into a fund to try to accumulate, but that small county just can't do it alone. As the experts out there tell you, approximately 100 percent of the traffic is to Castle. You were there, and you can see where it is all feeding into that one gate. You have the railroad here, and you have other problems. The base commander is very concerned that in an emergency situation, he won't have the access he needs to get his men there in order to be combat-ready.

Mr. GINN. Well, Tony, let me welcome you on behalf of the committee. I do recall with great pleasure my visit to this area. Castle is a strategic base and is very important. We did see the road you are talking about. We did see the inadequate medical facility about which you have spoken this morning.

We will, of course, be taking a very, very hard look at your medical facility needs.

In addition to that, you are the second member this morning who has raised problems with the defense access road situation. Chairman Bennett was in earlier with a problem. I have problems with it.

Now, you are in talking about it. I think it is time we delve a little deeper into the defense access roads and see why we can't get any roads built.

We appreciate the emphasis you are placing on that. I can assure you your request will be very, very carefully considered.

Mr. COELHO. Mr. Chairman, I just want to tell you there are about 10 other items that the military needs at Castle. What I am telling you is I refused to bring those other items up because I do think these two are critical. The medical facility is essential for morale purposes.

To make that base combat-ready, we need access to it. The way it exists today with the congestion there, there is no way to bring these people in promptly. The Commander considers it his number-one need. He is ready to say that to anybody, exept he has gone through the chain of command, but the message never seems to get through.

Mr. GINN. I think you are speaking very effectively for him.

Mr. EDWARDS. I have no questions except to say you have done a super job, or the two of you together have done a super job in your presentation.

Mr. GINN. Next, we will be delighted to hear from an old and dear friend of this committee, and of our overall defense effort, the Honorable William L. Dickinson, of the great State of Alabama.

Bill, will you please come up to the witness table?

WEDNESDAY, APRIL 8, 1981.

MAXWELL AIR FORCE BASE, ALA.—AIR UNIVERSITY LIBRARY

WITNESS

HON. WILLIAM L. DICKINSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. DICKINSON. Thank you very much, Mr. Chairman.

Mr. GINN. I understand you want to talk to us about Maxwell Air Force Base, the Air University Library.

Mr. EDWARDS. Before you start, I hope you will understand I consider you a dear friend, too, and I hope you won't be upset when I have to leave, because I have a meeting. Will you forgive me?

Mr. DICKINSON. That is a bald-faced statement.

Mr. GINN. Bill, we are delighted to have you with us.

Please proceed.

Mr. DICKINSON. Thank you very much, Mr. Chairman, and distinguished members of the committee.

I am pleased to appear before you today to request that you approve funds in this fiscal year 1981 supplemental appropriation bill for an addition to the Air University Library at Maxwell Air Force Base, Montgomery, Alabama.

At the outset, I want to dispel any misconceptions concerning the Air University Library. This is not a non-appropriated fund activity used by wives and children at Maxwell. The Air University Library supports the Air War College, the Command and General Staff College and the Squadron Officers School, as well as other educational activities. Obviously, if we are to continue to emphasize professional military education, we must provide our servicemen with adequate support. Those professional military officers—and selected civilians—who attend the educational institutions, such as the Air University are our future military leaders.

This project was authorized last year. It will add to and upgrade the interior and exterior of the library and it will provide utility support, landscaping, and street and parking areas.

This improvement will enable the consolidation of similar informational and communicative functions into a single optimized fa-

cility. This is conducive to and appropriate for professional military education.

The existing facilities were built in 1956 and are crowded, thus inhibiting library growth. Thermal and moisture integrity of the structure is poor, resulting in difficulty maintaining essential environmental control. Furthermore, separation of related function causes inefficiency and excessive student traffic.

This addition to the library will provide a new reading/stack area, T.V. center and bookstore.

Mr. Chairman, the Air University is doing an outstanding job. In order for it to continue to perform in this manner we must maintain modern facilities. Early completion of this project is essential if we are to accomplish this goal.

Mr. Chairman, I have been informed that there is some question as to whether or not this can be put under contract this year, and therefore it might be considered a proper target for slippage.

I have a copy of a letter here, which I will provide for the committee, addressed to me, dated April 8, this year, saying, "Dear Mr. Dickinson, there have been some recent questions pertaining to the design status of the Maxwell Air Force Base library project requested in the fiscal year 1981 Military Construction Supplemental Appropriation and the ability of the Air Force to put the project under contract in fiscal year 1981.

"This is to inform you that we expect to place the first phase of the project (addition) under contract this summer. The second phase (alteration of existing facility) will follow at the appropriate time."

That is to say, when the first phase is finished they will move part of it to the new construction and then rehabilitate the existing structure that was built in 1956.

"The phasing of the contract is necessary to insure that library facilities will be available to Air University students on an uninterrupted basis. The approval of our fiscal year 1981 Supplemental request is integral to this course of action and the ensuring of a top flight library at Maxwell Air Force Base at the earliest possible date."

Now, let me add to that, if I might, Mr. Chairman. There was some confusion last year. I think the committee did not really understand the importance of this project. That is a part of the Air University, which is the hub around which the entire university rotates. It is not families coming in and checking out books and that sort of thing. The Air University is one of the most important professional tools that the Air Force has and without an adequate library, it cannot function effectively.

Mr. GINN. Bill, are you saying that this is not just a routine library; this is a tool used by the people there at the Air University, where there is technical information involved with their training?

Mr. DICKINSON. Yes, Mr. Chairman. I would love to have you come down sometime. The Air University is like a wheel. The library is the hub, and the spokes go out therefrom, and they have different components for the study, the housing, and so forth.

This is the guts of the whole thing; it was initially built in 1956, as I said. It was to be upgraded last year, but, in a spate of

economy, I understand no libraries were approved for the military last year because libraries are always something that can be slipped.

This is part of an ongoing military construction program, a 5-year program announced last year, some $43 million in total.

This is essential. It needs to be done. The Assistant Secretary says it will be put under contract this year.

I have told this to the Joint Chiefs when they were before us this year, and I would just like to make a point here for the record. It is always very easy to sell a weapons system. You know, it is sort of sexy. Yesterday, we had the *Oriskany* before us, and believe it or not, the Navy doesn't know within $100 million what it is going to cost to put this vessel back in service.

Mr. GINN. We heard the same report in Defense appropriations. It has already gone up 30 percent.

Mr. DICKINSON. But when it comes to $5 million for an educational center for a library, we can't do that. When it comes to $1 million for a barracks to ensure the quality of life needed to keep our people in the service, we have a tough time coming up with this.

However, $100 million—well, they don't know; they are not sure. It is ludicrous.

We need to put people first and then look at weapons systems. When we ignore the quality of life and worry about whether we have to reinstitute the draft to keep people in the service, this is ridiculous.

I would urge upon the committee the approval of this library, which is a part of the 5-year program which slipped last year. We urge your approval of this very important and relatively minor item in the overall scheme of things.

Mr. GINN. Thank you for being here, Bill. We would appreciate a copy of the letter.

[The letter follows:]

DEPARTMENT OF THE AIR FORCE,
Washington, April 8, 1981.

Hon. WILLIAM L. DICKINSON,
House of Representatives,
Washington, D.C.

DEAR MR. DICKINSON: There have been some recent questions pertaining to the design status of the Maxwell Air Force Base library project requested in the fiscal year 1981 Military Construction Supplemental Appropriation and the ability of the Air Force to put the project under contract in fiscal year 1981.

This is to inform you that we expect to place the first phase of the project (addition) under contract this summer. The second phase (alteration of existing facility) will follow at the appropriate time. The phasing of the contract is necessary to insure that library facilities will be available to Air University students on an uninterrupted basis. The approval of our fiscal year 1981 Supplemental request is integral to this course of action and the ensuring of a top flight library at Maxwell Air Force Base at the earliest possible date.

Sincerely,

JOE F. MEIS,
Acting Assistant Secretary of the Air Force
(Manpower, Reserve Affairs and Installations).

Mr. GINN. You have made an impressive argument for some time in behalf of this facility. We are very much interested in working closely with you, as you realize the goal of seeing the facility actually constructed.

I really sometimes think the thing is misnamed, and that may be a part of the trouble. People just think it is just a regular library, and why is a library as urgent as something else. Technically this is more than just a library.

We would like to come down and visit the Air University with you sometime.

Mr. DICKINSON. The red carpet is ready to be rolled, anytime you can arrange it, Mr. Chairman.

Mr. GINN. Thank you for coming, Bill. We will be in touch with you on that.

Our next witness is the distinguished Member from California, Jerry Lewis. Jerry, we are delighted to have you with us this morning. I understand you want to talk to us about the MX headquarters at Norton Air Force Base and the family housing at Fort Irwin.

WEDNESDAY, APRIL 8, 1981.

NORTON AIR FORCE BASE, CALIF.—MX HEADQUARTERS AND FORT IRWIN, CALIF.—FAMILY HOUSING

WITNESS

HON. JERRY LEWIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. LEWIS. Thank you, Mr. Chairman. I have a prepared statement I will leave with you for the record and also a comment regarding the Fort Irwin problem, which was in the major newspaper in San Bernardino County just this morning. I think it would be appropriate and helpful for the record.

Mr. GINN. Those items will appear in the record.

[The newspaper article follows:]

FORT IRWIN HOUSING

We wish Rep. Jerry Lewis, R-San Bernardino, luck in his quest for getting more money for Fort Irwin housing.

He has told the House Armed Services Subcommittee on Military Installations and Facilities that the proposed military budget doesn't take into account urgent housing needs at the National Training Center at the fort.

Originally, the Army budget under the Department of Defense contained funding for 472 housing units during fiscal year 1982 and 120 units during fiscal year 1983. But Lewis said that during budget-cutting, the number was revised so that half of the building scheduled would be pushed into fiscal year 1983. He told the committee that he wants the extra 254 units put back in the budget, adding about $14.2 million.

He told the subcommittee that a "virtual crisis" lies just down the road in housing for military personnel if all the units aren't built. He also said funding should be provided for more units in 1983.

Lewis' use of the term "virtual crisis" is not an exaggeration.

Last month, Brig. Gen. James T. Bramlett, commander of the training center, told Barstow area civic leaders that 600 to 700 military families may need houses after the center reaches its full force of about 3,200 soldiers and 600 civilians.

He said the Barstow area now has about 200 available houses, but there are an estimated 800 or more on the market in the Victorville area.

If all 600 families were to live in the Victorville area, it would cost the Army about $300,000 a year to operate a bus to transport military personnel the 150-mile round-trip daily to Fort Irwin, Bramlett said.

That certainly would be an inefficient use of government funds, to say nothing of the imposition it would place on the facility's workforce.

Bramlett estimated busing would add three hours to each commuting soldier's work day. Also, Victorville commuters would live beyond a 30-mile limit extended to include the Barstow area to qualify for some on-post services, such as the dental clinic.

That would create unsufferable circumstances in which the fort's personnel would have to live and work.

We hope Lewis' colleagues will listen to his plea and not create an improvident, undersirable situation in which Fort Irwin workers will have to spend a major portion of each day being bused across the desert.

Mr. LEWIS. First, let me say, Mr. Chairman, I couldn't be more pleased with the fact that the MX program is going to be administered at Norton Air Force Base in San Bernardino. One difficulty they have had in that transition is that Norton, itself, is really out of space.

Just across the street from that Air Force base are very sizable buildings that originally were a part of the aerospace activity at Norton. Those facilities now are used by the county. The county is, after considerable cooperation, willing to sell those buildings to the Air Force. They have worked long and hard to draw agreement. The item is mentioned within your own report. I would very much support that $11 million item continuing in your appropriations process.

In connection with that same development, and the broader mission of Norton Air Force Base, we do have an AICUZ problem. Last year, we were given authorization on a 2-year basis by the policy committee. You do have $9 million for the AICUZ, once again in the appropriations process. I am here to encourage that very much since it is fundamental to the long-term mission of Norton Air Force Base.

One item I think it would be worth spending just a moment discussing with you centers around the housing proposals for the national training center which will be developed at Fort Irwin in California. Originally there was a schedule for roughly 550 housing units to be developed on the Fort. The schedule involved those units being phased between the 1982 fiscal year and the 1983 fiscal year; in that first proposal, only 120 of the housing units would be left for the 1983 fiscal year. Recently, a change was made in that, I guess by DOD, which essentially would take half of the units that were going to be in the 1982 budget and delay that to the 1983 budget.

I am most concerned about this charge. While I can understand a paper transfer being made here in Washington, recognizing that maybe you can schedule out the building over a long period of time, I am afraid that maybe the legislative policy-maker didn't realize that the map is different than the territory. Fort Irwin is located 35 miles away from the nearest town, which is Barstow.

The way they usually schedule these things, the housing units for the lower grade personnel end up being built at the tail-end of the schedule. In the community at this moment, there is a tremendous housing shortage already existing and so some are suggesting that those personnel who are permanent personnel, who do not have adequate housing on base, can be housed in Victorville, which is 70 miles away.

You can see, if you take low-grade personnel and suggest that they should travel daily somewhere at least 70 miles but maybe as much as 140 miles round-trip, without compensation, you are not only affecting them in terms of the morale, the psychological impact of traveling that far and that long, but the cost impact is obvious as well.

It is a critical circumstance. We can save a lot of money in terms of inflation by scheduling the housing program as early as possible. We are going to do it, anyway, and this is the place where I would suggest we really ought to consider moving some money.

That concludes my testimony, Mr. Chairman.

[Congressman Lewis' prepared statement follows:]

STATEMENT BY CONGRESSMAN JERRY LEWIS

As Members of the Subcommittee on Military Construction you are, I am sure, familiar with the Norton Air Force Base in San Bernardino and the U.S. Army National Training Center at Fort Irwin. These facilities are critical to the national defense, and I would like you to know I very much appreciate your support for Norton and the NTC and for the positive effect they have had on the 37th and neighboring districts.

The establishment and development of the MX missile system at Norton Air Force Base and the acquisition of the AICUZ or Clear Zone are the two most pressing areas of concern pertinent to Norton. Both are presently included in the fiscal year 1982 Budget—the former as a line item, the latter in the justifications for the amendments to the budget. I strongly support the inclusion of these items.

The MX missile development scheduled to be headquartered at Norton will entail a large increase in personnel. In order to accommodate this change, the County of San Bernardino and the U.S. Air Force have entered into negotiations to transfer ownership of five county buildings adjacent to the Norton Air Force Base.

The County has indicated that it is willing to move out of these facilities because of the importance of the MX system to Norton, the county, and the country's defense network. These buildings presently house several major county functions including Building and Safety, Planning, Housing, Air Pollution and Environmental Health, among others. Nevertheless, they are aware of the Air Force's wish to house the MX staff in quarters which will maximize the efficiency of the program. Certainly, the proximity of the County complex to the Norton base is a distinct advantage. For these reasons, I urge your continued support of the funding of $11 million to acquire these buildings.

The second appropriation would allow the Air Force to acquire the Expanded Clear Zone identified in the 1976 Air Installation Compatibility Use Zone study of Norton Air Force Base. Requested in the former Administration as well as in the present one, I would also urge your further support for the $9 million included in the budget for this purpose.

The 1976 AICUZ study identified approximately 58.5 acres which needed to be acquired for an Expanded Clear Zone and another 67 acres for which restrictive easements were necessary. The first parcel contains 86 homes and one store; the second contains ten homes. Since this zone was first identified, there has been much concern, anxiety and uncertainty for everyone involved. Consistent, coherent long-range planning activities by the City have been stymied. Homeowners are in a form of limbo. The appropriation of funds to purchase land in the Clear zone will, to a great extent, remedy these problems.

Statistics and military objectives aside, the basic issue is the continued safety and well-being of the 86 families who now reside in the potential Clear Zone. For five years, they have lived with uncertainty regarding the future plans of the Air Force and with an ever present fear for the safety of themselves and their homes. It is time that uncertainty was ended and those fears laid to rest.

In regard to Fort Irwin, there is one major concern which I feel impelled to bring to your attention that involves a virtual crisis that lies just down the road in the area of housing for military personnel. The Army originally scheduled 472 housing units for fiscal year 1982 and 120 for fiscal year 1983.

Subsequently, that number was revised with the DOD so that half of the building scheduled was pushed into the fiscal year 1983 budget. I think that shift illustrates a lack of understanding of the territory and the crisis, both of which are inextricably interrelated.

It is important for us all to understand what bureaucrats often lose sight of: that the map is different from the territory. This training center was located in San Bernardino County because of the county's size—you could literally fit the land area of five of our Eastern states in that county. Fort Irwin involves vast areas of desert land: you do not easily locate people in an area like that. Those who live off-base and can find housing in the nearest community, Barstow, face a 70-mile round-trip commute each day to Fort Irwin.

The build-up of personnel which will occur at Fort Irwin between this summer and 1984 will place about 3,000 military personnel and about 1,000 civilian employees there. Most of these people and their families will be in place by October of this year. In addition, the surrounding community will experience a second population influx associated with both new and expanding industry in the private sector.

In response to this predicted population growth, the Army has identified a programmable need for the construction of an additional 300-plus units at Fort Irwin to be included in the fiscal year 1983 budget. In view of the impending crisis, I urge your support for the 254 units in the fiscal year 1982 request. I further seek your support for adding 348 units, estimated by the Army to cost $26.9 million, to the existing 254 unit, $21.1 million request.

The longer we string out the on-base housing construction program, the greater the crisis we make. People are actually suggesting that a very high percentage of those personnel whose housing lies somewhere down the budgetary road should seek housing in the next community beyond Barstow—Victorville—which is a 140-mile daily round trip. That is as far as going from Washington, D.C., to Pennsylvania and back each day.

Now, to the real crisis. It is my understanding that first on the calendar for on-base housing construction is that which is intended for upper-echelon personnel. It is the low-income personnel or their families who will be traveling the 140 miles. That just doesn't make sense.

Gentlemen, thank you very much for the opportunity to speak today, for your attention and your support.

Mr. PEEL. There is $21 million in the 1982 request for 254 units. That is our understanding.

Mr. LEWIS. That is correct.

Mr. GINN. Are you seeking more than that?

Mr. LEWIS. Here is what I am seeking. There is $21.1 million presently designed for 254 units that would be appropriated for the fiscal year 1982. They would propose, then, the balance of the units that are needed—348 units—would be in the 1983 fiscal year. Because of this critical space circumstance, we are suggesting that it would be a very wise decision to move all the money into the 1982 year, which would be an addition of $26.9 million. The reason we suggest that is because of the huge territory circumstances we are dealing with that are not obvious to somebody who is looking at budget problems here in Washington.

The area we are talking about, the reason the National Training Center is located there, the area involves huge territory. My district involves 27,000 square miles. You could put five eastern States in that territory.

The reason the training center is there is because there is space for actual war games designed to save lives eventually. I am sure nobody thought about the fact if you hold that housing down the line, literally you could have hundreds of our personnel driving as much as 140 miles round trip. So the faster we can accelerate that, the better.

Mr. GINN. Jerry, let me ask you this: Is there simply no way, because of the location of Fort Irwin, that the private sector can help with some of this? There is just no land available for it? I think you said the nearest city is 35 miles away. I guess what you are saying is, in this peculiar instance, there is just no way the private sector can help and do it close by.

Mr. LEWIS. They cannot help close by. The community happens to be—Barstow is a community separate from this development—it happens to be a community rapidly growing, anyway. It has a population explosion. There is already pressure in the housing market, so there is difficulty, without any doubt. It is difficult to have housing, period. It is very difficult to develop housing for the low income categories for military personnel. The round trip, itself, of 70 miles a day would be a tremendous impact upon their net income.

I might mention, Mr. Chairman, at the end of that, while I urge you consider moving those dollars forward, the $26.9 million, I would also suggest that maybe we give a little support to what I believe the policy committee is going to do, that we might put language in there encouraging the military to put as close to the front end of their scale as possible housing that will be available to the low grades on base.

There is a tendency—I don't want to be accusatory, but there is a tendency—to leave the guy on the other end of the scale, at the other end, at the tail, as well.

Mr. GINN. I understand. I have, to a degree, led the way in that respect by putting 100 units in my district. We have run into a buzz-saw, from the Pentagon down, on doing that, but we going to try that in a pilot program to see what happens.

I appreciate your comments in that respect.

With regard to the additional 354, that would have to be authorized.

Have you talked with the Armed Services Committee about authorization for moving up the 348 units from 1983 to 1982?

Mr. LEWIS. I talked to them approximately a week ago. They seemed to be very responsive. We certainly don't know until they get to the point of handling the problem, but that is in the line, and we are attempting to follow through on that.

Mr. Chairman, somewhere along here, you find yourself in a different kind of frustration than we face in the other committees. We are in the process of cutting programs and budgets in the military affairs area. We may find ourselves, in some programs, wondering if we are ready to spend X- and Y-dollars even if you are committed to it.

When you get to that point, I would very much appreciate your considering maybe a shift of dollars that could be used for a very high national defense purpose here, and probably would save us a lot of money because we are going to spend it in the near term, anyway. We could avoid the inflationary impact of delaying the building process even a year or two years down the line.

Mr. GINN. If the additional units are moved from 1983 to 1982, authorized and funded, do you think there is the construction capability to actually begin construction?

Mr. LEWIS. There is no question that you could, in short term, call for bids out there, and while we are somewhat away from the Los Angeles marketplace, there are people who would respond and on an accelerated basis which we consider to be an emergency in the community, I am quite sure we could spend the money as fast as it could be provided.

Mr. GINN. Jerry, we thank you very much. You make a persuasive argument. We will see what the authorization committees do.

Mr. LEWIS. I will talk with them very carefully, Mr. Chairman. I appreciate your great courtesy.

Mr. GINN. Our next witness is the Honorable Ray Kogovsek, from the great State of Colorado, who will speak to us about land acquisition for Fort Carson.

WEDNESDAY, APRIL 8, 1981.

FORT CARSON, COLO.—LAND ACQUISITION

WITNESS

HON. RAY KOGOVSEK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. KOGOVSEK. I appreciate the fact you have given me the time to speak this morning. I submit my statement as part of the record.

Mr. GINN. Without objection, it will appear in the record.

Mr. KOGOVSEK. I will try to briefly summarize what our problem is, Mr. Chairman.

Mr. Chairman, there is no doubt in my mind—and I always state this when I talk about Fort Carson—that Fort Carson, as it is presently composed in Colorado Springs, because the town has grown around it so quickly, that the Fort needs to do something to expand their training capabilities. Their present proposal is to move more deeply into my district in Southern Colorado, buy 244,000 acres, condemn that private land which is marginal grazing land at this point, for the possible purchase price of some $30 million or $35 million, realizing, Mr. Chairman, that they would be doing this in a State where the Federal Government already owns 36 percent of the State of Colorado.

It is my feeling that there are a handful of people down there who have a lifestyle that they have carried on for more than three generations, and that being cattle ranching.

It seems to me at the outset that it isn't fair for the Federal Government during a time when we are trying to be more frugal, to cut the budget, whether it is the budget before Armed Services or the military budget to proceed with this outlay.

I have just left a subcommittee upstairs, chaired by Chairman Brinkley. We talked with the EPA representative from the Denver area. I asked him to comment on the mitigation costs the Army projects to down salinity in the Arkansas River, keeping down the dust, and so on. His answer to me is that the Army is way low when they talk about $5 per acre for environmental mitigation costs.

My statement to you, Mr. Chairman, is that I think the Army is making a mistake. I think there are other alternatives. Whether it is Fort Irwin in California, or Fort Bliss in Texas, I am asking your committee to look at alternatives to the Army's proposal to go in and condemn 244,000 acres at taxpayers' expense and to continue to spend the kind of money they will spend to prepare and maintain this site.

I would also like to remind you, Mr. Chairman, that the Army seems to be in no great hurry for this expansion to occur. The Army admits that they would not be able to train the first soldier on the Pinon Canyon site in my district until 1986. I would like to ask your committee today to do a study of alternate methods of taking care of Fort Carson's problem, hopefully a method that would solve their problem a lot more quickly than in 1986.

[Congressman Kogovsek's prepared statement follows:]

Testimony of Rep. Ray Kogovsek

Mr. Chairman, I would like to thank you and members of the committee for allowing me to testify today. The topic is the expansion of Fort Carson--a project the Army has labeled its number one acquisition priority, and a project which is the number one concern of my constituents in southeastern Colorado.

You will hear testimony this afternoon from various Coloradans who will tell you their organizations wholeheartedly support the Army's proposed acquisition of 244,000 acres in my congressional district. I want you to know that my opposition to the expansion represents the views of the majority in southeastern Colorado who will be directly and adversely impacted by this land grab.

I do not oppose the expansion because I disagree that Fort Carson needs more training area. They do. Fort Carson troops need to be trained at battallion levels in order to upgrade the readiness of this nation, according to the Army. I accept their description of need, and that is not the question. The question is where we train Fort Carson's troops.

While the Army argues the criticality of this project in terms of readiness, they often forget to explain that troops will not be able to train on the Pinon Canyon parcel until 1986. The Army does not appear to be in any great haste to meet the training needs when they discourage each and every alternative site or method which would allow the troops to begin maneuvers within one or two years. The Army has its heart set on the Pinon Canyon parcel.

I believe the reason for this is explained in documents I will submit for the record. These documents provided to me by the former chief of the Fort Carson land acquisition team indicate the Army has considered training more than just the 4th Mechanized Division on its newly acquired land. By its own admission, the Fort Carson maneuvers will only require 82,000 acres. Yet, the Army's proposal asks Congress to pay millions more for three times as much land as Fort Carson needs. The Army lists environmental concerns as its reason for such a request. I believe the true reason is future ability to train more than just the 4th Mechanized Division.

But let me address the environmental concerns, because I share them with the Army--although I don't feel the Army is concerned enough. The Pinon Canyon parcel is fragile. The area receives a scant 9 to 12 inches of rain a year. The ground has very little vegetative cover--in fact it takes 50 acres to graze one animal unit.

I would like the members of this committee to see the frail land the Army wants to roll hundreds of tanks on. Between the training of three battallions per year, reserve training and a biennial division level maneuver, I am convinced we in southern Colorado will have a dust bowl on our hands and 244,000 acres of scarred prairie--land where old wagon trails are still visible after

decades.

The environmental question is two pronged. . .it goes beyond my concern for the looks of the land. I goes to the economic future of my district.

Once the training activity begins, dust will blow into communities which have long been striving for economic development. Pueblo, Colorado, the metropolitan area nearest the proposed training site, already has non-attainment status from the EPA which has prevented it from attracting new industry. But the Army says the dust won't blow into Pueblo, almost 100 miles removed from the training site. So let's talk about the rural communities adjacent to the parcel--Walsenburg, Trinidad, La Junta, Lamar, Rocky Ford. These are towns whose past economy has been based solely on agriculture. The residents have felt the impact of a sagging agricultural economy and so they search for new industry to provide jobs and an economic boost. Lamar was recently chosen as the site for two new manufacturing plants. The potential for attracting any more industry will decline dramatically in Lamar and Trinidad and La Junta when--not if--dust pollution increases because of training.

In addition to the potential for air pollution is the certainty of increased salinity in the Arkansas River. The Purgatoire River runs right through the Pinon Canyon parcel and feeds into the Arkansas--a river with the nation's highest salinity level now. Erosion caused by tank maneuvers will increase the salinity drastically, causing problems for Colorado users as well as those downstream who depend on the Arkansas water for agricultural production.

The Army has not totally ignored these potential environmental impacts. Within their estimated cost of operating the new training site is a less than adequate $5 per acre cost for mitigation. And remember, the Army is taking three times the land it actually needs in order to minimize environmental problems. They will rotate training activity from site to site to "rest" certain areas for a two-year period. The Army believes two years is enough time for the fragile land to revegetate.

Mr. Chairman, rotating the training of hundreds of tracked vehicles will not mitigate the impacts. The Bureau of Land Management says so. The State Department of Agriculture says so. The EPA says so and the U.S. Forest Service does too. The Soil Conservation District says the Army plan is unsupportable. I say it is irresponsible. The Army will not be able to achieve in a two-year rest period what the Soil Conservation District has been unable to achieve on the neighboring Comanche National Grasslands with a 40-year rest and the expenditure of thousands of dollars per acre.

Let me move from the environmental issues to the fiscal ones, since your job is to determine proper expenditures of federal dollars. The mood of the country makes arguing against an item on the military wish list difficult. The people--

including my constituents in southeastern Colorado--believe we must improve our national strength. The Army would have you believe that this $30 million expenditure for the Pinon Canyon parcel is the sole way of doing so.

But the mood of the country is also one calling for careful expenditure of taxpayers' dollars. I submit to you that the purchase of a quarter of a million acres of private land is not the most fiscally responsible alternative available to you.

I do not come to you in opposition of the expanion proposal to be an obstructionist. I have proposed several alternatives to the Army, and they have chosen to discount all of them. They have used the excuses Lt. General Arthur S. Collins Jr. said they would in his book "Common Sense Training." "A common excuse is the training area is inadequate. The training areas are either too small, too far away, too wooded, too open or too something," Collins said. He could have been quoting any number of Army officials I have talked with about alternatives.

The Army has looked at other sites before setting its eyes on the Pinon Canyon parcel. In 1978, the Army looked at land to the west of the existing Fort Carson reservation, to the south of it, east of it and in Wyoming. Several of these sites were acceptable to the Army then, but are not now. Only the Pinon Canyon parcel seems to meet the Army's needs.

I would suggest that we look further into these sites and determine if they are feasible and why they were abandoned from further consideration.

But the most preferable alternative to me--a member of Congress who represents a state where more than one third of the land is owned by the federal government--is to train Fort Carson's troops on an existing military reservation.

We are presently establishing the National Training Center at Fort Irwin in California. Why can't the 4th Mechanized Division train there? It is too flat and transportation costs are too high. Fort Bliss in El Paso, Texas has 1.1 million acres, 300,000 of which is specifically labeled maneuver land. Why can't Fort Carson's troops train there? It is too flat, transportation costs are too high and scheduling will be impossible once three new weapons systems are assigned there.

The Army has an argument against every alternative to the Pinon Canyon site. As one general testified before the Armed Services Subcommittee on Installations and Facilities--"we want <u>that</u> land."

Mr. Chairman, I question the Army's contention that travel costs to Fort Bliss or Fort Irwin are not responsible spending when the cost of the Army's speculation at the Pinon Canyon site will be upwards of $100 million, and that is a conservative estimate. The Army has not adequately considered the costs of their mitigation efforts, like a scheme to build holding ponds in order to combat the salinity problem. In addition, by 1986, when troops will

finally train on the site, the cost will be higher. A recent Congressional Budget Office report said the administration's five-year defense plan will cost $136 billion more than estimated because the predicted annual inflation rate was lower than is realistic.

Mr. Chairman, I am certain we all agree on the criticality of the need for better training of our troops. But it is also critical that we look at the real expense of the Army's plan and determine whether purchase of the Pinon Canyon site is sound or if it is a boondoggle.

Because the Army does not feel it is necessary to fulfill this number one priority need until 1986, I think we should take a little more time to examine the alternatives. I would like to request that this committee call for an independent investigation of the alternatives--particularly the use of existing military training land.

Certainly if the Army believes this is its number on priority in terms of readiness, they would welcome an investigation of training sites which would allow training to begin within one or two years and not five years down the road.

And just as certainly, the taxpayers will welcome the saving of $30 million or more because we were frugal enough to use what land we have to the fullest extent, rather than buying more and more and more.

I most sincerely urge you not to confuse the criticality of the Army's requirements with the real criticality of the necessity to meet those requirements in only the exact manner which the Army has proposed.

Thank you, Mr. Chairman and members of the Committee, for hearing my testimony on an issue which is far more than just consequential to southeastern Colorado.

Mr. GINN. You make a very persuasive argument in favor of an additional detailed study of this request, Ray, and we will advise you now that we are in the process of asking the surveys and investigative staff of the Appropriations Committee to do a very serious and detailed examination of the issues and alternatives to this land acquisition request. We will make that study available to you when it is completed.

Mr. KOGOVSEK. I appreciate that, Mr. Chairman.

Mr. GINN. I think it is imperative we do that in view of the issues that have been raised not only by you but other individuals and groups as well.

Mr. KOGOVSEK. Let me indicate to you that you would have certainly the cooperation of my office and I am sure the office of any Congressman from Colorado, as far as any of the studies are concerned that we have done, any testimony that you might need, and so on.

I have a large file on Fort Carson I would like to make available to your committee sometime in the near future.

Mr. GINN. Any information you share with us, we will certainly make available to the Surveys and Investigative staff, so they can do the best possible objective study of the matter.

If there are no questions, we thank you for coming. We will be in touch with you.

The Appropriations Committee has a very excellent Survey and Investigative staff. I don't even know who they are. They are very topnotch people trained to do objective types of surveys. We will make our request to this staff.

Mr. KOGOVSEK. This study will be made as quickly as possible?

Mr. GINN. Yes.

Mr. KOGOVSEK. I appreciate that. I think, once again, when we are talking about $30 million as a proposed expenditure, with the possibility of spending up to $100 million, there is just a possibility that spending some of that money on travel might make more sense. Your study, I think, will indicate one way or the other whether I am right or wrong.

Mr. GINN. We appreciate your interest in it, Ray. Thank you very much for giving us some of your time this morning. Thank you.

Mr. GINN. Next, we will be pleased to hear from the Honorable Glenn M. Anderson, from the great State of California.

Glenn, come up to the witness table, if you will. It is my understanding you want to talk to us about the DOD purchase of unbudgeted family housing at Carson, California. You may proceed as you see fit.

WEDNESDAY, APRIL 8, 1981.

DOD PURCHASE OF UNBUDGETED FAMILY HOUSING AT CARSON, CALIF.

WITNESS

HON. GLENN M. ANDERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. ANDERSON. I want to first convey my appreciation for your allowing me to testify on extremely short notice.

Mr. GINN. It is a pleasure to have you.

Mr. ANDERSON. I was unable to make this request to testify earlier because only this past Friday I was informed of the results of the Department of Defense inspection of a housing project currently under development in my district.

If procured by the Department of Defense, this project would go a long way towards solving an immediate housing problem which exists for the Navy, and, to a lesser extent, for other services, in the district which I represent.

I have testified this morning before Chairman Brinkley's Subcommittee on Military Installations and Facilities in support of adding this project to pending authorizing legislation.

Housing of all types in my district is extremely tight and extremely expensive. The cost of new housing and any sort of livable rental property is above the price range all except the most senior officers of our services can afford. It is this housing shortage that brings me before you today.

The Navy is in the process of moving combatant ships back into Long Beach, correcting an error which they made in the early 1970s when they decided to concentrate the bulk of the southern

West Coast home-ported ships in San Diego. They have since discovered that, aside from adverse strategic implications, it would cost much more to build facilities for these ships in San Diego than to return them and use existing facilities on Terminal Island in the San Pedro Bay area. But, returning these ships brings additional married personnel and their families to the area. Of the total of 27 additional ships presently identified for eventual homeporting in Long Beach, six arrived in the last fiscal year, bringing with them 1,700 more personnel and over 800 families.

In the current fiscal year, we will see five ships coming in for homeporting, with 1,000 personnel and an additional 500 families. And, as the remaining ships arrive, plus some additional ones that may be added, there will be further increases in both married and bachelor strengths. Coupled with the requirement for military housing for the U.S. Air Force Space Division in El Segundo, along with smaller requirements for Army and a few Marine Corps personnel, the existing government-controlled housing is totally inadequate.

The Department of Defense is conducting an overall survey of available Department of Defense land which could be utilized for newly constructed military housing to be matched with projected requirements. This study should be done the end of next month. But regardless of the results of the study, it is evident that housing will be needed and needed soon.

The Department of Defense informs me that the overall DOD programmable deficit for enlisted family housing in the Long Beach area is 2,597 units, the majority of these in the 2-bedroom category.

So much for the background; now to my current request, which is that the committee appropriate funds for the acquisition by the Department of Defense of a total of 402 single-story units in duplex and fourplex configuration which are currently undergoing complete renovation in Avalon Green Condominiums in Carson, California.

The total cost should not exceed $24 million, and I anticipate that, if the Department of Defense were in a position to make a "purchase all" offer, the owner would be willing to negotiate a lesser sum.

Avalon Gardens is approximately eight miles north of the Long Beach Naval Station, and, due to the excellent roadnet, is extremely convenient transportation-wise. These units are presently badly deteriorated after a long period of vacancy, but an extensive rehabilitation program is currently underway which will produce units in like-new condition, including some improved security arrangements necessary in today's society. The sales price to individual buyers will be about $60,000 per unit for the 2-bedroom unit, with the few 1-bedroom units slightly less.

Upon learning of the possible availability of these units, to assist in alleviating the very severe housing shortage experienced by our military personnel, I alerted the Department of Defense to this fact. As a result, a preliminary review has been conducted which indicates the project is suitable for use by DOD for family housing.

This would go a long way towards relieving some of the immediate pressure, until longer range plans, predicated on the survey I

mentioned above, can be implemented to construct additional military housing. Naturally, before any actual acquisition would be made by DOD, a detailed technical evaluation would be made to verify all aspects of suitability.

I therefore respectfully request this committee to appropriate the sum of $24 million for the Department of Defense to use for the purchase of 402 housing units in Carson, California, which are badly needed to provide housing for our lower ranking military personnel.

Thank you again, Mr. Chairman, for your courtesy. I shall be pleased to obtain any information that the committee might wish as a result of my testimony. Thank you.

Mr. GINN. Thank you very much, Glenn, for your excellent statement in support of your request.

As I understand it, now, the units of which you speak are known as the Avalon Green Condominiums in Carson. They are presently privately owned.

Mr. ANDERSON. That is correct.

Mr. GINN. Why are they vacant at the present time?

Mr. ANDERSON. It became a depreciated area, where some of the houses were vacant, and a developer acquired all of them to do a complete renovating job in one operation. Every house is being brought up to date, like new. His idea was to sell them on the market, and I think if they go on the market, it is only a matter of a year or so before they will be to $75,000 or $80,000 apiece. There are no houses in my area in this condition that don't sell for that much. Well, $60,000 would be a good price. When I first saw this, I knew that the Assistant Secretary was conducting a housing survey, and I said, "Hey, there are 400 houses over there you can get, and probably at a cheaper price if you buy them now before they are sold."

They looked at them, and they have told us they are suitable. They are there and if we don't buy them, they will be sold. Then we will have to get some vacant land out there and will have to build, which will probably cost a lot more. These houses are all right together, where they can take care of the security problem. They are not going to fence them, though it could be fenced.

Mr. GINN. How far are they from the base?

Mr. ANDERSON. Six or eight miles. Less than 15 minutes of driving. It is well centered in the area.

Mr. GINN. I believe you testified before the authorizing committee today requesting authorization. Did you get any feel from them?

Mr. ANDERSON. They said they would work it out over the recess and give us an answer at that time. We did not get the report from the Department of Defense of their survey until just this Friday. That is why we had to move so fast.

Mr. GINN. If you could provide us with a copy of the report, it would be helpful to us. We join you in awaiting the authorizing committee's action.

In the meantime, you have made an excellent statement. We thank you, as always, for coming before us. We look forward to working with you.

At this point, we will place in the record statements by Members of Congress who were unable to be here today, or who asked us to take that action.

Statement of Hon. James J. Howard on Fort Monmouth, N.J., Facilities Upgrade

First would be the Honorable James J. Howard, of New Jersey. His statement deals with Fort Monmouth, New Jersey, facilities upgrade.

[Congressman Howard's prepared statement follows:]

Statement of Hon. James J. Howard

Mr. Chairman and members of the committee, I welcome this opportunity to testify today supporting much needed improvements to the Army's research and development facilities at Fort Monmouth, New Jersey. These are renovations and modernizations with great significance to the Army's battlefield self-appraisal capability, combat readiness, and to the long-term morale and performance of the personnel working there.

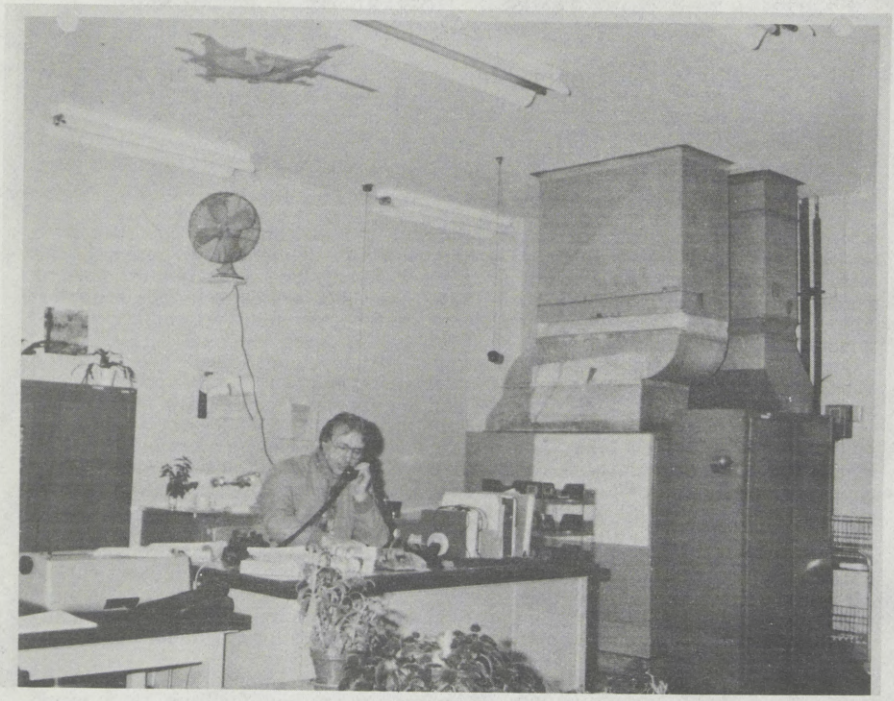
Completed in 1955, the Hexagon Building at Fort Monmouth has evolved into the workplace for nearly 2,000 highly-skilled scientists, engineers, and support personnel working in three DARCOM research and development commands (CORADCOM, ERADCOM, and AVRADCOM) so important to the high-technology systems necessary to a modern defense force. Unfortunately, while the Hexagon has been the site of many developments on the frontier of Army technology and overall readiness, the physical plant there has lagged far behind. Poor working conditions now threaten recruitment and retention of personnel.

I have included with this testimony photographs as examples of the present conditions at the Hexagon, picturing uncoated cinder block walls through which water seeps into the building, leaking and crumbling ceilings, and exposed wiring. Air-conditioning, exposed and noisy, yet critical to the work carried on there, is maintained by a 26 year-old system. And, in such a large building serving so many workers, there is only one passenger elevator, poor access for the handicapped, and no cafeteria.

This workplace does not exist in a competitive vacuum, internationally or domestically. Were we to continue to defer improvements on these facilities, there would be no guarantee that the opponents of this Nation would defer theirs, or that private industry in this country would become less of a draw to the finest personnel available.

The Army has requested $28.5 million to complete a four-year project to up-grade the Hexagon to a modern physical plant and a more attractive workplace. Coating of the cinderblock walls to prevent seepage, rewiring, installation of drop ceilings, additional elevators, handicapped facilities, and a cafeteria would be included.

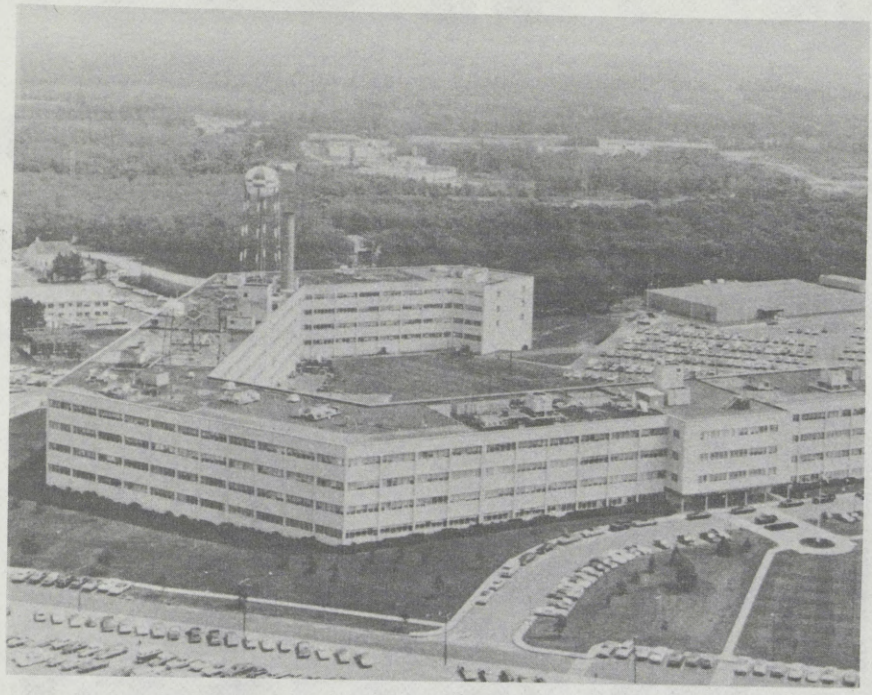
I strongly support these plans, and trust that the committee will agree to their importance to the readiness of a modern, high-technology Army. I believe that to do otherwise would be penny-wise and pound-foolish.



Air-conditioning, exposed and noisy, yet critical to the work carried on at Fort Monmouth, is maintained by a 26-year-old system



Leaking ceilings and other poor conditions threaten recruitment and retention of personnel



The Hexagon Building at Fort Monmouth, New Jersey

Statement of Hon. Pete Stark on Projects at NAS Alameda, Calif.

Mr. Ginn. Second, a statement by the Honorable Fortney H. "Pete" Stark, Jr., of the great State of California. His statement concerns NAS Alameda, Calif.—pier improvement, family services center, and other projects.

[Congressman Stark's prepared statement follows:]

Testimony of Fortney H. Stark, Jr.

Mr. Chairman and members of the Subcommittee, thank you for providing me with this opportunity to submit testimony in support of important projects included in the fiscal year 1982 military construction program.

As the Congressional representative of the Alameda area, I am well aware of the importance of military construction projects. National defense does not consist solely of ships, planes, and missiles; it is also the vast network of repair and resupply facilities necessary to maintain our defense forces at a high level of readiness and effectiveness.

Several projects in the fiscal year 1982 military construction program will help the Alameda Naval Air Station in my district to fulfill its vital mission of providing repair and resupply facilities for the U.S. Pacific Fleet. I strongly urge the members of the Subcommittee to give their full support to these projects.

The $7.5 million Pier Improvement Project will greatly facilitate aircraft carrier repair and resupply operations at Alameda Naval Air Station. Since the Alameda Naval Air Station is the only facility in Northern California capable of handling our nuclear aircraft carriers, it is particularly important to ensure that these facilities are the most modern and efficient ones available.

Unfortunately, this important pier improvement project has already been delayed several years. I strongly support the Alameda Naval Air Station Pier Improvement

Project, and I strongly urge the members of the Subcommittee to give this project their highest priority.

The second 1982 military construction project requested for the Alameda Naval Air Station is a $280,000 Family Services Center. This Center will bring together and make accessible a wide range of services for Naval Air Station personnel—chaplains, social workers, and special programs for new families. In view of the many problems our armed services have had in retaining skilled and dedicated personnel, I think we must give particular attention to special social services which contribute to overall job satisfaction. I hope the members of the Subcommittee will give strong support to the Family Services Center project at the Alameda Naval Air Station.

While the two projects I have mentioned will certainly go a long way toward improving the facilities at the Alameda Naval Air Station, there is still much that remains to be done. Many facilities at the Naval Air Station were built during World War II. Under these conditions, OSHA standards are difficult to meet, productivity and efficiency are undermined, and upkeep becomes increasingly expensive. In view of these circumstances, I urge the members of the Subcommittee to accelerate the pace of improvements at the Alameda Naval Air Station by funding several additional projects in this fiscal year.

Of primary importance at the Alameda Naval Air Rework Facility at the Naval Air Station is the modernization of two jet engine test cells. This project will substantially reduce noise emission, correct persistent water problems, and provide a better and safer workplace for personnel. Unfortunately, only one test cell was funded in the fiscal year 1982 military construction program. I believe it makes good sense to complete both test cell modernizations as soon as possible. I hope the Subcommittee will consider adding $3.7 million to this year's military construction funding to complete modernization of both test cells at the Alameda Naval Air Rework Facility.

Another important project which should be approved without further delay is construction of a new $20.5 million Aircraft Corrosion Control Facility at the Alameda Naval Air Rework Facility. Designed to replace the present substandard stripping building and outdoor aircraft blast cleaning facility, this new building will substantially reduce air emissions, water pollution, and substantially increase efficiency and productivity. I strongly urge the members of the Subcommittee to add this project to the fiscal year 1982 military construction appropriation.

I would also like to request acceleration of the Repair Steam System Project at the Alameda Naval Air Station. This $3.6 million project would vastly improve the heating systems in 23 buildings at the Naval Air Station, resulting in energy savings so substantial that the system would pay for itself in just six years. This type of savings cannot be ignored, and I urge the Subcommittee to do everything it can to accelerate funding for this project.

In conclusion, I would like to emphasize that the Alameda Naval Air Station is a vital part of our national defense and we must do all we can to aid in that effort. The continued success of this facility, which is important to all of us, depends upon modern, efficient repair and resupply facilities. I urge the members of the Subcommittee to support the Alameda Naval Air Station projects currently proposed for funding in fiscal year 1982, and to accelerate improvements at the Naval Air Station Control Facility, and a Repair Steam System in the fiscal year 1982 military construction program.

Statement of Hon. Leon E. Panetta on Projects at Defense Language Institute, Calif.

Mr. Ginn. Third, a statement by the Honorable Leon E. Panetta, of California, with reference to the Defense Language Institute, Presidio of Monterey, California; Unbudgeted Classrooms and Barracks.

[Congressman Panetta's prepared statement follows:]

TESTIMONY OF THE HONORABLE LEON E. PANETTA

before the

SUBCOMMITTEE ON MILITARY CONSTRUCTION

HOUSE APPROPRIATIONS COMMITTEE

April 8, 1981

Mr. Chairman and Members of the Subcommittee on Military Construction:

I appreciate very much this opportunity to address the Subcommittee on a military construction issue of deep concern to me and of very great importance to the nation's security. On March 4, 1981, I wrote to Chairman Ginn to alert him to my concerns about the serious overloading now occurring at the Defense Language Institute in Monterey, California, and the consequent need for a stepped-up military construction program at that important training facility. As Members of this Subcommittee know very well, the foreign language training now being conducted by the Department of Defense is critical to our nation's intelligence capability, and hence our national security.

The Defense Language Institute has been plagued by ever increasing student inputs which have outstripped the limits of the existing classroom and barracks facilities at the Presidio of Monterey. Because of a critical shortage in classroom space to accommodate increased student loads DLI has had to shift about 500 students of Russian, along with the required faculty, to Lackland AFB. While this may be a tolerable short-term response to the shortage, it would pose an administrative nightmare if the situation is permitted to continue like this for very long. Also, DLI has had to lease out a local school, the Lighthouse School, in order to house certain staff functions to free up building space for other purposes. Again, this shifting of staff to other locations cannot be relied upon on a long-term basis. Moreover, because of insufficient billetting at DLI for students, many students now live in the community surrounding DLI, a practice which is undesirable because of the importance of regular study and full participation in the language training environment at DLI.

I strongly recommend that the Subcommittee act now to expedite the planned construction schedule at DLI in order to prevent any further dismemberment of the Institute. This fast-tracking of construction projects at DLI is necessary for DLI to regain and to maintain under one roof its critical language training, staff support, and student housing functions. The Subcommittee will be interested to know that I have made a similar plea to the Subcommittee on Military Installations and Facilities. It is my hope that the authorizing committee will agree to a stepped-up construction program, and I trust that your Subcommittee will work with them in expediting this request.

It should be of interest to your Subcommittee that the House Intelligence Committee has expressed its grave concern about the inadequate supply of linguists in the intelligence community. The Intelligence Committee last year directed the Director of Central Intelligence and the Secretary of Defense to develop a plan for dealing with the linguist shortfall on a communitywide basis. The Committee expressed its concerns about personnel rotation policies, language training facilities, alternative approaches to language training, adequacy of recruitment policies and techniques, adequacy of career ladders, and pay policies for language trained individuals. Failure to address the serious construction requirements at DLI will only worsen an already bad situation in the supply of linguists to the intelligence community. In addition, the General Accounting Office is currently working on a report addressing a number of these issues.

Specifically, I would recommend FY 1982 funding for construction projects planned at DLI for Fiscal Years 1983 and 1984. It is my hope that an acceptable method can be found to incorporate into FY 1982 a planned request of $6.2 million for additional classroom facilities at DLI and a planned FY 1984 request of $4.4 million for barracks construction. These facilities are desperately needed at DLI. Their deferral into FY 1983 and FY 1984 will do enormous damage to the intregrity of DLI as an installation and to the defense-wide foreign language training effort.

Thank you again for this opportunity to address the Subcommittee.

Sincerely,

LEON E. PANETTA
Member of Congress

Joint Statement of Hon. Edwin B. Forsythe, James A. Courter, and Christopher H. Smith on Projects at Fort Dix and Picatinny Arsenal, N.J.

Mr. Ginn. And last, we have a joint statement submitted by the Honorable Edwin B. Forsythe, the Honorable James A. Courter, and the Honorable Christopher H. Smith with reference to barracks modernization at Fort Dix and family housing at Picatinny Arsenal, New Jersey.

[The statement follows:]

STATEMENT OF
Edwin B. Forsythe, M.C.
James A. Courter, M.C.
Christopher H. Smith, M.C.
Submitted for the FY 1982 Hearing Record
of the
Subcommittee on Military Construction
of the
House Appropriations Committee

Mr. Chairman and Members of the Subcommittee, we are contacting you today, first, to indicate our strong support for the military construction program proposed for Fiscal Year 1982 as it affects the major military facilities in the State of New Jersey and, secondly, to request the help of your Subcommittee in support of some additional funding for projects at Fort Dix and Picatinny Arsenal which will greatly enhance the capability of those installations in relation to our overall defense effort.

Specifically, Mr. Chairman, in addition to the military construction projects proposed by the Department of Defense at McGuire Air Force Base, Lakehurst Naval Air Engineering Center, Fort Monmouth and Fort Dix, we would like to also urge that the Subcommittee provide funding for two additional projects: a barracks modernization project at Fort Dix, and 26 units of family housing at the Picatinny Arsenal.

In relation to Fort Dix, Mr. Chairman, we would like to take this opportunity to thank your Subcommittee for the tremendous support it has given to Fort Dix in the past and to urge your continued interest in assuring the long term viability of this important army facility.

As you well know, the Army's plans for Fort Dix have been in disarray for the last ten years. The most recent major threat to the future of the installation was the proposal developed by the Army in 1979 to disestablish basic training at Fort Dix and put the installation on a semi-active status. Your Subcommittee and the House Armed Services Committee played a key role in averting that threat, and we feel the increasing demands presently being placed on the Army amply testify to your foresight in heading off this ill-conceived proposal.

The entire New Jersey Congressional Delegation, and indeed most of the Northeast, have stood united in their support for maintaining Fort Dix as an active Army installation. We are gratified, therefore, to see the current budget request for $9.4 million for construction at Fort Dix in FY 1982. We hope these energy-related projects are a welcome sign of the Army's new intention to maintain Fort Dix and upgrade its basic infrastructure.

During the decade of indecision about the future of Fort Dix, however, no major military construction was initiated at the installation. If the Army is really serious about improving the post's capability as a major training center, therefore, there are additional construction projects that are definitely needed.

The need for keeping Fort Dix a viable, efficient installation is particularly evident in view of the decision by the Army to implement as quickly as possible the One-Station Unit Training concept. Fort Dix, by virtue of its location in the urban Northeast and its excellent facilities, can play a major role in accommodating One-Station Unit Training for a wide variety of combat support specialties. Utilization of Fort Dix for CST is especially cost-effective in view of the already extensive classroom and barracks space available.

In relation to immediate needs, all of the concept design work is essentially completed on an $18.6 million barracks modernization project to upgrade permanent training party barracks to Department-of-Defense-required standards of adequacy. This desperately needed project will measureably enhance the capability of Fort Dix to perform its vital training mission. We have requested that this project be authorized for construction in FY 1982 and hope your Subcommittee will provide the additional funding necessary to carry the project forward as quickly as possible.

In relation to our other specific request for additional funding, Mr. Chairman, we feel it is truly unfortunate that no funds were included in the FY 1982 military construction budget with regard to the Headquarters for the U.S. Army's Armament Research and Development Command (ARRADCOM) located at the Picatinny Arsenal in Dover, New Jersey.

The Picatinny Arsenal is the Army's foremost facility for research and development work on conventional large and small caliber weapon systems. The installation also does work on various military nuclear-capable systems. It has an 8,000 man work-force of which 200 personnel are military. Housing is the number one morale problem for uniformed personnel at the installation. Off-base housing is scarce and expensive, and many officers and enlisted men have to travel over an hour and a half from the facility to find affordable housing.

In FY 1979, the Army approved the construction of 69 units of family housing at Picatinny Arsenal. Since that time, however, the Army has year after year postponed this proposed construction. We understand that now the Army is proposing to build only 26 units in FY 1983. During this long delay the need for family housing units has intensified, not disappeared.

In order to alleviate this shortage, Mr. Chairman, we have requested the Subcommittee on Military Installations and Facilities to authorize 26 housing units as an add-on for FY 1982. If the project is authorized, therefore, we would like to request that this Subcommittee provide additional funding of $2.141 million for this sorely-needed construction project. Although the 26 units will not solve the entire family housing problem at Picatinny Arsenal, these units will be a major step in the right direction. Again, the additional construction project will have immense benefits in relation to the overall efficiency and morale of the installation.

Mr. Chairman, on April 3, 1981, we testified before the House Subcommittee on Military Installations and Facilities in relation to these and several other projects. We are hopeful the projects will be included in the final version of the FY 1982 military construction bill to be reported to the House. In view of your long record of support, we hope that your Subcommittee will provide the funding necessary to move forward with these important projects.

Mr. Chairman, all New Jerseyans take pride in our military installations and the role they play in securing our freedom and enhancing our national security. Our Middle-Atlantic location--with its varied terrain, highly skilled civilian work force, and immediate access to Europe--provides strong justification for the retention and upgrading of our miltiary installations. We want to once again express our thanks to the Members of this Subcommittee for their help in the past in this regard. We strongly feel that our New Jersey military bases can make a major contribution to the defense of the United States in the future, and we look forward to working closely with your Subcommittee in order to assure that we make the most of the potential of these outstanding defense facilities.

Thank you.

Mr. GINN. If there is no additional business, we will recess and renew the hearing at 1:30 p.m.

[Whereupon, at 12:15 p.m., the subcommittee recessed until 1:30 p.m. this same day.]

AFTERNOON SESSION

WEDNESDAY, APRIL 8, 1981.

MEMBERS OF CONGRESS AND INTERESTED INDIVIDUALS AND ORGANIZATIONS

Mr. GINN. The subcommittee will please come to order.

This afternoon, we will continue with our hearing involving Members of Congress and Individuals and Organizations, and in that regard, we are delighted to welcome as our first witness Mr. John Carlson, Vice President, Sundt Corporation of Tucson, Arizona.

Mr. Carlson is representing Associated General Contractors of America. He will be talking about American preference in Indian Ocean construction.

AMERICAN PREFERENCE IN INDIAN OCEAN CONSTRUCTION

WITNESS

JOHN CARLSON, VICE PRESIDENT, SUNDT CORP. OF TUCSON, ARIZ., REPRESENTING ASSOCIATED GENERAL CONTRACTORS OF AMERICA

JIM THOMPSON, DIRECTOR, AGC'S INTERNATIONAL CONSTRUCTION DIVISION

Mr. CARLSON. Thank you, Mr. Chairman, and members of the committee. My name is John E. Carlson, and I am Vice President of the Sundt Corp. of Tucson, Arizona, and a member of the International Construction Committee of the Associated General Contractors of America. Our firm has been active in international markets for six years, and we presently have contracts in Saudi Arabia.

I am accompanied here today by Jim Thompson, Director of AGC's International Construction Division.

Mr. Chairman, I am particularly pleased to have the opportunity to appear before this committee today as I did last year on behalf of AGC. I appear today to update you on the impact of proposed military construction in the Indian Ocean/Persian Gulf region on the U.S. construction industry.

U.S. MILITARY CONSTRUCTION OVERSEAS

As we noted last year, the U.S. construction industry has played a major role since World War II in serving our nation's 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 con-

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struction programs of the U.S. Goverment been so important to our survival in these markets.

Mr. Chairman, last year we noted that 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 ranking of 12th with contract volumes of only $346.0 million in the Middle East markets. According to the same source, the U.S. has, in the past year, fallen to 13th place.

The major reasons for this drastic decline remain. One factor has been that our competitors continue to enjoy strong government backing and support. These government-backed packages include tax incentives, project financing and guarantees, political risk insurance, export subsidies, and high level government support during negotiations with clients. The U.S. construction export package, on the other hand, is poorly structured and noncompetitive.

Our competitive weakness remains in large measure due to the inability of our government to implement a coherent trade policy, and propose appropriate legislation which would enable U.S. exporting industries to compete on the same footing as their foreign competitors. We are pleased to note the great interest of the Congress in these matters as noted by the large number of measures proposed to date on these issues.

The absence of competitive export incentive measures is, however, only half of the problem facing the U.S. construction exporter. U.S. contractors working overseas are still burdened by a myriad of regulations and policies which undermine or limit their ability to competitively bid projects. We call these regulations and policies export disincentives, and they include such things as antiboycott, antitrust, and antibribery regulations, human rights and foreign policy controls, international environmental controls, and perhaps the most devastating measure of them all, the taxation of U.S. expatriate workers.

The U.S. remains the only industrialized nation which taxes the earnings of its citizens employed outside the country. This exclusive tax liability for American 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 inefficiencies 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.

Mr. Chairman, in spite of this bleak picture, we come before you today very optimistic that the past efforts of this committee and the future efforts of the Congress and administration will contribute to the long-term solution of these problems.

We realize that the trade and tax problems we have outlined here today do not fall within the scope of this committee. We do, however, recognize the major impact that U.S. military procurement regulations have on our industry. Mr. Chairman, last year we asked this committee to direct certain changes in these U.S. military procurement procedures which would provide for an American preference in the construction of military facilities in the Indian Ocean/Persian Gulf region. Specifically, we asked that: 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. contractors to submit a letter of interest accompanied by prequalification date. If at least 5 U.S. contractors prequalified to bid, the tendering of the project would be restricted to those firms.

I might say, as an aside, with the 60 days' prebid notice, we feel this will not slow up the bid process. If fewer than five firms prequalified, the tendering would be opened to international competitive bidding. These procedures would require that all cost 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 recommended that the work be awarded through competitive negotiations tied to U.S. firms. We were pleased to note that the conference report on the Department of Defense Authorization Act, fiscal year 1981 (Report No. 96-1399), dated September 25, 1980, directed the Defense Department to implement most of this policy.

We concur that a $5 million floor on the application of these guidelines is reasonable. We were further pleased to note the publication of a memorandum from the Office of the Assistant Secretary of Defense on 24 November 1980, directing the military departments to implement this policy.

[The memorandum referred to follows:]

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C. November 24, 1980.

Memorandum for: Assistant Secretary of the Army (IL&FM); Assistant Secretary of the Navy (MRA&L).

Subject: Construction in the Indian Ocean/Persian Gulf.

The interests of the United States are inextricably linked to the Indian Ocean/Persian Gulf region. In furtherance of these interests, Congressional military construction acts authorized and appropriated funds for construction of extensive facilities in the area. Instability in the region and lack of a local construction capability requires that the United States construction industry must be able to carry out this construction in support of the Rapid Deployment Force concept and to improve the operational readiness of our forces in the region.

In order to ensure a viable, responsive and dependable construction capability, a DoD policy that provides preference to United States firms will be implemented. This policy will apply to all general construction prime contracts of an estimated value greater than $5 million. It will not include dredging contracts which as specialized work will be awarded in accordance with the provisions of the Fiscal Year 1981 Military Construction Appropriation Act (PL 96-436).

The preference policy should be implemented in accordance with the following procedure: Construction agents will assess the adequacy of potential competition among United States firms, by 60-day advance publication in the Commerce Business Daily soliciting expressions of interest by the United States construction industry. The final judgment as to the adequacy of competition will be left to the construction agent. If competition is not deemed adequate, the contract will be opened to international competition. If competition is adequate, the competition and award will be limited to United States firms. If necessary to accommodate govern-

ment to government agreements, the procedure will be expanded to permit or require appropriate host country participation. Thus, in Diego Garcia, for example, competition (except for dredging discussed above) will be limited to consortia composed of a firm or firms of United States origin and a United Kingdom firm or firms. In Oman, "maximum practicable" use must be made or Omani contractors, either as joint venture partners or subcontractors. The specific details of implementing such government to government agreements will be left to the discretion of the construction agents for resolution on a case by case basis.

In carrying out this policy, construction agents are cautioned to be alert to the possibility of firms which might be formed to exploit the policy. Any firm claiming the benefits of this American preference provision must have its principal place of business within the United States and must employ United States citizens in key supervisory positions. Assistance as appropriate should be solicited from participating host nations in screening the credentials of any involved foreign firms. The normal requirements for bid and performance bonds should be utilized and other nonconflicting standard contracting procedures followed.

PERRY J. FLIAKAS,
Deputy Assistant Secretary of Defense
(Installations and Housing).

Mr. CARLSON. Mr. Chairman, we believe this policy will be rewarded. The preliminary signs are very encouraging. The request for prequalification for the current work in Diego Garcia resulted in over 15 U.S. firms making application. More than 20 firms have expressed interest in the work being proposed in Oman. We believe both of these projects will be awarded to American contractors in conjunction with host country firms. The award of these contracts to American contractors should go a long way toward ensuring a dependable, technically proficient and responsive regional construction capability.

Our company has been doing military construction work since the early 1900s. I served in the U.S. Army Corps of Engineers in Korea, and our company was doing 85 percent of its work in defense contracting. I suppose we don't reach 15 percent a year now.

We are not here asking for more money; we are just saying that when it comes, you need our types of firms. Defense money is coming again and American firms are ready, willing, and able. As defense gears up, as we are doing now, you going to need the American construction industry's capabilities. For that reason we mention our current burdens.

We are firmly convinced that, until the major disincentives are removed and definite American export support policies are developed, preference policy is the correct approach to doing defense construction work abroad.

It is, therefore, with a great deal of pleasure that we have appeared before you today to thank you for your past support. We hope that this support will continue.

[A copy of Conference Report No. 96-1399 follows:]

[H. Rept. No. 96-1399, 96th Congress, 2d Session]

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1981

(September 25, 1980.—Ordered to be printed)

Mr. Nedzi, from the committee of conference, submitted the following Conference Report to accompany H.R. 7301.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7301) to authorize certain construction at military installations for fiscal year 1981, and for other purposes, having met, after

full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: that this Act may be cited as the "Military Construction Authorization Act, 1981".

TITLE I—ARMY

Authorized Army Construction Projects

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

Special contingency facilities construction fund

The House bill provided specific line item authorization in the respective service titles for construction of facilities associated with Middle East/Indian Ocean basing initiatives. A total of $270,377,000 was authorized for such purposes, including $149,677,000 for Navy and Air Force activities at Diego Garcia.

The Senate bill established a contingency fund of $200,000,000 for Middle East/Indian Ocean construction including Diego Garcia.

The conferees agreed to use a contingency fund approach in order to provide the Secretary of Defense with sufficient flexibility to program vitally needed construction for meeting the many political and military uncertainties facing the United States at this time. In doing so, $150,000,000 has been authorized for such purposes. The conferees agreed, however, to keep Diego Garcia construction in the separate service titles because it is an established United States installation and requirements are well established.

In approving the contingency fund the conferees expressed support for the Department of the Army's request to construct a division-sized staging facility in the Middle East/Indian Ocean for the rapid deployment force when a site decision is made.

In authorizing the contingency fund, the conferees endorse the specific reporting requirements contained in both bills and expect the Department of Defense to comply fully with them. Also, the conferees expect full compliance with the spirit and intent of Section 405(e) which requires the use of U.S. construction materials shipped on United States flag vessels in the construction of these facilities. This provision is intended to give American contractors a reasonable chance of success in bidding on contracts for construction of these facilities. The conferees envision that in most cases contracts for construction will probably go to American contractor-host nation contractor joint ventures with the American contractor supplying the materials, the project management, and the highly skilled work force, and the host nation providing the bulk of the labor requirement.

Use of nonappropriated funds for construction

For the second consecutive year, conferees debated the issue of determining the proper use of non-appropriated funds for construction of certain facilities. Some facilities such as commissaries, exchanges, and bowling alleys are now built exclusively with non-appropriated funds. Other facilities such as child care centers, gymmasiums, and auto self-help shops have been built with both appropriated and non-appropriated funds with each service determining its own approach. Last year, conferees directed the Defense Department to establish a consistent programming policy for this class of facilities in the fiscal year 1981 budget request. The department has not posed a new policy in this area; however, the conferees were not in full accord with the new policy and felt that the policy should be examined further. In the interim, conferees did agree to authorize child care centers at Fort Hood, Texas, and Pirmasens, Germany; an exchange warehouse at Fort Clayton in Panama; and a commissary warehouse in Ansbach, Germany; with the Senate receding to the House position on these four projects.

Mr. GINN. Thank you, Mr. Carlson. Is the position of providing a preference program for construction consistent with the overall AGC's position on competition in the construction industry?

Mr. CARLSON. Absolutely not. We would never come and ask that there be special set-asides on the international scene. We live and

die by competition. Traditionally we have been under the same rules and regulations.

However, foreign competitors now live under different rules with government support, and so forth. For the time being, we cannot compete unless we have some kind of preference.

Mr. GINN. Do you feel that the American preference program as now proposed by the Department of Defense will lead to additional contracts for American firms?

Mr. CARLSON. Yes, I do. I think it is shown in Diego Garcia.

Mr. GINN. That is encouraging. I listened with interest to the remarks about Diego Garcia and Oman.

What is the net effect of an American preference program in terms of increasing the overall cost of military construction projects?

Mr. CARLSON. I think, as a line item, the bids would be higher. However, we had a job bid in Jordan about two years ago and I think a British firm got it. The American bid was around $100 million and was some $3½ million higher than the British firm. Yet by the time we analyzed all the taxes that would have flowed back to the U.S. Government; the corporate tax, the individual personal income tax of the Americans who would have been on the job, the taxes that would have been paid by the manufacturing industry, the manufacturing people, the income tax of the American workers back here, it would turn out we would have been some $2 million less than the British firm. In other words, because of tax policy the construction line item might be more. However, with other tax benefits flowing back to the American Government, I think you will see in many cases it will be less cost to the American taxpayer.

Mr. GINN. When we talk of American preference, does that relate only to the firm receiving the construction award, or is it also intended to relate to actual construction workers?

Mr. CARLSON. I will tell you how most of us do work overseas. In some cases there are host-country agreements. We have a British partner in Diego Garcia and in Oman because there is a requirement to have them as a partner or a subcontractor. It is their country but our money.

The State Department makes certain agreements, and I am not commenting on them, but if that is the fact and we have to employ locals, we are prepared to do it. We want to get American professionals in the key positions who know our system, know our equipment and know how to put it together. In almost every case, the bulk of the laborers will come from some third country. In some of these areas, living conditions preclude the hiring of Americans, even if we paid our standard wage rates.

But also what we are talking about, is getting our key people out there.

We had 150 people in Saudi Arabia three years ago, and we have 50 now. So our preference still does not permit us to be competitive in all hiring situations.

Mr. GINN. Are there questions?

Thank you, Mr. Carlson, for being here today.

Mr. CARLSON. We appreciate your hearing us. We appreciated your action last year, and we are sure it will carry through this year.

Mr. GINN. Next, Mr. Paul Tarman, Vice President for Process Research, Institute of Gas Technology, who will discuss alternate energy technologies. Dr. Tarman, we are delighted to have you and ask that you proceed as you see fit, sir.

WEDNESDAY, APRIL 8, 1981.

ALTERNATE ENERGY TECHNOLOGIES

WITNESS

PAUL TARMAN, VICE PRESIDENT FOR PROCESS RESEARCH, INSTITUTE OF GAS TECHNOLOGY

Mr. TARMAN. Thank you, Mr. Chairman.

I will read an abridged version, and I ask that my complete statement be included in the record.

Mr. GINN. We appreciate that courtesy in view of the time problems we have. Your statement will appear in complete form in the record.

Mr. TARMAN. Mr. Chairman and members of the subcommittee, my name is Paul Tarman. I am Vice President of Process Research of the Institute of Gas Technology, a not-for-profit energy R&D organization affiliated with the Illinois Institute of Technology in Chicago. IGT has specialized in conducting energy RD&D work and energy-related education programs for 40 years. I will provide you today with our assessment of some important energy issues, together with information on several specific technologies for utilizing our fossil energy resources efficiently and in an environmentally clean manner. These technologies can have a major impact on the development of our domestic energy supplies and the strengthening of our national security.

Our previous testimonies before the Congress have been directed at Department of Energy activities. I welcome this opportunity to speak to this subcommittee at this particular time of uncertainty on the availability of world energy resources and to support programs that provide our armed services the capability to maintain their readiness through utilization of U.S. energy resources.

We strongly believe that all alternate energy sources must be developed at the maximum feasible rate. Deployment of a synthetic fuels industry is essential to meet shortfalls in conventional oil and gas supplies and to strengthen our national security. The justification for such action should be based on a realistic assessment of the true cost of oil imports with respect to inflation, trade balance, loss of jobs, and national security. The bulk of our future energy supply for at least the next 50 years must be based on our indigenous fossil fuels, nuclear energy and biomass.

We need to preserve continuity in energy RD&D to foster better, more efficient and more appropriate ways to meet our energy needs. Our nation has been trapped in the past when we failed to address a problem before it was upon us. A good example is Pearl

Harbor, which caught us unprepared, practically defenseless, and propelled us into the crash development of a synthetic rubber industry and gasoline rationing. Now, a Mideast war seriously threatens the energy supply of the free world at a time when the U.S. is painfully import-dependent. We have the resources and technology to reduce the threat to manageable proportions, but these resources have not yet been put to use. Until they are, we remain gravely vulnerable.

A critical issue is the lead time for getting major new energy supply sources in place. No matter how hard we push, it would be seven or eight years before any new alternative fuel supply could provide meaningful increments of energy supply. We must accept at least another decade of energy dependence with the associated economic deprivation and threat to our national security. Our vulnerability beyond that point will equal precisely the extent to which we delay now.

In recent months, some energy analysts have expressed concern that the time frame for deployment and use of synthetic fuels will not extend much further than the year 2000, and that we should focus our major efforts on development of solar energy, renewable resources, and other non-fossil fuel technologies. This position overlooks and ignores some very concrete realities.

First, we cannot assume that new technologies to provide needed increments of energy supply will be available and deployed at the time needed. On the other hand, our reserves of coal, oil shale and peat are very large, are known with a relatively high degree of certainty, and the technology to effectively utilize these resources is either available now or in the near future if we continue current RD&D programs. The inability or refusal to think beyond the year 2000 seems to be a rather peculiar American phenomenon. Western Europe has no such problem. Their energy planning extends well into the Twenty-first Century, and both coal conversion and large imports of American coal are part of their future energy scenarios.

A second blind spot in reasoning is the misperceived cost of oil imports. The argument is often made that synthetic fuels development should be deferred until they are fully competitive with imported oil. This is also a fallacious position. Our analyses indicate that the real cost of imported oil is at least three times higher than the direct cost in terms of inflation, trade balance, loss of jobs and national security. Full recognition of these costs should be a major factor in assessing the future role of government support of synthetic fuels RD&D.

A major reason to continue and even accelerate RD&D on synthetic fuels is that the bulk of our resources is in solid form—coal, oil shale, peat and biomass. However, much of our in-place energy transmission, distribution and utilization system, representing an investment of hundreds of billions of dollars, was designed to handle liquid and gaseous fuels. We can expect new systems, such as coal slurry pipelines, to meet part of future energy needs, but it just makes good economic sense to provide liquid and gaseous synthetic fuels so the present systems can be utilized fully in the future.

I also note that our military preparedness and ability to respond to threats to our national security are overwhelmingly dependent on adequate supplies of these liquid and gaseous fuels.

A currently popular premise is that decontrol of energy prices will lead to significant oil and gas reserves addition. In my view, the major tangible effect of decontrol will be to spur conservation. The impact on reserves addition will be positive, but only incremental, allowing a slowing down of the rate of decline in domestic oil and gas production but in no way sufficient to delay the need for alternative energy supplies.

Many new technologies are being developed which offer the Department of Defense a broad variety of energy supply options for military mobility fuel needs and military installation requirements. I believe DOD should be examining such energy supply sources as direct use of coal, coal gasification and liquefaction, oil shale, biomass and renewables, solar energy, and centralized versus decentralized energy supplies.

Military installations and facilities would appear to be excellent locations to provide an opportunity to implement various pilot, pioneer and/or demonstration projects utilizing local and/or regional energy resources to furnish a secure supply of energy to critical bases. In many instances, such an approach could be a cooperative venture with a local utility company.

I would now like to shift to a description of various energy supply technologies underway at IGT and, in some cases, conjecture how a particular technology might be fit into the military construction program.

MEDIUM-BTU INDUSTRIAL FUEL GAS

In May of 1980, the City of Memphis Light, Gas and Water Division signed a contract with DOE to proceed with the engineering design and construction of a demonstration plant using IGT's U-GAS process. This pioneering facility—the first advanced coal-gasification demonstration plant in the U.S.—will produce 154 million cubic feet of medium-Btu industrial fuel gas per day from western Kentucky coal using American technology. It is scheduled for operation in 1984. The fuel gas will be sold on a commercial basis to industrial users in the Memphis area. Utilization of this same concept but at different levels of coal consumption has considerable application at military installations where, in many instances, local coal may be used.

PEATGAS

Another major program which we have underway is the pilot plant testing of the gasification of peat. Peat is a resource which is very economically attractive because it is located in States not endowed with other indigenous energy sources.

While countries like the Soviet Union and Finland are actively involved with their use of peat for energy purposes, the U.S., which possesses at least 1,400 quads of peat energy equivalent, is dismally deficient in this regard. Here again, certain military facilities combined with defense industrial plants are in areas where peat

abounds, and could efficiently and economically use this local resource to reduce oil consumption.

HYGAS

This is the only new American-developed technology which can utilize eastern, as well as western, coal to produce high-Btu pipeline-quality gas. HYGAS can, since it produces pipeline quality gas, be utilized to serve more than one military facility through use of the existing network of gas pipelines. Supply assurance and system integrity can be provided through judicious use of the storage capability of gas and the distribution system.

FUEL CELLS

IGT continues to direct its efforts in the development of second-generation fuel cell technology toward applications both for co-generation and for integrated coal gasifier-fuel cell power plants. This system for generating power is much more efficient than conventional coal-fired power plants. IGT, with its long history of molten carbonate fuel cell research dating from 1959, and with its work in coal gasification and gas clean-up systems, is uniquely positioned to optimize the conversion of coal to electric power. Fuel cells lend themselves to operation with gas from indigenous resources available to the military, such as coal, peat and biomass. The military has been authorized funds for procurement of 40 KW phosphoric acid fuel cells for testing at various bases.

We understand that shortly the Air Force will begin a systems analysis as the first phase of a plan to test the military-industrial applications of molten carbonate fuel cells. We endorse this program and would encourage Congress' continued support for the application of second-generation fuel cell technology to meet military requirements.

SOLAR THERMAL ENERGY

We are continuing our work in the use of solar thermal energy to produce fuels and chemicals, such as hydrogen, alcohols and ammonia. Although these chemicals are produced from hydrocarbon sources today, long-range R&D is needed to utilize solar energy as a substitute for fossil fuels.

HYTORT

In the area of mobility fuels, we have developed the HYTORT process for conversion of eastern oil shale to liquids, and, of particular relevance to the DOD, with a very high percentage of JP-4 in the final product. This technology is now being further developed under private sponsorship.

BIOMASS AND WASTE

Biomass of some classification is indigenous to almost every military base and/or facility. It can be aquatic—(water hyacinths, kelp, et cetera), terrestrial—(trees, grasses, et cetera), or wastes—(municipal, industrial and agricultural).

IGT has studied and developed processes for conversion of almost every form of biomass and waste to a usable fuel. All of which cold have military base application.

SOLAR-MEC

SOLAR-MEC is a solar-heat-energized gas or waste-heat-augmented heating/cooling system providing a unique means for combining solar heating and cooling in an integrated unit. Under the auspices of our subsidiary, GDC, Inc., a 25-ton, commercial-size unit is being demonstrated in Akron, Ohio. SOLAR-MEC may be applicable to military installations where the combination requirement for heating and cooling exists.

COGENERATION

The use of cogeneration for energy requirements of military installations offers a method of increasing security since the option decentralizes the energy supply. Additionally, the sale of excess electricity would result in favorable economics. IGT is examining a variety of cogeneration supply configurations based on a number of different feedstocks and process configurations.

I appreciate the opportunity to present our viewpoints on ways the work at IGT could improve national security and military preparedness, and will be happy to answer any questions this committee may have.

Mr. GINN. Thank you very much, Doctor. I have no questions, but I thank you for coming here today. You have made a very interesting statement, and certainly given us a lot to think about as we proceed in military construction.

It is a very, very interesting statement, and I personally thank you for coming.

Mr. TARMAN. Thank you for listening to me.

Mr. GINN. Are there questions?

Thank you very much, Dr. Tarman.

Our next witness is Major General J. Milnor Roberts, AUS-Ret., Executive Director of the Reserve Officers Association of the United States, who will discuss the Reserve role in the total force structure.

It is always a pleasure to have someone from your great organization with us. We are delighted to have you today.

WEDNESDAY, APRIL 8, 1981.

RESERVE ROLE IN TOTAL FORCE STRUCTURE

WITNESS

MAJ. GEN. J. MILNOR ROBERTS, U.S. ARMY (RETIRED), EXECUTIVE DIRECTOR OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General ROBERTS. I would like to offer my full statement for the record and will present some highlights of it.

Mr. Chairman, a great deal has been said recently about improving our defenses and more money will be in the Federal budget to do that. Sometimes overlooked is the fact that reserve components are a most cost-effective means of improving our defenses, and they tend to get overlooked.

As we point out in our statement, about five percent of the defense dollar is spent in direct terms for Reserve components, and yet in the case of the Army, over half of the Army will come from Reserve components and significant portions of the other services upon mobilization. So we think we ought to give them a little more attention.

With regard to military construction, Mr. Chairman, the backlog of the Army Reserve is rather horrendous. It would take $848 million to satisfy the full requirement for the Army Reserve in the military construction area. That is a long way to go from the present recommendation, which is $30.4 million.

We believe it would be wise for this committee to take a careful look at the want-list, which we have listed for you on page 4 of our statement, which shows the projects for which money is being requested, down to the last four. The last four projects at Richmond, Indiana, Jackson, Mississippi, Dublin, Georgia, and Fort Devens, are not included in the administration request, and we ask that you recommend $16.8 million to fund these projects.

Mr. GINN. I can't believe they would leave Dublin, Georgia, out of this long list.

General ROBERTS. Sometimes they are not very far-seeing in their recommendations. We wanted to be careful to note that Dublin, Georgia, is included.

I would ask that you reflect on the fact that the numbers do not add up to $16.8 million. They do not because design costs are not included, and there are some minor construction items which we did not list here, bringing it up to $16.8 million, but the projects we do list are significant.

With regard to the Navy and Marine Corps, their problem, if anything, is worse than that of the Army. They have been using a lot of post-World War II Butler and Quonset huts now for about 30-some years, and these are simply inadequate.

There are improvements which must be made to Naval air stations, and the backlog in the case of the Navy is getting worse year by year. There were no funds programmed last year to reduce the backlog, and this year that backlog has grown to $270 million.

Mr. Chairman, on page 7 of the statement, we list recommended projects by OSD, which total $26.4 million, but on page 8, we recommend what would be highly desirable to be approved for this year, and this would bring the total recommendation up to $53 million.

As you can see, one of these, the first one on the list, merely represents loss by fire.

When I asked the question, where are these people using—what are they using now—the answer was they are scattered all over the place, and the government is having to pay $5 per man, per day, and a ration allowance because of this, and it is being used every day in the week by literally a thousand people or so.

So the longer you delay putting that building up, I think it is not going to be very cost-effective, to say nothing bout the impact on morale and readiness.

I believe these additions for the Naval Reserve should be authorized, because this would make a significant cut into the backlog and, of course, as we well know, inflation is taking its toll, and every year that goes by that we don't build something, it will cost more in the future.

We feel this should be added by the committee.

The Air Force Reserve is probably best off of all of the Reserve components with regard to their facilities, largely because they are using active-force installations, for the most part, or they are tied in with metropolitan airports.

They, too, require some additions because of changes in mission. Where they switch from a transport aircraft to a fighter aircraft, for example, they have to have a change in their facility. Modernization of aircraft also has an impact on the facilities they are using.

We are recommending the same numbers that the administration has suggested, which is $28.5 million for the Air Force Reserve in fiscal year 1982, which we feel will be adequate for the year.

In conclusion, we ask that you give serious consideration to augmenting what the administration requested for the Army Reserve and for the Navy and Marine Corps. The Air Force, I think, is in reasonably good shape.

That concludes my remarks, sir.

[General Roberts' prepared statement follows:]

Statement of Major General J. Milnor Roberts, Army of the United States (Retired), Executive Director of the Reserve Officers Association of the United States before the House Appropriations Subcommittee on Military Construction, concerning Military Construction authorizations for Reserve Forces for Fiscal Year 1981, given on 8 April 1981.

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. Recent 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 need to reduce expenditures whenever possible; however, I am sure that you are fully aware that direct expenditures on Reserve Components is limited to about five 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 of 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 each of our military services.

ARMY RESERVE

The Army Reserve consists of over 200,000 personnel in the troop program units and almost an equal number in the Individual Ready Reserve (IRR). Today a ready, capable Army Reserve is required as part of the total Army to accomplish its wartime mission. Many Army Reserve units are included in the Army's portion of the Rapid Deployment Force and the minimum essential/rapid reenforcement forces.

Training continues to be the most important responsibility of the US Army Reserve units. Other than the two weeks annual active duty, all training and equipment maintenance must take place at the individual reserve center. In addition to providing a base for training, the reserve centers contribute to the ability of the USAR to attract and retain reservists.

At the present time it would require $848 million just to replace obsolete or deteriorated facilities. $697 million would be required in FY 1982 to construct the validated requirements. The Army's FY 1982 construction program for the USAR is $30.4 million; this is $11.8 million less than what was appropriated for in FY 1981. It is realized that all the validated projects cannot be designed and constructed in any one given year. The FY 1982 program is structured to provide the much needed facilities within available funding.

The Army Reserve has sufficient construction projects that are justified and with the design status sufficiently completed that they could be accomplished within FY 1982 provided the necessary funds are made available. These projects would entail a total of $47.2 million or an increase of $16.8 million over the Army's FY 1982 budget for construction.

ROA considers this increase essential for the training and maintenance of selected reserve units to facilitate their readiness and mobilization. The construction projects and their estimated costs are as follows:

LOCATION	DESCRIPTION	COST ($000)*	DESIGN STATUS
Chicago (Homewood), IL	400M USARC/OMS/DS/GS	2,251	95%
Winooski, VT	Expand to 100M USARC	698	95%
Redstone Arsenal, AL	New 600M Center/OMS/AMSA	2,913	10%
New Orleans (Fleming), LA	Expand Center/OMS to 400M	1,654	25%
Great Bend, KS	Alter 100M Center/OMS Stg Bldg (Jt w/KSARNG)	558	45%
Culpeper, VA	New Center - 60M	845	25%
Ft. Meade, MD	ECS/AMSA	2,047	95%
Ft. Indiantown Gap, PA	ECS/AMSA	2,959	70%
Sharpe AD, CA	AT Facilities	1,147	35%
Tooele AD, UT	AT Facilities	1,773	30%
Martinsburg, WV	Expand Center to 100M	1,030	45%
Chicago (Arlington Hts), IL	New Center/OMS - 600M	4,629	20%
Stillwater, OK	Expand Center to 150 M	693	95%
Helena, MT	New ECS/AMSA	798	10%
Fort Douglas, UT	Alter ECS/AMSA	557	10%
McAlester, OK	Expand Center to 100M	411	95%
Rocky Mt. Arsenal, CO	New OMS, AMSA	1,306	25%
Tobyhanna, PA	Expand Center to 150M	900	95%
Greenwood, MS	Expand OMS/AMSA	210	40%
Grand Prairie (Dallas NAS), TX	Correct Flight Safety Hazards	912	60%
Kittanning, PA	New Center/OMS - 60M	1,259	35%
Rolla, MO	Expand NG Armory (Jt w/MOARNG)	590	5%
Santa Barbara, CA	Expand Center	804	60%
Guymon, OK	New Center - 100M	1,208	95%
Detroit (Stroh), MI	Expand Center	2,535	20%
Oklahoma City (Krowse), OK	Expand Center to 400M	2,621	10%
Santa Rosa, CA	City Water & Sewer Connection	600	10%
Richmond, IN	200M USARC	1,534	50%
Jackson, MS	Expand Center/OMS/AMSA	1,582	25%
Dublin, GA	300M w/OMS	1,606	15%
Ft. Devens, MA	Expand 200-1000 M/OMS	4,603	15%

*Cost & % Design as of 31 March 1981

NAVY AND MARINE CORPS RESERVE

Mr. Chairman, as the Chief of Naval Reserve has testified, maximum use of existing facilities is being made; however, the physical plant is badly deteriorating.

Currently, there are 238 Naval Surface Reserve sites throughout the country; 139 of them (58 percent) are adequate and 99 (43 percent) are substandard. The substandard facilities are generally the multiple Quonset and Butler huts with connecting frame headhouse typical of the mass construction undertaken for the Reserves in the late 1940's. As the Butler and Quonset huts had an economic life of 20 to 25 years and with construction funds simply not available to replace them, those structures now have a high maintenance cost, degradated appearance and they are inefficient training sites.

There are six Naval Air Stations, two Naval Air Facilities and 14 other Naval and Marine Corps Air Reserve sites. Four of the six Naval Air Stations were designed and constructed during World War II and now show the impact of block obsolescence. This obsolescence is due to the use of design and material "for duration only" which does not permit flexibility to upgrade the facilities to adequately meet today's support and training equipment requirement. Today's aircraft are larger, heavier and more sophisticated. Therefore, the facilities constructed during WWII, if adaptable at all, are not adaptable to current requirements without excessive cost. Additionally, the seven Naval Air Reserve

Units (NARU) are located on Active Regular Naval Air Stations and have generally been relegated to excess facilities with problems similar to the four WWII vintage Naval Air Reserve Stations.

Another area of vital concern is the seemingly ever-present MCNR Construction backlog. As we noted in last year's testimony before this Committee, the Senate Armed Services Committee in its Military Construction Authorization report for FY 1979, directed the Defense Department to fund the Guard and Reserve Construction programs at levels that would reduce the construction backlogs. We also noted that no such action had been forth coming. That observation is even more valid this year. Not only are there no funds programmed to reduce the backlog, the backlog has grown again from $251 million last year to $270 million this year. Mr. Chairman, after observing this situation for many years, it is obvious that firm Congressional action must be taken if this potentially disastrous problem is to be addressed.

Mr. Chairman, the FY 1982 MCNR program is appended. ROA has reviewed and concurs with the projects contained in this program. However, there are many vital projects which are not addressed. Accordingly, I have also appended a priority listing of essential Construction projects which have not been included in the FY 1982 budget request.

Mr. Chairman, it is quite obvious that it would be impossible to appropriate sufficient funds to correct all noted deficiencies. However, it is also obvious that the requested $26.4 million is patently insufficient. The FY

FY 1982 MCNR PROGRAM

STATE/INSTALLATION	PROJECT	ESTIMATED COST ($000)
CALIFORNIA		
NMCRC San Diego	Reserve Training Building	7,000
GEORGIA		
NAS Atlanta	Aircraft Maintenance Hangar	5,400
NAS Atlanta	Avionics Building	500
ILLINOIS		
NAS Glenview	Extend Water Dist System	250
NAS Glenview	UEPH	2,400
MISSOURI		
NMCRC Kansas City	Reserve Center Addn/Alt	2,700
NORTH DAKOTA		
NRC Fargo	Reserve Training Bldg Addn	1,250
PENNSYLVANIA		
MCRC Erie	Reserve Training Bldg Addn	1,200
TEXAS		
NAS Dallas	Aircraft Maintenance Hangar	2,600
WASHINGTON DC		
NAF Washington	Energy Conservation	600
	SUBTOTAL	23,900
VARIOUS LOCATIONS		
Minor Construction		500
Planning and Design		2,000
	SUBTOTAL	2,500
	TOTAL	26,400

Marine Corps, Naval Reserve Projects Above FY 1982 Funding Level

Priority	Location	Project Description	Est. Cost ($000)
1	NAS Dallas, TX	Dining Facility*	1,170
2	NAS Atlanta, GA	Acft Parking Apron	3,700
3	NMCRC Hartford, CT	Reserve Center	1,750
4	NMCRC Little Creek, VA	Reserve Center Addn	1,000
5	NMCRC Columbia, SC	Combat Veh. Maint. Shop	300
6	NMCRC Louisville, KY	Combat Veh. Maint. Shop	300
7	NAS Willow Grove, PA	MC Storage Bldg	750
8	NARU Whidbey Is., WA	Acft Hgr & Admin Bldg	6,900
9	NMCRC Orlando, FL	Reserve Center Addn	1,000
10	NAF Washington, DC	Up-Grade Hgr Sprinker	900
11	NARU Memphis, TN	Engine Test Cell	2,100
12	NAF Washington, DC	Up-Grade Avionics Bldg	500
13	NAS Willow Grove, PA	Hgr Fire Protection	270
14	NRC Ogden, UT	Reserve Center	1,400
15	NAS Dallas, TX	CZ Land Acquisition, II	5,600

*Destroyed by fire 17 January 1981.

81 MCNR budget request for $24.7 million was increased to $33 million by the Congress. Similar Congressional action is required again this year. Mr. Chairman, in order to accomplish the submitted projects; to accomplish the top three unbudgeted projects; and to accomplish a modicum of reduction the Construction backlog, ROA urges approval of $53 million for the FY 1982 Navy and Marine Corps Reserve Construction Program.

AIR FORCE RESERVE

We are pleased to note that the Air Force Reserve is ready to fulfill its peacetime and wartime commitments. With the exception of two fighter units converting to newer aircraft, all Air Force Reserve flying units are combat ready. The secret of continued Reserve effectiveness is modern equipment and realistic training, coupled with meaningful missions. Modern equipment is being acquired by the Reserve. The essential facilities presented in the FY 1982 Military Construction Program request are necessary to train, maintain and operate this component of the total force.

Unlike previous years, almost two-thirds of the dollars requested in FY 1982 are to support missions change.. Sixteen of 35 Air Force Reserve flying units will change equipment during FY 81-83. Construction projects include support for conversions to A-10's at Barksdale AFB, Louisiana; F-4's at Tinker AFB, Oklahoma; and C-130's at Greater Pittsburgh IAP.

The Air Force Reserve has, over the years, made maximum use of existing facilities. With more modern, sophisticated aircraft and increasing missions, some of these existing facilities must be replaced by new construction. Opportunities for joint construction have been investigated in each case, and two joint Air National Guard projects are included in this year's request.

While the FY 1982 MCP request is sizably larger than the FY 1981 program, it is tied directly to essential mission facility needs. Of the $28.5 million authorization requested, $25.8 million is for aircraft and weapon system maintenance facility projects and for operational and training facilities.

These mission essential facilities are a basic factor in retaining and training the highly professional personnel that make the exceptional readiness of the Air Force Reserve possible. We seek your continued support in meeting these needs.

This concludes my remarks. Thank you for the opportunity to appear before this committee.

Mr. GINN. Thank you very much, General, for your testimony. This is a tremendous backlog when you think of $848 million just to replace obsolete and deteriorated material.

Just last week, we had before us the active leadership of the Reserve components. I know they will appreciate, as I, your being here today to back up and even improve on some of their requests.

General ROBERTS. They may not be able to ask for too much more than OSD wants them to, but we can.

Mr. GINN. You have earned your retirement; you can say what you want.

We very much appreciate your being here.

Mr. Burgener?

Mr. BURGENER. Without commenting on any of the projects, I think the use of the Reserves is one of the most cost-effective things we can do in preparedness, and the role should be strengthened in the future very much.

General ROBERTS. I don't believe many people realize Reserve components are used every day—particularly the Air Force Reserve and Guard—on missions of world-wide significance. The Coast Guard is being used virtually every day.

There are many aspects of Reserve components which are in continuing use, and they are not just a standby fire brigade.

Mr. GINN. Thank you very much for your testimony, sir. It has been nice to have you here.

Next, we will hear from Mr. C. A. "Mack" McKinney, Senior Vice President, Non-Commissioned Officers Association of the United States of America, with regard to the fiscal year 1982 family housing program.

Mr. McKinney, we welcome you here, sir.

WEDNESDAY, APRIL 8, 1981.

FISCAL YEAR 1982 FAMILY HOUSING PROGRAM

WITNESS

C. A. "MACK" McKINNEY, SENIOR VICE PRESIDENT, NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. McKINNEY. Thank you, Mr. Chairman. I appreciate this opportunity.

This is my first appearance before your distinguished panel. I hope it is not my last one.

Mr. GINN. We hope so, too. We hope we will be around the next time you come around to testify. Please proceed, sir.

Mr. McKINNEY. Although this is our first appearance, it doesn't mean that we haven't been involved in family housing issues in the military services. We do get them on an individual basis, and we have had our people go down and investigate certain complaints, but instead of testifying previously on these particular complaints, we always addressed them to the appropriate committee, as an individual complaint and, hopefully, they would take care of it.

Recently, we have addressed the top enlisted chiefs of the military services and asked them if they would be advisers to our

Board of Directors, and they have agreed. They have asked us to be here today to talk about family housing which, of course, is of great concern to them.

I recently took a trip to California. I was a little appalled at finding that such places as Fort Irwin will probably end up having an identical effect on our personnel as was experienced down at Fort Stewart, Georgia, in your area, Mr. Chairman, where they moved in lots of people and did not have enough family housing to take care of them.

Mr. GINN. You are absolutely correct.

Mr. MCKINNEY. The same thing is happening at Fort Irwin, California. There are 3,500 people who are supposed to be moved in there, and although the town is of adequate size, we don't even feel it will be able to support the children, the school-age children.

Also, I went over to the Marine Corps Combat Center at Twentynine Palms. I had the privilege of serving there many years ago. The town probably hasn't grown an inch since I first saw it, as I came over the horizon. I know there is no housing down there, to speak of, to take care of this great influx of people who will be moving into these combat centers as a result of training both there and at Fort Irwin.

Washington, D.C., is another sore spot for our people. Here we have approximately 15 percent housing for enlisted personnel. They have to go out on the economy. In spite of the housing allowances which they claim are going great, let's talk about young E-4s paying, for example, $329 for a 1-bedroom apartment, and higher. We can't see where any appeasement is being made.

We have problems in Germany, and the rotation state side, as the Chairman probably well knows.

You take a soldier returning from Germany to CONUS, he has to wait as long as 17 months for housing. As soon as he moves his family in for housing, along comes his orders to move him back to Germany. He goes back to Germany and spends as much as 22 months for housing over there.

We haven't all the answers for Germany. We hope that the committee can come up with something in that respect.

We would like to recommend to the subcommittee that we take a look at mobile and immobile homes. I understand now we are paying around $79,000 just for a small unit to be built.

In the case of mobile and immobile homes we can put up two or perhaps three or four more of those for every unit we build. When you go out there and look at some of that housing still sitting out there, even after 20 years, it wouldn't be any worse than some of our trailers would be after 20 years.

The nice thing about the trailer is you can move it off without moving four or five families out at the same time, and bring in another one.

We end our statement here today by saying that we do have a problem of quarters assignment, although we do not know whether that would be a subject of interest to your distinguished subcommittee, but they do have central housing assignments. It is not conducive to unit cohesion in the forces, nor is it cost-effective in training our people.

When you have a central assignment to quarters for a young private coming in and he is assigned 10 miles from the central area, and they do it by looking up on the board and saying, "We have an empty room up here and we will put you there." They give no thought to the unit or company he is with, or the people in there. They just throw him in. Yet we are still trying to bring discipline back into the Armed Forces, and I don't see how we can do it with such housing assignments when no thought is given to the individual. It is simply a DOD cost-effective program.

I might end this by saying, Mr. Chairman, our quarters are in sad shape in many areas. I think you are probably as knowledgeable of that as I am.

It reminds me of a couple years ago when Congress directed civilian Federal employees going TDY, temporary duty, if quarters were available, to assign them to officers' quarters. Well, I happened to witness the conversation that they had with the House Appropriations Subcommittee on Defense over there, and they said those quarters were terrible.

My question to the committee is, if they are so terrible, what are we doing for enlisted personnel when the officers' quarters are in bad shape. The enlisted quarters must be in sad shape.

Mr. GINN. They are.

Mr. MCKINNEY. That concludes my statement, Mr. Chairman. I again appreciate the opportunity to be here. If you have questions, I will be most happy to try to respond.

[Mr. McKinney's prepared statement follows:]

STATEMENT OF

C.A. Mack McKinney
Sr. Vice President, Government Operations
Non Commissioned Officers Association of the USA (NCOA)

before the

SUBCOMMITTEE on MILITARY CONSTRUCTION
COMMITTEE on APPROPRIATIONS
U.S. HOUSE of REPRESENTATIVES
FIRST SESSION, 97TH CONGRESS

on

FY '82 MILITARY CONSTRUCTION BILL

April 8, 1981

Mr. Chairman. I am C.A. "Mack" McKinney, Sr. Vice President, Government Affairs, for the Non Commissioned Officers Association of the USA (NCOA), and a retired Sergeant Major of the United States Marine Corps.

My association represents 249,000 noncommissioned and petty officers of the U.S. armed forces. Eighty-three percent are on active duty with the Army, Navy, Marine Corps, Air Force and Coast Guard with the remainder either retired, in the Reserve or National Guard, or in a veterans' status. With the make-up of membership as it is, the NCOA is, without a doubt, the largest professional enlisted military association chartered in the United States.

The association also has more than 200 chapters located worldwide — in Europe, Africa, Asia, Hawaii, Alaska, Panama, aboard ships at sea and in the United States. Its goals are twofold: first — to seek an adequate defense for the Nation; and second — to provide for the well-being of the men and women who serve and have served honorably in the armed forces of the United States.

I extend appreciation to you, Mr. Chairman, and to the members and staff of this distinguished panel for allowing me to appear today to present the association's viewpoints on the FY 1982 military construction appropriations bill. Regretably, I will be unable to provide any cost-estimates because of the broad nature of the association's request. It is unable to recommend exact numbers but, instead, intends to express to the subcommittee the needs and desires suggested by the membership, the International Board of Directors and its advisors.

MILITARY HOUSING

There continues to be an outcry for more military family housing on military installations. Shortages are prevalent in Germany, Washington, D.C., Twentynine Palms, California, Fort Irwin, California, Fort Polk, Louisiana, and Fort Stewart, Georgia, to name but a few. Germany alone requires an additional 10,000 units to accomodate command-sponsored families who are now waiting as long as 22 months for housing — this is nearly two-thirds of the length of the individuals' tour of duty overseas. To make matters worse, it is estimated that there are, perhaps, 18,000 noncommand-sponsored enlisted personnel with families existing overseas on the German economy.

In Washington, D.C., there is a need for housing for at least 75 percent of the enlisted personnel stationed in the metropolitan area. And at Camp Irwin and Twentynine Palms the deficiency is so great that it is a question of how many permanent troops will be stationed at each in the future. Both installations are programmed for rapid development by the Army and Marine Corps to meet today's world-wide military commitments, particularly in the Middle East.

Of course, the demand for on-base housing, which has been echoed throughout the military services, does not have the blessing of the General Accounting Office (GAO). As early as 1977 it reported that military pay hikes reduced the need for housing construction on military installations. It claimed that the extra earnings allowed more servicemembers to rent or buy in the civilian community. GAO also reported that one-third of all military families are purchasing their homes.

To further complicate the picture, GAO recommended that Congress should appropriate monies for military family housing construction based on the availability of on-base and off-base housing. However, the Non Commissioned Officers Association of the USA (NCOA) disagrees that a need can be met using the availability of civilian housing. This is particularly true in high cost areas where rentals and home purchases are out of reach of most servicemembers.

For example, in such areas most single-family homes are sale-priced at $100,000 plus. With current mortgage rates, the monthly payments are $1200 or more. Not many American families can afford these payments — including those of senior military officers. Even a $50,000 mortgage will subtract more than $600 monthly from the family budget. How many enlisted personnel can afford this amount, plus utilities and other costs involved in owning a home?

An immediate answer to the problem is not easily attainable. Estimated costs of housing units have jumped to an average of $79,000 for FY 1982, a sizeable increase from the preceding year. So, it will be practically impossible to appropriate even a smithering of the funds necessary to get the job done. However, with the funds that are available, the military services can get more for the money by purchasing mobile and immobile homes. In the case of the former, they may be moved from installation to installation dependent on the population and its housing requirements.

Priority by Grade

In the purchase and construction of on-base housing, the military services should not forget that assignments to quarters in the armed forces must be done by grade. The higher the grade, the higher the priority of assignment.

In recent years this priority seems to have been forgotten in favor of patronizing lower grade personnel. The latest fad has seen many of the time-honored customs of the military service cast aside under the guise of the all volunteer force and, worst of all, cost-effectiveness. Senior NCOs have been denuded of their rank and prestige by forcing them to live with subordinates, eat with subordinates and even socialize with subordinates. We wonder why there is an exodus of NCOs and Petty Officers.

It isn't all pay that has caused noncommissioned and petty officers to honorably desert the armed forces they once loved and respected. There were threats to their benefits and to the privileges they earned by advancements in grade. There were greater demands with lesser authority, longer working hours, poor equipment with inadequate spare parts, and training requirements that were insufficient to school recruits in the art of war.

Congress must be made aware of the problems besetting today's all volunteer force and direct the Defense Department to revise its priorities before it is too late. The Nation can ill afford to lose more of its mid-level leaders. This subcommittee can begin by seeing that the funds expended for certain housing, barracks, facilities and etc. are consigned the necessary priorities for assignment and use.

This does not mean that the NCOs and petty officers do not want to look out for the well-being of their subordinates. On the contrary. They have fought for their troops in every way even to using the NCOA to assist in obtaining congressional and military actions that benefit junior enlisted personnel. But — what is rightfully theirs is to be for their use, not for others.

Hospitals

The previous remarks may be summed up in one sentence: what has been promised should be honored. In this respect, the NCOA endorses the recommendation that future military hospitals be constructed and sized to accomodate retirees.

Career Incentive

NCOA offers to the Congress a new incentive that it believes will cause many qualified and skilled NCOs and petty officers to remain in the service for a full career. The incentive would be the establishment of an eligibility at 14 years of service to purchase a home with the federal government lending the money to the servicemember at a low interest rate. The servicemember must commit himself or herself to a full 20 years of honorable service and may borrow the money solely for the purpose of purchasing a home anytime between the 18th year of service and three years following the date of retirement.

As noted earlier most NCOs and petty officers cannot afford to purchase a home while in service because of high costs and interests. To alleviate their problem may very well alleviate the problem that exists in the all volunteer force — the exodus of mid-level leaders who are desperately needed to train the current forces.

Such an incentive would be available in lieu of bonuses or other inducements currently used for retention.

Mr. GINN. I have no questions, Mr. McKinney. I do have a comment or two. First, I thank you for being here. You have made an excellent statement. I am deeply concerned about housing, as you may or may not know. In fact, a few weeks ago, we had before us, I have been told for the first time in history or in many years, anyway, all of the command sergeant majors for the services. It was one of the most interesting hearings we have had, I believe.

Those fellows really told it like it is, and that is what Congress needs to hear more of. You have done it again this afternoon in your non-retired capacity.

I thank you for being here and pledge to you we are going to be doing what we can to improve the quality of life, and I think housing, of course, is one of the main ingredients.

Mr. Burgener, do you have any questions?

Mr. BURGENER. No questions, Mr. Chairman.

Mr. GINN. Our next witness is Major General Francis S. Greenlief, Executive Vice President, National Guard Association of the United States of America, with regard to the Army National Guard and Air National Guard Military Construction Program.

General, we are delighted to have you here.

WEDNESDAY, APRIL 8, 1981.

ARMY NATIONAL GUARD AND AIR NATIONAL GUARD MILITARY CONSTRUCTION PROGRAMS

WITNESS

MAJ. GEN. FRANCIS S. GREENLIEF, EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General GREENLIEF. Mr. Chairman and Mr. Burgener, I appreciate very much this opportunity to present the views of our membership on military construction for the National Guard.

In August of 1970, Melvin Laird, then Secretary of Defense, announced the total force concept as an important element of national defense policy. He announced that many active Army and Air Force units would be inactivated and that the wartime mission of those active units would be passed to the Guard and Reserve.

Although the stated purpose of that increased reliance on the Guard and Reserve was to reduce the defense expenditures, the Secretary of Defense gave specific guidance to the Service Secretaries requiring them to provide resources to the Guard and Reserve to permit them to accomplish their mission. Included in that guidance was this statement, which I quote: "Implement the approved 10-year construction program for the Guard and Reserve subject to their accommodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels."

After 10 years of total force policy, planning, programming and financing, the Army Guard provides more than 50 percent of the Army's deployable combat forces.

The Air Guard provides an equally high percentage of the combat force of the Air Force. Also, after 10 years, the Army Guard military construction backlog stands at $740 million, and the Air Guard military construction backlog stands at $490 million.

Now, the Congress has generously added authority and funding for National Guard construction, to that included by a series of administrations in their budget request. Yet the backlog continues to grow.

We fully support the fiscal year 1982 appropriation request of $47 million for MCANG and $89.1 million for MCANG. We strongly support the fiscal year 1981 Air Guard supplemental request of $6.5 million for Barnes Municipal Airport and for four other projects. These projects are urgently needed to maintain Air Guard readiness.

We recommended to the Armed Services Committee additional authorization of $16.08 million be provided for Army Guard contruction. At Tab A is a list of projects that are urgently needed.

The status of design of these projects meet DOD criteria for submission to the Congress, and all other DOD criteria for submission to Congress are met by these projects except for fund availabil-

ity in the fiscal year 1982 budget request and with the exception of the armory project at Stillwater, Oklahoma.

At Tab B of my statement is a list of 32 urgently needed Air National Guard projects, for which the design work will be completed by 30 June, 1981.

The total cost of these projects is estimated to be $55.3 million. These projects can be placed under contract in fiscal year 1982 if authorized and funded.

We have urged the Armed Services Committee to consider those projects for additional authorization.

Mr. Chairman, we are appreciative of the support the committee has provided to the National Guard military construction program. Your actions have improved the readiness of the National Guard.

I will be pleased to attempt to answer your questions.

[General Greenlief's prepared statement follows:]

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NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

STATEMENT BY

MAJOR GENERAL FRANCIS S. GREENLIEF (RET.)

EXECUTIVE VICE PRESIDENT

of the

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

before the

Subcommittee on Military Construction

of the

House Appropriations Committee

8 April 1981

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

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.

2-2-2-2 BIOGRAPHY: Major General Greenlief

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.

--NGAUS--

STATEMENT BEFORE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

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 this opportunity to present the views of our membership on military construction for the National Guard.

GENERAL

In August of 1970, Melvin Laird, then Secretary of Defense, announced the Total Force Concept as an important element of national defense policy. He announced that many Active Army and Air Force units would be inactivated and that the wartime missions of those Active units would be passed to the National Guard and Reserves. Although the stated purpose of this increased reliance on the Guard and Reserves was to reduce defense expenditures, the Secretary of Defense gave specific guidance to the Service Secretaries, requiring them to provide resources to the Guard and Reserves to permit them to accomplish their missions. Included in this guidance was this statement:

"Implement the approved ten-year construction programs for the Guard and Reserves, subject to their accomodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels."

After ten years of Total Force Policy planning, programming, and financing, the Army National Guard (ARNG) provides more than 50 percent of the Army's

deployable combat forces. The Air National Guard (ANG) provides:

- 65 percent of Air Force air defense fighter interceptors.
- 57 percent of Air Force tactical reconnaissance aircraft.
- 30 percent of Air Force tactical airlift aircraft.
- 27 percent of Air Force tactical fighter aircraft.
- 17 percent of Air Force strategic tanker aircraft.

Also after ten years, the ARNG military construction backlog stands at $740 million (end FY81), and the ANG military construction backlog stands at $490 million (end FY82).

PROGRAM EXECUTION

During FY80, the ARNG obligated 80 percent of its available appropriation carrying over $5 million to FY81. The ARNG obligation target for FY81 is $44.8 million. This program can be fully obligated leaving only a carryover of $2.4 million to FY82.

The ANG has obligated 77 percent of its FY80 construction program, and expects to obligate 85 percent of its FY81 program by 30 September 1981. These obligation rates permit a carryover into succeeding years which is minimal, but facilitates year round construction planning and execution.

Although program execution by the National Guard Bureau and the States is exemplary, the construction backlog continues to grow.

The Congress has generously added authority and funding for National Guard construction to that included by a series of Administrations in their budget requests, and yet the backlog continues to grow. What is needed is an annual construction program for the Army and Air Guard which provides authority and funding each year which exceeds the amount of inflation growth by at least ten percent.

FY82 APPROPRIATION REQUEST

ARNG

The FY82 Department of Defense (DoD) budget requests authorization of $41.5 million for Military Construction ARNG. This program will permit construction of 23 armories and 36 non-armory facilities in 29 States and the Virgin Islands. The $47 million appropriation requested will support the authorization requested as follows:

	Estimated Federal Contribution ($M)
23 Armory Projects	$17.0
36 Non-armory Projects	24.5
Minor Construction	4.0
Planning	1.5
	$47.0

ANG

The FY82 DoD budget requests authorization of $78.7 million for Military Construction ANG. This program will permit construction of 51 projects at 34 locations in 29 States. The $89.1 million appropriation requested will support the authorization requested as follows:

	Estimated Federal Contribution ($M)
15 Operations Projects	$21.65
17 Maintenance Projects	34.27
5 Training Support Projects	14.56
10 General Support Projects	7.04
4 Energy Conservation Projects	1.2
Minor Construction	5.0
Planning	5.4
	$89.1

FY81 ANG SUPPLEMENTAL REQUEST

We strongly support the FY81 ANG Supplemental Request of $6.5 million for Barnes Municipal Airport, Massachusetts, and four other projects. These projects are urgently needed to maintain ANG readiness.

RECOMMENDIATIONS FOR ADDITIONAL APPROPRIATION

ARNG

We have recommended that additional authorization of $16.08 million be provided for ARNG construction. At TAB A is a list of projects that are urgently needed. The status of design of these projects meet DoD criteria for submission to Congress. All other DoD criteria for submission to Congress are met by these projects except for fund availability in the FY82 budget request, with the exception of the armory project at Stillwater, Oklahoma.

DoD has disapproved construction of an armory at Stillwater, Oklahoma, on the basis that joint construction with the United States Army Reserve would save money. Information furnished by the Adjutant General of Oklahoma demonstrates that unilateral construction would save $182,300 compared to the cost of joint construction. A copy of that information is included in TAB A.

ANG

The DoD-requested FY82 ANG military construction program represents a significant increase over past years. We are appreciative of Air Force and DoD recognition of the importance of an adequate ANG military construction program. However, many urgently needed projects will remain unfunded in FY82.

At TAB B is a list of 32 urgently needed projects for which design work will be completed by 30 June 1981. The total cost of these projects is estimated to be $55.3 million. These projects can be placed under contract in FY82 if authorized and funded. We have urged consideration of these projects for additional authorization.

We urge that your subcommittee recommend appropriations which will support the full authorization as it is reported out by the Committee on Armed Services.

SUMMARY

Mr. Chairman, we are appreciative of the support your committee has provided for the National Guard military construction program. Your actions have improved the readiness of the National Guard.

I will be pleased to attempt to answer your questions.

TAB A

URGENTLY NEEDED ARNG CONSTRUCTION PROJECTS

FOR WHICH NGAUS RECOMMENDS AUTHORIZATION

AND APPROPRIATIONS BE ADDED FOR FY82

STATE	LOCATION	PROJECT	DESIGN	CWE($000)
AL	Fayette	200 Person Armory	F	(652)
AR	Fayetteville	Armory Addition	P	(380)
AR	Camp Robinson	Utilities Upgrade	P	(441)
CT	Southington	OMS	F	(340)
CT	Southington	Armory Parking	F	(31)
IL	Springfield	600 Person Armory	F	(2,432)
MA	Camp Edwards	BKS/Tank Tables/Ranges	P	(736)
MI	Camp Grayling	Ammo Storage	P	(1,500)
MI	Camp Grayling	Access Road	P	(120)
NY	Fort Drum	Cantonment Renovation	F	(971)
OK	Atoka	150 Person Armory	P	(655)
OK	Bartlesville	100 Person Armory	P	(560)
VT	Camp Johnson	USPFO Addition (Ph 2)	P	(175)
AL	Vernon	100 Person Armory	P	(449)
AZ	Kingman	Armory Addition	P	(587)
AZ	Sunnyslope	Armory Addition	P	(709)
GA	Springfield	Armory Addition	P	(182)
MI	Camp Grayling	Logistic Facility	P	(2,041)
OK	Tahlequah	100 Person Armory	P	(570)
MI	Muskegon	200 Person Armory	F	(698)
MI	Muskegon	MVSB	F	(891)
MI	Muskegon	OMS	F	(201)
OK	Stillwater	150 Person Armory	P	(754)
	TOTAL			$16.075 Million

STATE OF OKLAHOMA
Military Department
3501 Military Circle N.E.
Oklahoma City, Oklahoma 73111
405-427-8371 Autovon 883-3720

9 March 1981

OK-FAC

SUBJECT: Stillwater, Oklahoma National Guard Armory

Mr. Fred Aron
Chief, Army Installations Division
Aberdeen Proving Ground, MD 21010

1. This memo will readdress the cost figures for unilateral construction versus joint construction for a new armory for the National Guard in Stillwater. The figures for the reorganized unit represent the current authorized strength and address the question of building a new armory or adding on to the present USAR building.

2. The 1/170 Inf Bn of the 45th Inf Bde has authorized strength of 133 people. The construction cost currently used by the Corp of Engineers for new construction is $56.23 per sq ft and add on construction on Corp of Engineers jobs runs as high as $70.00 per sq ft. For this estimate we have reduced these figures to $32.00 per sq ft for new National Guard construction and $49.00 per sq ft for add on construction. The construction figures are as follows:

Schedule I	Unilateral Construction	Const Cost	Addl Joint Expansion	Cost
Assembly Hall	6300 SF	201.6	2986 SF	146.3
Rifle Range	2300 SF	73.6	2300 SF	112.7
Class Room	1000 SF	32.0	Use Existing	
Library-Classroom	250 SF	8.0	250 SF	12.3
Learning Center	250 SF	8.0	250 SF	12.3
Administrative	800 SF	25.6	800 SF	39.2
Locker Room	1500 SF	48.0	1500 SF	73.5
Training Aids Storage	140 SF	4.5	140 SF	6.9
Unit Storage	1930 SF	61.8	1930 SF	94.6
Food Storage	125 SF	4.0	125 SF	6.1
Food Preparation	300 SF	9.6	140 SF	7.0
Scullery	140 SF	4.5	140 SF	7.0
Toilet and Showers	500 SF	16.0	154 SF	7.6
Public Toilets	200 SF	6.4	101 SF	5.0
Fac Maint	300 SF	9.6	272 SF	13.3
Mechanical	500 SF	16.0	500 SF	24.5
Flammable Mat Storage	120 SF	3.8	120 SF	5.9
SUBTOTAL	16655 SF	533.0	11700 SF	674.2

Schedule II	Unilateral Construction	Const Cost	Addl Joint Expansion	Cost
Bn Supply	1000 SF	32.0	1000 SF	49.9
Bn Offices	1500 SF	48.0	1500 SF	73.5
Army Advisor Off	230 SF	7.4	230 SF	11.3
SUBTOTAL	2730 SF	87.4	2730 SF	133.8
TOTAL I & II	19385 SF	620.4	14430 SF	708.0
Est Circulation (15%)	2908 SF		2165 SF	
Est Wall Space (10%)	2229 SF		1659 SF	
TOTAL	24522 SF	784.7	18254 SF	894.4
SUPPORTING FACILITIES:				
Site Preparation		7.0		7.0
Grading and Seeding				
Planting		10.0		10.0
Fencing			Use Existing	
Parking MPV	1950 SY	20.5	1950 SY	20.5
POV	3836 SY	40.3	2209 SY	23.2
Flag Pole	1 each	2.0	Use Existing	
Utilities		7.0	Expand Lagoon	30.0
Sidewalks		4.0		4.0
Fuel Dispensing System		9.0		9.0
SUBTOTAL		897.1		1011.0
CONTINGENCY (5%)		44.8		50.5
TOTAL COST		941.5		1061.5
Architect-Engineer Fees Paid		32.6		32.6
Addl A&F if Joint Constr				62.3

Total Project Cost Unilateral - $974.1 Joint - $1156.4

This represents a savings of $182,300 by building a separate facility for the Stillwater Armory.

FOR THE COMMANDER IN CHIEF:

/s/ Robert M. Morgan
ROBERT M. MORGAN
MG (OK), AGC, OKARNG
The Adjutant General

TAB B

URGENTLY NEEDED ANG CONSTRUCTION PROJECTS

FOR WHICH NGAUS REQUEST CONSIDERATION

FOR ADDITIONAL AUTHORIZATION AND APPROPRIATIONS

TO BE ADDED FOR FY82

STATE	BASE	PROJECT	CWE
AL	Birmingham MAP	Alter Support Equipment Shop	580
AL	Birmingham MAP	Electrical Distribution System	520
AL	Dannelly Field	Operations & Training Facility	1,200
AL	Martin ANGS (Gadsden)	Support Equipment Shop	540
DC	Andrews AFB	Weapons & Release Systems Shop	1,430
DC	Andrews AFB	Fuel System Maintenance/Corrosion Control Dock	1,380
GA	Hunter Army Air Field	Communication-Electronics Training Facility	1,520
GA	Savannah MAP	Fuel System Maintenance/Corrosion Control Dock	2,670
IL	Chicago-O'Hare IAP	Fuel System Maintenance/Corrosion Control Dock	3,200
IA	Des Moines MAP	Multipurpose Operations/Maintenance Facility	3,900
IA	Sioux City MAP	Munitions Maintenance/Storage Facility	910
MN	Duluth IAP	Combined Telecommunication Center/ Weapons System Security Flight Facility	1,000
MN	Minneapolis-St. Paul IAP	Base Supply & Equipment Warehouse/ Comptroller	3,100
MN	Minneapolis-St. Paul IAP	Aerial Port Training Facility	1,000
NV	Reno IAP	Telecommunications Center	560
NJ	Atlantic City NAFEC	Operations & Training/Medical Training & Administration/ Dining Hall	3,140
NM	Kirtland AFB	Fuel System Maintenance/Corrosion Control Dock	1,300
NM	Kirtland AFB	Base Engineer Maintenance Facility	1,000
NY	Schenectady MAP	Telecommunications Center	560
PA	Harrisburg IAP	Composite Squadron Operations/Tele-communications Center	2,900
TN	McGhee-Tyson Airport	Operations & Training Facility	2,120
TN	McGhee-Tyson Airport	Composite Squadron Operations	2,320
TN	Memphis IAP	Fuel System Maintenance/Corrosion Control Dock	2,800
TN	Memphis IAP	Jet Fuel Operating Storage/POL Operations Facility	1,250
TN	Memphis IAP	Composite Squadron Operations	2,000
TN	Nashville MAP	Fuel System Maintenance/Corrosion Control Dock	2,800
TX	Dallas NAS	Fuel System Maintenance/Corrosion Control Dock	2,800
TX	Ellington AFB	Alter Hangar for Avionics	450
TX	Ellington AFB	Automotive Maintenance/Refueling Vehicle Shop	1,210
TX	Kelley AFB	Fuel System Maintenance/Corrosion Control Dock	1,300
VA	Byrd Field	Base Engineer Maintenance Facility	1,050
WV	Eastern WV Regional Airport (Martinsburg)	Fuel System Maintenance/Corrosion Control Dock	2,800
		TOTAL	$55,310 Million

Mr. GINN. Thank you very much for your fine statement, General.

Do I understand you fully support the projects at Barnes in the supplemental rather than wait for the 1982?

General GREENLIEF. They are in the supplemental, and they have been heard by the authorizing committee. Although I think they have been marked up, I have not seen the result. I would anticipate their being in the authorization.

Mr. GINN. Are there questions, Mr. Burgener?

Mr. BURGENER. I will simply say the remarks I made earlier about the Reserve apply fully to the Guard. I think the Reserve and the Guard are one of our best bargains in defense.

Mr. GINN. We thank you very much, General, for your support. I know the Guard does as well.

Thank you.

Our next witness is Mr. Jim Bean, Vice President, National Association of Dredging Contractors, who will address American Preference for Dredging Contractors.

Mr. Bean, we will ask you to introduce those with you.

WEDNESDAY, APRIL 8, 1981.

AMERICAN PREFERENCE FOR DREDGING CONTRACTORS

WITNESSES

JIM BEAN, DIRECTOR, NATIONAL ASSOCIATION OF DREDGING CONTRACTORS, AND PRESIDENT C. F. BEAN CORP., NEW ORLEANS, LA.
GARLAND EVERIST, CHAIRMAN OF THE BOARD, WESTERN CONTRACTING CORP., SIOUX CITY, IOWA
ERIC TANZBERGER, VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, C. F. BEAN CORP.
PETER LUCIANO, EXECUTIVE DIRECTOR, TRANSPORTATION INSTITUTE

Mr. BEAN. My name is Jim Bean, and I am a Director of the National Asociation of Dredging Contractors.

I am also President of C. F. Bean Corporation, of New Orleans.

On my right is Mr. Garland Everist, Chairman of Western Contracting Corporation, Sioux City, Iowa; and on my left is Mr. Eric Tanzberger, Chief Financial Officer, C. F. Bean Corporation. Also, Mr. Peter Luciano, Executive Director of the Transportation Institute.

Mr. GINN. We welcome you all here, gentlemen.

Mr. Bean, you may proceed as you see fit.

Mr. BEAN. Over the last several years, U.S. dredging contractors have been losing contracts to foreign firms in the international construction market, as evidence that much of their foreign competition is government subsidized and that U.S. dredging firms are unable to compete on an equal footing with foreign firms. Foreign dredging firms also enjoy significant geographic political and tax advantages. The use of foreign interest in performing significant dredging work in the Persian Gulf-Indian Ocean area not only adversely affects our balance of payments in the loss of tax, trade and employment benefits, but also jeopardizes the ability to mobilize U.S. dredging capability in times of need.

Both the House and Senate Appropriations Subcommittees on Military Construction recognized this situation in last year's committee reports. The committees' reports made it clear that American dredging firms would be given the same preference as general construction contractors in the Persian Gulf/Indian Ocean area.

The "American Preference" program established by the committee requires (1) prequalification of U.S. firms prior to open international bidding; (2) development of tendering procedures that include participation of host-nation construction firms as joint venture partners with U.S. firms or as principal subcontractors; (3) employment of U.S. personnel in key management and supervisory positions and a good-faith effort to employ other U.S. personnel and, to the extent appropriate, to use U.S. materials and equipment.

However, the Department of Defense has refused to follow this procedure for prequalification of U.S. dredging firms. DOD has contended that Section 115 of the Military Construction Appropriations Act, for fiscal year 1981 required international competition with a 20 percent bid premium for U.S. firms. DOD took this position notwithstanding the advice of the Chairmen of both the House and Senate Subcommittees in their joint letter of December 8, 1980, to Mr. Perry J. Fliakas, Deputy Assistant Secretary of Defense (Installations and Housing). In this letter, the Chairmen stated:

> * * * As with other contracts, dredging contracts should be opened to international bidding only if the Department's construction agents determine that potential competition among American dredging firms is inadequate. If contracts are opened to international competition, American dredges will be permitted the 20 percent cost differential advantage described in our conference report.

To avoid any further confusion on DOD's part as to the application of the prequalification procedures to the U.S. dredging industry on the Indian Ocean/Persian Gulf program, and to put dredging contractors on the same footing with general construction contractors, we urge the committee in its report for fiscal year 1982 Military Construction Appropriations to eliminate the 20 percent differential and to unequivocally require that dredging contractors and general construction contractors be treated the same.

Thank you very much, Mr. Chairman.

[Mr. Bean's prepared statement follows:]

TESTIMONY OF THE NATIONAL ASSOCIATION OF DREDGING CONTRACTORS

Mr. Chairman, my name is Jim Bean, I am a Director of the National Association of Dredging Contractors. I am also President of C. F. Bean Corporation, New Orleans, La. Also, with me this afternoon is Mr. Garland Everist, Chairman of the Board of Western Contracting Corporation, Sioux City, Iowa and Mr. Eric Tanzberger, Vice President and Chief Financial Officer of C. F. Bean Corporation. On our panel we also have Mr. Peter Luciano, Executive Director of the Transportation Institute.

Over the last several years, U.S. dredging contractors have been losing contracts to foreign firms in the international construction markets. There is evidence that much of their foreign competition is government subsidized and that U.S. dredging firms are unable to compete on an equal footing with foreign firms. Foreign dredging firms also enjoy significant geographic, political and tax advantages. The use of foreign interest in performing significant dredging work in the Persian Gulf/Indian Ocean area not only adversely affects our balance of payments in the loss of tax, trade, and employment benefits, but also jeopardizes the ability to mobilize U.S. dredging capability in times of crisis.

Both the House and Senate Appropriations Subcommittees on Military Construction recognized this situation in last year's Committee Repors. The Committees' reports made it clear that American dredging firms would be given the *same* preference as general construction contractors in the Persian Gulf/Indian Ocean area. The "American Preference" program established by the Committee requires (1) prequalification of U.S. firms prior to open international bidding; (2) development of tendering procedures that include participation of host nation construction firms as joint venture partners with U.S. firms or as principal subcontractors; (3) employment of U.S. personnel in key management and supervisory positions and a good faith effort to employ other U.S. personnel and, to the extent appropriate, to use U.S. materials and equipment.

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Thank you very much, Mr. Chairman.

Mr. GINN. Thank you very much, Mr. Bean.

Mr. Luciano, do you have a statement as well?

Mr. LUCIANO. Yes, sir.

Mr. Chairman, in the interest of conserving your time and that of the subcommittee, with your permission if we can have our statement put in the record, I might summarize.

Mr. GINN. Please feel free to summarize as you see fit, sir. Your statement will appear in the record.

Mr. LUCIANO. My name is Peter Luciano. I am Executive Director of the Transportation Institute, a private research and education organization dedicated to the promotion of a strong maritime capability for the U.S.

The more than 170 member-companies of the Transportation Institute are engaged in our nation's foreign and domestic shipping trades, including the inland waterways and the Great Lakes. Additionally, several of our member-companies are involved in providing the essential dredging services required by the maritime industry.

I come before you today on behalf of the Institute's dredging companies, as well as other associated dredging interests, to present our views on an issue of paramount concern to the American dredging industry. Specifically, I speak in support of the principle, and for the estabishment of the policy, which will restrict the bids for U.S. military dredge work to be performed abroad to American contractors. Such a principle, in concert with a practiced policy, would not only vitalize the American dredging community, but would also benefit the overall health of the national economy by keeping American dollars within the U.S. economy, thereby improving the nation's balance of payments.

The dredging industry is an important one in this country. It is important not only for the routine operation of keeping ports and waterways active and functioning normally, but it is important also and will be increasingly so with the growing coal export trade we see developing over the next 10 years.

Another factor in this that isn't always discussed is the fact that today, unlike as early a period as the 1960s, when only five percent of our foreign trade—five percent of our GNP—was accounted for by foreign trade, it is now more like a fifth of the GNP. Most of that moves in and out of our ports. The dredging industry contributes enormously to maintaining the economy of the U.S.

The American dredging industry, like other American industries, pays U.S. taxes and contributes to U.S. safety standards and regulations. They pay the higher cost of construction in the U.S., and so forth. They have to pay wages comparable to those of other American citizens which puts them in a competitive disadvantage when they have to compete with other companies overseas.

In a way, it is misleading to say that they have to compete with other companies overseas, because in so many cases in the world, in so many countries in the world, those companies are indistinguishable from national governments. A third of the world's populations are in democracies and others in autocracies. Their free markets are not germane. They make no sense to the people involved. For us to ask our companies, in essence, to compete against foreign nations doesn't recognize realities and is unfair to industries of our country.

I think, therefore, that especially in a time of tight budget constraints as we are right now, we should try to maximize the effectiveness of every Federal dollar spent and be sure that the benefits of those limited dollar expenditures redound to the U.S. in terms of increased U.S. taxes and strengthened American industries.

Thank you very much.

[Mr. Luciano's prepared statement follows:]

79-370 O - 81 - 22

STATEMENT OF

PETER LUCIANO

EXECUTIVE DIRECTOR

TRANSPORTATION INSTITUTE

Good afternoon, Mr. Chairman and members of the Subcommittee. My name is Peter Luciano. I am Executive Director of the Transportation Institute, a private research and education organization dedicated to the promotion of a strong maritime capability for the United States.

The more than 170 member companies of the Transportation Institute are engaged in our nation's foreign and domestic shipping trades, including the inland waterways and the Great Lakes. Additionally, several of our member companies are involved in providing the essential dredging services required by the maritime industry.

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Last year, the Institute, along with the National Association of Dredging Contractors, petitioned the Congress on this issue. In recognition of the need to address this issue, the Congress incorporated preference language in the Conference Report accompanying the Military Construction Appropriations bill for fiscal year 1981. This language granted American dredging contractors a twenty percent bid premium over the lowest foreign bid. However, such language falls far short of what is actually needed.

As the Subcommittee knows, general contractors are entitled to a preference provision which explicitly mandates the implementation of a prequalification procedure prior to open, international bidding. This prequalification procedure essentially precludes foreign contractors from bidding on overseas military construction projects if five or more American firms are competing for the same project. The Institute is of the strong belief that the general contractors preference provision should be extended to the dredging industry as well.

The American dredging industry serves the nation in many critical areas. The most current example is the central role

it will play in port and harbor improvements which will expand America's potential to export coal and thereby lessen the world's dependence on OPEC oil. The ability of the industry to serve the nation in this manner is a direct result of its operating efficiency and technological development. We believe that it is therefore only reasonable to now allow the industry to put its proven capability to work abroad as well as at home.

Unfortunately, however, the American dredging industry, despite its capabilities, finds itself at a distinct disadvantage when competing against foreign operators for U.S. dredging projects overseas. We must recognize that several factors work to the detriment of our nation's dredgers in the international market place. First, American dredging firms pay U.S. corporate income taxes on revenue earned abroad. As you well know, such obligations are more than a minor financial consideration. Secondly, American workers pay taxes on personal income earned overseas. Finally, American-built dredges and associated equipment are more expensive than those built in foreign shipyards. While all of these factors work to the benefit of the American economy as a whole, they conversely work to the detriment of the American dredging contractor when confronted with a foreign competitor in open international bidding.

As is the case with other American industries competing in the international arena, this non-competitive status is not based on either American operating inefficiency or lack of technology, but rather stems from the broad spectrum of economic, political, and social differences between the U.S. and other nations. To the credit of our nation, foreign countries generally have economies and standards of living considerably lower than ours. As such, they enjoy a vast and ready pool of cheap labor whose wage rates are commonly one-third those of the U.S. This economic fact has ramifications not only in the actual dredging operation, but in the shipyards as well. In addition, some foreign nations have implemented governmental subsidy policies designed to nurture and promote the competitive posture of their dredging industries. Indeed, in some instances, the government is an equity partner in the dredging company itself. The consequence of these combined factors often works to preclude an American contractor from securing a bid which is open to foreign operators whose overhead and operating costs are dramatically lower.

The Institute does not believe that it is appropriate to penalize the American contractor for paying corporate and personal income taxes, for providing our labor force with

wages comparable to those of other American citizens, or for utilizing our nation's shipyards for the construction of dredges and other equipment. However, to allow open, unrestricted bidding in U.S. military projects undertaken abroad would, in effect, be doing just that. From a national as well as an industry-specific perspective, we need to correct this deficiency in the military's process of soliciting bids for dredging projects to be undertaken abroad.

Mr. Chairman, we use the word "national" in its broadest sense. Consider, if you will, the fact that should the work be performed by an American dredging company, over 75% of the revenue generated would be returned to the U.S. economy. Needless to say, such would not be the case if we elect to use a foreign dredging firm. As this nation struggles to come to grips with its economic woes -- part and parcel of which is our balance of payments problem -- we must strive to keep U.S. dollars within the American economy.

It is also important to note that the enactment of a preference provision for American dredging contractors would not necessarily mandate additional expenditures. Historically, American dredgers have been able to bid for such projects at a cost under the budgetary allowance ceiling. In fact, there are several American dredging firms who possess

the capability to perform military work abroad. As such, there would most certainly be keen competition in the bidding process among American firms to obtain the work available, thereby insuring the lowest possible cost for dredging services to the government.

In conclusion, I respectfully ask the Subcommittee to carefully consider the merits of this issue. The benefits to be derived from adopting explicit language restricting bids solely to American dredgers are considerable. The American dredging industry, which supports other important sectors of the U.S. economy, would obviously benefit. More importantly however, the American economy as a whole would be a beneficiary. The income generated by these projects would be recycled back into the Federal treasury through corporate and personal income taxes. As such, any bid from an American contractor must be viewed on a discounted basis because a substantial portion of the expenditures from the Federal treasury would ultimately be returned to the Federal treasury, thereby reducing the burden on other American taxpayers.

It is our firm belief that the United States Government should not spend Federal monies before at least attempting to insure that their use will benefit American industry, American citizens, and the American economy. In this regard, we feel

that this proposal is an important step in the right direction. It will provide the dual benefit of strengthening American industry while enhancing the nation's balance of payments. We believe that it is a proposal which deserves the favorable consideration of this Subcommittee.

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear before you today and will be happy to try to answer any questions you might have.

Mr. GINN. As has been pointed out, last year, the committee supported a provision that allows for a 20 percent preference for American firms bidding on dredging work in the Persian Gulf program. However, in the actual bidding at Diego Garcia, the lowest U.S. bid was more than 60 percent above the lowest foreign bid.

Do you feel that U.S. firms can compete internationally?

Mr. EVERIST. My firm was the one that submitted the low American bid on that particular project. We also submitted a bid on the original Diego bid let some 10 years previously. Had we been successful—and we were within the agency's estimate of cost when we bid this particular second project—we would have returned to the U.S. some $40 million in the proposal that we made.

As you are aware, of course, the Japanese were the low proposers, and there will be absolutely no money returned to the U.S. through that particular effort. Also, I think it might be interesting to note that we have found that the oriental proposals, of which the first Diego Garcia was awarded to a Taiwanese, were unable to perform for the price they had submitted.

Mr. GINN. What happened then?

Mr. EVERIST. The Navy paid them more money. It is just a way of life that we have in competing with this type of firm.

Mr. BURGENER. About how much more, either in dollars or percentage?

Mr. EVERIST. It was 60 percent more.

Mr. BURGENER. I mean that the Navy paid this other outfit.

Mr. EVERIST. Over double what they bid.

Mr. BURGENER. Double?

Mr. EVERIST. Yes.

Mr. BURGENER. That is rather material.

Thank you.

Mr. EVERIST. In any event, to answer your question, given the same set of circumstances, yes, we compete with them.

We cannot compete with them in their own territory. For instance, we can't bid in the EEC. As an American contractor we are not allowed to, but where we can compete in the Persian Gulf area, we have submitted bids that were low. We completed work over in the United Arab Emirates and in other locations.

The answer to the particular question you ask is, this is one particular job where they were greatly below us. We can't compete

to the basis that they bid, but we can compete if we were doing it on a parallel situation such as not having to pay taxes. In the $40 million we would have returned to the U.S., $7 million of it would have been U.S. taxes.

Mr. GINN. What type of changes would you gentlemen recommend be made to the current preference program?

Mr. EVERIST. I think our situation would be if it were just designated that there would be a sole source of dredging, it would be for U.S. contractors.

Mr. GINN. Do you think that the preference program for dredging and construction should be one comprehensive proposal?

Mr. BEAN. I think so; yes. Last year, in the hearings, in the report that followed, it pointed out they wanted five pre-qualified contractors to assure competition among the American contractors. This procedure was ignored by the Navy. This is what we ask be done now as you look around the U.S. and pre-qualify and get the competition that you need right here in the States.

I would like to make one other comment on Mr. Everist's statement when he answered your question. The Diego Garcia bids on Phase II, which was bid earlier this year, there was a $9 million mobilization differential because the American contractors were here in this country, and most of the foreign competition had equipment which was idle at the time in the Persian Gulf area.

Mr. GINN. Quite an advantage, isn't it?

Mr. BEAN. Exactly. That eliminates most of the difference. I think Mr. Luciano pointed out the remainder of the difference, the unequal footing that we are coming from.

Mr. GINN. You have given us some good information. This is a very, very important subject and an area that you gentlemen can be assured that this committee will continue to take a very active interest in. Unfortunately, we never have enough time to really delve into it as deeply as we would like with you, but you have given us very fine information. We thank you for coming.

Mr. GINN. Mr. Donald Reeves?

WEDNESDAY, APRIL 8, 1981

NAVAL REGIONAL MEDICAL CENTER, SAN DIEGO, CALIF.

WITNESSES

DONALD REEVES, ARCHITECT AND TREASURER, COMMITTEE FOR CHARTER PROTECTION FOR PARKS
LEE GRISSOM, EXECUTIVE VICE PRESIDENT, SAN DIEGO (CALIF.) CHAMBER OF COMMERCE
SCOTT HARVEY, DIRECTOR OF INTERGOVERNMENTAL RELATIONS, CITY OF SAN DIEGO, CALIF.
CLARENCE PENDLETON, JR., PRESIDENT, SAN DIEGO (CALIF.) URBAN LEAGUE

TESTIMONY OF MR. REEVES

Mr. BURGENER. Mr. Chairman, we have three or four witnesses now, the first of whom is Donald Reeves. I want to extend a very warm welcome to Mr. Reeves. He is a distinguished architect and

one of our leading citizens. He and I may have reached different conclusions on the project, but I have the utmost admiration and respect for him and want to extend a very warm welcome to you, Don.

Mr. GINN. I join Mr. Burgener in welcoming you here, Mr. Reeves. We are delighted to have you here to talk to us about the Naval Regional Medical Center in San Diego, California, the great State of my distinguished colleague, Mr. Burgener.

We are delighted to have you, and you may proceed as you see fit.

Mr. REEVES. With your permission, I will summarize my statement.

There are two issues primary to this controversy that has arisen in our community. One is the cost to the Navy of building a new hospital. As early as 1976, we found that the Navy was making a case for building entirely new facilities on a new site, saving them approximately $40 million, as opposed to rebuilding on their present site. Later on, they have said, again, most recently in 1981, it would save them $30 million to build an entirely new facility on a new site, and yet for some reason they persist in saying they want to build this facility in the heart of Balboa Park.

Those of us who have been close to this issue became concerned because we care for our city, and we perceived that the key issues in this were things that those of us who knew about the city felt were not being accurately represented.

One of the primary issues that has been raised by the Navy is the retention of Building 26, which was built in the 1950s. The Navy purported in its environmental impact statement of October, 1979, that Building 26 would be "structurally upgraded to meet size and design criteria for use as bachelor enlisted quarters."

As an architect who has done this kind of work, I knew what they were talking about could not be done for the money they were stating.

We persisted with the Navy and tried to get them to come forward with some facts and some cost data.

We now find in their draft supplement environmental impact statement released last month, they now admit they will not reuse Building 26. They now say, "Current programs call for the mothballing of Building 26, since no interim use option has yet shown itself to be both compatible with its primary role as contingency asset and economically superior to new construction."

I submit to you, and I think you should give it real consideration, that the Navy's actual plans are to come back to Congress later for funds to demolish Building 26. They will tell you at that time they have now found what those of us in the real world have known for many years, that Building 26 is an albatross. They want to take it down as badly as those of us who want to reclaim Balboa Park want to take it down.

This is only one example of deception that we think the Navy has used to try to persuade what is yet an unconvinced public in San Diego that the Navy's major medical center somehow belongs in the heart of one of the nation's greatest urban parks.

The new footprint for the hospital—I would like to pass you a copy of that, Mr. Chairman—in the draft supplement environmen-

tal impact statement of March, 1981, shows they are now driven from their earlier statements, when they said that "The Medical Center's profile as viewed from Park Blvd. would be that of one-story structures where new buildings may be seen."

This was a comment Bob Wilson made to the Secretary of the Navy in 1978, and that seemed to make some sense at the time.

Now, since they have found a major earthquake fault in the canyon, the Navy, in their last desperate attempt, has crammed this facility right up into Park Boulevard, which is the major artery through the park.

As you drive through Balboa Park, what you will see is the central plant, the warehouse, the loading docks, the morgue, the kitchen loading dock, trash removal and looming above the park will be the nursing towers.

We see what they said in their original environmental impact statement they are now directly contradicting, and this has been going on since the controversy arose.

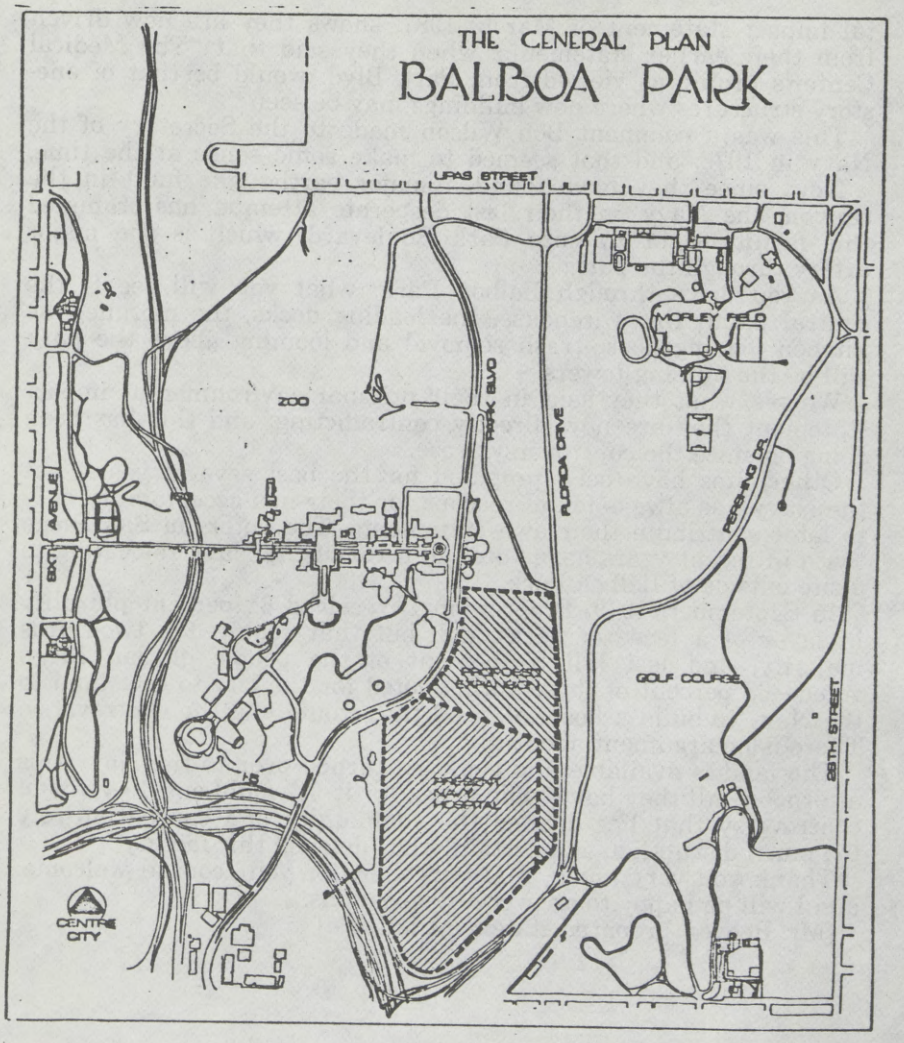
Other sites have been proposed for the past several years, but the Navy has always found reasons for their non-acceptability only to later contribute their own statements. The voters of San Diego twice in recent years have voted in favor of the Navy relocating to a site outside of Balboa Park.

In September, 1979, Proposition D received 61 percent plurality in favor of a lease of park land, but that required a two-thirds majority, and last fall 80 percent of the people of San Diego voted—68 percent of those voting voted for the city to give land to the Navy to build a hospital, land that would end the controversy. There is no argument about it.

The land is available and could be turned over to the Navy this afternoon. All they have to do is ask for it. It would end 10 years of controversy that has divided the community and caused entirely too much disruption, and certainly has delayed this facility.

Thank you very much, Mr. Burgener, for your cordial welcome, and I will be happy to answer any questions.

[Mr. Reeves' prepared statement follows:]


THE GENERAL PLAN
BALBOA PARK
UPAS STREET
MORLEY FIELD
ZOO
PARK BLVD
FLORIDA DRIVE
PERSHING DR.
AVENUE
GOLF COURSE
PROPOSED EXPANSION
PRESENT NAVY HOSPITAL
CENTRE CITY
28TH STREET

Good afternoon, Mr. Chairman and members of the committee. My name is Donald J. Reeves. I am an architect licensed in the State of California and certified by the National Council of Architectural Registration Boards. I am in private practice in the City of San Diego. I am also a Captain in the United States Naval Reserve and serve on the boards and committees of over a dozen community and professional organizations. I've been a member of the Chamber of Commerce of the City of San Diego since 1973, and since 1975 have served as a member of the Local Government Advisory Division of that Chamber.

As early as 1976, the Navy was protesting that the cost of building their new Regional Medical Center in Balboa Park was much greater than building an entirely new facility on a more appropriate site. In 1976, the Navy said it would cost $37.4 million more to build in the park than to build at Murphy Canyon Heights. The G.A.O. report of 6 February 1976 said it would cost $33 million more to construct the medical center in Balboa Park than it would at Murphy Canyon Heights.

The Navy's comments on that G.A.O. report about the merits of the Balboa Park site versus the Murphy Canyon site included the following:

> "Each of the analyses undertaken by the Navy and most of the factors considered by the G.A.O. strongly favor the Murphy Canyon Heights site." (p. 63)

The great controversy commenced in March 1976 when then Congressman Bob Wilson was quoted in "The San Diego Union" as saying that he would block the plans for the new Murphy Canyon facility. Congressman Wilson said "I oppose it, and I have enough political clout to prevent the hospital."

Those of us in the Chamber of Commerce who had been close to this issue and who had received a briefing from the Navy demonstrating that the move to a new site would be a more economical and efficient method of rebuilding the Regional Medical Center, were taken aback by the rejection of the very site the Navy had been promoting for seven years.

Citizens of San Diego who care for their city and perceived what was happening began to look more deeply into the key issues raised by the Navy for building their new medical center in Balboa Park. One of those was the retention of Building 26.

The Navy purported in its Environmental Impact Statement of October 1979 that Building 26 would be "structurally upgraded to meet seismic design criteria for use as a Bachelor Enlisted Quarters." Many of us who know the real costs involved in this type of remodel and structural strengthening program challenged the Navy on the cost and practicality of retaining Building 26 for any purpose. The Navy persisted that Building 26 was the reason they had to stay in Balboa Park. But now, in the Draft Supplement Environmental Impact Statement of March 1981, the Navy admits that Building 26 will not be used (p. I-7): "Current plans call for the mothballing of Building 26, since no interim use option has yet shown itself to be both compatible with its primary role as contingency asset and economically superior to new construction."

I submit to you that the Navy's real plans are to come back to Congress later for funds to demolish Building 26, stating at that time that they will have found what we have known for many years -- that Building 26 is the Albatross of the Navy's Regional Medical Center.

This is only one example of the deception that has been used to try and sway an unconvinced public that the Navy's major medical center somehow belongs in the heart of one of this Nation's greatest urban parks.

As the Navy's "case" for usurping more Balboa Park land became weaker, their plans for the new Medical Center became more ludicrous. In 1978, then Assistant Secretary of the Navy for Manpower Reserve Affairs & Logistics, Edward Hidalgo, visited San Diego to view the Park site and view a model of the Navy's proposal for building in Balboa Park. At that meeting, Representative Wilson said, "The Medical Center's profile as viewed from Park Blvd. would be that of one-story structures where new buildings may be seen." That seemed to make a lot of sense to those who were willing to permit the Navy to build in Balboa Park. The rational was that if you couldn't see the Hospital from Park Blvd., the major arterial through the park, then maybe there was some justification for having this industrial facility located there. But that was before major earthquake faults were found in Florida Canyon.

The Navy's new footprint, as shown in their Draft Supplement Environmental Impact Statement of March 1981, seems to ignore the earlier statement that the Hospital would not intrude upon the view from Park Blvd. Now we see that we have all of the industrial side of the Hospital not only facing Park Blvd., but so close as to present a wall of industrial facilities in the middle of the park. Among those elements, as shown in Figure 2.3.2-1 of the Supplemental Environmental Impact Statement, we see the central plant less than 80 feet from Park Blvd.; we see the warehouse, the truck dock, the ambulance entrance, the morgue, and the kitchen dock (with its attendant loading facilities and trash removal); and less than 70 feet from Park Blvd. we have the nursing towers. Thus, what the Navy originally purported as being a low-profile structure that would not intrude on Balboa Park, has now suddenly turned its back on that park and proposes to place its most industrial side directly on the park's major arterial. This is not respect for this great urban park land and is another affront to the citizens of San Diego by those willing to sacrifice sound planning principles and common sense to preserve a land holding in the most inappropriate location in the entire city.

Other sites have been proposed over the past several years. However, the Navy has always found reasons for their non-acceptability, only to later contradict their own statements when finally forced to confront the facts.

The facts are that the voters of San Diego have twice in recent years voted in favor of the Navy relocating to a site outside of Balboa Park. In September of 1979, Proposition D received a 61% plurality in favor of a lease of park land to the Navy. This measure failed because a two-thirds vote was required for that measure. In June of 1980, the voters of San Diego overwelmingly approved by a 68% majority the giving of land at Helix Heights to the Navy for construction of its Regional Medical Center. The Navy's own reports show that the so-called Helix Heights site is acceptable and meets all of their criteria.

Furthermore, such an alternate site would also meet the criteria of a majority of the voters of San Diego, and would, beyond question of a doubt, end ten years of controversy and wrangling over a location for this much needed facility.

The land at Helix Heights is available and ready without cost to the Federal government. On the other hand, when the Federal government condemned an additional 36 acres of Balboa Park land in 1979, they estimated the value of that land at $103,000 per acre for a total price of $3.7 million for the 36 acres.

The City of San Diego recently warned the Federal government that the City believes the value of the land to be "significantly higher." The value of that 36 acres may, in fact, be as high as $3 million per acre, which would raise the cost of building the new Regional Medical Center by over $100 million. The existing City of San Diego MASTER PLAN FOR BALBOA PARK, adopted June, 1960, states, on page 34:

Economic Value of the Park

> Balboa Park has an economic value to San Diego which is manifested in its attractiveness to tourists, by its influence on surrounding development and land values and by the inducement it offers to prospective residents who will be employed by major industries.
>
> Balboa Park today (1960) is worth an estimated $1,042,600,000. Its 1,400 acres have been reduced to 1,075 acres, each with an average value of $969,960 to the people of San Diego, a factor to be considered when this precious land is proposed to be diverted to other "more economic" uses. The most practical use of Balboa Park from the standpoint of business and the metropolitan economy is to use it for a park.

Executive order 12072 concerning Federal space management addresses the importance of conserving urban park land. The taking of additional park land in Balboa Park and the perpetuation of non-park uses in the park seems to be in violation of this executive order and you should not appropriate money for this purpose unless the President changes this executive policy.

The most recent G.A.O. report re-emphasizes that building in Balboa Park is the more expensive alternative and will take years longer than building on an alternative site.

The Helix Heights site is not controversial. It has received approval of the voters of San Diego and the City is in a position to convey this land to the Navy upon the Navy's request.

This controversy over the site has been going on for over ten years, and will continue as long as the Navy persists and Congress approves any construction inside Balboa Park. By simple stroke of authorizing the construction of this facility on a site other than Balboa Park, you can end ten years of devisive arguments over this issue.

Thank you.

Donald J. Reeves

Mr. GINN. I want to join Mr. Burgener and our entire committee in welcoming you here this afternoon to give us your viewpoint and your thoughts on the proposed facility.

Mr. Burgener has invited us to come out and see this situation personally, since it has gone on for so long and apparently is still somewhat controversial. We have accepted his invitation, and as soon as we can get our act together, we would like to come out sometime and take a look at it personally.

In the meantime, I want to thank you on behalf of the subcommittee for coming to talk with us today.

Mr. Burgener, do you have any questions?

Mr. BURGENER. I thank you for your testimony, Don. You have a schematic drawing which accompanied your presentation. You have a shaded area showing the present hospital site, and then you have the expanded area.

If the present arrangement should be consummated, would it not be more accurate on your drawing to show that portion of the shaded area which would divert back to the city?

Mr. REEVES. When the memorandum of understanding was rescinded and the Navy did not accept their lease in their environmental impact statement, they removed all mention of giving any land back to the city.

Mr. BURGENER. I didn't want to use the word "giving," or whatever.

Mr. REEVES. Trading.

Mr. BURGENER. It is the hope of many, and certainly you, if this thing ends up in Balboa Park, that about 39 acres of land which is now in front of the hospital would go back into park use.

Mr. REEVES. That would be quite a bit less according to this footprint the Navy has shown in their supplemental environmental impact statement.

I think all I can say is we have no indication of what they would give back in real terms. I think they haven't been level with us on that.

I would surely negotiate hard to get something back.

Mr. BURGENER. Thank you very much.

Mr. GINN. Mr. Reeves, I think our Staff Director, Mr. Peel, has a question.

Mr. PEEL. It is unclear at this point what the Navy intends to return to the city—is that what you are saying?

Mr. REEVES. The impact statement says they don't know how much land they will need, but there is a possibility at some date in the future they may consider giving some land back to the city. It is a very indefinite statement and in no way implies land trade or land swap, or that they believe in giving any back, but they say there may be a possibility in the future.

Mr. PEEL. I think the testimony before the committee was that they had planned to return an equal amount of land.

Mr. BURGENER. That is something that this committee is going to insist upon, should this turn out to be finalized.

Mr. GINN. Mr. Reeves, thank you very much for being here today. It has been a pleasure having you.

The Chair recognizes Mr. Burgener.

Mr. BURGENER. The same warm welcome to Lee Grissom, one of the most able executive directors of any chamber in this country. Nice to have you here, Lee.

TESTIMONY OF MR. GRISSOM

Mr. GRISSOM. Thank you very much.

Mr. GINN. Mr. Grissom, it is my understanding you are the Executive Vice President, San Diego Chamber of Commerce. We are delighted to have you here.

Mr. GRISSOM. Thank you, Mr. Chairman. I have been lucky enough to have been promoted recently. I am now President of the San Diego Chamber of Commerce.

Mr. GINN. Congratulations. You get a sizable salary increase to go with it, I hope.

Mr. GRISSOM. My executive committee was very gracious. They changed the title but not the remuneration.

Mr. GINN. It is the same way it is when you get elected to Congress.

Mr. GRISSOM. That is what I understand, Mr. Ginn.

I have no prepared remarks. However, supplemental testimony in written form will be presented to Mr. Peel.

[CLERK'S NOTE. The supplemental testimony had not been received at press time.]

Mr. GRISSOM. Let me briefly say the San Diego Chamber of Commerce is made up of 2,500 business firms in the Greater San Diego Area. We are 111 years old. We were recently designated as one of the finest chambers of commerce in the country. We are a chamber who is deeply committed to the social, fiscal and economic prosperity of the San Diego area and, in fact, in 1909, 1910, the Chamber was the first organization in San Diego County which articulated and pressed for the development of Balboa Park as a recreational and cultural asset to the community.

Since the early 1970s, we have been involved with efforts to rebuild the Naval Regional Medical Center in San Diego. Our community has enjoyed a very special relationship with the Navy, a harmonious relationship of now more than 50 years. It has been a very good marriage for San Diego. It has been a very good marriage for, I think, our national defense posture.

We support the memorandum of understanding when it was originally introduced by the Navy, and it was agreed to by the San Diego City Council. We felt quite simply it was a good relationship for everybody involved. It put the Navy where they wanted to be, which was within Florida Canyon. It returned to the city Inspiration Point, which is a prime recreational asset, and it allowed the beneficiaries of the hospital to receive a new facility and increase the adequacy of the medical care. There are more than 400,000 San Diegoans who either directly or indirectly receive benefits through the Navy's medical system.

We were very concerned with the loss of accreditation at the Naval Regional Medical Center, and, as you undoubtedly know, that is still very tenuous. That is a teaching facility which trains more than 40 percent of the Navy's medical specialists.

We were concerned about the efficiency and adequacy of the system, the way it is outlined now, spread over more than 70

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buildings, over almost 70 acres. It is very difficult to run from X-ray lab to medical rooms, where they were doing the operating.

The City Council placed on the ballot Proposition D, which, in September, 1979, won almost 62 percent of the vote. The issue there was should the Navy go into Florida Canyon, or should they not be allowed to do that. Again, almost 62 percent of the people agreed to that.

Later on, an issue which Mr. Reeves noted was placed before the voters. That was on Helix Heights. That is a cemetery. The land has been dedicated to cemetery land for a long time. The issue was, should that cemetery land, in fact, be allowed to be used as an alternate use, for example, as housing, or perhaps an employment generator?

That is in the heart of our minority community. The leaders of the minority community for years have expressed concern because there are no employment generators in that area. We, the Chamber, supported the proposition on Helix Heights, and, as a matter of fact the President of the Urban League, Mr. Clarence Pendleton, was very, very concerned about this proposed hospital, placed in that area.

We also not only have supported Florida Canyon, but the Chamber has argued against Helix Heights for some very simple reasons: The Navy has indicated they will have to retain some of those very expensive facilities they placed in Balboa Park. Therefore, we feel that if they build on Helix Heights, they will have to develop a transportation system which will cost them several million dollars a year to exchange personnel from Point A to Point B and back again. That is a concern.

We also feel that the Navy loses in every possible way, and the city loses in every possible way, if we go to Helix Heights. Very simply, the Navy will be not developing an efficient site. The city will not be able to use Helix Heights as an employment generator and simultaneously will be losing land off the tax rolls.

To sum it up, the Chamber feels this is a good project, it is a needed project economically, socially and environmentally sound, and, as all the Navy studies have revealed to date, it is important to the city. Unquestionably, it is important to the Navy, and, of course, to our national defense posture.

After five years of discussing this issue—and this is the second opportunity that I have had to appear before the subcommittee—after five years of discussing this issue, and the Navy repeatedly saying in every study they have produced that Florida Canyon is the site that they feel best meets their needs, the only thing that has changed is the price of the project. If we had gone ahead with this five years ago, we would have saved almost $50 million in the price of the project.

The San Diego Chamber of Commerce urges the expeditious construction of the new Naval Regional Medical Center in Florida Canyon, and we are delighted, very pleased, with the support of our county's four Members of Congress, including, of course, Congressman Burgener, and Congressman Wayne Lowery, who in the election in November served as the Deputy Mayor of the City of San Diego, and who ran as part of his campaign platform on urging the Navy to locate this facility in Florida Canyon.

So we feel the overwhelming public support is, in fact, for Florida Canyon as the site for this facility.

We are aware of the Navy perhaps creating a negotiating point on the return of Inspiration Point land. However, in all of our conversations, right up to this week, we have received assurance the Navy has every intent to do that.

The City Council might have confused that issue when they tried to increase the supposed price of the Florida Canyon property. I think it is quite apparent what the Navy is trying to do—simply trying to counter an effort by our City Council to clarify this issue.

Again, I strongly urge the Florida Canyon site as the location, and being a colleague and a friend of the San Diego Convention Business Bureau, if you would like to come to San Diego, it would be good for our convention industry, and we would be delighted to have you.

Mr. GINN. Thank you very much, Mr. Grissom. Have you any questions, Mr. Burgener?

Mr. BURGENER. I have no questions. Thank you very much.

Mr. GINN. We thank you very much for your testimony and the invitation. We hope to accept soon.

TESTIMONY OF MR. HARVEY

Mr. BURGENER. Mr. Scott Harvey. Welcome, Scott. I have had the privilege of working with Scott for years, both in San Diego and Sacramento. It is a privilege to join with the committee in welcoming him here.

Mr. HARVEY. Thank you very much. I guess this is my first effort at this level. I thank you for the opportunity to be here.

I am Scott Harvey, Director of Intergovernmental Relations for the City of San Diego. Right up front, I think I will agree with the rest of the speakers and say no one questions the need for this facility, but I can't say that alone without reminding you on three separate occasions our City Council, by clearly a 7 out of 9-member body, preferred Helix Heights.

We have, on June 16, 1980, offered Helix Heights in fee simple. We also reaffirmed that and even went so far as to say we will do everything we possibly can to expedite it, legal means or otherwise. I think this is a key point because there are some issues that surround the sites. With our promise to expedite, I think we are dedicating our energies to pull off what is necessary to make the site compatible for the facility. I speak directly about street improvements that would be necessary at either the Florida Canyon site or at the Helix Heights site.

Mr. GINN. Could I ask you to show me on this drawing, if you can, where Helix Heights is?

Mr. HARVEY. Unfortunately, that is just a map of the Florida Canyon site. I think the draft environmental impact statement supplement has it—

Mr. BURGENER. As about two miles south and a mile east?

Mr. HARVEY. It is awfully close. The topography is quite different. The Florida Canyon site does have grade.

The acreage is approximately the same.

Finally, the last resolution I wanted to draw your attention to was the past December 10, 1980. That was a very straightforward

resolution that urged the President and Congress to reverse the decision of the then Secretary of Navy, Mr. Hidalgo, when he endorsed the Florida Canyon site.

At about the same time, we were doing our first resolution back in June of 1980, your committee, in a report numbered 96-1097, dated June 17, 1980, asked that there be three conditions on the Navy as they pursued their site selection.

Number one was that the facility be constructed on land owned in fee simple. I think both sites offer you this alternative.

The third condition was that the program scope would not be sacrificed on any site selected. I think either site meets this requirement.

It is the second requirement I would draw your attention to which is that the facility must be able to be constructed—that is the quote—with the fiscal 1981 estimate of $293 million. It is our point that only the Helix Heights site offers you this condition. In fact, as recently as December 5, 1980, then Secretary of the Navy Edward Hidalgo, in a letter to Senator Stennis, said, "The need to redesign a high rise structure, in Florida Canyon, and the architectural implications of erecting such a structure are estimated in the study to involve an additional cost of approximately $15 million."

He went on to describe not only this cost was going to be a factor in Florida Canyon, because of a new-found earthquake fault, but they couldn't do it within the planned timeframe. That also was part of your committee's second requirement, that it be built within $293 million, and that it be built within a specified timeframe.

So you have that condition where the Navy is saying we cannot meet it in Florida Canyon. We cannot meet it because we have to change the design because of the earthquake fault, change the structure. That will take us three to six months; it is more complicated construction in Florida Canyon, and we could be held up as long as a month on this.

Also, at this time—and I can't help but tweak the Navy on this as well—the Secretary says that there is unanimous consent that the present hospital must be replaced, and that this must occur without additional delay.

It is our allegation that by going to Florida Canyon, you are making it more costly and you are causing unnecessary delay that you don't have at Helix Heights.

I think I will summarize by just making a final two points, if I might. You have heard more than once that our citizens have a love affair with our park and recreation facilities. We are blessed with many. Balboa Park is some 1,400 acres, and it is the jewel of these facilities for us.

Since 1869, 42 percent of this park's usable acreage has gone to some non-comforming or some non-park use. Again, it is our Council's allegation, or point, that it wouldn't be right, and perhaps even a violation of public trust, for us to allow yet another nonconforming use—this facility—in Balboa Park.

The last is a final strike for Helix Heights.

Mr. GINN. Even for something as important as the world's most expensive hospital?

Mr. HARVEY. I think the answer to that would be we have a very viable alternative, and we don't have to have one without the other; we can have both, if you go to Helix Heights.

The last point I would make on Helix Heights is that the Navy has said for evolutionary expansion Helix Heights is clearly the winner. In fact, they say about Florida Canyon, it has "limited potential." I think this is important. Things do grow; things do change.

In conclusion, then, the city agrees with the statement in the record of a House floor debate on the 1981 appropriation for this facility that all conditions are "good and fair."

We believe that the conditions, those three things I talked to you about earlier, stipulated and approved by Congress, should be honored. They can be, if this facility is constructed at Helix Heights. Moreover, one can agree there is a contradiction in the administration's statements decrying waste in government, and the higher financial implications of constructing this facility in Florida Canyon.

Again, Helix Heights doesn't offer you these pitfalls.

Finally, then, we would implore your committee to reconsider any decisions you have made and ask you to consider Helix Heights as the alternative for this facility.

Thank you.

[Mr. Harvey's prepared testimony and Resolution R-252067 follow:]

TESTIMONY OF
THE CITY OF SAN DIEGO

CONCERNING

THE SITING OF THE PROPOSED NEW NAVAL REGIONAL MEDICAL CENTER IN SAN DIEGO

PRESENTED BEFORE THE
MILITARY CONSTRUCTION SUBCOMMITTEE
OF THE HOUSE APPROPRIATIONS COMMITTEE

April 8, 1981

Mr. Chairman and Members:

I am Scott Harvey, Director of Intergovernmental Relations for the City of San Diego. As a city we are united in our recognition of the need for a new Navy hospital to replace the San Diego Regional Medical Center. However, through three resolutions Mayor Pete Wilson and the City Council have stated our preference for Helix Heights as the site for this facility. The various resolved clauses are summarized below.

On June 16, 1980 the City Council offered the Navy fee simple ownership of some forty-eight acres and "agreed to cooperate with the Navy in facilitating all actions necessary for timely construction of the hospital on the Helix Heights site." (Resolution attached.) This latter offer is salient as it relates to acquiring fee simple title to certain private property and to expediting needed traffic improvements around the Helix Heights site. In fact, on February 3, 1981, Deputy City Manager John Fowler, in a letter to Mr. Victor Ell, U.S. General Accounting Office (attached), stated that the costs of improving the street conditions at both the Florida Canyon and Helix Heights sites was in the order of $2 million. Additionally, the freeway systems adjacent to both sites were "somewhat congested" and over time would require modifications and improvements. He concluded by saying, "it would appear that the difference between the two sites with regard to access or the costs of improving this access is not significant." Indeed, the City is willing to provide the necessary energy to bring about improved access to the Helix Heights site. This commitment is essential when one realizes that the cost of access improvements is similar at both sites.

Our second resolution was adopted on November 10, 1980 (attached). It reconfirmed our offer of fee simple ownership as well as our assistance, through legal means, to acquire the additional private ownership. As important, we also agreed to place before the voters, at the next city-wide election, the question of removing the cemetery restriction on fifteen acres of undeveloped City-owned land to the south of the site. This property may be needed for future evolutionary expansion.

Finally, on December 10, 1980, the last relevant resolution was passed (attached). It simply urged the President and the Congress to reverse the decision of the then Secretary of the Navy which endorsed the Florida Canyon site.

At about the same time our City Council was passing the first resolution, your Committee in Report Number 96-1097, dated June 17, 1980, directed that the following requirements be met:

> "(1.) The hospital complex is to be constructed on land owned in fee simple by the Federal Government,"

Either site can meet this requirement.

> "(2.) the facility must be able to be constructed within the fiscal 1981 estimate of $293,000,000."

Only the Helix Heights site can meet this condition. The former Secretary of the Navy, Edward Hidalgo, in a letter to Senator Stennis dated December 5, 1980, stated, "The need to redesign a high-rise structure and the architectural implications of erecting such a structure are estimated in the Study to involve an additional cost of approximately $15 million.

"(3.) program scope will not be sacrificed because of the site selected."

Either site can meet this requirement.

An additional condition imposed by the Committee on the Navy, and agreed to in Conference, calls for the construction of the facility within the Navy's "planned time frame.", item (2.). This condition cannot be met because of an earthquake fault at the Florida Canyon site. To avoid the fault the facility must be relocated in such a fashion that the resulting structure would be a narrow high-rise rather than the original low-rise design. The high-rise concept would require additional design time to revise the facility's internal functional layout. The Navy estimates that the redesign process would take an additional three to six months. But at Helix Heights, the Navy says, much of the current design could be adapted to that site. In addition, construction on the Helix Heights site would preserve the special purpose structures concept, which would permit uncomplicated, physically separate structures. Individual construction contracts could be awarded and competed for by local contractors. The Navy has stated that under these circumstances, with a larger number of workers and management organizations mobilized, the work at Helix Heights should proceed more rapidly than at Florida Canyon. So, while the Navy has said it would be possible to design and award a site preparation package in 1981 as planned, the construction award of primary facilities would occur further into 1982 than originally planned if the Florida Canyon site is selected.

In addition to the construction time penalty associated with the change in the facility's design, building the high-rise in Florida Canyon would require more complex construction procedures. Moreover, the construction of the high-rise would consume more time than the construction of several separate buildings of the same total square footage. In aggregate, these factors would extend the construction time of the Florida Canyon facility from six to twelve months beyond the Navy's original plan and also compared to Helix Heights. This time overrun is confirmed by former Secretary of the Navy Hidalgo in the December 5, 1980 letter referred to above to then Senate Armed Services Chairman John C. Stennis. Mr. Chairman, a six to twelve month extension of the time originally planned by the Navy to construct the facility clearly contradicts the time condition set out by the Appropriations Committee, a condition subsequently approved by the House of Representatives and agreed to by the House and Senate Conference Committee.

Before closing, two final points must be made. First, unquestionably the citizens of San Diego have a love affair with their parks and recreation facilities. Our city is blessed with an abundance of both. Certainly, Balboa Park is the 1400 acre jewel of all our facilities. Unfortunately, since its dedication in 1869 for parks use, 42% of it's usable acreage has been lost to nonpark uses. Our Council could be accused of violating the public trust to allow yet another non-conforming use into the Florida Canyon of Balboa Park. Alternatively, there is no loss of precious parks land if the hospital is located on the Helix Heights site.

Second, a comparison of Florida Canyon and Helix Heights hospital evolutionary expansion capability clearly militates in favor of Helix Heights. Florida Canyon is described by the Navy as having "limited potential" for evolutionary expansion within present site and building configuration. Helix Heights on the other hand has, the Navy says, "ample evolutionary expansion" potential on-site.

In conclusion, the City of San Diego agrees with the statement in the record of the House floor debate on the 1981 appropriation for this facility that all conditions are "good and fair". We believe that the conditions stipulated and approved by the Congress should be honored. They can be, if the facility is constructed at Helix Heights. Moreover, one can agree that there is a contradiction in Administration statements decrying waste in government and the higher financial impacts which will accrue from the construction of this facility in Florida Canyon. Indeed, it is not appropriate to endorse Florida Canyon's higher construction costs brought about by a potentially active earthquake fault, inflation and delay. Again, the Helix Heights site does not include these pitfalls. We ask therefore, that the Congress and the Administration reconsider its approval of this wasteful expenditure of taxpayer's dollars on the construction of NRMC facility in Florida Canyon.

RESOLUTION NO. R- 252067 (R.80-2444) REV.

WHEREAS, the City owns certain property in the Helix Heights area located between I-15 and Highway 94 and I-805, adjacent to recently improved major public facilities and in close proximity to on-going and proposed major improvement projects; and

WHEREAS, said site comprised of 47 acres of City-owned land and 10 acres owned by the Catholic Diocese, which 10 acres is limited to cemetery use and may be available for acquisition by the City, appears ideally located for the construction and operation of a hospital facility; and

WHEREAS, the City of San Diego values the unique relationship which has benefited both the Navy and San Diego over the last several decades and is committed to preserving and strengthening that relationship; and

WHEREAS, the Military Construction Subcommittee of the Senate Armed Services Committee requested a full re-evaluation of Helix Heights as an alternate hospital site; NOW, THEREFORE,

BE IT RESOLVED, that the City of San Diego hereby offers City's property in the Helix Heights area to the Navy for the purpose of reconstructing the Navy Hospital; and

BE IT FURTHER RESOLVED, that fee simple ownership of the Helix Heights site is being offered to the Navy in exchange for return to the City of San Diego of property in Balboa Park currently occupied by the Naval Regional Medical Center at such time as the Center is relocated to Helix Heights; and

BE IT FURTHER RESOLVED, that in the event this offer is accepted, the City agrees to cooperate with the Navy in facilitating all actions necessary for the timely reconstruction of the hospital on the Helix Heights site.

APPROVED: JOHN W. WITT, City Attorney

By H Valderhaug
Harold O. Valderhaug, Deputy

HOV:ps
~~6/11/80~~ Revised 6/17/80
Or.Dept. Councilman Williams

R- 252067

RESOLUTION NO. R-253099 (R.81-927)
NOV 10 1980

WHEREAS, the Department of the Navy has recently completed its comparative study of Florida Canyon and Helix Heights with regard to construction of a new Naval Regional Medical Center in San Diego; and

WHEREAS, the study indicates that construction at the Helix Heights site could be completed as much as eighteen months earlier and at lesser cost than at the Florida Canyon site; and

WHEREAS, the study outlines several other advantages of construction at the Helix Heights site including topography, facility design, lack of geologic hazards and potential for expansion; NOW, THEREFORE,

BE IT RESOLVED, that The City of San Diego hereby reconfirms its earlier resolution offering fee simple ownership of the City's property in Helix Heights to the Navy for the purpose of reconstructing the Naval Regional Medical Center, with the understanding that compensation for the property will be determined through negotiation between Navy and City; and

BE IT FURTHER RESOLVED, that the City will assist the Navy in any legal manner to acquire the additional property now in private ownership to the north and west of the City-owned property which the Navy determines is necessary for its facilities; and

BE IT FURTHER RESOLVED, that in order to accommodate the long-term contingency needs of the Naval Regional Medical Center

at Helix Heights, the City Council hereby indicates its intention to place before the voters at the next City-wide election the matter of removing the cemetery restrictions on an undaveloped fifteen-acre City-owned parcel south of Market Street; and

BE IT FURTHER RESOLVED, that the City agrees to enter into negotiations at an early date and to cooperate with the Navy in facilitating all actions necessary for the timely reconstruction of the Naval Regional Medical Center at the Helix Heights site.

APPROVED: JOHN W. WITT, City Attorney

By _____
Robert S. Teaze
Assistant City Attorney

RST:ps:710.4
11/10/80
Or.Dept. Mayor Pete Wilson

R-252000

Passed and adopted by the Council of The City of San Diego on November 10, 1980, by the following vote:

YEAS: Mitchell, Cleator, Lowery, Williams, Schnaubelt, Killea, Wilson.

NAYS: None.

NOT PRESENT: Gotch, Stirling.

AUTHENTICATED BY:

PETE WILSON,
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By ELLEN BOVARD, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. R-253099 passed and adopted by the Council of The City of San Diego, California, on NOV 10 1980.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By Ellen Bovard, Deputy.

(Rev. 12/77)
lo

DEC 10 1980

RESOLUTION NO. R-253338 (R.81-1159)

WHEREAS, the Council of The City of San Diego, believing it to be in the best interests of the City and of the Navy, has offered the Helix Heights site to the Navy for hospital purposes, and has offered to expeditiously assist the Navy to acquire additional adjacent land for future expansion, none of which would encroach into a dedicated park; and

WHEREAS, the Secretary of the Navy recently announced his decision to build the hospital in Florida Canyon in spite of the substantial advantages of constructing the facility at Helix Heights; and

WHEREAS, the decision to build the hospital in Florida Canyon will result in delaying the completion of the hospital as much as eighteen months and costing an additional $15 million or more; and

WHEREAS, construction of the Naval Regional Medical Facility at Helix Heights would substantially enhance efforts by The City of San Diego, currently in progress, to stimulate needed economic development in Southeast San Diego; NOW, THEREFORE,

BE IT RESOLVED, that the City Council of The City of San Diego hereby urges the President of the United States and the United States Congress to reverse the decision of the Secretary of the Navy.

APPROVED: JOHN W. WITT, City Attorney

By Harold O. Valderhaug, Deputy

:ll /10.4
19/80
Dept. Clerk

THE CITY OF
SAN DIEGO
CITY ADMINISTRATION BUILDING • 202 C STREET • SAN DIEGO, CALIF. 92101

OFFICE OF THE
CITY MANAGER
236-6363

February 3, 1981

Mr. Victor Ell, CPA
Audit Manager
U.S. General Accounting Office
Los Angeles Regional Office
Suite 1010 World Trade Center
350 South Figueroa Street
Los Angeles, CA 90071

Dear Mr. Ell:

As I indicated in our phone conversation on Monday, February 2, I feel it appropriate to set out in writing the City staff position relative to access improvements for the two hospital sites, Balboa Park and Helix Heights, which are currently under consideration. Because of the importance of this decision, it is critical that the facts utilized by the decision makers be correct. In view of this, I have obtained from Mr. Hal Rosenberg his recollection and review of notes of statements made at the January 15 meeting here in San Diego. See the attached memorandum.

I think the key conclusion reached from an examination of Mr. Rosenberg's memorandum is that it supports the report concerning the comparison of the two sites prepared for the Secretary of the Navy. This report and the facts shown in Mr. Rosenberg's memo suggest that the costs of improving the street connections to the two sites are both in the order of $2 million. Further, the freeway systems adjacent to each of both sites are somewhat congested and will over time require some further modification and improvements, not just to serve the hospital but rather to accommodate increased traffic in the general area. In the case of the Helix Heights site, the upgrading of Route 15 which lies along the west side of that site has long been desired by the City, and we would hope that this route can ultimately be improved whether or not this site is chosen for the hospital.

In conclusion, it would appear that the difference between the two sites with regard to access or the costs of improving this access is not significant.

I hope the above information will be helpful in your deliberations and report. Should you have additional questions, please feel free to call.

Sincerely,

John P. Fowler
Deputy City Manager

Attachment - Hal Rosenberg Memo

bcc: Ray Blair
Hal Rosenberg via Bill Schempers
Ken Carpi

Mr. GINN. Thank you very much, Mr. Harvey, for being here.

I would like to clarify for the record who it is you are representing. Are you representing the Mayor, the Council, or both?

Mr. HARVEY. Very simply, I am representing both.

Mr. BURGENER. That ought to have a time stamp on it.

Mr. HARVEY. In our structure of government our Mayor is part of the City Council. He votes as part of that City Council, so I am very clearly representing the Mayor and Council.

Mr. GINN. Mr. Burgener?

Mr. BURGENER. I am going to make a very brief statement—the last word, so to speak. There is some minor advantage in being a member of the committee. Hopefully, we are coming to the end, in the next few months. By the time we adopt this budget we will be—certainly before September 30—I imagine we will be marking up this bill in June, Mr. Chairman?

Mr. GINN. June or July; yes.

Mr. BURGENER. I am hopeful we are coming to the end of the road on this. I think people on both sides of the issue will be grateful when it is over.

The Congress is not, and certainly this committee is not in the site selection business. That is not our function. On the other hand, we don't have to agree with or buy any site proposed by any of the military services, including the Navy. But last year, this committee did appropriate—I was not a member of this subcommittee, I have been before it, and they were gracious enough to permit me to sit with them for some of the testimony—but they appropriated, if I am not mistaken, some $25 million for this project, some of which is being currently spent in the fiscal year.

They did put down the conditions that Mr. Harvey has indicated, which I personally believe can be met on the Florida Canyon site as well.

Speaking only for myself, I stated publicly last year that I would support the decision of the Navy on the selection of the site. I watched with great interest as the drama unfolded and Secretary Hidalgo announced his selection of Florida Canyon. Had he announced for Helix Heights, I was fully prepared to support that.

I think the hospital is too critical as a training facility, to serve the thousands and thousands of military families, to train Navy corps men, nurses and doctors, and it will be not only the largest military hospital in the free world, but I think the best, and it is not that today, for reasons the committee has talked about, and other witnesses—things such as functional obsolescence, accreditation, and so on.

I was enthused and pleased when the Navy announced its selection. I would have been fully supportive had he selected Helix Heights. I might not have been quite as enthusiastic, but I would not have in any way attempted to interfere with that decision.

So now we come down to Balboa Park. The hospital is not a new entry into the park. We are not proposing a hospital in a park. It has been there since the early 1920s.

It is my contention, and I think the majority of the people I represent, agree that the net result in all this is a better Balboa Park for the people of San Diego County, even though it is owned by the city. It is used by visitors from all over the world. A better

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Balboa Park. I believe that. I have always believed this. There are people who differ, people in this room, people of good will and proper motivation who disagree strongly with that, but that is my opinion.

Secondly, a much, much better hospital.

I was fearful—the reason I had some reservations about Helix, I was fearful we would end up with a hospital-and-a-half, or a real hospital and a ghost hospital, or two hospitals, or something of that nature where you wouldn't really know quite where you were, with the immense investment that is already in Balboa Park.

Those are my sentiments. I am hopeful that we can get on with that. We do have the GAO report coming out. We have seen the revised environmental impact statement which seems to be fairly neutral on all things, but I appreciate all the people on both sides coming here.

I want to say one other thing. Are you going to next call on Mr. Pendleton?

Mr. GINN. I think he wants his statement put in the record.

[CLERK'S NOTE.—Mr. Pendleton neither appeared before the committee nor submitted a statement for the record.]

Mr. BURGENER. I will just say I have discussed it with him, and his position is well known to all the people in this room. He would have been testifying on behalf of Florida Canyon and in opposition to Helix Heights. Is that a fair statement, Mr. Harvey?

Mr. HARVEY. It certainly is, sir.

Mr. BURGENER. Thank you very much for your patience and thank everybody who came. This thing will unfold in the next two or three months, and we hope to get it behind us.

Mr. HARVEY. Nice seeing you again.

A last thing, if I might. My written remarks are more complete and longer. If they can be put in the record, I will appreciate it.

Mr. GINN. Your statement will appear in the record.

Since Mr. Roger Hedgecock and Mr. Hamilton Marston could not be here today, their statements will appear in the record at this point. We shall also insert letters from the League of Women Voters and Community Energy Action Network which they asked be included in the record.

STATEMENT OF MR. HEDGECOCK

[Mr. Hedgecock's prepared statement follows:]

TESTIMONY

OF

ROGER HEDGECOCK

BOARD OF SUPERVISORS

COUNTY OF SAN DIEGO

ON

PROPOSED NAVAL REGIONAL

MEDICAL CENTER

BEFORE

MILITARY CONSTRUCTION SUBCOMMITTEE

OF THE

HOUSE APPROPRIATIONS COMMITTEE

APRIL 8, 1981

WASHINGTON, D.C.

Mr. Chairman and Members of the Subcommittee:

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 <u>within</u> the 65 CNEL Contour), and on vacant City-owned land.

On June 3, 1980, San Diego City residents voted 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 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 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 Subcommittee 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). In September 1979, 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 have heard 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.

STATEMENT OF MR. MARSTON

[The prepared statement of Mr. Marston follows:]

HAMILTON MARSTON
3575 SEVENTH AVENUE
SAN DIEGO, CALIFORNIA 92103

March 24, 1981

(Express Mail)

Mr. Bo Ginn, Chairman
House Appropriations Subcommittee
on Military Construction
B-300 Rayburn House Office Building
Washington, D. C. 20515

Re: Naval Hospital
San Diego

Dear Mr. Ginn:

When the replacement of the naval hospital in San Diego was proposed, I served as a member of the civic committee appointed to provide a community link with federal and city officials.

Like many San Diegans, I have an active interest in this matter, so important for both the United States and our city. With hearings to be held soon in Congress, I submit for your information, and for the information of your committee, the enclosed copy of my letter of March 15, 1981, to Vernon McKenzie, Principal Deputy Assistant Secretary of Defense (Health Affairs).

I am not able to attend the hearings but request my letter, with its enclosure, be a part of the record of information submitted.

Sincerely yours,

Hamilton Marston

Hamilton Marston

Enclosure

HAMILTON MARSTON
3575 SEVENTH AVENUE
SAN DIEGO, CALIFORNIA 92103

March 15, 1981

Mr. Vernon McKenzie
Principal Deputy Assistant Secretary
of Defense (Health Affairs)
Room 3E172, The Pentagon
Washington, D. C. 20301

Re: Naval Hospital
San Diego

Dear Mr. McKenzie:

WE ARE FORTUNATE that Secretary of Defense Caspar W. Wineberger will review the Carter administration's decision to rebuild the Naval Hospital in Balboa Park

The Evening Tribune editorial of March 6, 1981, with all the graphic emphasis of its capital letters, speaks for San Diego's sense of a fresh start to what began almost ten years ago as a happy example of city-Navy cooperation to relocate the Naval Hospital from its World War I site in San Diego's central park to the Navy's studied choice for a permanent regional site.

The Navy's first choice was Murphy Canyon Heights. The city would assist in provision of land to complete the site and receive 77 acres of former Balboa Park land conveyed to the United States in five elections from 1919 to 1941, to revert, as Mayor Wilson said, to much needed and intensely utilized urban park land.

But the Navy did not go to Murphy Canyon Heights, and the happy cooperation was tested, when the Navy, deciding instead to ask for a new site in Balboa Park's Florida Canyon and failing to get the two-thirds vote required by the city charter, condemned and took the 36 acres of park land that it wanted.

The city got the necessary two-thirds approval of the electors to offer other city land at Helix Heights to the Navy for a hospital site and did so with strong assurance to the Navy of cooperation. A Navy study, comparing Florida Canyon and Helix Heights, completed last November, was read by many citizens, by the city, and by the press as favorable to Helix Heights.

Secretary of the Navy Hidalgo decided for Florida Canyon. The city urged President Carter and Congress to reverse the decision, but the issue passed to the new administration. The city advised the General Accounting Office the value of park land taken could be significantly higher than estimated by the Navy. City and citizens are at legal issue with the Navy, and the park site is presently available to the Navy only for geotechnical investigations. All agree with your statement to subcommittee last year:

The San Diego project has a long, difficult history; the longest and most difficult history of any military medical construction project that we have ever had.

You headed the Department of Defense survey team that came to San Diego in 1973 to evaluate existing and planned facilities. On departure, in a San Diego Union interview published February 2, you made an interesting comment on the Balboa Park site:

> ... the hospital is locked in where it is.
>
> "There is no extra real estate."

It is surprising the constraints imposed on the hospital by the rigidity of the park envelopment and the lack of opportunity for expansion did not receive more attention in the early decision to seek the adjacent site in Florida Canyon.

Such constraints must have been an important consideration in the first choice of the Navy - to go to Murphy Canyon Heights. Extent of Navy holdings and the size of the site are noted in Crossroads...Naval Regional Medical Center San Diego:

> Murphy Canyon Heights is an elevated plateau of approximately 814 acres located seven miles northeast of the Balboa Park site. The Navy owns 710 acres of the site, which was originally planned for family quarters.
>
> The proposed site for the Naval Regional Medical Center comprises approximately 152 gross acres.

The draft report, Naval Regional Medical Center, San Diego, a Comparative Study of Florida Canyon and Helix Heights, issued by the Navy November 5, 1980, comments on the potential of both sites for evolutionary expansion, noting of the Florida Canyon site:

> The building footprint essentially fills the space available and is tightly constrained by property boundaries and the earthquake fault.

Of the Helix Heights site, the report notes:

> Helix Heights would have ample evolutionary expansion potential on site.

Addressing contingency expansion, the Navy report compares the proximity of Building 26, the present major building which the new hospital will replace, to the Florida Canyon site, with the logistic complication of its 2½ mile distance from Helix Heights.

This involves a technical judgment I cannot make, but as a reader of the report I can observe that locating the new hospital on a site, where it is "tightly constrained by property boundaries and the earthquake fault," in order to keep it close to the building it is intended to replace, is to keep its future forever a hostage to its past.

It is understandable why Balboa Park was an attractive site for the hospital in 1919. Both San Diego and the new hospital were relatively small, and the commanding site was a visible symbol of the friendship and cooperation of the city and Navy.

But the hospital grew to be the largest military hospital in the world, and San Diego grew from 70,000 people to 870,000. Medicine is the most dynamic of human involvements; its needs for space and people to serve its advancing capacities are immense. The city is growing and changing its pattern of settlement to one of increasing density, compounding the importance of the relief of parks to keep these densities tolerable.

Hospital and park are both prime uses of land; neither should be expected or required to make unfavorable compromises. They serve separate jurisdictions, and each has its own criteria of function, access, and change. Placed one inside the other, they constrain each other to the disadvantage of both. The opportunity to free them from these mutual constraints is vitally important to both hospital and park, and should be so regarded by the federal government and the city. If this is not done, the relationship of park and hospital will worsen, as the load upon each grows.

The accommodation of hospital operations in Balboa Park for another fifty or hundred years, ordered by Secretary of the Navy Hidalgo, is requiring forcible implementation through the machinery of federal condemnation. What kind of future does that threaten for a hospital, locked in and with no extra real estate?

WE ARE FORTUNATE that Secretary of Defense Caspar W. Wineberger will review the Carter administration's decision ...

Sincerely yours,

Hamilton Marston

Hamilton Marston

cc: The Mayor and City Council, San Diego
Senator Cranston
Senator Hayakawa
Rep. Badham
Rep. Burgener
Rep. Lowery
Rep. Hunter
General Accounting Office
Garfield, Schwartz & Copeland

STATEMENT OF MS. RICHARDSON

[The statement submitted by the League of Women Voters follows:

League of Women Voters of San Diego

YWCA Building
1012 C Street
San Diego, California 92101
(714) 235-VOTE

April 5, 1981

Bo Ginn, Chair and
Members of the Sub-committee
on Military Construction
of the
House of Representatives Appropriations Committee
Room B 300
Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Ginn and Members of the Sub-Committee:

SUBJECT: Siting of the Naval Regional Medical Center-San Diego

The League of Women Voters is opposed to the appropriation of funds for a Balboa Park siting of the NRMC-SD. We urge instead that the Congress direct the Navy to site this facility at the alternative site which the Navy has identified, Helix Heights.

Much has happened since last year when we appeared before this committee:

-- Further geotechnical study of the Balboa Park site has revealed that approximately 20 acres of this site is useless for construction.

-- Further examination of Building 26 has revealed that its only practical use is as a mothballed hospital, to be used only in time of emergency. A use which is not dependent on an adjacent active facility.

-- Further study comparing the two sites, as was required by Congress last year, identified Helix Heights as the cheaper, faster and better alternative. (Navy Site Comparison, Nov., 1980)

-- In the recently released Draft Supplemental Environmental Impact Statement, the Navy openly acknowledged that Helix Heights meets all of its requirements--accessibility, cost, expediency, and land assembly and configuration. This document further states that Helix has the major advantage of conforming with local and federal planning objectives. It admits that Balboa Park is in conflict with local and federal siting guidelines. It further documents that Helix has less critical environmental impact.

-- The City Council of San Diego has asked the Congress and the President to overturn Secretary of the Navy Hidalgo's decision to site the facility in Balboa Park.

In a parallel strand of events, it is easily demonstrated that the Navy's stated course toward construction in Balboa Park is unaltered by the evidence:

-- The earthquake fault further constrains a site already limited by its steep canyon topography. In its DSEIS, the Navy does not identify the whereabouts of the 15 acres it requires for evolutionary expansion. It appears that 15 additional buildable acres do not exist at Florida Canyon. How will a hospital constrained by this difficult topography and surrounded by dedicated parkland adapt to its future needs? The DSEIS covers up this difficulty although it is acknowledged in the Navy site comparison study.

-- The Navy states in the DSEIS that it prefers the park siting because it offers adjacency to a mothballed Building 26. It does not acknowledge that this same adjacency on such a constrained site limits the potential reuse of this building. The site cannot support a fully utilized Building 26 and the planned NRMC without expanding further into the park.

-- While the Comparative Site Study required by Congress favored a Helix siting as best for the Navy, Secretary of the Navy, Edward Hidalgo subsequently chose Balboa Park.

-- The difficulties presented by local objection to a park siting are downplayed in the Comparative Site Study and in the DSEIS. To accomplish a Park siting, the Federal Government must condemn 39 acres of Balboa Park land against the wishes of the citizens of San Diego (who refused the Navy's request for this land in a general election ballot measure, September, 1979) and over the objections of the City Council who on December 16, 1980 voted 7-2 to urge Congress and the President to overturn the Navy's site choice of Balboa Park.

We are critical of this use of the Federal Powers of Eminent Domain when the Navy itself acknowledges that it has an alternative which meets all of its requirements. (DSEIS March 1981)

-- The DSEIS identifies four basic siting criteria

1. accessibility
2. acreage
3. cost
4. expediency

It reports that Florida Canyon meets these 4 criteria. It does not acknowledge that a Florida Canyon siting has major disadvantages in 3 of these 4 areas. We believe that a Florida Canyon siting does not meet three of these four criterion. The three criterion we challenge are acreage, cost and expediency. A detailed discussion follows:

Physical Limitations in Terms of Acreage

The Florida Canyon site is a difficult one for construction, constrained by earthquake fault lines and canyon topography. (Draft Navy Site Comparison Nov, 1980, p. 16) The SDEIS explanation of Navy land criterion begins on p. 2-18.

-- Their summary of space requirements (p. 2-24) indicates a 15 acre additional expansion capability for future facility modifications or additional expansion.
-- The 1980 Navy Site Comparison Draft comments that evolutionary expansion at Florida Canyon will be highly difficult. "Florida Canyon NRMC has limited potential to increase its capacity with present site and building configuration." (p. 16)

-- The SDEIS does not designate the 15 acres required for expansion. (p. 2-56) The discussion of the Helix site identifies the 15 acres there. (p. 2-50) Although 38 acres is identified at the Florida Canyon site for landscaping and recreation, one would have to question the suitability of this acreage for expansion purposes as its usefulness is limited by topography and earthquake faulting.

-- The importance of this 15 acre expansion potential is magnified by the recent GAO report which suggests that the military expand its services to care for retired beneficiaries. (p. 2-8) Considering this likely expansion of mission and reviewing the evolutionary expansion of the existing hospital from some 20 acres in 1919 to the current 77 acres, the continued placement within a highly utilized urban park has obvious difficulties.

-- Is the Navy counting on future expansion into the Park?

Costs of Acquiring and Preparing Alternative Sites for Development

The cost to the Navy of acquiring Florida Canyon has not yet been determined. The Navy has been directed to remain within stringent cost requirements. (p. 2-24)

-- Federal condemnation of this park land was required. This action was contested by the city and the cost of acquisition has not yet been determined. The city has challenged the Navy's offer of $3.7 million and has requested a jury trial for settlement.

-- Definitive current cost comparisons will soon be provided in the GAO study, but an historical review of projected construction costs demonstrates repeatedly that construction in the park is the most expensive alternative:

1. Difficult canyon topography requiring extensive earth moving.
2. Constraints of the site requiring extended length of construction time.
3. Limitations of the site requiring extensive structure parking.

-- The costs of access road modification do not appear in site discussions. These figures should be included. Plans in Florida Canyon require extensive alteration of the level of the road bed in addition to possible modification of a freeway interchange. Additional parklands will be required. At what cost?

-- What are the costs to the Navy of compensating the city for necessity of moving the nursery and maintenance yard?

-- What are the costs to the Navy of restoration for park use of 37 acres of currently Navy land if this is exchanged for Florida Canyon land?

Unreasonable Delay of NRMC Development

"Reasonable alternatives are those which allow NRMC development within a 48 month time frame." (p.2-25)

-- Possession of the Florida Canyon land is now limited to soils testing by the Court until June 1, 1981. The deadline has been repeatedly extended and continued extensions will be requested.

-- There is an environmental law suit challenging the Florida Canyon site selection. Comments by Judge Enright indicate that he is likely to protect the canyon from the irreparable damage of construction until litigation is completed. Litigants have stated their intent to continue suit through appeals process, should that be necessary. This could result in a 2-4 year delay in initiation of construction or a denial of the site.

Secretary of the Navy John Lehman was quoted as supporting Hidalgo's choice of Balboa Park's Florida Canyon as the preferred site for the NRMC in the April 3 San Diego Union. He was further described as saying, he saw nothing which would cause him to change the site choice.

Helix Heights is the site prefered by the City. It the only site which is consistant with local and federal siting objectives. A strong case can be made that a Helix siting would better meet the Navy's long term needs. There is clearly nothing to stop the Navy from constructing its facility at Helix except its will to do so.

We respectfully ask that Congress intervene in this conflict between the Navy and the citizens of San Diego.

-- We ask you to uphold the rights of local government to participate in local land use decisions.

-- We ask you to demonstrate the Federal government's sensitivity to the people's right to preserve parkland as our City Charter provides.

-- We ask you to demonstrate that the Federal government is not capricious in its use of condemnation powers.

We respectfully ask you to direct the Navy to construct its facility on the alternative site. Such direction from Congress would end this senseless conflict and delay and allow the construction of a facility which is needed and desired by both San Diego and the Navy!

Sincerely,

Patricia J. Richardson

Patricia J. Richardson
President
League of Women Voters - San Diego

PR/jh

Prepared by Jan Hintzman

STATEMENT OF MR. JACBSON

[The statement submitted by Community Energy Action Network follows:]



Community Energy Action Network
236-1684

April 4, 1981

RECEIVED
APR 08 1981
CONGRESSMAN GINN

Rep. Bo Ginn, Chairman,
House Appropriations Subcommittee on Military Construction
Washington, D.C.

Dear Rep. Ginn:

Please include this letter as testimony in the record on the matter of the Naval Regional Medical Center proposed for San Diego.

There is a great deal of opposition here to building the "world's largest medical facility" in the center of one of the nation's most unique and beautiful urban parks. Construction of this hospital in BALBOA PARK will absolutely destroy the integrity of the park. It will increase traffic congestion, and be an incredible disrution in the recreational uses of the land.

You must know that the City Council of San Diego and the County Board of Supervisors is on record as opposed to the siting of the project in Florida Canyon. The positive alternative resolution of the matter is the HELIX HEIGHTS site.

Federal imposition of this project in Balboa Park will be representative of incredible government insensitivity to local law and local self-determination. You must be aware that any use of park land for other than park uses is forbidden by the CITY CHARTER, unless authorized by a 2/3 vote of the majority of citizens of San Diego! There has been no such 2/3 majority vote on the matter. Thus, the federal government will be guilty of a severe violation of local law if it persists in siting the hospital in Florida Canyon.

You and your committee can quickly resolve the matter by taking a position in favor of the alternative site: Helix Heights. Please block continued appropriations for the project if it is to be in Balboa Park.

The hospital will face continued delays and opposition in the courts, and certain cost overruns if the Navy persits in its position. Already, substantial redesign of the project has been necessary due to the recent discovery of earthquake faults in the Florida Canyon area. This will mean an additional $15 Million in costs if placed in the park.

There have also been threats of civil disobedience to block the construction if it continues in the Park!

Why not speed the building of the hospital by choosing the Helix Heights site? There would be overwhelming support for the project in the community, and much less polarization between citizens and the Navy if the alternative site is picked.

Sincerely,

James Jacobson

James Jacobson, for Community Energy Action Network

PO Box 33686 San Diego, California 92103

The San Diego Union
Editorials
PAGE B-12 THURSDAY MORNING, MARCH 5, 1981

OUR READERS WRITE:

This line should read:
"...without a 2/3 majority
vote approvalby the citizens... "

(for some unknown reason the "2/3" was omitted out by the S.D. Union)

The Navy Hospital issue will be an interesting test of the Reagan Administration's professed philosophy of limited federal intervention in local affairs.

Any decision to build the hospital in Balboa Park without a majority vote approval by the citizens of San Diego is a blatant disregard for the "home-rule" attitude expressed by the President and the Republican Party.

Federal takeover of Florida Canyon for the hospital would be a gigantic land-grab and an abhorrent abuse of federal power at a time when the public and the party in power are in favor of less government control over local destinies.

If the President and the political party that preach respect for law and order pre-empt the local law of the City Charter protecting park land, how can there be any respect for them by the public?

JAMES JACOBSON
San Diego

STATEMENT OF MR. LAMB

Mr. GINN. We also have a statement concerning land acquisition at Naval Air Station China Lake, California, submitted by Mr. John W. Lamb in lieu of appearance before the Committee, which we will insert in the record.

[The prepared statement of Mr. Lamb follows:]

STATEMENT OF JOHN W. LAMB

Mr. Chairman and Members of the Committee: My name is John W. Lamb. I am a general partner in three Ridgecrest, California firms: El Dorado East which handles home sales, Valley View Air Park which sells homes with access to runways for private aircraft, and HLM Water Company.

Public Law 96-436, approved October 13, 1980, approved $3,650,000 for land acquisition at Naval Weapons Station China Lake, California. The Committee of Conference, however, specified that the Navy report to the Committees on further efforts to provide additional and more equitable land exchanges prior to obligating these funds. Six months have passed since then, and the Navy still has no plan or schedule on how or when they plan to proceed. When this information was requested under the Freedom of Information Act, the Navy indicated it could not be released. Yet, obviously, if an exchange is to take place, all information available—survey, engineering, zoning, utilities status, etc.—will have to be provided to prospective landowners.

The appraiser informed the owners that he was directed to appraise only land and homes involved; his contract did not extend to appraising business interests. For example, water pipes leading to prospective home sites were given no consideration. I estimate that the business interests of my three companies alone exceed $10 million.

Informal pressures exerted on the county of San Bernardino by Navy representatives to delay zone changes and consistency findings on land outside the Navy corridor places a developer in the position of developing and selling lots with homes inside the area desired by the Navy. To maintain cash flow, the developer must build homes on vacant lots, thus increasing the value of the property from $20,000 for a vacant lot to over $100,000 for that same lot with a home built upon it. Further, the developer must bear the expense of challenging the Navy's right to acquire the property.

I believe the Navy is using delaying tactics and not observing the spirit of the directive given them to explore land exchanges. I also believe the Navy has misrepresented the total value of the land to be acquired by not considering the associated business interests.

I would urge the Committee to insist that the Navy establish a time frame for completion of its acquisition study plan and to share the result of that plan with the landowners affected so directly.

WEDNESDAY, APRIL 8, 1981.

FORT CARSON, COLORADO—LAND ACQUISITION

WITNESSES

HON. KEN KRAMER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO
HON. ROBERT ISAAC, MAYOR, COLORADO SPRINGS, COLORADO
HAROLD KNOTT, REPRESENTING THE GOVERNOR OF COLORADO
TOM COLLIER, EL PASO COUNTY, COLO., COMMISSIONER
LEW CHRISTENSEN, PRESIDENT, COLORADO SPRINGS, COLO., CHAMBER OF COMMERCE
BERNARD PARSONS, LAS ANIMAS COUNTY, COLO., COMMISSIONER
TED C. RYAN, TRINIDAD, COLO., CITY MANAGER
GEORGE HADAD, TRINIDAD-LAS ANIMAS, COLO., CHAMBER OF COMMERCE
JERRY LINDBERG, CHAIRMAN, MILITARY AFFAIRS COMMITTEE, PUEBLO, COLO., CHAMBER OF COMMERCE
GEORGE WILSON, REPRESENTING PINON CANYON, COLO., LANDOWNERS
EDWARD J. ESSAY, JR., ATTORNEY AT LAW, REPRESENTING PINON CANYON LANDOWNERS,
WILLARD C. LOUDEN, REPRESENTING PINON CANYON, COLO., COALITION

Mr. GINN. We are delighted to have with us at this time one of our distinguished colleagues from Colorado, Ken Kramer.

Ken, we are delighted to have you here and we will be delighted to hear from you at this time.

STATEMENT OF HON. KEN KRAMER

Mr. KRAMER. Thank you, Mr. Chairman.

I want to express my deep appreciation to you and to the other members of the committee and Mr. Burgener, for allowing me and others from Colorado to share with you and the subcommittee some views that we have regarding the proposed expansion of Fort Carson in southeastern Colorado. I have a prepared statement that is somewhat longer. After I look at my statement—I probably should have had a short statement but I don't—I would ask permission to submit the long statement for the record.

Mr. GINN. Without objection, it will be done.

Mr. KRAMER. I will try to summarize the statement as quickly as possible. I know the issue is controversial and we have some testimony today that will be going both ways. I want to at least be able to share with you, for your own analysis, some of my own reactions and why I have taken the position I have.

What this involves is a proposal to acquire an additional almost a quarter of a million acres to meet training requirements for the 4th infantry division. Considering the size of the parcel which the Army proposes to acquire, frankly, I truly believe that the extent of the controversy has been less than really might be expected.

I would make one summary observation of the reaction of those most immediately affected by the acquisition and that is the landholders whom you will be hearing from today if you have not

already, who are presently up in the House Armed Services counterpart to our committee, that of all landowners we have identified, which is 42, only one resident landowner has been identified as being in opposition to the acquisition. The vast majority are supportive, have signed a petition to that effect, and you will have the opportunity to peruse that, I am sure.

While substantial long lasting opposition could jeopardize the mission for which the land is being sought, I think paramount consideration really has to be meeting our national defense requirements in the most effective manner possible. As a member of the Procurement Subcommittee I have seen heavy emphasis placed on equipment, hardware, spares, replacements, and so forth, all the things obviously the procurement process is involved with, but it is obvious that equipment will be useless if we have troops who are not properly trained in the use of that equipment when they are put on the battlefield.

Really, manpower is probably the most critical, and properly trained manpower is the most critical of all issues in meeting readiness capability. As technology has enhanced weapon systems, it has also affected training requirements. Technological changes have substantially increased the size of the modern battlefield and the complexity of command.

We had a battalion commander, who is incidentally, also a Rhodes Scholar, testifying this morning on this issue and in his words—of course, he is much more knowledgeable than I am—I am paraphrasing—what we are really dealing with today is not the situation where tanks are really lined up in parallel formation, but the idea is to be out of sight, because if you can see the tank you can kill it, and so we find some of these battalion configurations spread over a front as wide as ten miles.

So we don't have the same kind of tactics today with the increased accuracy of weapons and some of the lessons we learned out of the Arab-Israeli 1973 War, that most people envision when they think of armored warfare.

I have gained as a member of the Armed Services Committee a greater awareness of the need to improve our readiness posture, particularly in the light of growing Soviet adventuresomeness around the world and our troubled combat readiness throughout the Services.

I will call to your attention the divison we are talking about will be one of the first units, if not the first, to be sent to a trouble spot in Europe or the Middle East if something develops over there requiring that eventuality.

General Guy Malloy, the Army's Chief witness in support of the acquisition request at the sbucommittee meeting several weeks ago testified that this 4th Division is only marginally ready for combat. Without additional room for training the situation will not improve and quite frankly, what we are talking about here is a loss of American lives and possibly even more if we don't do something to bring this training capability up to where it needs to be.

We really only have to think about what happened in Iran to understand the impact of not training under conditions which closely approximate the actual battlefield.

Mr. GINN. Might I interrupt you for a moment. How long has the 4th Division been stationed at Carson?

Mr. KRAMER. It has been about 20 years for that division. It goes back to 1942. I have not heard anyone question the Army's need for an additional training area, but I emphasize this issue in order to assure our attention is not divided by other considerations.

Concern has been raised about the size of the parcel of land sought by the Army, the impact it would have on the local tax base, the cattle and agricultural base in the area and employment. The Army has addressed these concerns in my judgment, in a forthright manner. It anticipates any economic loss would be more than offset by additional economic activity generated by the new use of the land. In fact, currently, the annual operating budget will be estimated to be around $5½ to $6 million.

The initial construction, depending upon how much of a job you want to do would range from $38 million to $61 million, which would be a tremendous shot in the arm economically for an area reasonably depressed and losing population.

In fact, public officials from the area, from whom you will have the opportunity to hear, have indicated very, very clear support for this acquisition. Local chambers of commerce from the Trinidad area, which is closest to the expansion point, those from Pueblo and Colorado Springs, have backed the proposal.

Some have said the intensive use of the land will create another dust bowl. There was one in that area during the depression of significant magnitude. Others are concerned about air quality, about the availability of water and water quality, both on site and downstream. They have raised concerns about salinity in the Arkansas River which would be the area and the river in which the local streams and tributaries would drain into.

In my judgment, the Army has addressed these things completely and well and has done an extensive environmental impact analysis. I believe, quite frankly, the land use plan they have come up with, which simply put, is a division of the parcel into five pieces, three to be utilized in any one period and two to be at rest, with a total impact—and I think this is real important—the total impact, considering the Army will not be training continuously during the year, that in terms of drought and in terms of revegetation, in terms of wildlife, contemplating seasons and such things, there will not be the ongoing training on a year around basis in a five year cycle there will only be training on any particular parcel of land for a maximum of 15 months. That would be the maximum use of the land in the five year period, through rotating the parcels, three years on and two at rest.

I think we have seen a lot of arguments raised against this proposal by a relatively small number of people. Arguments have been made that the Army is seeking more land than it really needs and, quite frankly, that is true, if we weren't to consider the environmental impact. However, considering it, the necessity to mitigate in a soil area like this, a quarter of a million acres is necessary in order to be environmentally correct and to be as environmentally sound as we possibly can be in utilizing this fragile terrain.

I think to deny the use of this land to troops from Fort Carson quite frankly endangers their life and also our national security. I think it is important to point out that the Army has identified this as a priority item. This is not really, as we see so often—no disrespect intended, but this is not some cockeyed proposal that some middle level bureaucrat in the Pentagon has dreamed up. This has been put at the top of the Army's acquisition priorities and, it is in fact the number one acquisition priority for the Army for this year and for good reason, because of the national security complications.

The Army has really exhaustively surveyed other potential possibilities. I have stated this before, and I will state it again, that I am not locked in on Pinon Canyon. Quite frankly, I have no particular axe to grind for this. What I am most concerned about is training capability. I for one—the Mayor, of course, speaks from a little different perspective—but I am not concerned about economic impact on Colorado Springs. We already have troops in Colorado Springs and that area. Quite frankly, this doesn't mean more jobs or money for Colorado Springs. It simply means training capability.

Some have said that the brigade might be lost, and that is true, if for example, the Army didn't get the training capability they needed at some point in the future, they might take the brigade out of Colorado Springs. We would not like to see that. Primarily, I speak from a national security perspective because I would not like to see a division that has to be deployed as a unit broken up and housed at different places.

The economy of Colorado Springs would in fact be impaired if the brigade were to be withdrawn from there, but, quite frankly, I don't think the impairment would be that significant. I think we would find a ripple for a couple of months. I am not coming in here for parochial considerations simply about an economic need of Colorado Springs.

The Army looked at 22 sites in and outside of the State of Colorado before they limited it to two and then ultimately chose the one which is the subject of this discussion today.

If another alternative can be effectively utilized in the same time frame without slowing down the capability of training these troops as necessary to face battle, I would certainly look at it with an open mind, but my own judgment is, from what I have seen so far, that no one has been able to come forward with any other alternative.

We have had alternatives proposed in southern Colorado where the land was inadequate, there was less vegetation, it was flat, it didn't meet the rolling terrain necessary to practice these kinds of procedures at a maximum, things like the battalion delay and so forth, which would be so necessary for Western Europe.

We have had proposals to look at Fort Bliss. In fact, some members have indeed done that. But, since they are overutilized in the capacity there, and we are looking at a three day march instead of a one day which was one of the Army criteria in finding a site. We would spend more in travel every year—it is estimated to be $12 to $14 million, than we ever ultimately spend in any reasonable life cycle in Pinon Canyon.

At the same time, we have to find a place for these troops to camp somewhere along the highway to Fort Bliss for several days. If there are any alternatives, great, let's look at them, but I believe an exhaustive survey has already been made and we would simply be inventing the wheel if we get bogged down.

I believe the Army has presented a convincing need for this training area to prepare our forces to fight on a contemporary battlefield. I believe the Army has come before the subcommittee with a proposal carefully and thoroughly analyzed, which has been culled from a survey of alternatives, and which represents a careful balance of military requirements and environmental considerations.

Yes, there will be some environmental degradation as a result of this training, but quite frankly, from the testimony we heard this morning, any use of the land by man, including agricultural production and livestock production, for which the land is presently used, will in the judgment of environmental experts wind up with a net environmental degradation of about the same degree and impact. We are not in effect going to be doing anything to this land that in essence isn't already being done right now.

I urge your favorable review of this proposal and hope that we will be able to proceed with the Army's plans to obtain its number one acquisition priority. It means ultimately on the bottom line a better capability to protect all of us, should troubles erupt in Western Europe.

Thank you for listening to my somewhat lengthy remarks.

Mr. GINN. We appreciate your being here.

[The information follows:]

STATEMENT BY HON. KEN KRAMER

Mr. Chairman and members, first, I wish to express my deep appreciation to the Chairman, Mr. Ginn, for allowing me and others from Colorado to share with the subcommittee our views of the proposed expansion of Fort Carson in Southeastern Colorado. Because the Army proposes to acquire an additional 244,000 acres of land to meet its training requirements for the 4th Infantry Division, this expansion has been the subject of some controversy in the State. However, considering the size of the parcel of land which the Army proposes to acquire, frankly the extent of controversy has been less than might be expected. I would just make one summary observation on the reaction of those most immediately affected by the acquisition—the landowners whose land is sought to be acquired by the Army—and that is that of the 42 landowners, only one resident landowner has been identified as opposed to the acquisition. We are fortunate to have here today some of the landowners who will be affected by the acquisition.

While the subcommittee needs to be mindful of the reaction of local residents to such an acquisition proposal as this, inasmuch as substantial and long-lasting opposition could jeopardize the mission for which the land is being sought, the paramount consideration should be meeting our national defense requirements in the most effective manner possible. As a Member of the Procurement Subcommittee, I have seen a heavy emphasis put on hardware, advanced equipment, and on spares and replacement parts. But that equipment will be useless to us if we do not have troops properly trained in the use of that equipment on the battlefield—that is the issue which lies at the heart of this acquisition proposal.

General Meyer underscored the importance of this factor in testimony before the Procurement Subcommittee recently when he addressed the need to produce improvements in our readiness posture and identified as the first priority an increased focus on training.

It is important to understand that as technology has enhanced weapons systems, it has also forced changes in military strategy and tactics, and hence in training requirements. Notably, the range of tanks has increased from about 1000 meters in World War II to 3000 meters today; the range of antitank weapons has increased from about 500 meters in World War II to 3000 meters today. In addition, weapon

mobility has significantly increased, so that the Army has changed from a preponderantly foot mobile force in World War II to a force which is either air mobile or mechanized today.

As a result of these changes, the modern battlefield has become substantially larger, and it is essential that realistic training opportunities be provided to prepare our forces for the kinds of conditions which they will face in the event of hostilities.

As a Member of the Armed Services Committee, I have gained a greater awarenss of the need to improve our readiness posture, particularly in light of growing Soviet adventurism around the world and our troubling combat readiness ratings throughout the services. This problem was brought home before the Military Installations and Facilities Subcommittee last week with respect to the Fort Carson land acquisition proposal. The 4th Infantry Division is one of the first units which would be sent to a trouble spot in Europe or the Middle East, and yet, as General Meloy testified, it is only marginally ready for combat. He added that unless the training area requested is approved, that situation won't improve and we can expect to lose more troops in combat. To illustrate his point, General Meloy described the need for the land in simple, but graphic terms: "American lives are lost, not by the intensity of the battle, but by poor management. Our commanders can't get management experience their first time on the battlefield."

We have only to recall the tragic rescue attempt in Iran to understand the impact of a lack of coordinated training under conditions which closely approximate actual battlefield conditions.

Frankly, I have not heard anyone question the Army's need for expanded training area. But I emphasize the importance of this issue in order to assure that our attention is not diverted by other peripheral considerations. Concerns have been raised about the size of the parcel of land sought by the Army and the impact such an acquisition would have on the local tax base, cattle and agricultural production, local employment and the local economy. The Army has addressed these concerns in a forthright manner, acknowledging that there will be some loss of cattle production but agreeing to institute an experimental cattle grazing program to determine if grazing on the unused parcels of land is compatible with the training and land use management policies. While loss of this economic activity will have an impact on jobs and the local economy, the Army anticipates that any economic loss will be offset by additional economic activity generated by the new use of the land, including construction, service, and maintenance contracts. While the Army cannot guarantee specific contract awards at this time, it is estimated that about 84 percent of contracts could be awarded locally, and the net economic impact of the acquisition could well be positive. I think it is significant in this respect that the local Chambers of Commerce, from Trinidad-Las Animas, Pueblo, and Colorado Springs, have all endorsed the acquisition proposal.

One other specific concern, the impact of the acquisition on the Hoehne School District, has also been addressed by the Army. Removal of this land from local tax rolls would have a seriously negative impact on the ability of the school district to pay off a recent bond issue, and the Army has included in this request sufficient funds to pay a prorated share based on the land area which the Army would acquire from the district.

Some have expressed fears that the intensive use of the land will result in another dustbowl, such as that experienced in the area during the great depression. Others are concerned about the effect of training on air quality and about the availability and quality of water on the site and downstream. The Army has addressed these and other concerns in an extensive environmental impact analysis. That process has involved literally hundreds of presentations before individuals and groups throughout the area on the Army's proposal and a regular information distribution list of more than 1500 individuals and organizations. In addition, four public scoping meetings were held in the vicinity prior to the filing of the Draft Environmental Impact Statement and five more public hearings were held following the release of that document. The Final Environmental Impact Statement reflects the comments which were received on the DEIS and makes further response to various concerns.

From my own review of the EIS and the Army's proposal, I believe that the Army has responsibly addressed the concerns expressed and has designed a land use plan which represents responsible managment of a land area which is relatively fragile due to sparse vegetation and semi-arid conditions. In brief, the Army proposes to acquire roughly three times the area required for actual training maneuvers in order to assure protection of the land and natural resources. Under the land use plan, the site would be divided into five separate sections, which would be put on a rotational use schedule so that each parcel would be rested for two years out of five. This period would allow for revegetation. In addition, the Army proposes to defer

training during peak growing and reproductive seasons and during periods of drought or excessive moisture to further protect the land, vegetation and wildlife. Thus, the land would actually be used for training purposes only about 15 months out of a five-year period.

The Army has also proposed a number of other mitigation measures to protect against environmental degradation, including providing soil and wildlife protection areas; constructing water diversions and erosion control dams and sediment interception structures; protecting soil against wind erosion. In addition, the Army will conduct monitoring of air and water quality and sound levels and will develop further mitigation measures if the monitoring indicates that such are required. A Land Use Technical Advisory Committee will also be established, made up of local and agency representatives with and interest in the land use and management portion of the environmental program.

In short, Mr. Chairman, I believe the Army has addressed the concerns which have been expressed about the impact of this land use on the environment, and has developed a responsible land management plan which offers protective measures to guard against destruction of the land and environment. Frankly, I find somewhat confusing the arguments of those who suggest that the Army is seeking more land than it requires and then chide the Army for its apparent intent to denude the land. The best way to guarantee the worst of all situations—further degradation of the land area at Fort Carson which is now suffering from overuse and an inability to engage in effective land use management for environmental protection, and improperly trained troops—is to deny the Army the land area which they have identified as necessary to adequately train their troops while meeting the objectives of preserving the natural environment without irreparable damage.

The Army has identified the Pinon Canyon parcel in Colorado as best suited to its needs after an exhaustive survey of federal, state, and private lands within the State and in nearby states. In addition, the Army examined other alternatives beyond securing additional training area. None of these alternatives proved to adequately meet the critical need for improved training. Recently, some additional alternatives have been suggested, such as transporting the troops to Fort Irwin or Fort Hood, or Fort Bliss. In the case of Fort Irwin, as the National Training Center, this site is, as General Meloy described it, the "post-graduate course" for Army training exercises. As such, it cannot be used as frequently by divisions such as the 4th Infantry (Mechanized) as is required for adequate training; and, it would be much more costly to transport the troops over that distance than to the nearby Pinon site. The latter argument applies as well to the suggested alternatives of Fort Hood and Fort Bliss.

Mr. Chairman, if another alternative can be effectively used by the Army to achieve the intended goal of adequately preparing our troops to face battle, I would certainly review it with an open mind. I think it is important that in this period of budget cutting, when everyone is especially mindful of the need to economize, that the services, and we in the Congress, examine our defense requirements with an eye to achieving our objectives as efficiently and economically as possible. If troops can be trained outside of Colorado as effectively as they could be trained at the preferred site, and without sacrificing short defense dollars, then we should explore such an alternative. However, at a time when we are critically short of equipment, spares, qualified personnel, and training area, it does not make sense to me to use dollars which could be buying defense systems to save our fighting forces' lives to buy gas to get our infantry division to a training area two or three days travel time from their post. Nor does it make sense to me to spend those scarce dollars to transfer the division or exchange it with another mission, unless it can be shown that this would be a cost effective alternative.

In conclusion, Mr. Chairman, I believe that the Army has presented a convincing case for the need for this training area to prepare our forces to fight on the contemporary battlefield. And, I believe that the Army has come before this subcommittee with a proposal which has been carefully and thoroughly analyzed, which has been culled from an exhaustive survey of alternatives, and which represents a careful balance between military requirements and environmental and economic considerations. Therefore, I urge my colleagues' favorable review of this proposal and approval of appropriations for the Army to proceed with its plans to acquire additional training area for the 4th Infantry Division (Mechanized).

Mr. GINN. Next we will hear from the distinguished Mayor of Colorado Springs, the Honorable Robert Isaac.

Mr. Mayor, we are glad to have you with us.

STATEMENT OF ROBERT M. ISAAC

Mr. ISAAC. My name is Robert M. Isaac, Mayor and lifelong resident of Colorado Springs. I appear before you today in support of the Department of the Army recommendations for resolving the serious shortfall of maneuver land at Fort Carson. My comments won't be as long as those that have been submitted.

Mr. GINN. Your complete statement will appear in the record.

Mr. ISAAC. Mine will be a limited perspective because I wouldn't want to speak in areas involving the environment in a different part of the state or the problems or concerns that are in many cases very legitimate on the part of others in southern Colorado. I speak only from the Colorado Springs perspective.

I want to mention just briefly the decision process and then I will comment on military-community relations and some of the alternatives to expansion.

We have been with this process for quite sometime. The expansion of Fort Carson to the contiguous area was proposed in 1973 and abandoned in 1975. We have had the debate in southern Colorado for a long time. Eventually, the acquisition was considered and the extensive process you have heard about ensued and during that entire process, both the Department of the Army and the Colorado citizens raised a multitude of issues, and I am convinced they have been addressed by the Army. Not, of course, to everyone's satisfaction.

The issue is complicated. This was a challenge to the Army to maintain this community. I have to have it in the record, in my opinion—and I have observed the process in the way the Army went through and took the input in answer to questions—and I think they have performed in a professional way, they are dedicated to the public interest and they have made very reasonable effort to be responsive to public comments. I believe they have reached conclusions that carefully balance the social, economic, and environmental impacts with the need to perform their mission.

Colorado Springs has a strong military tradition, with significant support in each of these cases. There was strong support from leadership in the community and from the citizens.

Fort Carson was established in 1942, followed by Peterson Air Force Base, the United States Air Force Academy, the North American Air Defense Command, and the most recent announcement—we hope it sticks—of the selection of Colorado Springs as the site for the Consolidated Space Operations Center.

We are proud of that tradition. We have developed a tremendous relationship with the military. It is also a pleasure for us to be able to support the men and women stationed in Colorado Springs. I know that this may not seem like a very major item, but Colorado Springs is a favored location for assignment. When you are trying to maintain an All Volunteer Army it would seem to be counterproductive to reduce the number of troops in an area which is favored for assignment. I just threw that in as an aside, but it seems to me we do have an environment that is attractive to the men and women in the Services.

I talked about alternatives to expansion. As you know, we have a mechanized division training at Fort Carson. That installation and that unit play an important role in maintaining our national de-

fense. They must be able to operate anywhere in the world with modern technology and be able to respond quickly as part of the Rapid Deployment Force or otherwise. Their ability to perform is directly related to the quality of training the units receive, and maneuvering under unrealistic conditions, even.

Not being military experts, we have to accept that statement that maneuvering under less than ideal conditions will not provide quality training. That is our first goal. It is not an economic goal for the people in the city of Colorado Springs.

Last year, when they assessed the impact on the continued operations of EIS, they considered three viable alternatives. One was to expand according to the master plan; one was to maintain the status quo; and one was to reduce the forces by one brigade. There were a couple of others not considered viable.

The first appears to be the only responsible thing, to expand to meet the technology and requirements for proper training today.

The second one—maintaining the status quo—would just keep a reduced level of training and the inability to train battalion sized units.

Reducing the forces by one brigade would be an unacceptable alternative because it would limit division coordination. There would have to be some relocation and, of course, there would be an impact, as Representative Kramer indicated, on our economy. It would not be the major issue, but I am certain it would certainly be a problem.

The alternatives to expansion would not reduce the intensity of training maneuvers and adverse environmental impacts on existing training lands. The expansion, on the other hand, will reduce the duration and intensity of maneuver land use. Expansion will permit implementation of an environmental setaside system, which includes a three month growing season deferment and the ability to defer use during wet periods.

I think this is an excellent approach and protects not only existing land but also the expansion land.

I think we all understand and I don't have to go any further on the question of combat preparedness, so in conclusion, I would say my motion is supported by the Council of the City of Colorado Springs through unanimous resolution. Public opinion is divided when these significant decisions have to be made, as you well know, but I am convinced that the vast majority of the citizens of Colorado Springs feel that Fort Carson is a responsible neighbor, a valuable asset to our economy, and has been for years—and they are supportive of expansion.

They understand the problems in the other parts of the state and they know that we do reap an economic benefit that some do not in some other parts of the state that may take some burden.

It is within your power and within the power of others acting in Congress to partially fulfill an obligation to the soldier by giving the soldier the best possible chance for survival, and we can do this by supporting these training requirements with the acquisition of this land. In supporting the soldier I have to say, maybe somewhat selfishly, we also support the economy of the State of Colorado and the community I represent.

I would ask for a favorable decision. I do thank you for your time.

Mr. GINN. Thank you, Mr. Mayor. I see how you got elected.

You understand that this matter has not yet been authorized and it must go through that procedure before it gets to us.

In the interim, Mayor, since we will not be able to have you here in this subcommittee until June or July, and while I strongly think sometimes we study things to death, I have asked—or we are in the process of asking the Survey and Investigative Staff of the Appropriations Committee to take another quick look at this, to check out some of the statements that have been made pro or con, to give us the best possible information, in order to make the best possible judgment provided, of course, it is authorized.

In the meantime, I want to thank you for your very candid statement. You have been very candid with us, you have leveled with us so to speak, and that is what we seek and we are delighted to have you appear before us.

Mr. Burgener, have you any questions or comments?

Mr. BURGENER. I have no questions.

I am overwhelmed by the size of the witness list for a project that isn't authorized.

Mr. GINN. By the way, Mr. Mayor, I have never had the opportunity to visit your great state. It suddenly dawned on me what all it is you have to see out there. We may get out there to visit with you sometime in your great state and great city.

[The information follows:]

TESTIMONY TO HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

APRIL 8, 1981

MR. CHAIRMAN, MEMBERS...MY NAME IS ROBERT M. ISAAC, MAYOR AND LIFELONG RESIDENT OF COLORADO SPRINGS. I APPEAR BEFORE YOU TODAY IN SUPPORT OF THE DEPARTMENT OF THE ARMY RECOMMENDATIONS FOR RESOLVING THE SERIOUS SHORTFALL OF MANEUVER LAND AT FORT CARSON.

MY REMARKS ADDRESS THREE SUBJECTS: FIRST, I SHALL COMMENT ON THE DECISION PROCESS WHICH LED TO THE DEPARTMENT OF THE ARMY RECOMMENDATION; SECONDLY, I SHALL REVIEW MILITARY-COMMUNITY RELATIONS IN COLORADO SPRINGS; AND FINALLY, I SHALL COMMENT BRIEFLY ON THE ALTERNATIVES TO EXPANSION.

DECISION PROCESS: EXPANSION OF FORT CARSON TO A CONTIGUOUS AREA WAS PROPOSED IN 1973 AND ABANDONED IN 1975. SINCE THAT TIME, ADVANCES IN TRAINING TECHNIQUES AND EQUIPMENT BROUGHT ABOUT AN EVEN GREATER LAND REQUIREMENT. ADJACENT LANDS COULD NOT MEET THE TRAINING NEEDS OF THE MECHANIZED DIVISION OF FORT CARSON. THEREFORE, A STUDY WAS INITIATED FOR A REMOTE TRAINING SITE WHICH RESULTED IN THE LAND NEEDS STUDY IN THE MID-70'S, THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (EIS), THE CONTINUING OPERATIONS EIS AND, MOST RECENTLY, THE FINAL EIS WHICH RECOMMENDS THE PINON CANYON SITE AS THE PREFERRED ALTERNATIVE FOR EXPANSION. DURING THIS LENGTHY PROCESS THE DEPARTMENT OF THE ARMY

AND COLORADO CITIZENS ALIKE HAVE RAISED A MULTITUDE OF ISSUES, ALL OF WHICH HAVE BEEN ADDRESSED BY THE ARMY.

AS AN ELECTED OFFICIAL WITH MILITARY EDUCATION AND SERVICE, AND AS A PRACTICING ATTORNEY AND FORMER MUNICIPAL JUDGE, I HAVE BEEN EXPOSED TO MANY FORMS OF DECISION MAKING. ONE OF THE GREATEST FRUSTRATIONS IS TO ARGUE AN ISSUE, AND TO HAVE NO ONE LISTEN BECAUSE THE DECISION HAS BEEN MADE OR PRE-JUDGED.

WHEN THE ISSUE IS AS COMPLICATED AND LENGTHY AS THE PROPOSED FORT CARSON EXPANSION, THE CHALLENGE OF MAINTAINING MEANINGFUL COMMUNICATION IS DIFFICULT, AT BEST. I HAVE OBSERVED AND PARTICIPATED IN THIS PROCESS AND WANT TO ASSURE YOU THAT THE PROJECT HAS BEEN PURSUED IN AN OPEN AND HONEST MANNER FROM ITS INCEPTION.

I AM IMPRESSED WITH THE PROFESSIONALISM AND DEDICATION TO THE PUBLIC INTEREST THAT HAS BEEN DEMONSTRATED BY THE PERSONNEL AT FORT CARSON. THEY HAVE MADE EVERY REASONABLE EFFORT TO BE RESPONSIVE TO PUBLIC COMMENTS AND, IN MY JUDGMENT, HAVE REACHED CONCLUSIONS THAT CAREFULLY BALANCE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS WITH THE NEED TO PERFORM THEIR MILITARY MISSION.

THIS BALANCE COULD NOT HAVE BEEN REACHED WITHOUT RESPONSE FROM AN INFORMED PUBLIC. THE NEWS MEDIA GAVE INTENSIVE COVERAGE DURING ALL PHASES OF THE DECISION PROCESS AND REPORTED ON THE ISSUES IN A RESPONSIBLE MANNER. DOCUMENTATION SUBMITTED FOR THIS SUBCOMMITTEE IS CLEAR EVIDENCE OF THE INTENSE SCRUTINY THE PROPOSED ACQUISITION HAS RECEIVED AND THE RESPONSE TO ISSUES RAISED.

COMMUNITY RELATIONS: COLORADO SPRINGS MAINTAINS A STRONG MILITARY TRADITION. THAT TRADITION BEGAN WITH THE EXPLORATION OF OUR AREA BY ZEBULON PIKE IN 1806 AND THE FOUNDING OF THE CITY OF COLORADO SPRINGS IN 1871 BY MAJOR GENERAL OF THE CIVIL WAR WILLIAM J. PALMER. WITH SIGNIFICANT SUPPORT FROM LOCAL LEADERS AND CITIZENS, FORT CARSON WAS ESTABLISHED IN 1942 AND WAS FOLLOWED BY PETERSON AIR FORCE BASE (STRATEGIC AIR COMMAND), THE UNITED STATES AIR FORCE ACADEMY AND THE NORTH AMERICAN AIR DEFENSE COMMAND. LAST MONTH, THE SECRETARY OF THE AIR FORCE ANNOUNCED THE SELECTION OF COLORADO SPRINGS AS THE LOCATION FOR THE CONSOLIDATED SPACE OPERATIONS CENTER.

WE IN COLORADO SPRINGS ARE PROUD OF OUR MILITARY TRADITION AND THE RELATIONSHIP THAT HAS DEVELOPED WITH OUR MILITARY COMMUNITY. I AM PLEASED WITH THE SUPPORT WE ARE ABLE TO OFFER THE MEN AND WOMEN STATIONED IN COLORADO SPRINGS FOR I BELIEVE IT IS IMPORTANT TO THE STRENGTH OF OUR NATIONAL DEFENSE.

AT A TIME WHEN CONGRESS AND THE DEPARTMENT OF DEFENSE ARE ATTEMPTING TO MAINTAIN AN EFFECTIVE ALL-VOLUNTEER ARMY, WE SHOULD FEEL COMPELLED, MORE THAN EVER, TO PROVIDE A DESIRABLE WORKING AND LIVING ENVIRONMENT FOR OUR SOLDIERS. COLORADO SPRINGS HAS ALWAYS BEEN A PREFERRED ASSIGNMENT FOR OUR MILITARY PERSONNEL. THIS FACT IS CONFIRMED BY LETTERS AND CONVERSATIONS LOCALLY AND WHEREVER I TRAVEL. FURTHER, THIS FACT SHOULD HAVE A SIGNIFICANT BEARING ON YOUR DECISION CONCERNING EXPANSION. ANY ALTERNATIVE TO EXPANSION WILL DIMINISH THE AVAILABILITY OF A PREFERRED AREA OF ASSIGNMENT FOR OUR MILITARY SOLDIERS.

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ALTERNATIVES TO EXPANSION: THE 4TH INFANTRY DIVISION AT FORT CARSON IS THE LARGEST MECHANIZED INFANTRY DIVISION STATIONED IN THE UNITED STATES. THE INSTALLATION, THEREFORE, PLAYS AN IMPORTANT ROLE IN THE NATION'S DEFENSE OBJECTIVE OF MAINTAINING AND TRAINING COMBAT-READY TROOPS. IDEAL WEATHER AND TERRAIN CONDITIONS AFFORD YEAR-ROUND TRAINING WHICH ENHANCES THE DIVISION'S MILITARY PREPAREDNESS AND ITS ABILITY TO RESPOND QUICKLY IN THE EVENT OF A NATIONAL EMERGENCY. THIS IS ESPECIALLY IMPORTANT WHEN CONSIDERING THE SPONTANEOUS NATURE OF INTERNATIONAL CONFLICT.

THE ABILITY OF THE 4TH DIVISION TO PERFORM IS DIRECTLY RELATED TO THE QUALITY OF TRAINING ITS UNITS RECEIVE. MANEUVERING UNDER UNREALISTIC CONDITIONS DOES NOT PROVIDE QUALITY TRAINING. IT IS IMPORTANT TO RECOGNIZE THAT MANEUVER TRAINING IS ACCOMPLISHED WITH BATTALION-SIZED UNITS. THE TEAMWORK THAT MUST BE DEVELOPED REQUIRES A SPECIFIED LAND AREA. THUS, THE ALTERNATIVES TO EXPANSION DO NOT ALLEVIATE THE BASIC NEED FOR ADDITIONAL TRAINING LAND.

LAST YEAR, IN ASSESSING THE IMPACT OF CONTINUED OPERATION AT FORT CARSON, I WAS ADVISED THAT THE ARMY CONSIDERED THREE VIABLE ALTERNATIVES: 1) EXPANSION IN ACCORDANCE WITH THE MASTER PLAN; 2) MAINTAIN THE STATUS QUO, AND 3) DIMINISHING THE FORCES AT FORT CARSON BY ONE BRIGADE IN THE EVENT EXPANSION WAS NOT PERMITTED. THE FIRST OF THE ALTERNATIVES WOULD APPEAR TO BE THE ONLY RESPONSIBLE ONE. MAINTAINING THE STATUS QUO WOULD REDUCE THE LEVEL OF TRAINING. REDUCING THE FORCES BY ONE BRIGADE WOULD LIMIT COORDINATED DIVISION ACTIVITY, REQUIRE RELOCATION AND ALTERNATE FACILITIES, AND INFLICT A SERIOUS ADVERSE IMPACT ON THE LOCAL ECONOMY.

THE ALTERNATIVES TO EXPANSION WOULD NOT REDUCE THE INTENSITY OF TRAINING MANEUVERS AND ADVERSE ENVIRONMENTAL IMPACTS ON EXISTING TRAINING LANDS. EXPANSION, ON THE OTHER HAND, WILL REDUCE THE DURATION AND INTENSITY OF MANEUVER LAND USE. EXPANSION WILL PERMIT IMPLEMENTATION OF AN ENVIRONMENTAL SET-ASIDE SYSTEM WHICH INCLUDES A THREE-MONTH GROWING SEASON DEFERMENT AND THE ABILITY TO DEFER USE DURING WET PERIODS.

THIS ADVANTAGE TO EXPANSION IS SIGNIFICANT ENVIRONMENTALLY AND SPEAKS WELL FOR THE EFFORTS OF FORT CARSON TO MITIGATE ADVERSE ENVIRONMENTAL IMPACTS.

CONCLUSIONS: AS ELECTED OFFICIALS, YOU AND I ARE RESPONSIBLE FOR RECEIVING ALL THE FACTS, ASSESSING PUBLIC OPINION REGARDING KEY ISSUES AND MAKING DECISIONS THAT ARE IN THE LONG-RANGE INTEREST OF OUR CONSTITUENTS.

WE HAVE THE FACTS. WE KNOW THERE ARE UNAVOIDABLE IMPACTS FPOM MAINTAINING AN ACTIVE MILITARY INSTALLATION AND PROVIDING ACREAGE FOR MECHANIZED TRAINING IN A SEMI-ARID REGION. OVERALL, WE KNOW THAT ENVIRONMENTAL IMPACTS ASSOCIATED WITH EXPANSION HAVE BEEN ASSESSED AS ONLY SLIGHTLY GREATER THAN THOSE OF THE NO-ACTION OR MISSION-DECREASE ALTERNATIVES.

ON THE OTHER HAND, THE 4TH INFANTRY DIVISION CANNOT CURRENTLY CONDUCT TRAINING EXERCISES IN THE PROPER CONFIGURATION AND AT THE REQUIRED FREQUENCY BECAUSE OF A SHORTAGE OF TRAINING SPACE. SINCE COMBAT

PREPAREDNESS IS IMPERATIVE, THE LACK OF AVAILABLE ACREAGE JEOPARDIZES THE DIVISION'S MISSION. THE ALTERNATIVES TO EXPANSION SIMPLY ARE NOT ACCEPTABLE.

PUBLIC OPINION WILL ALWAYS BE DIVIDED WHEN SIGNIFICANT DECISIONS ARE TO BE MADE. HOWEVER, I AM CONVINCED THAT THE VAST MAJORITY OF CITIZENS IN COLORADO SPRINGS FEEL THAT FORT CARSON IS A RESPONSIBLE NEIGHBOR AND VALUABLE ASSET TO OUR ECONOMY AND SOCIAL FABRIC.

WITHOUT QUESTION WE ARE A COMMUNITY THAT AGGRESSIVELY SUPPORTS A STRONG NATIONAL DEFENSE AND WE ARE PROUD OF THE ROLE THE 4TH INFANTRY DIVISION (M) AND FORT CARSON IS ASKED TO PLAY. WE ARE A COMMUNITY THAT ACCEPTS ITS OBLIGATION TO THE SOLDIER WHO HAS SWORN TO DEFEND US.

IT IS WITHIN OUR POWER TO PARTIALLY FULFILL THIS OBLIGATION BY GIVING THE SOLDIER THE BEST POSSIBLE CHANCE FOR SURVIVAL. WE CAN DO THIS BY SUPPORTING HIS TRAINING REQUIREMENTS--TRAINING NECESSARY TO MAINTAIN EFFECTIVENESS AND PREVENT UNNECESSARY CASUALTIES.

IN SUPPORTING THE SOLDIER, WE SUPPORT THE ECONOMIC AND SOCIAL FABRIC OF THE COMMUNITY I REPRESENT. I LOOK FORWARD TO A FAVORABLE DECISION.

TESTIMONY OF MR. KNOTT

Mr. GINN. Our next witness is Mr. Harold Knott, representing the distinguished Governor of Colorado.

Mr. Knott, we are delighted to have you with us today.

Mr. KNOTT. Thank you, Mr. Chairman.

I bring greetings from Governor Lamm, who had business scheduled before the scheduling of this hearing.

Mr. GINN. We appreciate that. Ask the Governor when he gets back if he is like my distinguished Governor Busby of Georgia—I am sure they are good friends. Our Governor goes abroad and calls it a trade mission, and everybody just loves it. We go abroad and it is called a junket and we get criticized for it.

Thank your Governor for his good wishes and we are delighted to have you here representing him.

Mr. KNOTT. Mr. Chairman, the State of Colorado has been aware of Fort Carson's need to acquire additional training land since 1972. Fort Carson, its military leadership, troops and civilian personnel have been good neighbors to Colorado for many years. In fact, our Governor, Richard Lamm, was originally introduced to Colorado by being reassigned to Fort Carson after service at Fort Benning, Georgia.

The State of Colorado is highly supportive of the expansion of Fort Carson onto the Pinon Canyon site. Some 22 state agencies have been a full partner with the Department of the Army throughout the lengthy economic and environmental reviews of expansion alternatives.

Our final state position, after months of study and cost, was to support the proposed expansion onto either of the final sites selected. Colorado's support is based on the documented need for Fort Carson and other installations to enlarge their training facilities to meet the changing technologies of warfare. The present facility at Fort Carson is inadequate to meet the needs of the 4th Infantry Division (Mechanized) and the Active and Reserve components of the Army.

National defense issues must be the deciding factor in determining this expansion. The State of Colorado is fully prepared to do its part in meeting our defense and preparedness obligations. The cooperation we have shown and the long man hours spent by state personnel in perfecting the environmental impact statement is indicative of our support.

As in any acquisition of this size, there are environmental and economic issues that must be studied and fully addressed. I want to congratulate the Department of the Army on the scope and extent of their environmental reviews. The proposed land use management plan has incorporated numerous natural resource management techniqus to mitigate damage to the site.

I encourage you to support the funding of a full time land management specialist to work with our state agencies to adjust the site management plans as conditions require it. This flexibility on the land management process and our working in full partnership with DOA may, in fact, improve the site over time.

The environmental impact statement, prepared according to NEPA, CEQ, and DOA regulations concludes the Pinon Canyon

site is adaptable to the military training purposes proposed. The State of Colorado concurs in that conclusion.

Several people have questioned the economic benefits of the expansion due to the type of military operation to be conducted there. Our state agency review concluded that on a statewide basis economic benefit would accrue from the expansion. With this knowledge, our state position of supporting the project on national defense grounds has strengthened.

Mr. Chairman, I would be remiss if I did not point out a unique opportunity to save the Federal Government some money in this acquisition. Within the proposed Pinon Canyon site there are approximately 33,000 acres of state owned school board land. Our State Board of Land Commissioners has proposed that the Department of the Army not acquire this land, but exchange it for other federally held land in the state. Although an acceptable federal parcel has not been identified, we have filed the required paperwork with the Colorado Office of Bureau of Land Management to start this exchange.

BLM is the largest land holder of federal lands in Colorado. This exchange would save you approximately $3 million in acquisition costs. The committee's efforts to facilitate this would be appreciated. The state's desire for the BLM to act as expeditiously as possible should not be considered as contingent upon action by the Department of the Army to acquire the Pinon Canyon site.

In summary, the State of Colorado strongly endorses the proposed expansion into the Pinon Canyon site. The expansion will solidify Fort Carson's historic role in stationing and training major Army units for combat—a role that has been productive in three wars. This historic and necessary role cannot be maintained on the present land area of Fort Carson.

The State of Colorado urges the committee's affirmative support to the requested expansion. Thank you.

Mr. BURGENER. Not to take a lot of time, are there two possible expansion areas under consideration?

Mr. KNOTT. The draft environmental impact statement focused on two areas.

Mr. GINN. The Army has settled on Pinon Canyon?

Mr. BURGENER. Is this contiguous to the existing Fort Carson?

Mr. KNOTT. No, neither site is.

Mr. BURGENER. What is the size of the current Fort Carson?

Mr. KNOTT. About 55,000 acres.

Mr. BURGENER. This is much larger than that, of course.

Mr. KNOTT. Yes.

Mr. BURGENER. Some 260,000 acres. So neither of the sites under consideration are contiguous. How far away?

Mr. KNOTT. One is about 45 minutes to an hour. The second one is an hour and a half or hour and 45 minutes from Fort Carson.

Mr. BURGENER. Thank you very much.

Mr. GINN. Mr. Knott, we thank you for being here. Please give our best wishes to the Governor and assure him that his views will certainly be carefully considered.

[The information follows:]

TESTIMONY TO THE HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON MILITARY CONSTRUCTION

Regarding the Expansion of Fort Carson in Colorado For the Acquisition of Training Land

BY

Harold A. Knott, Associate Director
Department of Local Affairs
State of Colorado

April 8, 1981

MR. CHAIRMAN, LADIES AND GENTLEMEN:

THE STATE OF COLORADO HAS BEEN AWARE OF FORT CARSON'S NEED TO ACQUIRE ADDITIONAL TRAINING LAND SINCE 1972. FORT CARSON, ITS MILITARY LEADERSHIP, TROUPS AND CIVILIAN PERSONNEL HAVE BEEN "GOOD NEIGHBORS" TO COLORADO FOR MANY YEARS. IN FACT, OUR GOVERNOR, RICHARD LAMM, WAS ORIGINALLY INTRODUCED TO COLORADO BY BEING REASSIGNED TO FORT CARSON AFTER SERVICE AT FORT BENNING, GEORGIA.

THE STATE OF COLORADO IS HIGHLY SUPPORTIVE OF THE EXPANSION OF FORT CARSON ONTO THE PINON CANYON SITE. SOME TWENTY-TWO STATE AGENCIES HAVE BEEN A FULL PARTNER WITH THE DEPARTMENT OF THE ARMY THROUGHOUT THE LENGTHY ECONOMIC AND ENVIRONMENTAL REVIEWS OF EXPANSION ALTERNATIVES. OUR FINAL STATE POSITION AFTER MONTHS OF STUDY AND COST WAS TO SUPPORT THE PROPOSED EXPANSION ONTO EITHER OF THE FINAL SITES SELECTED. COLORADO'S SUPPORT IS BASED ON THE DOCUMENTED NEED FOR FORT CARSON AND OTHER INSTALLATIONS TO ENLARGE THEIR TRAINING FACILITIES TO MEET THE CHANGING TECHNOLOGIES OF WARFARE. THE PRESENT FACILITY AT FORT CARSON IS INADEQUATE TO MEET THE NEED OF THE 4TH INFANTRY DIVISION (MECHANIZED) AND THE ACTIVE AND RESERVE COMPONENTS OF THE ARMY. NATIONAL DEFENSE ISSUES MUST BE THE DECIDING FACTOR IN DETERMINING THIS EXPANSION. THE STATE OF COLORADO IS FULLY PREPARED TO DO ITS PART IN MEETING OUR DEFENSE AND PREPAREDNESS OBLIGATIONS. THE COOPERATION WE HAVE SHOWN AND THE LONG MAN HOURS SPENT BY STATE PERSONNEL IN PERFECTING THE ENVIRONMENTAL IMPACT STATEMENT IS INDICATIVE OF OUR SUPPORT.

AS IN ANY ACQUISITION OF THIS SIZE, THERE ARE ENVIRONMENTAL AND ECONOMIC ISSUES THAT MUST BE STUDIED AND FULLY ADDRESSED. I WANT TO CONGRATULATE THE DEPARTMENT OF THE ARMY ON THE SCOPE AND EXTENT OF THEIR ENVIRONMENTAL REVIEWS. THE PROPOSED LAND USE MANAGEMENT PLAN HAS INCORPORATED NUMEROUS NATURAL RESOURCE MANAGEMENT TECHNIQUES TO MITIGATE DAMAGE TO THE SITE. I ENCOURAGE YOU TO SUPPORT THE FUNDING OF A FULL TIME LAND MANAGEMENT SPECIALIST TO WORK WITH OUR STATE AGENCIES TO ADJUST THE SITE MANAGEMENT PLANS AS CONDITIONS REQUIRE IT. THIS FLEXIBILITY ON THE LAND MANAGEMENT PROCESS AND OUR WORKING IN FULL PARTNERSHIP WITH DOA MAY, IN FACT, IMPROVE THE SITE OVER TIME. THE ENVIRONMENTAL IMPACT STATEMENT, PREPARED ACCORDING TO NEPA, CEQ, AND DOA REGULATIONS CONCLUDES THE PINON CANYON SITE IS ADAPTABLE TO THE MILITARY TRAINING PURPOSES PROPOSED. THE STATE OF COLORADO CONCURS IN THAT CONCLUSION.

SEVERAL PEOPLE HAVE QUESTIONED THE ECONOMIC BENEFITS OF THE EXPANSION DUE TO THE TYPE OF MILITARY OPERATION TO BE CONDUCTED THERE. OUR STATE AGENCY REVIEW CONCLUDED THAT ON A STATEWIDE BASIS ECONOMIC BENEFIT WOULD ACCRUE FROM THE EXPANSION. WITH THIS KNOWLEDGE, OUR STATE POSITION OF SUPPORTING THE PROJECT ON NATIONAL DEFENSE GROUNDS WAS STRENGTHENED.

MR. CHAIRMAN, I WOULD BE REMISS IF I DID NOT POINT OUT A UNIQUE OPPORTUNITY TO SAVE THE FEDERAL GOVERNMENT SOME MONEY IN THIS ACQUISITION. WITHIN THE PROPOSED PINON CANYON SITE THERE ARE APPROXIMATELY 33,000 ACRES OF STATE OWNED LAND.

Our State Board of Land Commissioners has proposed that the Department of the Army not acquire this land, but exchange it for other federally held land in the state. Although an acceptable federal parcel has not been identified, we have filed the required paperwork with the Colorado Office of the Bureau of Land Management to start this exchange. BLM is the largest holder of federal lands in Colorado. This exchange would save you approximately $3 million in acquisition costs. The Committee's efforts to facilitate this would be appreciated. The State's desire for the BLM to act as expeditiously as possible should not be considered as contingent upon action by the Department of the Army to acquire the Pinon Canyon site.

In summary, the State of Colorado strongly endorses the proposed expansion onto the Pinon Canyon site. The expansion will solidify Fort Carson's historic role in stationing and training major Army units for combat—a role that has been productive in three wars. This historic and necessary role cannot be maintained on the present land area of Fort Carson.

The State of Colorado urges the Committee's affirmative support to the requested expansion. Thank you.

Mr. GINN. At the witness table now, we have the Honorable Tom Collier, El Paso County, Colorado Commissioner. We have Mr. Bernard Parsons, Las Animas County Commissioner, and Ted C. Ryan, Trinidad, Colorado, City Manager.

Gentlemen, we welcome you all here. We appreciate your agreeing to sit at the witness table together. We will hear from you individually or if you would like to put our prepared statements in the record and just tell us how you feel about this, your statements will appear in the record.

STATEMENT OF TOM COLLIER, JR.

Mr. COLLIER. It is an honor for me to appear before you today. This is my first experience in this and it has been a great challenge to me.

I would like to tell you there are five Commissioners in El Paso County and that we are unanimously in favor of the expansion of Fort Carson in the Pinon Valley area.

We, of course, have had a tremendous relationship through the years with Fort Carson. We have many agencies who work together within the community and the military.

I might briefly say there have been many pros and cons brought forward on the environmental impact this expansion will make. I am a rancher and native of Colorado Springs. I know there are fragile conditions that have to be taken into account here.

Mr. GINN. Do you think this rotation plan, as proposed by the Army, would take care of the environment problems?

Mr. COLLIER. I can't tell you, sir, that it will take care of everything, no, but it is certainly an answer to take care of a lot of the problems. Actually, the site has been divided into five different areas. They can work three of those one year and let two of them rest. We are talking about over 200,000 acres.

I think a significant point was made this morning by the gentleman from Colorado representing the Governor. The state owns a considerable amount of land in this area and I am hopeful that could work out to where they could acquire that and still save the government some money.

We have had a tremendous liaison, a good experience with the Fort in many areas. We work with them on many programs, even things like child abuse. We have what we call a MAST type of operation which is helicopters out of Fort Carson who work with our rescue teams and everything. Because of that cooperation, they have saved many, many lives.

I could go on and on. Their engineers have helped us. I am sure you have heard of our Olympic Training Center. They helped construct our track. They even gave their help to our deaf and blind schools. This isn't a fort that can be shut off tomorrow. They do many things within our community. That was the thing I wanted to bring out today, and the fact that we are unanimously in favor of it.

You are going to hear ranchers, some of them for this and some against this. I appreciate the stand that ranchers can take against it, because I have been one myself. The land is very dear to us and it needs to be taken care of.

We are in favor of the expansion and we actively seek your support. We hope it will be a viable part of the State of Colorado and the country as a whole.

Mr. GINN. Thank you very much, Commissioner, we appreciate your statement. As I said earlier your complete statement will appear in the record.

[The information follows:]

EL PASO COUNTY

OFFICE OF THE BOARD

OF

COUNTY COMMISSIONERS

27 EAST VERMIJO

COLORADO SPRINGS, COLORADO 80903

April 2, 1981

Honorable Bo Ginn, Chairman
Sub-Committee of Military Construction
House Appropriations Committee
B-300 Rayburn HOB
Washington D. C. 20515

Gentlemen:

I am Tom Collier, Jr., Chairman of the Board of El Paso County Commissioners. It is an honor for me to appear before you today. I would like to say that the El Paso County Commissioners are unanimously in favor of the expansion of Fort Carson into the Pinon Canyon site.

I am a native of Colorado Springs and I have watched the growth of Fort Carson and the very viable part that Fort Carson plays in the community affairs of El Paso County and cities along the Front Range.

Environment Impact:

I would like to address today, a few of the major concerns of the expansion into the Pinon Canyon site. Much has been said in regard to the pros and cons of the environmental studies on the expansion site. As we all know, there will be disadvantages to the environment by any expansion of our military into new areas of our country. In regards to Fort Carson expansion into the Pinon Canyon site, Fort Carson can defer training during

the critical portions of wildlife reproduction seasons and during growing seasons, as well as during drought or excessive moisture conditions; they can reseed vegetation cover; provide soil and wildlife protection areas; and construct water diversions and erosion control dams; they can construct sediment interception structures to protect the soil against wind erosion; and establish monitoring networks for air, water and noise pollution. They can rotate the use of the land to allow the land to rest and recover.

The military can budget the necessary funds to reseed the land and take the necessary steps to protect the environment.

Military Assistance to Safety and Traffic, and Fire Rescue (MAST):

The Fort Carson military support to our cities and counties has been outstanding for a number of years.

In 1970, the Military Assistance to Safety and Traffic, and Fire Rescue Program was established. The unit has flown 2,042 missions, transported a total of 2,505 patients and devoted 4,168 flight hours to the emergency care of the sick and injured. MAST normally operates within a 100 mile radius of Fort Carson, but may extend this range under special conditions.

El Paso County Search and Rescue, a nationally certified volunteer mountain rescue team based in Colorado Springs, frequently works with MAST in mountain rescue operations, and a close liaison is maintained between the military and this civilian group.

Since 1970, hundreds of manhours have been devoted to mountain rescue operations in the State of Colorado.

The value of the MAST unit in the Pikes Peak region is unquestioned. MAST is dedicated to serving and cooperating with the civilian community. Many members of this region owe, if not their lives, their well being, to this dedicated group of Army personnel.

Domestic Action Program:

The Domestic Action Program at Fort Carson has been a tremendous help to our social service programs in the County. Through these programs they extend help to the needy and cooperates fully with our local programs; such as, Child Abuse and Spouse Abuse.

The Fort Carson Domestic Action Program has also been reponsible for completion of an addition to the Disabled American Veterans clubhouse in Pueblo, Colorado. They have constructed an outdoor weapons training site for the Colorado Springs Police Department. They helped to construct the United States Olypmic training track at Ent Air Force Base in Colorado Springs. They also helped construct a training track for the Colorado School for the Deaf and Blind in Colorado Springs. Their engineers have worked with several of our small communities in building dams and reservoirs and park areas for flood control.

The Law Enforcement Command (LEC):

The Law Enforcement Command provides liaison personnel to the Colorado Springs Police Department, the El Paso County Sheriff's Office, the El Paso County Jail, the El Paso County Traffic Court, and the Colorado Springs Municipal Court, with two other personnel in Denver to assist local agencies

there. These soldiers assist local authorities with any situation, problem, or incident involving Army Personnel. In addition, the Law Enforcement Command provides two military Police to work with the 4th Judicial District Adult Probation Department. The Law Enforcement Command has assisted Colorado Law Enforcement agencies by serving over 1,700 warrants, subpoenas, and other items of legal process to individuals residing or working on Fort Carson. On 15 occasions, bomb detection dogs have searched public facilities, such as schools and airports after bomb threats were received. The Chief Investigations Division serves as a member of the Community Corrections Board and the Advisory Board for the Neighborhood Justice Center Program.

In addition to these contributions, over 10,000 soldiers living in surrounding communities consider themselves Coloradans and an integral part of the community. They are considered to be special and personal contributions to military-civilian cooperation.

As you can see by the above testimony, we are very much in favor of Fort Carson expanding into the Pinon Canyon site and actively seek your support so that Fort Carson can continue to be a viable part of the State of Colorado and our country as a whole.

Tom M. Collins

Mr. GINN. Next we will be delighted to hear from Commissioner Bernard Parsons, speaking for the County Commissioners from Las Animas County.

We are delighted to have you, Mr. Parsons.

STATEMENT OF BERNARD PARSONS

Mr. PARSONS. Thank you, Mr. Chairman.

I am a rancher, a landowner, and a taxpayer in Las Animas County. Las Animas County once had a population of nearly 40,000 people and right today we have a population of about 14,900 people. Colorado grew 30 percent in the last ten years in population and we lost 5.2 percent of our population.

Mr. GINN. Where are the people going, to the big cities?

Mr. PARSONS. We have had a very depressed economy. Primarily coal mining and railroads. Coal mines didn't change very much, but the railroads are becoming an important part of our economy. Trinidad was reported at one time to have received every government grant, welfare program or handout offered by the Congress of the United States. I don't think that has ever been contested.

The last major construction project we had in Trinidad was Trinidad Lake for recreation and flood control and irrigation. Farmers are benefitting very well from that and we invite you to come down and do some fishing there. It should be very good for at least another couple of years, they claim.

Looking at some of the comparisons for this irrigation-recreation project, we displaced 1,505 people. The Army in the Pinon area will displace 86 people. The lake project cost $48 million and this project is going to be about $61 million just for construction.

We anticipate, or it is estimated that the lake project generates in wages, goods and services, local expenditures of $300,000 and the Pinon Canyon site is estimated to generate $1,350,000 annually. Again, we are very proud of the lake and again, extend the invitation to you.

Being a cattleman and a relatively large ranger in Las Animas County, I will say we have weather conditions that frequently allow us to be on welfare, as we are now, allowing us to receive drought assistance to buy feed for livestock. For some, the Pinon County acquisition is a blessing and for others it is a dramatic relocation of more of the same in that industry.

Because of the economic effects on agriculture and ranching, many of us have been forced to annually graze our pastures completely off. Contrary to the statements of many armchair range experts, the plan of range management proposed by the U.S. Army should return the Pinon Canyon site to the grassy conditions capable of withstanding vehicle traffic. The Army use of this land would be a better use of the land and for our county.

One point is that we are, I think, the third largest county in the U.S. We are the largest county in Colorado and this acquisition will only remove from private ownership 8.3 percent of our total county area.

Last but not least, the County Commissioners are limited in resources for planning. We are limited in our resources for identifying what other county services will be necessary to access for people around the Pinon County area. We haven't identified those

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or even arrived at any cost figures to find those out. We are going to need some help and we ask the committee to consider that in making the proposition.

The national defense of this Nation is paramount. An army of young men and women must never be sent to defend our nation poorly trained. We are not in a war situation now and no one is having to make sacrifices. We must strengthen our defense capability soon, or a war situation may develop, because of our weakness. Many sacrifices will then be suffered.

Congress must keep our Army prepared. Fort Carson expansion for mechanized training is a necessity. The Pinon County site is the Army's well studied selection and the people of Las Animas County welcome Fort Carson's expansion of the Pinon County site and we will accommodate you, the U.S. Congress, in expediting your final decision.

Mr. GINN. Thank you very much, Mr. Parsons. We appreciate your statement on behalf of your Board of county Commissioners.

[The information follows:]

FORT CARSON TRAINING LAND ACQUISITION PINON CANYON SITE

TESTIMONY: APRIL 8, 1981 Subcommittee on Military Construction

BY: BERNARD PARSONS, WESTON, COLORADO 81091

I am a rancher, land owner, and taxpayer in Las Animas County, Colorado. I am representing hundreds of citizens in Las Animas County who signed a pro position paper entered on pages L-115 and L-116 of the Final EIS for Training Land Acquisition, Fort Carson, Colorado. Copy of resolution is attached.

Las Animas County once had a population of near 40,000. In 1970 our county ranked 17th in Colorado in population. Today it ranks 60th with its population down to 14,900. Colorado, which is gaining an additional Congressman, grew 30 percent in the last ten years. Las Animas County, the largest county in Colorado, lost 5.4 percent in the same period. Today our gross per capita income ranks us 56th of the 63 Colorado counties.

Las Animas County and Trinidad, the County seat, is reported to have received every welfare program, grant, or handout offered by the Congress if the United States including but not limited to OEO, Model Cities, Urban Renewal, SETA, Agricultural Programs and Title Programs. Welfare and Grantsmanship are a way of survival for us.

This oppo. unity to receive a Defense Department installation and subsequent economic impact is a blessing. Not only will it give many local citizens oppo tunities for etter incomes, it will contribute to a raise in local cultural awareness. It will reduce our cost of living by stimulating local sales, spreading high local taxes and maximizing the use of availabl facilities and services.

This region, being largely agricultural, will easily assimilate Defense Department personnel. Important to economic activity in Las Animas County are the coal mines and railroads through Trinidad. Until recently the strength of those industries was unpredictable. The new Trinidad Lake, a Corp of Engineer project for flood control, irrigation and recreation, was our only major construction project during the last t n years.

Comparing the impact of the Trinidad Lake project with the proposed Army expansion we arrive at some interesting facts. The Trinidad Lake displaced 1,505 people. The Army Expansion will displace 86. There were 6 towns in the Trinidad Lake area. None in the Pinon Canyon Site. The cost to construct the Trinidad Lake was $48,000,000; the Pinon Canyon area over $1,000,000. The annual amount of wages and services the Trinidad Lake produced is estimated at $300,000. The Pinon Canyon Site estimate is $1,350,000. We are very proud of our Trinidad Lake.

Since I am a large landowner and 3rd generation rancher in Las Animas County, I have three observations to make. Our livestock industry is not as healthy economically as it should be. The high cost of equipment, services, financing, and low cattle prices have subjected many of my contemporaries to a proverty existance. In our region our weather has frequently enabled us to be on welfare, as we are now, allowing us to receive drouth disaster assistance to buy feed for livestock. For some, the Pinon Canyon acquisition is a belated blessing. To others, it is a traumatic relocation to some more of the same. I am confident our goverment will treat every rancher and landowner fairly.

Because of the economic pressures on ranching in our county, many ranchers have been forced to annually graze their pastures completely off. Contrary to the statements of many armchair range experts, the plan of range management proposed by the U.S. Army should return the Pinon Canyon Site to the grassy conditions capable of withstanding extensive vehicle traffic.

The present Congressman from Colorado's 3rd District has made serious socialistic statements about some land ownership in the Pinon Canyon area. I quote the March 13, 1981 Pueblo Chieftan Newspaper: The Congressman has said, "he does not want taxpayer money to go to line the pockets of land speculators, as is the case with the Pinon Canyon site. Taking land from people who have lived on it all their lives is bad but using taxpayer money for the benifit of speculators is equally bad."

All the projected costs for the acquisition and construction at the training area (being relative nominal amounts for defense) are very impressive to us in Las Animas County. The change in Defense Department procurement restrictions to allow up to 84 percent of procurement and construction contracts to be directed to the local area is an opportunity too good to pass up. Our local contractors, wage earners, and business people are blessed with a transportation advantage. They have the technical capability and manpower to meet a large portion of the contracts. Spreading these contracts out over a reasonable period to reduce a "Boom" impact gives local residents more encouragement to bid the work and services. We expect local contractors to receive many of the contracts offered at the Pinon Canyon Site.

The Constitution gives everyone the right to own land. Landowners do not receive preferred rights whether they bought their land years ago, inherited it, or bought it recently. We are all the same under the law with every right to succeed or fail. The Congressman has no right to use his office to grind an axe against any landowners or withhold an opportunity from those in the 3rd District. The same Congressmans statements to conduct Fort Carsons Mechanized training at Fort Bliss Texas, is analogous to saying: Get Fort Carson out of Colorado. It is difficult to understand how such negative statements and such a negative attitude can help the struggling wage earners and business people in Southern Colorado.

The National Defense of this Nation is paramount. An army of young men and women must never be sent to our defense poorly trained. We are not in a war situation and no one is having to make sacrifices. If we do not strenghten our defense capability soon, a war situation may develop to test our weakness. Many sacrifices will then be suffered. Congress must keep our Army prepared. The Fort Carson expansion for mechanized training is a necessity. The Pinon Canyon site is the Army's well studied selection.

The people of Las Animas County welcomes Fort Carson's expansion to the Pinon Canyon site. We will accomidate you, the United States Congress, in expiditing your final desision.

BY: BERNARD PARSONS
Weston, Colorado 81091

FORT CARSON EXPANSION RESOLUTION

June, 1980

WE, the undersigned, support the expansion of Fort Carson to the Pinon Canyon Site in Las Animas County, Colorado. We wish to promulgate the best interest of our community in the United States Congress in obtaining this expansion.

1. We in Las Animas County cannot afford to lose this economic opportunity.

2. We strongly encourage Congress to press for immediate planning and funding for a by-pass and substantial upgrade of Colorado State Highway 350 to service the present and increased traffic.

3. We urge Congress to include a line item in enabling legislation to insure the Hoehne School District is reimbursed for losses in tax income.

4. We support any efforts to expand our airport facilities and upgrade them for local and Army use.

5. We request Congress fund ample money to cover the fair market value for the purchase of the ranch land and assets plus adequate relocation money for those landowners and businessmen affected.

6. We pledge our positive attitude and support to overcome problems not addressed at this time to generate viable economic advancement in Las Animas County.

Mr. GINN. Mr. Ryan.

STATEMENT OF TED C. RYAN, JR.

Mr. RYAN. Mr. Chairman, I am pleased to be here and I thank you very much for the opportunity to speak. I am a transplanted southerner to Colorado. I wasn't born there. I grew up in Tidewater, Virginia. I grew up and have lived around military installations all of my life. I know what a good neighbor the military is. They have been grand neighbors of Colorado Springs.

I think with the expansion down into the Trinidad-Las Animas County area, they will be equally beneficial as neighbors.

We have addressed economy in the Trinidad area. We have approximately 40 percent of the county population on a fixed income of one form or another, either social security, welfare or unemployment.

Mr. GINN. What is the size of your city?

Mr. RYAN. The size is approximately 10,000. It is the only large urbanized area in the county. It is a sparsely populated area of Colorado. South of Pueblo, there is almost nothing besides Trinidad. The financial impacts in Trinidad of this acquisition, with the dollar returns on a multiplier effect of at least six times, would be of tremendous benefit to us.

That is not our single concern. I am sure you are aware that the economic benefit would be helpful, but the real concern I think is the national defense posture requires an additional training of the troops at Fort Carson and we support that. If one dollar of the financial impact did not reach the Trinidad City areas, the urban area, we would still support the expansion of Fort Carson in Pinon County.

I do have for the Chair a resolution from the City of Trinidad in support of the Pinon Canyon parcel. Rather than take any more of the committee's valuable time, I think we will let the resolution and the statements for the record stand.

Again, we appreciate the opportunity to speak with you, Mr. Chairman.

Mr. GINN. Thank you very much, Mr. Ryan. We appreciate your being here.

[The statement and resolution follow:]

CITY OF TRINIDAD

CITY HALL

TRINIDAD, COLORADO
81082

Testimony of
Teddy C. Ryan, Jr., City Manager
Before the

Subcommittee on Military Construction
House Appropriations Committee

April 8, 1981

Chairman Ginn, honored members of this Sub-Committee, I am Teddy Ryan, City Manager of the City of Trinidad, Colorado. I am here today to speak in favor of the proposed acquisition of the remote but nearby training facility for Fort Carson, Colorado into the area known as Pinon Canyon in Las Animas County, Colorado.

I represent the Mayor and City Council of the City of Trinidad, which is the only urban area in Las Animas County Colorado. Mayor John Rino and the members of the City Council extend their greetings to each of you. I would like to extend a special greeting to a dear friend of mine, Congressman Whitehurst. I am a transplanted Virginian who loves the area I now represent and the area of my origin. As my former Dean of Students while I was an undergraduate and in later experiences, the Congressman (Whitehurst) instilled in me a deep appreciation for our political and democratic institutions and processes. I sincerely appreciate the opportunity to speak to this Sub-Committee today and share a part of our great American traditions, a petition to our Congress.

Gentlemen (Ladies), I am sure that you have already had presented to you voluminous data by the United States Army in support of it's training needs for Fort Carson. I am equally confident that you have heard others testify and present data in opposition. One very strong opponent is our area's own Congressman, Ray Kogovsek. Another very vocal opponent is Mr. Willard Louden who is an area rancher and a friend.

The opponents to the acquisition of training land for Fort Carson are sincere and honorable men who feel strongly about their views. Representative Kogovsek has expressed among other things, concern for environmental issues and economic impacts to our area. Mr. Louden is concerned about environmental issues and a change in a life style which is truly Western American tradition. He deeply loves the land.

I had originally prepared my own litany of facts, figures, and other data to present to you. However, as previously stated, you already have voluminous data, and I will not add to the already heavy burden which you have in assimilating that data to make your decision.

Simply stated, the opposition to the proposed training facilities are outweighed by the proponents. Representative Kogovsek is the only member of the Colorado Senatorial and Congressional delegation to my knowledge to oppose the training facility. All of these knowledgeable and conscientious people can't be incorrect in their study and support. While I appreciate Mr. Louden's desire to preserve history and a rapidly disappearing life style of Western American traditions, that way of life is vanishing already if not almost completely gone, as a result of a declining economic ability to preserve it.

I have religiously followed and studied the proposed expansion from the Summer of 1979 to the present. I am confident that the data already presented more than adequately resolves the potential environmental concerns. The remaining concern by the opposition is economic in it's basis. Representative Kogovsek has been quoted as saying that the small communities in Southern Colorado - communities with depressed economics - may face economic development problems in the future because of increased air pollution (dust). I have viewed the area extensively and sincerely believe that dust, which will be created by the proposed training, will not adversely affect the overall area and will in all probability remain in the relative area of the site itself.

Concerns for the economic viability of the small communities of Southern Colorado with existing depressed economics like Trinidad can only be enhanced by the proposed training facility. The development cost can only increase the economy of the area. The estimated $38 Million in site development cost would add an economic increase to the area of approximately $228 Million of expenditures by the time one applies the existing multiplier effect on recycled dollars. Our area has a reservoir of skilled contractors who could benefit significantly from such an expenditure of funds. The $5 Million of annual maintenance cost for the facility would produce an economic impact of $30 Million annually. If the area is already depressed economically as indicated by the opposition and I confirm the relative truth of that statement, then, Gentlemen, how could additional expenditure of funds by the United States Government hurt the area? We want the benefits which that level of expenditures could bring to our area.

I have viewed extensively the Fort Carson, Colorado area on many occasions. The personnel represent a cross section of Americans. I observed as many churchs for the practice of various faiths in the area, as I did entertainment and shopping facilities. I grew up in a military area, Tidewater, Virginia, and I know the Armed Services of this country are good neighbors. I believe that the vast majority of the people in our area favor the proposed training facility for Fort Carson. We want and welcome Fort Carson as a neighbor. We desire the economic value for our area.

I have one last item, Gentlemen (Ladies), if not one dollar were to find it's way into the economic flow of our area (which I am sure is not reasonably possible) we would welcome the proposed training facility because of a deep belief in the need for training our military personnel to assist the needs of our Nation's strength in it's international defense posture.

Thank you for your courtesy in receiving my remarks. I will leave with you a Resolution of our City Council.

RESOLUTION NUMBER 396

A RESOLUTION SUPPORTING THE PLANNED EXPANSION OF FORT CARSON, U.S. ARMY INTO LAND LOCATED IN LAS ANIMAS COUNTY, STATE OF COLORADO

WHEREAS, the U.S. Army is planning an expansion of Fort Carson to land located in Las Animas County, State of Colorado; and

WHEREAS, a bill has been introduced in the 97th Congress of the United States providing for the acquisition of nearby but remote training facilities for Fort Carson;

WHEREAS, the City Council favors and desires said expansion to lands located in Las Animas County, State of Colorado.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, to-wit:

1. That the City Council favors and wants the planned expansion of Fort Carson into lands located in Las Animas County, State of Colorado for the remote but nearby training facilities.

2. That a copy of this Resolution be forwarded to the Commanding Officer at Fort Carson, Colorado, and to the Colorado Senatorial and Congressional representatives, so that each knows the desires of the City of Trinidad, Colorado.

READ AND ADOPTED this 31st day of March, 1981.

John Rino

JOHN RINO, Mayor

ATTEST:

FRANK HOCH, City Clerk



Mr. GINN. For the benefit of you witnesses as well as others who are in the room, let me make sure we understand the procedure of where we are now with regard to this matter. The Army has now made its judgment and has come to the Congress with its official request for authorization and if they secure that, then they will seek the appropriation from this subcommittee.

I understand you will appear today before Congressman Brinkley's subcommittee, which is the authorizing subcommittee. While we await the action of his committee, which of course must be favorable if the matter goes forward with us. If it is not authorized, of course, it won't come before us.

We plan to mark up our legislation of this bill in June or July. While we continue to wait Mr. Brinkley's subcommittee to see what judgment they make, we have asked the Survey and Investigations Committee staff of the Appropriations Committee to take another look at this matter, as a way of building additional information.

I personally don't believe in studying something to death, but we have a few months on our hands and we have asked this very, very professional staff—there is no politics in it. We don't even see who they are. They do very find work for the Appropriations Committee.

While we wait for that, I want to thank you again for being here today. We hope you have enjoyed your visit to Washington. You have warmly invited us to come to Colorado. I would like very much to do that sometime. As a Georgian, and from the Georgia Coast where we have nothing but flatland, I would like to come and see some of your beautiful mountainous terrain I have heard about in Colorado.

Thank you gentlemen for being here.

STATEMENT OF WILLARD C. LOUDEN

Mr. LOUDEN. I told the authorizing committee I found it a little difficult to condense a lifetime of concern into five minutes. It is a terrible constraint. My own land is not directly involved in this. I ranch some 50 miles away but my point is that I know for whom the bell is tolling and I feel it is tolling for all of us. I am unalterably opposed to this expansion into the so-called Pinon Canyon area. I am opposed for a number of reasons. I am opposed philosophically. The question of more and more and more government acquisition when we already have 36 percent of Colorado and 50 percent of the Western States, or whatever that figure is, in government lands.

I am certainly opposed to it for economic reasons. I find that we do not seem to, in our statements and things concerning this issue, we don't seem to distinguish between the dollar that is produced by a raw product as compared to the turnover of a dollar from a military installation or something of this nature. I think this is a very grievious error, that we do not make that distinction when we start talking economics of this thing.

I am also opposed to this thing for social reasons, the disruptive effect this has on a community.

Forty families, to those of you—perhaps not you, sir, who are used to a farming community, but 40 acres is nothing. However, 40

stable families tears our guts out. These are people whose lives are tied up with this, and generation after generation are producing the leaders, the thinkers within this community. To suddenly rip that out is significant. That is still a parochial kind of issue, and I understand this is not a parochial issue. Not in my mind it isn't. It is far more than that.

Finally, I am certainly opposed to this thing environmentally. I have over here with me the environmental impact statement and I guess this is the thing that bothers me most of all. You gentlemen have an enormous problem, an enormous responsibility in trying to make a decision of this kind. Military preparedness is obviously of infinite concern to all of us.

I wish you had the facts straight. This bothers me because I feel that this document is self-serving, that it is misleading, that there are many grievious errors involved in this particular document. And so you aren't getting the facts in my judgment at all, and in the judgment I think of most of the experts who are involved with this thing.

Mr. GINN. Let me assure you at this point, Mr. Louden, I have not made a decision on this. I am very open-minded about it. We are delighted to have you and the others because we are seeking the facts. I think I am coming to Colorado to see this personally before we make a final decision, but I would like you to know we have not made a decision on this matter, as far as this committee is concerned.

Mr. LOUDEN. Very good.

The thing that concerns me is, here is a half a million dollar document, an environmental impact statement which should be a perfectly reasonable document and you should be able to place confidence in it. It disturbs me that if that becomes a deciding factor, if your staff says the document seems to have it covered, you can be deluded by this. I want to address a little later on some of these particular specifics.

As I said before, it is certainly not in my judgment a parochial issue. It is representative of many of the compelling problems facing this nation. With huge percentages of the Western States already owned buy the Federal Government do we continue the piecemeal acquisition process or do we stop and perhaps reverse the trend? By acquiring one fragment at a time, each parcel, it all seems parochial but it adds up to something that isn't.

Mr. GINN. Let's just put your statement in the record and talk for a moment.

[Mr. Louden's statement follows:]

Testimony of

Willard C. Louden

My name is Willard Louden and I am a lifelong rancher and teacher from Southeastern Colorado and have been designated as a spokesman for the Huerfano-Pinon Canyon Coalition.

Thank you, gentlemen, for this opportunity to express my position concerning the proposed expansion of Ft. Carson. I appreciate that privelege but I would be less than truthful if I told you I was happy to be making this appearance. My own land will not be effected by this proposed acquisition but I certainly know for whom the bell tolls and indeed it does toll for each of us.

I am unalterably opposed to this proposed expansion into the so-called Pinon Canyon area. I am opposed for philosophical reasons, for economic reasons, for social reasons and for environmental reasons. This is not a parochial issue. It is absolutely representative of many of the most compelling problems facing this nation. With huge percentages of the western states already owned by the Federal government do we continue the piecemeal acquisition process or do we stop and perhaps reverse the trend? By acquiring one fragment at a time each parcel may, superficially, appear to be insignificant or of only "parochial concern". Do we quietly acquiesce or perhaps actively engage in converting more and more of our agricultural lands into non-agricultural uses or do we look beyond our nose and abate this highly pernicious process? Do we encourage production and self-sufficiency or do we encourage intrusions of socially disruptive forces into our communities and encourage them to look to federal largess and payrolls? Do we ever become attuned to and sensitive to our natural world or do we continue to rip and tear at it as though its resources and capability of healing were infinite? Is our thought process ever going to mature? As an integral part of our intricate formulating process I hope you will, as congressman Kramer suggested a few days ago, "ask some penetrating questions". I hope and sincerely believe you decision-making

process is more sophisticated than merely counting constituents or heeding too closely the advice of the triumvirate of the myoptic, the greedy and the foolish though we have a plethora of them.

Food production---agricultural preparedness if you will-- is, in the ultimate analysis, of infinitely greater significance than military preparedness. If you are starving, gentlemen, there is no security. Fortunately this nation is currently in a high state of agricultural preparedness but we are slipping badly. Not only are we able to provide abundantly for our own people but we also export untold millions of tons of foodstuff to the hungry, the desperate and the dying as well as to those with less tragic needs. I suggest to you that food is our most powerful weapon both offensively and defensively. I believe it ill behooves us to trade off a primary strength in order to enhance a secondary strength if there is any reasonable alternative. I assuredly am not questioning the need for military preparedness and perhaps there is a compelling need for expanded training area for our troops from Ft. Carson. General Meloy has testified there is such a need and that the need is urgent. Perhaps that is so. My questions concern the options that would not require taking more agricultural lands out of production.

Perhaps the mechanized units at Ft. Carson could be moved to another installation capable of rebounding from their training requirements while Ft. Carson received a unit whose space needs and environmental impacts would be more compatible with our arid lands. General Meloy speaks of "urgency". Does this proposed acquisition meet that requirement? The army has indicated it will be 1986 before that proposed acquisition site could be utilized for training purposes. Surely such five year lead-time would not be required to train at Ft. Bliss or Fort Polk or any appropriate existing base. From what I can read there is considerable question whether tanks will even be a viable type of armament five years hence. Has this issue been thououghly explored?

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Up to now I've seen only a few figures by the army saying it isn't economically feasible to transport troops to some other military installation but I got the distinct impression that their arguements were superficial and self-serving. I can certainly understand why the army would prefer to see upward from $120 million granted by congress for a capital investment rather than having the money for transporting troops long distances coming out of their operating budget. However, from the taxpaying publics standpoint it appeared to me that reasonable economics might favor transporting the troops. Besides, isn't transportation logistics a part of training also?

My colleagues and I are neither economists nor military experts---we are simple ranchers---but I believe we could have done a better economic study than is to be found in the compilation of tables pulled out of the statistics of various Colorado Governmenta agencies. Let us look at a few of the economic impacts involved. The details and method of computation are given on table 1 of the attached appendix but let me summarize the information for you. This land can, on a sustained basis, provide the required forage for 5000 animal units and this means the annual sales from this parcel should average 3771 animals based on a basic cow-calf operation. The live weight of those animals right off the range should be approximately 1,914,400 pounds and have a wholesale value of $1,435,949. The butchered weight of these animals at this stage would be 1,206,072 pounds. That amount of meat, based on current annual consumption, would feed 11,597 people on a sustained basis. In other words this property can supply the meat for two brigades. Actually the younger cattle would not be butchered at the weight indicated above. When they are grown to normal butchering weight the cattle off this parcel would provide a year-round meat supply for 22,687 people. It is my understanding that Ft. Carson proposes to train 25,840 men for not more than five months out of each year. This land could provide all the meat thos men require for 10½ months each year. In addition to the meat those 3771 animals that come off the

land each year could provide enough leather to make 22,626 pair of shoes--almost enough to accommodate all who would train here.

Since absolutely nothing is wasted and everything has some commercial value when the animal is butchered a great deal more money is generated in the form of utilized by-products such as blood, bone, inner organs, horns, hoofs, stomach contents and certain glandular secretions that can be retreived. According to the Federal Reserve Bank in Kansas City the income generated per dollar of direct income paid to the cattle producing family is 4.1 times greater than the initial value. This would mean that $5,887.391 is generated within the community each year. That amount alone is over half the cost differential between transporting troops to this proposed expansion area as opposed to transporting them to Ft. Bliss. Who is looking at the true economics of this question? Certainly not the army if we are to judge from the simplistic computations they have presented thus far. If justice and sanity are to prevail this entire expansion question must be examined much more closely and mere desire and preference must be distinguished from hard requirements.

This environmental impact statement is a disaster---perhaps a farce. It is so distorted and so misleading it is difficult to know where to begin attacking it. I feel it is not necessary for me to establish my credentials because, instead, I will defer to the experts. Many may write letters of support for the expansion or testify on its behalf but I hope and expect you will consider their vested interests (certainly a parochial issue) and their expertise or lack thereof. Please examine the credentials and expertise of those who stand in opposition to this expansion and then compare with those who favor the expansion. I have listed for you a few of the organizations , individuals, and agencies who are challenging, in no uncertain terms this document. 2
For example let me quote from a letter of dissent from the Colorado Council of Professional Archaeologists. After three pages of specific criticism they conclude with this final paragraph and I quote, "We finally point out that, after reviewing the EIS. we

believe the tone of the document to be extremely self-serving, justifying, and condescending. It addresses each issue as if the commentors, many of whom are top experts in their fields, have no idea that they are talking about; stresses only the date supporting Ft. Carson expansion; and either ignores, glosses over, addresses in a circuitous manner, or explains away contrary information. In short, the Colorado Council is of the opinion that the Final Environmental Impact Statement for Training Land Acquisition is less than professional and certainly is not responsible. It reflects upon the inadequacy of the entire decision making process for this proposal as carried out by the army". unquote. Strong words from qualified critics. But the criticism comes from virtually every agency concerned with this specific issue and dozens of highly credentialled individuals who have had occasion to review the EIS. Again, in the appendix I have listed some 25 professional agencies or individuals who will substantiate my assertions and I have with me Mr. Gritzner of the National Academy of Science should you choose to question him in his area of expertise.

Vegetative impact and loss is addressed in the Final Environmental Impact Statement in issue number 121 with the following paragraph. I quote, "The DEIS acknowledged all soil and vegetation impacts that could result with project implementation. In fact, it states that between the balanced use and increased use scenario from 40% to 53% of either parcel could potentially experience severe to extreme impact to vegetative cover. Tables 4-2 and 4-14 summarize these impacts." unquote. Gentlemen, I wish you were ranchers so the staggering impact of that statement could be fully appreciated! The response continues with some discussion of sedimentation and studies they have done at Ft. Carson with no further elaboration or discussion of this overwhelming issue. Remember---<u>50% of the parcel could potentially lose 40% of its existing vegetative cover.</u> By anyones reckoning that would constitute about 50,000 acres of denuded desolation in a worst case scenario. Many of us who have lived on the

land all of our lives believe that might be close to the actual scenario but let's give them the benefit of the doubt and cut the devastation in half---that is still 25,000 acres or 1/10th of the entire parcel. The impact that vegetative loss would have on the surrounding area would be extremely serious. There is a snowballing effect involved here. The soil in the impacted area is moved by wind or water. That moved by water will increase the salinity of the water [3], produce head-cutting and gully development, remove topsoil and complicate revegetation, and, in some cases, be deposited on top of existing vegetation killing still more. That soil moved by wind can have an even more chilling effect. It not only is piled up on other vegetation and killing it in [4] some circumstances but of far more consequence the minute particles settle back to earth on this or other parcels and seals the soil so that water penetration is reduced. With poorer water infiltration even less moisture is available to the plants. Some are lost and some are reduced in vigor; this, in turn, exposes more ground to the evaporative effect of the sun and still more moisture is removed from the plant and the downward cycle repeats itself over and over and the land suffers and degrades. Weeds and invader grasses enter the cycle and are of some assistance though some of them such as the Russian thistle or tumbleweed mature and die and are blown by the winds against fences (which they frequently break) or into canyons where they pile so deeply that all underlying vegetation is deprived of sunlight and is killed. The dust also settles on surrounding vegetation consumed by cattle. Consequently this injestion of silica particles grinds down the ruminants teeth more quickly than is normal and the useful life of the cow is shortened. Every fall we check the teeth of our cattle and cull them when the teeth reach a critical stage of wear.

Lack of infiltration can effect inflow or recharge of the underlying aquifer (the Dakota formation). The increased salinity in the runoff waters can carry its pollution into the terribly important Ogallala aquifer which lies downstream from this parcel.

It is this aquifer which is being depleted so rapidly and on which vast mounts of the Great Plains agriculture is dependent.

This proposed expansion intrudes itself into one of the most exciting and significant areas of the state of Colorado in terms of archaeology, geology, paleontology and early history of Colorado. During the past several years the Redrock district of this expansion area has been under scrutiny as a potential National Monument, as a Colorado Park, for designation as Wild and Scenic River, for designation under the Natural Landmarks Program, for the Colorado Natural Areas program, and it was designated as the number one priority for protection in the state of Colorado by the Colorado Nature Conservancy group. The army could scarcely have made a worse selection from the standpoint of yet unprotected areas of great cultural and natural resources of the type we have mentioned. Within the confines of this proposed expansion area there are hundreds if not thousands of archaeological sites; numerous stage station and historic ranch homes; old churches and cemetaries; perhaps Colorado's finest assemblage of dinosaur tracks and a spectacular, rugged and pristine canyon that is unique for Colorado. Those familiar with the area are shocked and offended by the very thought of military exercises tearing at the gut of this magnificant land.

According to the EIS there is little indication of minerals or oil within the parcel. However, some recent exploration has indicated there may be very significant amounts of carbon dioxide, possibly helium and one exploration group is interested in leasing about 15,000 acres within the proposed area for some undisclosed mineral or minerals.

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So far as the Army's mitigation procedures and proposals I must say that I am deeply grateful they are making a serious and concerted attempt at softening their impact on the land. I had occassion by virtue of their invitation to visit Ft. Carson and witness some of their practices and some of the impacts involved. They are trying hard and have some significant success to show for their efforts but, as they have admitted, the fort has suffered some serious impacts and cannot sustain expanded training.

As for their proposed mitigation proposals on this far more fragile parcel than Ft. Carson they are, at best, questionable and in some instances they are pathetically inadequate, in other instances they are ludicrous. On the whole they approach wishful thinking far more closely than they do reality. The proposed rest procedures, admirable as they may appear, are so inadequate that those of us who work with the land generation after generation are appalled at the naiveness demonstrated. The talk of reseeding grama grass falls in the same category. Even in appreciably higher rainfall areas the likelihood of reseeding success with this grass is perhaps one chance in ten. On this parcel the odds would increase even more. The seeds will often sprout and flourish briefly but the first prolonged period of hot, searing winds will kill the seedlings. Grama grows by vegetative reproduction of new shoots occuring at the base of the plant and it is a slow process for it to spread across the width of a tank track. Pitting is a practice which those of us involved with the U.S. Soil Conservation Service have used for at least thirty years and we know full well that it is of very limited or no value in most situations yet the impact statement treats it as though Ft. Carson had just invented a panacea. The EIS explains away the failures of the Soil Conservation Services practices of theiry years with about 4 erroneous assumptions. The superciliousness is pervasive in this section. All sorts of questions surround the legality and the economic feasibility as well as the effectiveness of the schemes for sediment catchment basins and evaporative basins. In this situation the solution to one problem merely precipitates another problem.

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Let me summarize my primary concerns and suggestions for other possible solution in the briefest possible manner.

1. Misleading and inaccurate information in the EIS and a glossing over or obfuscation when such action serves Ft. Carson's wishes
2. Concerned with loss of agricultural lands and with further federal ownership

3. Concerned with social and financial implications
4. Concerned with cultural and natural resources of a singularly unique and magnificent parcel
5. Feel many possible options have been too readily dismissed: economics of transporting to other bases; permanent trade with other unit; expansion into area capable of sustaining training without serious environmental degredation; how long tanks will continue as viable armament; alternate training methods

From my vantage point it appears there are far too many options that have been ignored, cast aside after a cursory or perfunctory examination, or not even recognized as options. I am not criticizing the army for expressing their perceived needs. It is imperative that they do so. But I think we are all inclined to project and distort those needs beyond reality and at that point we start to rationalize instead of analyze. We ask that you gentlemen analyze.

Thank you for your concern and for your time in hearing me out. Thank you.

B. 250,000 ÷ 50 acres per animal unit = 5000 animal/units (source: Willard Louden)

5000 animal units

less 225 (150 horses = 225 animal units)

4775

less 300 (4 bulls per 100 cows = 200 bulls = 300 animal units)

4475

less 336 (559 yearling replacement heifers (1/18th of productive herd) - @ 3/5 a.u. = 336 a.u.)

4139

less 140 (140 heifers that do not calve back as 3 year olds (25% of 559)

3999 PRODUCTIVE MOTHER COWS

3999 x 95% (2% of pregnancy testing error plus 3% annual death loss)

3999 x 95% = 3799 live calves

Each year approximately 1/8 of the cow herd will be sold as too old and must be replaced from heifer calf crop, so generalized annual sales would be as follows:

1900 steer calves
1262 heifer calves (1899-559 old cow replacement = 1340-78 (2% mature cow death loss to be replaced = 1262)
559 old cows
50 bulls (4 year useful life - replaced by purchase)
3771 animals sold annually

3771 annual animal sales breakdown:
(price computations are based on U.S. Dept. of Agriculture statistical bulletins for October 1979 -- the last year for which I have complete statistics)

1900 steer calves x 435 pounds = 826,500 lbs.
1262 heifer calves x 400 lbs = 504,800 lbs.
559 old cows and culls x 900 lbs = 503,100 lbs.
50 bulls x 1600 lbs = 80,000 lbs.

826,500 (steers)	@ $92.08	=$	761,041
504,800 (heifers)	@ $77.59	=$	391,674
503,100 (cows)	@ $46.90	=$	235,954
80,000 (bulls)	@ $59,10	=$	47,280

1,914,400 live weight tot. value=$1,435,949

1,914,400 x 63% = 1,206,072 pounds of meat

1,206,072 ÷ 104 (average annual consumption) = 11,597

Using the actual poundage this land can produce annually, we see it can more than provide the annual meat requirements of two brigades. By the time these animals are grown to slaughter weight, they produce 3,745,100 live weight, or 2,359,413 lbs. of meat.

2,359,413 lbs. ÷ 104 = 22,687 individuals

3771 hides produced annually - each hide will average approximately 30 square feet, but allowing for brands, cuts, scarring and blemishes, approximately 18 square feet (60%) will be useable for making shoes. 3 square feet are required for ordinary shoes. Hence:

3771 x 18 = 67,878 useable square footage

67,878 - 3 = 22,626 shoes annually

FOOTNOTES

FOOTNOTE NUMBER 1

Scientific American, October, 1978
A New Strategy for Military Spending
Phillip Morrison and Paul F. Walker

FOOTNOTE NUMBER 2

See separate page at the back.

FOOTNOTE NUMBER 3

Salinity in the Arkansas Valley of Colorado, 1977
Don Miles, Irrigation Engineer, Colorado State University

FOOTNOTE NUMBER 4

Personal discussion and correspondence from Jeffry Gritzner,
Professional Associate, Board of Scince and Technology
National Academy of Science

FOOTNOTE NUMBER 5

Personal discussions and correspondence from Frank Hensley,
Department of Geology, Otero State College

FOOTNOTE NUMBER 6

Personal discussions with Robert Doak,
Geologist and President of private exploration company

FOOTNOTE NUMBER 7

Personal discussions with Dr. Ivo Lindauer,
Ecologist, University of Northern Colorado

FOOTNOTE NUMBER 2

1. Colorado Division of Wildlife

2. U.S. Department of Interior
John E. Rayborn, Regional Environmental Officer

3. U.S. Department of Interior
Doug Cain, Hydrologist

4. U.S. Forest Service

5. Colorado State Conservation Board

6. National Academy of Science

7. Jeffrey A. Gritzner, Professional Associate
Board on Science and Technology

8. Patrick J. Porgans, Research Specialist
Red Cape Abatement, Ltd.

9. Dr. Lawrence F. Harris, Environmental Geologist

10. Dr. Richard G. Berdleman, Department of Biology
Colorado College

11. Dr. David Armstrong, Associate Professor of Biological Sciences
University of Colorado and Chairman of the Colorado Natural Areas Council

12. Don Miles, Irrigation Engineer
Colorado State University Extension

13. Dr. Marvin Buckles, Department of Anthropology
University of Southern Colorado

14. Dr. Arnold Withers, Department of Anthropology
University of Denver

15. Frank Hensley, Department of Geology
Otero State College

16. Caryl Wood, Department of Anthropology
Trinidad State College

17. Timpas Soil Conservation District

18. Branson Soil Conservation District

19. Purgatory Soil Conservation District

20. South Pueblo Soil Conservation District

21. Ruth Henritze, Curator
Colorado Historical Society

22. Arkansas Valley Audobon Society

23. Colorado Council of Professional Archeologists

24. Sierra Club of Colorado

25. Dr. Ivo Lindauer, Ecologist
University of Northern Colorado

Mr. GINN. What is your answer to this? As I understand it, Fort Carson, if it is going to remain as it is at Carson with its full division, must have additional training. That is what the Army says. What is your answer to this dilemma we are in?

Mr. LOUDEN. Well, I certainly don't pose as any miltary expert, and I listened to the Colonel testify this morning, the battalion commander, and I went up to him afterwards. Then I listened to a lot of what I considered garbage. I went up to the colonel and I said, "I am opposed to what you are standing for at this point. But in my judgment you gave the only good testimony that I have heard here all morning." I felt the man was honest, I felt he was straightforward. And if this man tells me that he needs more land for these training purposes, I believe that they probably need more land. I can't really speak to that.

But I think that the thing that we are perhaps not addressing is the options. First of all, in 1962 when they moved this contingent to Fort Carson, I think a grievious error was made. Colorado's soil, unlike your own, is fragile. It is a drier area, with 10 inches of rainfall and has little recovery capacity. I have maps made of all the historic trails. Those maps are done from aerial photos. A hundred years after those trails were made, we can still find those trails. I can show you ruts in my own area made by the Santa Fe Trail in the 1860s and 1870s.

So we have made the mistake of moving an armored division in there. We could withstand paratroopers or perhaps light infantry or any number of things, and this I would find appropriate. I would like to see serious consideration of a trading of the mechanized into an area that has the rebound capability, into an area whose environment can withstand and come back. I think that is undoubtedly a viable option.

With the millions of acres that the Army has somewhere in this broad land, there could be a legitimate swap. I don't want to see them get logged down in logistics of moving and doing this, and I feel this is a tendency. That we get locked into a situation and then instead of analyzing that situation, then I think we start rationalizing, then we start justifying our needs. We all do it. I am not accusing the Army of being any worse than I am. We all do that. I believe this has happened.

Now, if not that, what about moving the troops down to another area? Fort Bliss, of course, has been offered as one option and there has been talk of Fort Polk, there has been talk about Fort Irwin in California. All kinds of posts where maybe these troops could go and train.

I have the sensation that the Army reaches up in Pigeon Hole 22 and they pull out the reasons they can't train there. They can't train there because the topography isn't right or it is too expensive. I find this a little bit specious because a few years ago the Army wanted to expand adjacent to itself in the Fort Carson area, right near Colorado Springs. This is a more populous area. They have expanded a number of times, and they want to expand again. Colorado Springs raised up on their hind legs and had enough political clout to stop it.

The Army said, "This is just what we need." All right. Colorado Springs stopped them, politically, right at the onset. Then a few

years later, two years ago, the Pueblo area got a new dam, the Pueblo Dam on the Arkansas. Suddenly the military needs changed and we ended up with needing amphibious training. "We will expand into the Pueblo area for amphibious training." The need changed. Pueblo had enough clout to make them back off. Now we hear them saying this is the terrain we need down here. They have moved into a very pristine area where there can be almost no political opposition. You are looking at half the residents right here. We have very little in the way of clout.

I have some reason to wonder about just exactly what are their needs. I am saying they should be able to trade a mission or they should be able to train at another camp.

If I were the military, I would say the next thing they might say, "It is not economically feasible for us to transport troops because it will cost $12 million annually to move down." I won't challenge their figures, though they are conflicting if you look at them closely.

If I were in the military I would much rather have you gentlemen present me with a $120 million capital investment and then it is right close to home and my transportation costs out of my operating budget would be very different.

From their point of view it may not be economically feasible, quote, unquote, but from the taxpayer's point of view it seems to me that it might make much greater sense to in fact, instead of expending $120 million here on a new facility and taking agricultural land out of production, and then they still have 150 miles to go, they still have, I forget what their figures are but perhaps a quarter of a million dollars to transport troops back and forth.

I get on my little calculator and do just a little bit of multiplying and compute the interest rate. I would find it a darned sight cheaper from my point of view to have this annual expenditure of transporting the troops to Fort Bliss.

Mr. GINN. How far away is Fort Bliss?

Ms. GRAVES. Four hundred fifty miles. It doesn't take any longer to load those than being on a railroad car and unload them on a railroad car where they go from Colorado Springs to the Pinon site or whether they go from Colorado Springs to Fort Bliss. The difference is the travel in between two points in one day.

Mr. LOUDEN. They said they want to be within one day's march of Fort Carson for their site, and when they got into the site selection that was the constraining factor. That one day becomes a magic thing, and maybe it is, but it seems to me that movement of troops is also a legitimate part of training.

There are some problems with Fort Carson here with the altitude and the amount of troops that they can lift off and the amount of gas they can come off with, compared with somewhere at a lower altitude. If this is supposed to be a unit prepared to move quickly, it would seem to me it would be more feasible to start from a different base.

We are saying that the thing probably should be traded.

The other thing, I read things—again I can't be a military expert—I read of things that raise questions in my mind. How long are tanks going to be a viable armament? Some guys are saying that we can kill anything we can see, now. I have heard the

statement a number of times from the Army. If they can see the tank, they can destroy it with the weapons they have. It seems we are already dealing with a very vulnerable weapon that a few years down the line may be obsolete. Here we are acquiring a great parcel of land to train something that may in fact be phased out.

Mr. GINN. Are there other witnesses here opposed?

STATEMENT OF GLEN ERMEL

Mr. ERMEL. I am not on the agenda, Mr. Chairman. I was here to visit this group about a week before election time but I think you were all back home. I just talked to Mr. Shulaw out here and he said he didn't know anything about a Fort Carson expansion so I brought him up to date.

Mr. GINN. Mr. Ermel, we are glad to have you here.

[Mr. Ermel's statement follows:]

FOUNTAIN, COLO., *March 25, 1981.*

Chairman JACK BRINKLEY,
Military Installations and Facilities Subcommittee, House Committee on Armed Services, Washington, D.C.

DEAR REPRESENTATIVE BRINKLEY: I appreciate the opportunity to be able to submit my testimony before the Subcommittee on Military Installations and Facilities of the House Committee on Armed Services. I feel that the issue of Fort Carson's attempt to expand into the Pinon Canyon site is one that affects all Southern Coloradoans.

I am a native of this area and have ranched and farmed here on my own for over 25 years. I also visited Camp Carson in its initial state of construction and saw the first barracks built in 1942. Since the beginning of the Fort (Camp), I have witnessed the many units that have trained there and the functions of the Post. I would say that training was probably successful and reasonably compatible with surrounding communities.

The problem started when the 5th Infantry Division (Mech) was assigned to the post for training in the year 1962 and later designated as the 4th Infantry Division (Mech). The Fort had approximately 58 thousand acres total land. The Cantonment area consisted of 7,000 acres, impact area 20,000 and over 5,000 acres of recreation and non-training areas. This left, at the very most, 26,000 acres for tactical training. Why would any responsible military person or government official assign a mission to this Fort and expect it to train properly on this amount of acreage? This has to be the biggest military and political blunder of the century. Fort Carson officials claim that they need at least 52,000 contiguous acres to train their Division, and under military doctrine 82,000 contiguous acres are required for tank maneuvers. Where did they expect to train this Division? Was it to be assumed that Southern Colorado would be a patsy for the military and bend to all their needs and desires? This Division has been in a perpetual expansion from the very beginning. An 80,000 acre land acquisition in 1964–1966 displaced many people with the Army's power of eminent domain. Still not enough land. General Glazier stated that he needed still another 60,000 acres in the year 1969 to properly train his troops. Due to extreme public opposition, the request was withdrawn. People are getting sick and tired of the Army pushing them off their land.

With a new task force, the Army attacked again in 1974–1975. They must have another 80,000 acres to complete their training needs. Fortunately, their acquisition request was turned down. Like watching a re-run of Wagon Train, they brought in a new acquisition team and are now hitting Southern Coloradoans for 250,000 acres.

I have seen the devastation on the existing Fort from the training of a heavy mechanized Division. I have been involved with conservation practices, trying to reestablish grass on the present reservation and, also, I make my living raising cattle and forage crops. It is almost impossible to bring grasslands back with any kind of reasonable cover in a short period of time. This semi-arid country does not have adequate rainfall nor irrigation water to establish vegetation.

The Army's DEIS may meet all the requirements of the law, but it definitely does not meet the requirements of rangelands which will fall under the treads of a mechanized Division. The people who have farmed and ranched the land have testified as to the capacity which the land will tolerate. Their expertise has almost totally been ignored; and the Army says, in essence, it will tippy toe through the

sagebrush and all will be well. I was under the impression that heavy mechanized equipment was designed to tear the hell out of things. The Army gives the impression that it is training marshmallow brigades.

Let's talk about defense. Billions of dollars have gone into a peacetime defense and, according to experts, we are so weak we couldn't fight our way out of a wet paper sack. Our equipment is either worn out or obsolete. Where has the taxpayer's money been spent? Since we have one example here in Colorado, this is a fine place to see how it has been wasted at Fort Carson: A Division assigned to a post that did not have adequate training area. Millions of dollars have been spent on the Post, gearing up to train a Division that any person of average intelligence would have known did not have an adequate training area. Now we must spend more money and displace more people to justify a continued mistake. More land is going to have to be taken out of food production and considered as an expendable natural resource.

The main problem with the today's Army, in my opinion, is that they have lost their pride, integrity, discipline and quality soldiers. You cannot replace these basic necessities in a military man by throwing more land and money at them. It is my understanding the military has access to over 24 million acres for installations and training purposes. Surely, with a little ingenuity and imagination, the 4th Infantry Division can find a place to properly train its troops.

The impact area at Fort Carson, where live firing is conducted, is too close to residential areas. The impact and concussion from the firing shakes people's homes, rattles windows, dishes, and shakes pictures off walls. It is only a matter of time until the impact area will have to be closed. A petition letter stated that fact in 1975, but has been totally ignored by Fort Carson and is considered by them as only a slight nuisance. At least a year of intensive monitoring by qualified people and instruments should have been conducted before an expansion request was even considered. According to studies, the front range is expected to double in population in the next 20 years. More people to be affected by the impact area. The Army has promised that there will not be any live firing in the Pinon Canyon area. So how do they plan to cope with this problem?

Let's face the problem realistically. A heavily mechanized Division cannot successfully train in this area, or Colorado, the way Fort Carson wants to train. It is politically unsound to keep perpetuating a mistake that keeps this Division locked into this area. The present Fort Carson reservation has the potential for many types of training that would be compatible to the land, surrounding communities, and still be useful in the defense of our nation. If the heavily mechanized Division finds they cannot train here, even with the use of other existing training areas and national training centers, then they should move. Forts that have 500,000 to 600,000 contiguous training acres should be suitable, and they will be able to train 365 days a year if necessary.

This continued stress brought by Fort Carson's desire for perpetual expansion has a depressing effect on the people of southern Colorado. Friend is turned against friend and neighbor against neighbor in this battle for land and so-called economic benefits of the military dollar. Unjust demands are applied to our representatives, senators and governor. Our legislators are forced into a side choosing situation that affects their popularity and their ability to be elected to an official position of the state and United States Government. Capable and responsible legislators may be defeated and their abilities lost that are needed to handle the affairs of the state and country. To be elected in the Colorado Springs area you must first assure the military that you are supporting all their whims and desires.

The Fort Carson expansion requests seem to habitually come up during election years when pressure can be applied to our legislators. Pressure groups such as the Colorado Springs Chamber of Commerce, having a retired 4-star general (Jim Hill) as it's president, supports everything the military wants and happily counts the dollars that might fall into the Springs economy. When an area is controlled by the military, it is difficult to get constructive and responsible decisions from our legislators concernig military needs and desires.

El Paso County has a population of 309,000 people by the latest census count. There are 110,000 persons eligible for military beneifts and many more are on the government payroll. U.S. Representative Ken Kramer has over 112,000 people in his district receiving defense department checks and that does not include Fort Carson and Peterson Field. Seems to me we are reaching a socialistic state in our area where everyone works for the government. It has always been my understanding, that our main reason for building a strong defense was to avoid falling into socialism or communism.

I can see our legislators in Colorado supporting their constituents' desires, but not at the expense of people who still believe in a free enterprise system.

I would also like to state that this indiscriminate conversion of agricultural land should be stopped. Our agriculture also has a very important fuction in the defense of this nation. When the U.S. wanted to reprimand the Russians for invading Afghanistan, what did they use? The old American farmer's products was the only method that could be used to serve any purpose at all.

There are many question needing to be answered:

1. If Fort Carson is successful in their Pinon Canyon acquisition, what area is on their hit list a few years down the road?
2. When they are forced to close the present impact area to live firing, where will they fire?
3. Do you honestly feel that it is right to continuously condemn land for training when *there are* other alternatives?
4. Do you feel that perpetuating a mistake that was made in 1962 is good, sound defense, and wise use of the taxpayer's dollar?
5. Why was the Division ever assigned to Fort Carson in the first place, with a total area of only 58,000 acres?
6. Fort Carson boasts about injecting million of dollars into the economy. How much money does it take to train a soldier at Fort Carson? Maybe they could be better trained elsewhere at a much more reasonable cost.

I believe we are all concerned for the defense of this nation. We are also concerned that responsible decisions are made with the wisest use of our tax dollars. My observation as a lifetime resident of this area are that Fort Carson has become a political fanfare, a greed for the military dollar, and empire building for military without justification.

So far, the Army has been 100 percent wrong in projecting their land requirements to train this Division. I believe a Congressional investigation would be more appropriate at this time, rather than a land expansion hearing. A Division that is so vitally needed for this country's defense, as stated by the Army, should not have been assigned to Fort Carson where it could not properly train. The American citizen depending on this Division for defense has been cheated by such irresponsibility. I would like to suggest that you do not help perpetuate this land war which has become a merciless imposition on the landowners, affected citizens, and communities in this state.

I certainly hope that you vote to disapprove the Army's request which would allow them to purchase this land in Southern Colorado. Thank you for your time and interest in this important matter.

Sincerely yours,

GLEN ERMEL.

ORGANIZATION AFFILIATIONS

1. Serve as a director on the Colorado State Soil Conservation Board.
2. Serve on the board of supervisors for the El Paso County Soil Conservation District.
3. Serve as past president for the Pikes Peak Cattlemen's Association.
4. Chairman for the Advisory Committee Colorado State University Agriculture Research Center, Rocky Ford, Colorado.
5. Bachelor of Science degree in Agronomy, Colorado State University.

Mr. GINN. We want to get everybody's statement in the record so it will appear.

Mr. Louden, you have given us excellent information.

Mr. Sharp, do you have a statement to make?

STATEMENT OF DAN SHARP

Mr. SHARP. Mr. Chairman, I am not an expert. All I know is what I read in the papers. Options. Okay. In every country you have the same problem also. England is one of them. They have reverted to assimilation and they say it works real well. A lot of pilots now are trained into an atmosphere. You go into a machine and they create the same atmosphere as if you were actually flying. Now what I am talking about is assimilation.

I know the Army has looked into it. I have read articles in some of their magazines on national defense about this, and I know they

are researching into it, but this is a very cost-effective way of tank training. When you consider fuel and wear and tear on these tanks and the land and everything that is involved, you actually use a machine and it is cost effective. From what I have read and understand, their results with these simulators are quite effective in other countries. They are actually saying there is a possibility of using a simulator for 90 percent of the training and using 10 percent of the training with the actual machine.

The new tank made by Chrysler, the MX-17, cost $1.5 or $1.4 million for that machine. You take several of them out there, and there is wear and tear on these machines. This is pointed out in the magazine as being very cost effective. And also you don't need a lot of land to accomplish these things.

[Mr. Sharp's statement follows:]

79-370 O - 81 - 29

Statement of

Dan Sharp

OPPOSITION TO FORT CARSON EXPANSION

I. Introduction:

A. My name is Dan Sharp

B. I am a rancher owning land within the proposed acquisition area and have resided there for the past 18 years.

C. My address is Box 35, Model, Colorado, 81059 (303) 846-7483

II. U.S. and World Agriculture:

A. At this time the U.S. has the unique ability to produce more food than it can consume.

B. 60% of the world's exported agricultural produce ($40 billion worth) comes from the U.S. (National Wildlife magazine, February-March 1981, page 35.)

C. Agriculture offers the most immediate hope for: (Governor's Blue Ribbon Panel, 1980 - 2000, page 230)

1. reducing U.S. trade deficit

2. stabilizing our dollar

3. developing possible political defense and influence with foreign powers

D. Food will become as major an issue in 1990 as energy is today. (Governor's Blue Ribbon Panel, 1980-2000, page 230).

E. World population will climb from 4.4 billion to an estimated 6.5 billion in the next 20 years. (National Wildlife magazine, February-March 1981, page 35).

F. World demand for food will double between 1975 and 2000. (Governor's Blue Ribbon Panel, 1980-2000, page 230).

G. In 1978 there was a 90 day world food reserve but now only a 30 day surplus.

III. Agricultural Problems:

A. Each year, 3 million ~~acres~~ of agricultural land has been converted to non-agricultural use: (Governor's Blue Ribbon Panel, 1980-2000, page 231).

2 million acres are lost per year - scattered development

3 million acres are lost per year to land erosion

B. At this rate, our food export could be 0 by the year 2000. A great loss to the U.S. on world power and standing. (Report from the Colorado Governor's Blue Ribbon Panel, 1980-2000 (Feb. 1980), Page 231)

C. To complicate matters, lack of water and increased costs of energy will mean less irrigation in the future. (Colorado Governor's Blue Ribbon Panel, 1980-2000, (Feb. 1980), Page 238)

IV. Agricultural Solutions:

A. Because of these increased costs, increased production per acre is not a solution. (Colorado Governor's Blue Ribbon Panel, 1980-2000, (Feb. 1980), page 231).

B. The potential land is not being used offer only limited promise for production because of expense and environmental losses. (Colo. Governor's Blue Ribbon Panel, 1980-2000, (Feb. 1980), page 231).

C. To lose land and maintain economy we have to do one or more of the following: (Colo. Governor's Blue Ribbon Panel, 1980-2000, (Feb. 1980), page 232)

1. increase exports on non-agriculture goods to make up on a decline in agriculture. This does not seem promising, in fact, the opposite is more likely.

2. reduce imports - this will not be a feasible alternative until productivity is up to make historic levels of self-sufficiency.

3. modify our diets - unlikely and unpleasant.

4. increase the amount of energy, water, research dollars, and other inputs necessary to increase agricultural production. This is unfeasible because of the substantial cost.

V. Colorado Agriculture:

A. Colorado ranks 15th in the nation in agriculture and is outranked in the west only by California - the nation's largest. (Colo. Governor's Blue Ribbon Panel, 1980-2000, (Feb. 1980), page 232)

B. Colorado livestock industry is 3/4 of the state's farm income, (Colo. Governor's Blue Ribbon Panel, 1981-2001, page 35).

VI. Ranch Production:

A. 50 acres per cow-calf unit x 260,000 acres = 5,200 units with an 80% calf crop. (Colorado Rancher and Farmer, by Patryce Engel, Dec. 1980, page 14-15).

4,160 calves: 50% steers and heifers at 400 lbs.

steers at $.85 and heifers at $.75 per lb.

total of $340. and $300, or $1,331,2000.

4.1 x $1,331,200 = $5.457,920 (Federal Reserve Bank, Kansas City, Economic, Telephone 800-821-4777)(4.1 multiplier is derived from income generated per $ of direct income paid to cattle family).

B. 250,000 ÷ 50 acres per animal unit = 5000 animal/units (source: Willard Louden)

5000 animal units

less 225 (150 horses = 225 animal units)

4775

less 300 (4 bulls per 100 cows = 200 bulls = 300 animal units)

4475

less 336 (559 yearling replacement heifers (1/18th of productive herd) @ 3/5 a.u. = 336 a.u.)

4139

less 140 (140 heifers that do not calve back as 3 year olds (25% of 559)

3999 PRODUCTIVE MOTHER COWS

3999 x 95% (2% of pregnancy testing error plus 3% annual death loss)

3999 x 95% = 3799 live calves

Each year approximately 1/8 of the cow herd will be sold as too old and must be replaced from heifer calf crop, so generalized annual sales would be as follows:

1900 steer calves
1262 heifer calves (1899-559 old cow replacement = 1340-78 (2% mature cow death loss to be replaced = 1262)
559 old cows
50 bulls (4 year useful life - replaced by purchase)
3771 animals sold annually

3771 annual animal sales breakdown:
(price computations are based on U.S. Dept. of Agriculture statistical bulletins for October 1979 -- the last year for which I have complete statistics)

1900 steer calves x 435 pounds = 826,500 lbs.
1262 heifer calves x 400 lbs = 504,800 lbs.
559 old cows and culls x 900 lbs = 503,100 lbs.
50 bulls x 1600 lbs = 80,000 lbs.

826,500	(steers)	@ $92.08	=$	761,041
504,800	(heifers)	@ $77.59	=$	391,674
503,100	(cows)	@ $46.90	=$	235,954
80,000	(bulls)	@ $59,10	=$	47,280

1,914,400 live weight tot. value=$1,435,949

1,914,400 x 63% = 1,206,072 pounds of meat

1,206,072 ÷ 104 (average annual consumption) = 11,597

Using the actual poundage this land can produce annually, we see it can more than provide the annual meat requirements of two brigades. By the time these animals are grown to slaughter weight, they produce 3,745,100 live weight, or 2,359,413 lbs. of meat.

2,359,413 lbs. ÷ 104 = 22,687 individuals

3771 hides produced annually - each hide will average approximately 30 square feet, but allowing for brands, cuts, scarring and blemishes, approximately 18 square feet (60%) will be useable for making shoes. 3 square feet are required for ordinary shoes. Hence:

3771 x 18 = 67,878 useable square footage

67,878 - 3 = 22,626 shoes annually

C. Book #1 DEIS (#3-98) Possible $1.4 million = $5,740,000

D. High levels of negative impact from region by removing ranching. According to the DEIS, this will"...indicate a high level of negative impact resulting from the acquisition of either parcel. (Page I-29).

E. The cost per cow unit in this area when considering labor, energy costs, water, winter feeding and protection and potential for the future, is very reasonable.

VII. Environmental Problems in the Area:

A. Most severe wind erosion rating in the entire U.S. (DEIS, page L-76)

B. Ground cover losses underestimated. (Ray Wiley, Range Conservationist Specialist, from Pueblo Chieftain newspaper, September 28, 1980).

C. Salinity will adversely affect agricultural production or irrigated crop lands down stream into Kansas. (Don Miles, Colorado Rancher and Farmer magazine, January 1981, page 28).

D. All of these statements are backed by authorities in their fields, but I have only touched on the surface of the real problems.

VIII. Conclusion:

Being a rancher in the area of 18 years, I know how unique and fragile this land is. My ranch is not for sale and never has been offered for sale. No. matter how much money you offer for my property, there are facts that I cannot ignore if I want to remain a patriotic American. Being patriotic, in this situation, means standing up and explaining after careful and open-minded study, the true facts involved and making sure our tax dollars are spent wisely. The truth will upset plans for some personal gains that are in disregard of others. Acquisition in this particular area is wrong, not only for the area, but will be a loss for the nation as a whole. I am not the only rancher who feels this way.

The United States has come to a place in history where it can not waste its resources with inadequate land use. This land acquisition is not in the best interest of the Las Animas area, the state or the nation. Nor can our military afford the loss in time and energy that this proposition suggests.

Keep in mind, we are not against improving the military. The Army and the agricultural producers are not totally separate units opposing each other. They depend on each other, as do all the other factors on this land that makes the U.S. a whole, undefeatable force.

Mr. GINN. Are you a rancher, too?
Mr. SHARP. Yes.
Mr. GINN. What kind of cattle do you run out there?
Mr. ERMEL. Herefords, a cross breed.

STATEMENT OF MS. CALISTA GRAVES

Mr. GINN. Ms. Graves, have you any comments?
Ms. GRAVES. We run Scimitar and Suffolk sheep.
Mr. GINN. Do you have any beefalos?
Ms. GRAVES. No, I don't have them. Our fences aren't high enough, sir.
Mr. GINN. Do you have any comments, Ms. Graves?
Ms. GRAVES. I don't think this is outside of my testimony, the facts they alluded to. That we assume if this division has to be moved in a hurry, has to be moved by air, and with the altitude at Colorado Springs and your weight-balance problem that you have in those big airplanes, we know that more men could be moved with less planes at a lower elevation. I am sure the Army has considered this.
You know there is so much of this hope. We know the cattle business and we know our soil and we know our water. We have looked into our own aspects of this and we probably should have done like Dan has done and read more on options available to the military which they have not presented.
I do agree that the EIS is a very unprofessional statement. I am extremely disappointed in it.
[Ms. Graves' statement follows:]

Statement of

Calista Graves

My name is Calista Graves. I am a native of southeastern Colorado, and with my husband, operate the ranch I was raised on. I have served as president of the Timpas Soil Conservation Board of Supervisors for the past 17 years.

Mr. Chairman, I express my appreciation for this opportunity to speak, and I come before you today not only as a person involved in agriculture, but as a conservationist for Colorado. In November of 1980, with the assistance of Glen Ermel of Colorado Springs, we introduced a resolution opposing the Fort Carson expansion at the annual meeting of the Colorado Association of Soil Conservation Districts.

This resolution passed 80 to 2.

The area under consideration for expansion is very fragile from the standpoint of soils and vegetation. To confirm this fragile condition, the Timpas Soil Conservation District has a Land Use Ordinance which prohibits the plowing of Class VI and Class VII soils. Therefore, the fact that Fort Carson suggests maneuvering on this immature land is of concern to all of us involved with the soil and water conservation of the State of Colorado.

The DEIS alludes to this very concern when it states "In the increased use scenario full recovery in a majority of the impacted lands would occur only in years with adequate rainfall."[1] Gentlemen, southeastern Colorado is well known for its lack of rainfall. The DEIS again states "Due to the shorter rest-recovery period, gradual degradation of the entire land resource would be expected."[2]

The Pinon Canyon site contains a considerable amount of land which will be "infeasible for revegetation due to soil characteristics including texture, depth, slope, salinity, alkalinity, roughness

etc. Natural revegetation though plant succession is the only known means. The total acreage involved in this infeasible revegetation program is approximately 79,318 acres."[3]

In studying the training use for the Pinon Canyon site, we discover what maneuvers are planned for the aforementioned soil types. "These are expected to be concentrated in the mapping units that have topographic diversity and strategic cover."[4] And we read what the result will be on the vegetative ground cover. "The impact occurring on this parcel would include severe and extreme reduction in vegetation cover."[5] From their own data, we now have evidence that 79,000 acres would receive severe and extreme reduction in vegetative cover due to concentrated uses in soil types which are infeasible to revegetate. To mitigate the dust resulting from wind erosion on this land, gravel mulching is proposed.[6] 79,000 acres are 1½ times the size of Washington, D.C. and of this area, approximately 40,000 acres in due time will receive 1 inch of gravel at a rate of 134 cubic yards per acre--1,340,000 truckloads of gravel.

Mr. Chairman, I can sit down with your committee and prove Fort Carson cannot revegetate the Pinon parcel as claimed in the DEIS. Data from the Timpas Unit of the Comanche National Grasslands dispute this. I can demonstrate that misleading and false information has been used by the authors.

Likewise, if I could have the assistance of your staff for 24 hours, a computer and by using the Army's figures and calculations, I could demonstrate that the Army's so-called mitigation does not constitute mitigation at all. At best, it will

only show ultimate and complete devastation to the area.

If you are going to take the land and rape and ruin it to provide training for our military need, they say so, Mr. Chairman. If the DEIS and the final EIS mean nothing; say so. The community has the right to know if you don't give a "damn" about what happens to the social, economic and environmental concerns of the area. Tell the ranchers if you expect that level of sacrifice.

We claim that this is just the beginning of land acquisition in the area. Before long, Fort Carson will be acquiring additional lands in this area. They deny any such motives, but let this be put on the record now--we are seeing only a beginning of what lies ahead regarding the degradation of our area.

The Army claims the cost to operate in the Pinon Canyon site is "X" and the cost to operate on some other site is "X" pluse "Y", and therefore they say the Pinon Canyon is the only reasonable alterna-, tive. With this reasoning, they say the concerns of 200,000 constituents can be put to the "torch" with some justification.

However, if the cost of operating the Pinon Canyon site is really "X" plus "Y" or greater, it is not necessary or justifiable to force this on an unwilling populace.

If the Army utilizes a mitigation procedure which will make the Pinon Canyon site cost effective in comparison with land acquisition in a less populated area at a greater distance from Fort Carson, or in comparison with using an existing training site at a greater distance from the Fort, then I can assure you that level of mitigation will result in a total decimation of this parcel and a vastly increased cost to the surrounding population and communities.

If the Army utilizes a mitigation procedure that will truely rehabilitate the land to an acceptable level, then their cost will be so overwhelming that transportation to an extremely remote location from Fort Carson would be cost effective by comparison.

In summary, Mr. Chairman, I would like to leave you with three main points:

1. This is a very fragile land in the Pinon Canyon site. One thing Colorado cannot replace is additional lands. As a concerned conservationist, I must stress the need to preserve and protect the natural resources of our state.
2. By using data providing in the DEIS and EIS, it can be demonstrated the proposed parcel will experience devastation.
3. The Army must operate with the most cost effective scenario available to them.

Thank you for your time.

REFERENCES

1. Draft Environmental Impact Statement for Training Land Acquisition, P. 2-9.

2. Ibid, P. 2-9.

3. DEIS Appendices, P. A-20.

4. DEIS, P. 4-47.

5. Ibid, P. 4-47.

6. DEIS Appendices, P. A-31.

Page C-5 DEIS Appendices
Page 3-65 Table 3-14 DEIS

	Total Acreage	% infeasible	infeasible acreage
LS	38,521	40%	15,408
MPD	17,535	40%	7,014
TRG	37,346	100%	37,346
PR	19,550	100%	19,550
		TOTAL	79,318 acres

Washington, D.C. is 67 square miles
1 square mile equals 640 acres
Therefore, D.C. equals 42,880 acres

Mr. SHARP. I just want to make one more comment. Even in the Army's own ranks there is disagreement with this. I have a book published in 1978 by Lieutenant General Arthur S. Collins, Jr., entitled, "Common Sense Training." Like I say, I am not an expert, I am just telling you what I read. What he is saying is that large tracts of land are not necessary to train tanks on. In fact, he says it is detrimental. I assume he would be an expert on the subject. Would you like the name?

Mr. GINN. If you can furnish it to us. I am sure we can get it.

Mr. LOUDEN. I believe the point was that you had much more intensive training at a brigade level than you did at a regimental level. He felt there was better training.

There is a little bit I would like to elaborate on in terms of the water quality and one of the water problems.

The two aquifers primarily involved here, one of which is the Dakota Aquifer, that is just under the ground at this level. It is not a terribly important one on a broad scale and there is not a lot of water to be found in it in that area, but the fact is that is the primary aquifer for that immediate area.

As we have problems with the runoff, as we have problems, we interfere with the cycle of soils and grass. We do not get discharge. Water does not infiltrate. What happens here—and I hear the EPA people talking about dust and pollution and I hear them talking about health hazards and particulates in the air. This is beside the point. I have lived through a thousand dust storms and lived through the Dust Bowl. I am not worried about that facet but the thing that does happen here is porosity of the soil.

As that dust settles back, it seals and we do not get penetration. This starts an enormous cycle, which I have documented in here. We do not get water into that upper formation because it is sealed. We do get runoff but now then as we have disturbed this soil we have these small particles at which the water has access. The water dissolves minerals and carries it into the Arkansas River. The Arkansas River is already two to five times more saline than the Colorado River, and I believe that you gentlemen have authorized many millions of dollars trying to clear up the salinity problem in the Colorado River. You are already dealing with a structure two to five times as saline as that, depending on where the ratings are taken, and we are going to increase the salinity, and this area happens to be one of high salinity.

This is documented and Ms. Graves can comment on that. Mr. Miles from Colorado State University is probably the best expert on this. He has documented this. That document was not used at all by the Army.

Now, then, downstream from this, after we have picked up the salinity and have increased our runoff because of this dust problem, we are now carrying a heavily laden water, laden with minerals and salt. We are moving in and then we get infiltration in the Kansas area into the Ogalalla Formation. The Ogalalla Formation is perhaps this nation's most significant aquifer. This is one that feeds the entire Great Plains area. The whole agricultural program in the Great Plains is one way or another dependent on the Ogalalla Formation. It is the most important aquifer we know of.

Mr. GINN. Is this information you are giving covered in the EIS?

Ms. GRAVES. They laughed at us about the problem of salinity. They say it doesn't exist. If they are going to control it, let me tell you how. They are going to build retainer ponds with sealers in them. That interferes with somebody's water rights downstream. They will put in retainers with trickle tubes. When you stir salt and water, you cannot get it to settle out by just slowly letting it go. Once those things are in the water, they are there.

Mr. GINN. I agree.

Mr. LOUDEN. We are saying again this is not a parochial question. If we are starting to tamper and have a bad effect on that Ogalalla Aquifer, which we are, in the Kansas area, this becomes a serious problem. It is simply not addressed. In fact, the Army had some alchemists that were changing chlorines into bromines. It was an Alice in Wonderland treatment of this problem.

Ms. GRAVES. There are two elements they were going to make a compound out of, which is impossible.

Mr. LOUDEN. Most of us have been in soil conservation programs for 30 or 35 years. The Soil Conservation Service has worked diligently trying all kinds of methods and everything they can think of. Pitting, which is a practice we have used for 30 years. The Army says, "How magnificent a job this pitting is going to do. "It sounds like they invented a panacea. We know that it has very limited value. It was a good attempt and in some circumstances it worked. In most circumstances it doesn't. That is one of the mitigation procedures on which the Army is working.

They are also saying they are going to reseed this. The primary grass is grama grass in this area. I have talked to too many soil conservation people, I have talked to too many ecologists and biologists, and from my own experience I can document it over and over and over again, you can't in that climate reseed grama grass effectively under any circumstances.

You can see it and it will sprout and it will die as soon as the weather dries up, as soon as the hot wind hits it. Rather, grama grass spreads from the base of it, the nutrients come out of the roots and they spread laterally. Towing across the width of a tank track, it is going to take that grass a long time to do it. It is foolish to talk about reseeding grama effectively. They wouldn't have one chance in twenty maybe.

Mr. GINN. How many acres does it take per cow in this area?

Mr. LOUDEN. This would be a judgmental question. The generally used figure that they are saying there is 50 acres. I think that is high. I think actually if I were running a ranch on that I would want more. Danny has another opinion. He works in the area and he utilizes less than that. So 50 acres is probably a reasonable figure. Fifty acres per animal, which is not uncommon.

Mr. Sharp has made the point over and over that this is still a very economical area for growing cattle because we do not have much in the way of energy inputs, feedstuffs and so forth. We are talking about these cattle going off of vegetation which would not otherwise be utilized. This is unlike a feeding operation in which you are taking wheat and pouring it into the cattle at a poor level of efficiency.

Mr. SHARP. In fact, we have a unique situation here. If you study the agriculture of the United States, and predict the future—most of this I have gotten from blue ribbon reports to the governor—you will find that agriculture is going to go downhill and is going to become—what I am trying to say is, it will be less cost effective.

Agriculture is going to cost more. In this particular area it is going to be true. We don't put much energy into our own product. In fact, we can do it all on horseback. The expense for labor, hardly any water, water is there adequate for cattle, but the cost of getting it is nil and we are not depleting any source in the ground. It will be there forever. I could go on and on.

Mr. GINN. Let me say this at this point, Mr. Sharp. I don't know if everyone in the room heard me make the statement earlier. First, I want you to know I have an open mind on this. I have not made a decision. I don't think Mr. Brinkley has made a decision. This matter must first get through the authorizing committee before it comes to us to actually fund it.

Second, I want to make sure you all understand, regardless of which side you are on, in a spirit of fairness, we are asking the Survey and Investigations staff of the Appropriations Committee to look at this matter further in more detail. We have raised enough issues already, I think, to justify that.

Third, if Mr. Peel and Mr. Burgener and others think we can arrange it, I would like to see this before we make a decision. I will come if you can tell me where I can buy a vest like that one.

I would like to come out and see this, I really would. Regardless of which side you are on, it is my job as chairman and as a member of Congress to listen.

Ms. GRAVES. If you will promise us one thing, you won't fly over in a helicopter to make a decision.

Mr. GINN. How long would it take us to visit the base, look at the economics of this whole thing, what it means to the whole area, get out and see this grass you are talking about, actually go to the canyon? How long would it take?

Mr. ERMEL. A day on the reservation and another day in Mr. Louden's area.

Mr. GINN. I would rather spend less on the base and more on where you are talking about.

Mr. LOUDEN. A number of us are spending five days on a back-back trip through this area in a few days, and you are welcome to go on that back-pack trip.

Mr. GINN. Terry has already volunteered to go. I wish I had five days to do that.

Mr. LOUDEN. Two days certainly would be useful. That is more than anyone else has spent other than Mr. Kogovsek that I know of on the area.

Mr. GINN. You got my word. Before we act we will spend two days.

Mr. LOUDEN. May we request that you do contact some of us who are familiar with it.

Mr. GINN. We will contact you, and you contact the others?

Mr. LOUDEN. Yes, that would be fine.

Mr. GINN. As I say, now, I want to make it very clear, I would like to talk to all the interested parties.

Mr. LOUDEN. Mr. Chairman, we believe we are right. If we can get a fair hearing—you know, we feel we are fighting a juggernaut here. The Army has been preparing this for three or four years. They spent half a million dollars on an impact statement which you should have reason to believe is correct.

Mr. GINN. You are not going to be juggernauts.

I grew up on a farm. I understand what land means to people. It is in your blood, and it is more than dollars and cents. I understand that. I also believe in a strong national defense.

Mr. LOUDEN. We do, also.

Mr. GINN. Thirdly, I represent Portsfield Hunter, which is a mechanized division, the 24th Infantry Division in my district, which has 300,000 acres. I am well aware of the problems of the former landowners. They are still very bitter about their land being taken away. I know where you are coming from on this. I want to assure you that you will get a fair hearing out of this subcommittee.

Mr. ERMEL. I would like to bring in this fact. They have an impact area that is well to the east of Fountain, right up to Security. It is about 10 or 11 miles right straight south of Colorado Springs. There is 20,000 acres in there. They use that as a firing range for tanks, artillery, and so forth. The concussion and firing from those shells shakes our homes. We are getting bad effects out of that.

The Army says it is only a slight nuisance.

They are going to have to close that impact area down. It should be closed down already. As the population goes down from Colorado Springs to Pueblo, there are more people in there with more complaints. Where do they plan to go from there? They are not going to be able to fire there. They are building up a division to train, and they don't have the ground; they don't have the firing area.

Why did they ever put it in there in the first place? When they first assigned it to Fort Carson, they had 58,000 acres, and that included 20,000 acres impact area, 7,000 cantonment, 5,000 acres for recreation and a small rifle range. That left them less than 26,000 acres to train a division. They spent millions of dollars of the taxpayers' money, gearing up to train this division, and they don't have adequate training area. It should have been put out on a reservation of 5,600,000 acres and then those boys could train like they need to train. They can't train there and never will be able to.

Mr. GINN. Let us continue to get all the facts we can. I have given you my word we are not about to make this decision tonight or tomorrow. I will come to Colorado. I will talk to all sides while I am there.

Mr. BURGENER. I apologize for being so late. I had a delegation of people in the office who took me away.

How many congressional districts are affected, more than one?

Mr. LOUDEN. Just the third.

Well now, that might not be quite true. Mr. Kogovsek's goes into one-third of Colorado Springs, and Mr. Kramer is the Representative from the rest of the Colorado Springs area, the existing Fort Carson site is in Mr. Kogovsek's district, and he also takes in the

area of the proposed expansion and a little bit up by Fort Carson. There are actually two.

Mr. BURGENER. Their input is very important.

Mr. LOUDEN. They will be on opposite sides of the fence. Mr. Kramer, I am sure, will be very much in favor of this expansion, that Fort Carson will reap the benefit, and Mr. Kogovsek's area will suffer the damage, without any particular benefit.

Mr. BURGENER. Any announced position by your Senators at the moment?

Mr. LOUDEN. Senator Hart certainly has indicated that he favors this thing, and apparently Mr. Armstrong favors it. Again, if we are counting numbers, if we are looking at a total kind of a constituency and what it does in generating dollars in general terms, yes, I think they all have to come down because we are the poorer cousins.

I think the point is there are concerns here that are not merely parochial. I cannot stress that too much. Yet I believe most of our representatives are coming down in opposition to us, in favor of the expansion. I am not sure about some of the others. We have had some favorable talks with Mr. Brown; we have had some favorable talks with Pat Schroeder, but who knows where they are.

Mr. ERMEL. In the Colorado Springs area we have 309,000 people in El Paso County. One hundred ten thousand people in El Paso County are eligible for military benefits, and that doesn't count all the rest of the people working for the government there.

Any legislator in our area who wants to run for office and be elected, he has to support every whim, every desire, of the military. We have got NORAD in there, the Air Force Academy, a wing of SAC at the Peterson Field. We are getting a new space center in there; Fort Carson.

Mr. BURGENER. Mr. Kramer wanted to be on the military committee.

Mr. GINN. We are going to have to move ahead, and we have other witnesses.

Mr. GRAVES. Mr. Chairman, I come here as a conservationist. There is one thing that is not taken into consideration: that Colorado can produce no more soil. When they come in there, they are taking away the very economic base of Southern Colorado. It is not just the immediate area that is involved. Not just the military; it is all the way to the Kansas line—the farmers that are going to be involved, all the way to the Kansas line, with their salinity problems, their lack of water, and the dust.

When I heard the people testify this morning, honestly, sir, I thought I had not grown up on that ranch when they said there would be no dust involved in this. We get the dust from Pueblo, Colorado, which is 80 miles to the north, and we get it from Model, Colorado, which will be involved in this area about 50 miles to the west, when the prevailing winds are from those directions. We have to consider what we are going to leave for Colorado.

Mr. ERMEL. Mr. Chairman, I have this statement I presented in the other committee.

Mr. GINN. It will appear in the record.

Mr. ERMEL. I also have here a record of newspaper clippings that goes clear back to 1974, and I want you to take that for your

reference. If you thumb through that, you will see what we have been up to.

Mr. GINN. The articles will be used in our deliberations.

Mr. LOUDEN. Mr. Chairman, there is an address. We will expect to hear from you.

Mr. GINN. We will hear from all sides on this issue before this committee makes a decision. Thank you very much for coming.

Mr. LOUDEN. We want to express our appreciation. This has certainly made for a week of very intensive labor on our part worthwhile, and a lot of expense coming here. We have received a most fair hearing, and we appreciate it deeply.

Mr. GINN. Thank you very much for being here.

STATEMENT OF MR. HADAD

Mr. HADAD. Mr. Chairman, I wish to thank you for the opportunity to appear today. I am very honored. This is truly our democracy in action.

Mr. GINN. We are pleased to have you here.

Mr. HADAD. I speak in behalf of Trinidad Las Animas County Chamber of Commerce.

In our prepared statement we did not try to load this statement one way or the other for or against. We address three or four issues. We ask that 41 landowners be treated fairly and equitably. We are sure our government will treat them fairly and equitably. Not only in a monetary sense, but in relocation, assisting them.

We ask the school districts in the area be justly compensated for loss of revenue because of the acquisition of property. We ask that consideration be given to the county for loss of revenue, concerning roads and maintenance for which they receive a certain amount of money for maintaining. We will lose that revenue.

It is our concern that the loss of tax evaluation may become a burden upon the remaining taxpayers of Trinidad-Las Animas County. We hope that some method can be negotiated so that a supplemental income can be derived by the county to compensate for this loss of assessed evaluation.

The Chambers are trying to address this issue on an economic basis, and we have made note of the three big budget factors. The $61,780,000 for contracting and supporting facilities is a considerable sum. The annual maintenance service in the actual budget is $5,419,000. We know that with this amount being put into circulation in the Las Animas County area, it has to have good effect on a sagging economy.

Our area has decreased in population over the past 10 years—our city by seven percent—and the population of our city is 11,000 people. Our county is 16,500, and yet we are the seventh largest area in mass in the whole U.S. as far as counties go.

We are a large county with a very limited economy.

We are appreciative of the problems that will become reality by your expansion into the area, but we know that the economic benefit to our economy will far overshadow what problems we will encounter.

We wish to welcome the Army to our area and to our community. We will give you our commitment for assistance and support to make this relocation harmonious. We hope that everyone being

considered will be treated fairly, and we know that you and your committee will do so.

Mr. GINN. Thank you very much, sir. Your complete statement will appear in the record.

[Mr. Hadad's prepared statement follows:]

STATEMENT OF MR. HADAD

Mr. Chairman Ginn, and members of the committee. My name is George Hadad and I appear before you in behalf of the Trinidad-Las Animas County Chamber of Commerce. It is an honor and privilege to appear before your committee today and speak favorably for the expansion of Ft. Carson into the Pinon Canyon site.

The Chamber of Commerce board met March 13, 1981 and by unanimous vote of the members present, passed a resolution endorsing the proposed expansion. A copy of our resolution is included for your information.

Expanding upon the resolution, please take note, our main concern is for a strong and well trained Army to protect our United States. There should be no mistake that our first and foremost desire is that a United States Army have this land as a training grounds, by our choice, and not a foreign government, against our will.

In a small community, it goes without saying, that many of our problems are multiplied by the fact that we are closely involved together within our city and county. The chamber is genuinely concerned that the 41 landowners and families involved receive a fair and equitable settlement for their relocation needs, not only by compensation, but by fair and equitable assistance in their relocation.

The chamber has primarily addressed itself to the economic impact to our area. But we must also address the situations which are a major concern: 1. The school districts must be adequately compensated for loss of revenue to their schools: 2. The loss of revenue from road maintainence funds be also considered, as this will be additional loss of revenue to our county: 3. It is our concern that the loss of tax valuation will be an economic burden to our county. We do not want this loss of evaluation to become a permanent burden to the remaining taxpayers of Las Animas County. We encourage that a permanent fund or some other means become available to compensate for the loss of assessed valuation to Las Animas County by the army expanison.

The chamber is attempting to realize the full economic impact that Fort Carson will have on our community. Summarizing the figure contained in the final environmental impact statement, we take note of the proposed expenditure for "contracting and supporting facilites" will amount to $61,780,000 not to mention annual "operation and maintenance costs" which will be a projected budget of $823,400.

The forecasted "service and actual budget" will be a grand total of $5,419,455.

With these type of dollars put in circulation in the Las Animas county area there is no doubt in our mind whatsoever, that it will have a positive and lasting economic impact on our sagging economy.

May we take this opportunity to point out that in 1979 Trinidad population was estimated at 11,000 while Las Animas county had an estimated population of 16,500. The population census of Trinidad declined between 1960 and 1970 by approximately 7 percent the county population decreased also 8 percent over the same period.

If we were talking to private enterprise about investing the same dollars in our community, we would have serious concerns about the immediate of the mill levy, the school and medical facilities and the lack of housing that would face us.

We now have an opportunity to welcome into our community the Fort Carson expansion which is primarily self sustaining. We appreciate that the demand upon our facilities would be gradual.

We do anticipate and welcome the eventual growth and financial impact that the Fort Carson expansion will have on our area, and the accompanying future needs for goods and services in the community.

Our large business area is willing and eager to expand its services to encompass the needs of Fort Carson. We wish to bring to your attention the pride our community has in our excellent facilities, namely, our churches, synagogue, public and parochial schools, Trinidad State Jr. College, recreational facilities, fraternal organizations and clubs. Our transportation includes two railroads, bus lines, interstate highways and airport service. If the State of Colorado was to lose the expansion of Fort Carson to another area, it would be a devastating loss of revenue to the entire state. We must insure that our committment, be a joint committment, with the officials from Colorado Springs and Pueblo who will also appear before you today.

We understand that ten minutes is a limited time to adequately address the favorable issues regarding the expansion, and we do appreciate the time alloted to

us. We give our firm committment to cooperate in every way possible to see that your expansion into our area will be as harmonious as possible.

I personally thank you for the opportunity to appear before this committee in behalf of the Trinidad-Las Animas County.

TRINIDAD-LAS ANIMAS COUNTY CHAMBER OF COMMERCE
ENDORSEMENT POSITION ON FORT CARSON PROPOSED
EXPANSION OF THE PINON CANYON SITE

WHEREAS: We as duly elected representatives of the Trinidad-Las Animas County Chamber of Commerce are in favor of a strong and well protected United States, do endorse the army expansion into the Pinon Canyon site for the benefit of training our armed forces.

WHEREAS: A number of families and landowners are involved in the expansion, it is our desire that a fair and equitable settlement be negotiated with all parties concerned.

WHEREAS: We are concerned that our natural resources and environment be protected, we ask that your committment to your environmental impact statement be given top priority in your expansion and utilization of this site.

WHEREAS: Economic growth will be of benefit to the entire Las Animas County, it is our desire that every effort be made by the Army to give priority consideration and assistance to the local business community. Due to the relocation of the military into our area, we will extend every service and assistance avaiable through our Chamber to their relocation. The Trinidad-Las Animas County Chamber of Commerce recognize your needs for goods and services and our large business area stands ready to serve an expanding business community. We are desirous that you give our community priority consideration in any and all business and personnel transactions.

WHEREAS: We as a Chamber of Commerce take pride in our community, we request that you incorporate the name of "Trinidad" in identifying your training site.

THEREFORE BE IT RESOLVED: The Trinidad-Las Animas County Chamber of Commerce endorse and encourage the United States Army expansion into the "Trinidad" Pinon Canyon site. We wish to bring to the attention of the Army personnel our pride in our excellent facilities, namely, our churches, synagogue, public and parochial schools, Trinidad State Jr. College, recreational facilities, fraternal organizations and clubs. Our transportation includes two railroads (Am Trak), bus lines, Interstate hi-ways and air-port service. We invite your personnel to avail themselves of these facilities and to enjoy our clean air and abundant natural beauty.

These requests for consideration are on behalf of the entire Las Animas County.

ENDORSED ON THIS DAY THE 13th OF MARCH 1981 BY THE BOARD OF THE TRINIDAD-LAS ANJMAS COUNTY CHAMBER OF COMMERCE.

Ralph Cagliardi, President

John Morrisroe, Vice President

Roy Mitchell

James Platt

Don Herman

Norma Ryan

Loren Archuletta, Manager

Alfredo Pando

Ken Bloch

David Hadad

George Hadad

Rose Biundo

Gary Perry

STATEMENT OF MR. LINDBERG

Mr. LINDBERG. Mr. Chairman, my name is J. L. Lindberg. I represent the Chamber of Commerce of Pueblo. It is a distinct pleasure to be here. I think any study of our prepared statement will be very eloquent in the amount of agonizing that our Chamber had to do. We were very sympathetic and remain extremely sympathetic to the landowners, the ranchers, people who live on the land who do not want to leave and who are facing the possibility of treatment that is other than totally fair and just.

We urge whatever is done that they be given the first consideration in this.

After the agonizing was done, it did come down to were we totally convinced that in the interests of our national good and the interests of the lives of our soldiers that this acquisition was proper, and we concluded that it was.

Therefore, we firmly support this. Because of that major reason. Pueblo, itself, stands to gain little as we see it economically. We have some revenue from Fort Carson now. We will gain some programs, but it would be of a minimal nature. We feel the big benefit to the country and to the lives of our soldiers would be the opportunity to be trained properly, and that is paramount in this matter.

Thank you.

[Mr. Lindberg's prepared statement follows:]

STATEMENT OF JEROME L. LINDBERG
Chairman, Military Affairs Committee
Pueblo Chamber of Commerce

To

Military Construction Sub-Committee
House Appropriations Committee
U.S. House of Representatives

Mr. Chairman and Members of the Committee:

My name is Jerome L. Lindberg and I am Chairman of the Military Affairs Committee and Immediate Past President of the Pueblo Chamber of Commerce, Pueblo, Colorado. I am here today to submit a statement on behalf of the Pueblo Chamber of Commerce whose membership includes 1250 firms and individuals representing the business and professional community of our city. We appreciate this opportunity to present our views on the proposed acquisition of the Pinon Canyon site in Las Animas County, Colorado, which will be utilized as a remote military training area by the 4th Infantry Division (Mechanized) currently stationed at Ft. Carson, as well as Reserve and National Guard units for routine combat manuever training.

The Pueblo Chamber of Commerce has maintained a continuing awareness of Ft. Carson's expansion plans starting with a briefing from the Fort's Commanding General in August of 1979. When the Draft Environmental Impact Statement concerning the expansion became available, a special committee was created by me as President of the Chamber to study this entire matter in depth and to report their conclusions to the Chamber's Board of Directors. This committee, composed of a wide spectrum of interested citizens -- some business persons, some agricultural, others with interests in wildlife and economic development -- spent a considerable amount of time studying the proposed expansion and its anticipated effect upon our region's citizens, environment, economy, wildlife and archeological sites together with the long-term need for increased military preparedness.

Field trips were taken by committee members, not only to the proposed acquisition sites, but also to the training areas within the current limits of Ft. Carson. These visits enabled committee members to become acquainted on a first-hand basis with the scope of the Army's plans and their probable effect upon our region.

Upon receiving the final report of the committee on February 10, 1981, the Board of Directors took the entire matter under continued advisement until March 27, 1981. On that date, with 82% of the Board present, at a special meeting, the following resolution was adopted:

"WHEREAS, it is our tradition that Americans must always respond to the needs of this great Nation, and

WHEREAS, we believe that a critical world situation urgently demands that the United States have a strong and well-prepared defense establishment, and

WHEREAS, we are convinced that Ft. Carson requires additional training area not only to make training more effective but also to insure that American Soldiers have the best possible chance to survive in battle, and

WHEREAS, we recognize that there may be some degradation of the delicate ecological balance in such an area, we trust and believe that our Army will, in good faith, make every reasonable effort to preserve that balance, and

WHEREAS, we understand that a significant majority of the landowners in the area no longer opposes government acquisition of the land -- assuming a fair and honest price -- and again we trust and believe that our Army and our Government will negotiate a just price, and

WHEREAS, we acknowledge that there will be an important short-term positive economic impact in this area, so do we believe that there will be some negative long-term economic impact on Southeastern Colorado, and

WHEREAS, we have personal assurances that Colorado's Congressional delegation will press aggressively for offsetting economic benefits to accrue to this area, and

WHEREAS, we know Puebloans to be dedicated and patriotic citizens of the United States, we, therefore,

CONCLUDE that the acquisition of the Pinon Canyon site by Ft. Carson is clearly in the national interest and we do further

CONCLUDE that any negative impact upon Southeastern Colorado, when weighed against the benefits to be derived in the interest of the common good, are reasonable and acceptable, NOW, THEREFORE, BE IT

RESOLVED, that the Board of Directors of the Pueblo Chamber of Commerce hereby declares its firm support of the acquisition of the Pinon Canyon site by the United States Army.

Dated this 27th Day of March, 1981, A.D.

David L. Cardinal, President

cag
4/8/81

STATEMENT OF MR. CHRISTENSEN

Mr. CHRISTENSEN. My name is Lewis Christensen, Chairman of the Board of the Colorado Springs Chamber of Commerce. I am sure most of you are aware there are many significant military installations in and around Colorado Springs, and Fort Carson is certainly one of the most significant in that area.

We have concerns about the economic impact of whatever occurs, whether it is pro or con, in whatever direction.

I think the thing that we have been involved with with Fort Carson from the very beginning of this particular project, is the process that they have gone through in selecting the site. I think if you were to have a site that had been selected in a cornfield in Iowa or a wheatfield in Kansas, or grazing land in Montana, there would be people who are opposing that expansion because it would be taking their land from them.

Mr. GINN. That is understandable.

Mr. CHRISTENSEN. I am aware of that, and I have the same concerns that Jerry has in that area.

I think that the Army did take very careful steps in going through a site selection process. They did do a very careful, in my opinion, environmental impact statement. They did hold meetings to describe to all of the people affected what they were doing and how they were approaching it, and they did, of course, communicate with those people during the entire process.

We feel that they have taken the proper steps. We are very supportive of their need to expand, and we believe because of the process they have been through that the Pinon Canyon site is the site for that expansion to take place.

The Colorado Springs Chamber of Commerce is in support of that. We are very much in support of a strong national defense, which is something very involved in this whole discussion. We are here to support that expansion.

Mr. GINN. We thank you for being here, Mr. Christensen, and your complete statement will appear in the record.

[Mr. Christensen's prepared statement follows:]

TESTIMONY OF C. LEWIS CHRISTENSEN, CHAIRMAN OF THE BOARD, COLORADO SPRINGS CHAMBER OF COMMERCE

My name is C. Lewis Christensen, I am chairman of the board of the Colorado Springs Chamber Of Commerce, Colorado Springs, Colorado. I speak on behalf of approximately 2000 members when I say it is a special privilege to address the committee in support of our good neighbor, Fort Carson, to expand it's training facilities and strengthen the division's training capabilites.

Colorado Spring is a community with a substantial number of military retirees and active duty residents. The need for adequate training of our armed forces, is probably more appreciated in Colorado Springs than in most cities. Maximizing the ability of Fort Carson to fullfill it basic mission is vital not only to our city but to the entire Nation.

The business community and all Colorado Springs citizens have experienced perhaps the most beneficial economic impact with the close proximity of the fourth infantry division mechanized. It approximately 20,000 personnel provides economic contributions that can be felt by all southern Coloradans. With almost $400 million in annual expenditures and a population of almost 70,000 made up of military personnel, dependents, retirees and civilian employees, Fort Carson has an awesome impact on the economy of the entire state.

Data of April 1, 1980 shows a military payroll of more than $315 million, a civilian payroll of more than $40 million, military construction expenditures of $6 million and rent and lease payments of almost $2 million.

Fort Carson has been an integral part of our community since January 1942. Our Chamber of Commerce was involved in assisting the army in estalishing that post just a few miles from Colorado Springs. We have been actively involved with the history of Fort Carson even since that time.

The Chamber's Military Affairs Committee has monthly meetings with Fort Carson officials to communicate on issues of mutual concern as they occur.

The chamber has sponsored annual awards ceremonies for enlisted personnel at the armed forces luncheon in may of each year.

All chamber activities have the participation of the Army community.

And how for one the most important milestones in the history of the Fort, the acquisition of the much needed additional training land. We have supported the Army in the process from the time that they began the land use studies in early 1978. Chamber members have travelled to Denver, the state capitol, to testify on behalf of Fort Carson's efforts to the state legislature many times.

We have been impressed with the open and honest approach of the land acquisition efforts of the army. They have proven their commitment to provide the public with information as it has become available to them. They have worked closely with land owners, private organizations, and local and state governmental bodies.

Meetings have been held in communities near the sites to solicit public input and to inform more than 600 persons of the army's plan. Fort Carson invited all who attended those meetings to tour the fort. About 80 persons accepted their invitation to see how well the army has managed the land, water, and wildlife resources on the installation *after* years of training exercises have taken place there.

Some of the criticism which has been levelled at the army in the acquisition process has come from those individuals that chose not to speak out, until very late in the process. Those are the same individuals that say "yes, we want a strong national defense, but not in our backyard".

Fort Carson has systematically responded to every concern that has been raised. Issues that were very adequately addressed in the final environmental impact statement, continued to be used as negative criticism of the army, from salinity levels of the Arkansas River, to fears of drunken soldiers on every street corner of their towns.

My point is, Mr. Chairman and members of the committee that we in Colorado Springs have enjoyed the contribution that Fort Carson has made to the community. The army's responsiveness to citizen concerns and positive interaction of the soldiers and civilians have enhanced the quality of life in the Pikes Peak region.

We are in a city that is aware of the increasing complex defense missions to which the army has to respond. We are aware of the need for a strong national defense and we stand ready to help our good neighbor, the fourth infantry division mechanized, in any way that we can in achieving that combat ready mission that is so important to all Americans.

Mr. GINN. Are there any questions?

Mr. BURGENER. I have no questions, Mr. Chairman.

Mr. GINN. I would like very much to come out and see you. You have a great deal to see militarily. We are involved in all of that from a construction standpoint.

As I also said earlier, this decision must first be considered by Mr. Brinkley's subcommittee on the authorizing before it gets to us at the funding level.

We are most anxious to be fair to all sides. I represent two military bases, so I understand the pros and cons and the agonizing that goes on, one way or the other, depending on which side you are on.

We will come to Colorado, and we would like very much to meet with you folks on the ground at the site we are talking about and just look it over. We will do that before we make a final decision.

I want you to leave here today with the understanding we appreciate your testimony; we appreciate your position. We have not made a final decision—or I have not as Chairman—and we will continue to get all the facts we can and be fair to everyone.

Mr. HADAD. We extend a welcome to you. Please do come. Anything we can do just feel free to pick up the phone, and we will arrange it. We will arrange transportation and every convenience.

STATEMENT OF MR. WILSON

Mr. GINN. Mr. Wilson, we are delighted to have you here, sir. Your complete statement will appear in the record, if you would like to take a few minutes and give us your position on this matter.

Mr. WILSON. Everybody has spoken for the landowners except the landowners. I represent myself. I am a rancher. I represent myself and a majority of the landowners in this site.

We have stated that, as this appears, probably this is a necessary step in national defense. Probably it is going to come to our area, and we would like to bring to your attention that we are reasonable people. We have some concerns. We would like to be treated fairly.

Our concerns are compensation. We do like to go out on a tax basis and have the same replacement wherever we go, and we would like to do it as expeditiously as possible. We are concerned about our neighbors and how they are going to be treated.

Mr. GINN. Mr. Wilson, you are a landowner in the area we are talking about?

Mr. WILSON. Yes, sir.

Mr. GINN. You are willing to sell provided the compensation is fair. Is that what you are saying?

Mr. WILSON. That is what we have come to. There has been debate on this for several years. It has been a cloud that has hung over us. Collectively, we have gathered up, since the site has come out public, a majority of the landowners have gotten together and we have said, "Okay, if it is going to be acquired, treat us fairly and we are willing to sell, but when we say fair, we would like to go out with an equal trade. If we are running so many cow-units now, we would like to have that, and a little something in addition. We have even put a pricetag on it to some extent. We represent a little over 200,000 acres in this statement we have made; we have asked for a tax base, and so forth, to take care of our neighbors. Probably in the Las Animas area it will probably be an economic boon to our neighbors.

Mr. BURGENER. Were the previous affirmative witnesses concerned?

Mr. WILSON. There is one person. He is on the edge, and we feel he should be treated fairly. He should be excluded or bought out entirely, one or the other.

The rest of them were not landowners.

Mr. BURGENER. They represented different interests?

Mr. WILSON. They represented different interests, and I am sure they had their own interests. I speak for myself and just the landowners who are on the site, itself.

Mr. BURGENER. You are one of the principal landowners?

Mr. WILSON. I would be one of the landowners; yes, sir.

Mr. GINN. Mr. Wilson, let me give you the same assurance we have attempted today in a spirit of fairness to give to all. You understand the procedure. Now, that the Army has made its recommendation, this must first be authorized, and you have testified

before Mr. Brinkley's subcommittee in that respect. It must get through that committee before it comes to us for funding.

I would like very much to come to Colorado. I intend to come to Colorado. I would like very much to meet with you on the ground.

Mr. WILSON. I would like to have you meet with me on the ground. I know the country, and I will show it to you.

Mr. GINN. I don't think I have any additional questions.

Do you have any additional points?

Mr. WILSON. I really don't, other than if you have questions, I will answer them.

Mr. GINN. Your statement will appear in the record, of course.

[Mr. Wilson's prepared statement, Mr. Nicklos' letter dated April 3, 1981, and Mr. Wilson's Position Statement follow:]

APRIL 8, 1981.

Hon. Bo GINN,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, House Office Building, Washington, D.C.

Honorable Bo Ginn and members of this subcommittee, my purpose is to speak for myself and the owners of a majority of the land in the Pinion Canyon site. We understand this site has been proposed for acquisition in the expansion of Fort Carson. We do not intend to debate the reasons that have led to the proposed expansion, or the selection of this site. If this acquisition is to be, we feel we must accept it, but we want to be treated just and fairly. We are reasonable people, and have stated we would be willing to sell under reasonable conditions. As land owners and citizens of the area, we appreciate this opportunity to express to you how we will be affected, and our concerns.

How does this expansion affect me?

I am fifty years old, have a family of seven children. I am a Navy veteran of the Korean period with an honorable discharge. Cattle and ranching are my entire life. I have been both debted and blessed by the ranching business. I accumulation of my life's work, my business factory, and my job, are embodied in this ranch. Some owners live on the land, some do not live on the site, but operate the ranch that is within the site. Some owners have purchased land as an investment, but all are vitally involved in the acquisition outcome.

I am, as are all the land owners, very apprehensive as to the effect of this acquisition on our lives, and the lives of our neighbors.

These are our concerns:

1. We are concerned about the compensation we receive for our land. This compensation must let us replace what we now have. Replacement should be both in real values and in use. Replacement should enable us to maintain the same number of cow units, or provide a compensation that would allow for the replacement of whatever use any individual's land is now serving. This replacement of equal cow units or equal use value, is very important to maintain our present income and future pursuits. Special consideration should be given to those who reside on the site.

2. We are concerned that the compensation we should receive from our present land may be transferred into the replacement land, on a tax deferred basis, such as is allowed under Internal Revenue regulations that deal with Eminent Domain condemnation.

3. We are concerned about the economic loss of the tax base to the local area, schools, roads, county government, etc.

4. We would envision that special consideration or priority could be given to local contractors.

5. Time is very important to all of us involved in the owernship of land in this site. For several years we have been under a cloud of suspense, "What if the Army chooses this site?" We are reluctant to build a new home, lay water lines, make new construction or make new plans. Even to sell under this cloud would be difficult, or impossible. We hope that government decisions of whatever nature, can be made, and executed as expeditiously as possible.

Once more let me stress that time is important, we are under a cloud of uncertainty. We are reasonable people. If our property is to be transferred, treat us humanely.

Thank you for your time.

If you have any questions, I would try to answer them now.

GEORGE W. WILSON.

Essay and Nicklos

Attorneys At Law

EDWARD J. ESSAY, JR.

MICHAEL L. NICKLOS

P.O. BOX 581
13 WEST 2nd STREET
LA JUNTA, COLORADO 81050
PHONE: 384-5946

April 3, 1981

The Honorable Bo Ginn, Chairman
Subcommitte on Military Construction
Committee on Appropriations
B 300 Rayburn HOB
Washington, D. C. 20515

Re: Pinon Canyon Landowner Witness
and Statement

Dear Congressman Ginn:

In talking with Congressman Kramer's Aides my understanding is that you will allow one of the Pinon Canyon landowners whom this office represents to testify on April 8th, 1981, as concerns the proposed acquisition of the Pinon Canyon parcel. The landowners represented by this office have selected George Wilson to testify as concerns a positon statement adopted by the majority of the landowners reflecting their concerns for reasonable safeguards in the event the acquisition does occur. In addition, my partner, Edward J. Essay, Jr., will be in attendance from this office in the capacity of counsel to the landowners whom we represent.

The statement of George Wilson is being sent directly to you by Mr. Wilson and it is anticipated you will receive it by Monday, April 6, 1981. Enclosed you will find thirty copies of the position statement endorsed by a majority of the Pinon Canyon landowners. This position statement should be appended to the copies of George Wilson's statement for supplemental and reference purposes.

On behalf of the landowners, this office would like to express sincere thanks for your granting one of their members the privilege to testify upon the important issues relating to this matter. If this office can be of any further assistance please do not hesitate to contact us.

Cordially yours,

ESSAY & NICKLOS

Michael L. Nicklos

Michael L. Nicklos

MLN:db

Enclosures

POSITION STATEMENT

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POSITION STATEMENT OF LANDOWNERS ON PROPOSED
UNITED STATES ARMY EXPANSION INTO THE PINON CANYON

We, the undersigned, as landowners in the proposed Pinon Canyon, Colorado United States Army expansion area make the following position statement.

WHEREAS, we as United States citizens have a devout and fervent desire to assist in the protection of our country's national security, and

WHEREAS, we as landowners of land situated in the Pinon Canyon, Colorado expansion area have the further belief in the inherent safeguards provided to us as United States citizens by virtue of the United States Constitution, and

WHEREAS, our real property and personal rights are vitally affected by the proposed United States army expansion into the Pinon Canyon, Colorado area, and

WHEREAS, we wish to recognize and have recognized by Congress a proper balance between our real property and personal rights as protected by the United States Constitution and our desire to manifest and effectuate our patriotic duty for the benefit and wellbeing of our country as a whole and specifically national defense and security, and

WHEREAS, spurious third party involvement in the political process has tainted and otherwise subverted the intents and desire of us, the real parties in interest, and

WHEREAS, we the undersigned comprise a majority of the ownership of the land proposed to be acquired, and

WE DO HEREBY ESPOUSE TO THE FOLLOWING TENETS AND PRINCIPLES OF POSITION:

1. POSITION ON EXPANSION.

We, the undersigned, in making this statement of position do not intend to debate the respective merits that have led to the proposed expansion of the United States Army's Fort Carson facility into the Pinon Canyon area. Realizing, however, that if the acquisition by the United States Army of the land situated in the Pinon Canyon area is necessary to properly facilitate the development and achievement of the United States national security goals then we, accept the acquisition subject to safegaurds that protect and nuture our own individual rights.

2. POSITION ON METHOD OF ACQUISITION.

The landowners situated within the acquisition area represent diverse backgrounds as well as business objectives with respect to the past and current utilization of each individuals land that is the subject of the proposed acquisition and therefore we would propose that optional acquisition methods be made available to each individual landowner depending upon his individual circumstance. These optional methods of acquisition should include:

A. Outright purchase for a sum certain amount of money.

B. Providing comparable land in exchange for the individuals land to be acquired.

C. Allowing the individual landowner to select comparable and suitable land of his own choosing in exchange for the land to be acquired.

In the event comparable land is to be offered in exchange to an individual landowner this land shall not be land under a Federal Grazing Permit including but not limited to Commanche Grassland Grazing permits or State Leases within the State of Colorado. This position is maintained as being necessary to protect

our neighbors that we depend upon as participants in the cattle industry within the State of Colorado.

3. POSITION ON COMPENSATION FOR LAND TO BE ACQUIRED.

Since each individual landowner's land that is the subject of acquisition is unique to that individual landowner based upon his prior, current and intended future use of his land, the compensation paid to each individual landowner, in the form of comparable land or money is not subject to historical and customary appraisal methods. This factor is further established by the fact that each individual landowner would not be delivering possession of his land but for the fact of the subject acquisition and therefore the typical market condition of a willing Buyer and willing Seller establishing an arms length transaction is not present in the acquisition process. Therefore, an appraisal method must be established that relies upon factors other than prior comparable sales data. The appraisal method must arrive at a fair and true value that adequately compensates the individual landowner for the uniqueness of his land in light of the uniqueness of this acquisition.

The appraisal method established in determining fair compensation to the landowners affected must be based upon the following whether the acquisition is by land exchange or for cash:

A. The supplying to the individual landowner or the designation by him of comparable land in exchange for his land should be based upon that amount of land that is necessary to permit the individual landowner to maintain the same number of cow units on the new land acquired as he possessed through the utilization of his land prior

79-370 O - 81 - 31

to the acquisition assuming the individual landowner was maximizing the cow unit ratio to land owned according to good agricultural practice. In taking in account cow units, recognition must be given to all land the individual has under State, Federal or private lease as if said owner had deeded title to such leased acreage.

B. In the event an individual utilizes his land or a part thereof for other than a cattle operation, then the highest and best use to which he is using his land at the time of appraisal shall be given an appropriate value.

C. The appraisal method established must further take into account the surface and subterranian minerals possessed by each individual landowner and the potential value to be realized from those minerals in the event said landowner could properly develop the same as if this acquisition had not taken place. Minerals should be deemed to include all substances of current or potential value including but not limited to petro carbons and derivatives therefrom and other metallic minerals.

D. The appraisal method must also value all standing timber situated upon the individual landowner's land according to current market value at time of appraisal.

E. A proper value must be established on surface and subterranian water resources that currently benefit each individual landowner's land under the doctrine of prior appropriation taking

into account the current as well as the future value derived and to be derived from the beneficial use and development of that resource.

F. The appraisal method must assign a value to all leases benefiting an individual landowner according to customary valuation of lease methods.

G. The appraisal method must also properly evaluate the loss of ascetic values currently possessed by individual landowners in varying degrees depending upon each individual landowners historical attachment to the land sought to be acquired.

H. The appraisal method must also adequately compensate for the increase in value that each landowner would recognize from inflationary trends that have been prevalent in our economy from a point in time from the appraisal date until the projected actual date of acquisition which shall be deemed to mean the date each individual landowner would close the transaction of sale.

Because the proposed acquisition will necessarily cause the individual landowners to move off of their land relocation monies must be provided that realistically reflect the actual cost of relocation based upon consumer price indexes in existence at the time of relocation.

In the event that an individual property owner has a currently existing loan on his property that is the subject of acquisition, legislation must be enacted to allow for the transfer of that respective loan to the other properties given to

the individual landowner in exchange for his land as so acquired and in the event that loans are not capable of being transferred to other lands received in the exchange then funds must be made available to allow the individual landowner to liquidate the loans currently encumbering his property prior to the date of acquisition and those loans must be made available to the individual landowner at interest rates equivalent to the disaster loan rates currently charged by the Farmers Home Administration or other governmental instrumentalities and if such rates are not in existence at the time of acquisition then the rate charged to replace the loan to be liquidated should be at a rate substantially lower than the rate charged by the Federal Land Bank system. In addition to the foregoing provisions, if an individual landowner is forced to acquire more property in exchange for the property sought to be acquired then the additional monies necessitated because of the larger acquisition must be made available through governmental instrumentality to the landowner affected at current rates on said excess except this requirement for financing on the excess shall not exceed 33 1/3% of the value of the individual landowners Pinon Canyon's acreage.

Lastly, as to the issue of compensation those properties situated within the fringe of the boundaries of the acquisition site must be valued according to the same appraisal method as is used for the nonseverance properties.

4. POSITION ON TAXATION OF COMPENSATION.

Currently, the individual landowners will be subjected to the imposition of Federal Income Tax or the deferral of gain recognition according to the rules and regulations contained within the Interal Revenue Code of 1954, as

amended. The creation, deferral or recognition of a taxable event would not be a factor to the individual landowners but for the fact of the proposed acquisition. In addition, the individual landowners will, as a result of the proposed acquisition, provide a benefit to the United States by enabling the advancement of our Nations's national security. This benefit inures to the safety, security and general well being of every United States citizen and in order to balance the equities of the losses that would otherwise be sustained by the individual landowners with the benefits that the individual landowners are conferring as a result of the proposed acquisition, legislation must be enacted or in the alternative a special Internal Revenue Service Revenue Ruling must be obtained for the benefit of the affected individual landowners that will permit a reinvestment of the compensation proceeds received by the individual landowners as a result of the acquisition within a period of twenty-four months from date of receipt and which shall therefore allow a tax deferral to accrue to the benefit of the individual landowners such that the adjusted basis possessed by each respective landowner will carry over to the properties in which the proceeds were reinvested. This legislation or Revenue Ruling shall allow the reinvestment of proceeds to be made in any investment or other income producing properties. To impose immediate tax rather than a tax deferral for the individual landowners as a result of this acquisition would be to deny each landowner a portion of each of their respective property rights which they have surrendered for the common good of each and every citizen of this Nation.

5. POSITION ON CONTINUITY AND BOUNDARIES OF ACQUISITION.

In the event that the boundary of the proposed acquisition area divides

and/or isolates an individual landowner's land such that a majority of that individual's deeded land lies within the acquisition boundary, then that individual owner, at his option, shall have the right to either have all of his land lying outside of the boundary of the acquisition area excluded from the acquisition or all of it lying outside of the boundary of the acquisition area acquired at the appraisal value established for the land lying within the boundary of the acquisition area.

6. POSITION ON AREA ECONOMICS.

We request that special favor be given to county and local taxing authorities to maintain the financial stability of local governments and public institutions including but not limited to the Hoene School District. Request is also made that provisions be established for subsidy or matching funds where appropriate for projects that otherwise would have had to have relied solely upon the governmental entity's taxing authority.

Further, we request that local contractors and vendors within the local area of the Pinon Canyon site have a first right of refusal to perform all services and supply all materials required, where possible, in the development of the Pinon Canyon site for the uses contemplated by the United States Army initially and from time to time.

7. POSITION ON THE TIMING OF THE ACQUISITION.

We, the undersigned, maintain that time is of the essence in the completion of the acquisition process. Specifically, from the time that public notice was given of the United States Army's proposed plans to expand the Fort Carson facility into the Pinon Canyon area, the marketability of each individual land-

owner's land became tainted by uncertainty and as such each individual landowner has been unable to deal freely with his respective land and has been unable to make proper decisions respecting the proper development and utilization of that land. Accordingly the legal premise that nothing shall affect the free transferability and utilization of ones land has been severely restricted and violated and each individual landowner has accordingly been damaged and continues to be damaged by the indefinite position that he is currently forced to recognize because of the bureaucratic process that is inherent to a acquisition of this nature. Accordingly, we the undersigned, maintain the paramount position that all decisions relating to Congressional approval must occur in an expeditous manner and be completed before the commencement of the United States government's 1982 fiscal year commencing on October 1, 1981, and we further maintain that to deny the individual landowners the completion of the acquisition process prior to the end of that fiscal year will work an undue hardship on each of the individual property owners involved and such individual hardship shall be represented by a denial of each individual landowner to deal in the free alienability of his land as well as the proper development of it thereto.

A plea is therefore made that all possible action be taken by Congress in a manner that is expeditious and complimentary to the rights of each of us as patriotic United States citizens who have to determine our future personal and business destiny.

This statement has been signed this 3rd day of March, 1981.

Respectfully submitted,

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Owen Baldwin OWEN BALDWIN	3849	1920

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983.

Donna L. Buck
NOTARY PUBLIC

E. C. STINEMAN

BY: Bob Mapes BOB MAPES, Attorney-in-fact	13900	7000

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983.

Donna L. Buck
NOTARY PUBLIC

APPROXIMATE
TOTAL ACREAGE REPRESENTED

	DEEDED	LEASED
	5257	960

Robert J. Hill
ROBERT J. HILL

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983.

Donna L. Buck
NOTARY PUBLIC

George W. Wilson	26076	7000

GEORGE W. WILSON

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983

Donna L. Buck
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
LeRoy Biernacki LEROY BIERNACKI	1892.5	1280

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983.

Donna L. Buck
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Oscar M. Dalton President LANDOWNER	7840	-0-

CHEYENNE MINING AND LAND CO., INC.

WITNESS _____

OR

STATE OF Colorado)
) SS.
COUNTY OF El Paso)

Subscribed and sworn to before me this 10th day of March, 1981.

My commission expires 6-22-82.

_____
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Joan Winkelman Wayne Winkelman LANDOWNER - WAYNE WINKELMAN	400	0

John C. R. Taylor, Jr.
WITNESS

OR

STATE OF Texas)
) SS.
COUNTY OF TRAVIS)

Subscribed and sworn to before me this 16 day of March, 1981.

My commission expires 26 Feb. 1985.

John C. R. Taylor Jr.
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Wallace C. Thompson LANDOWNER - WALLACE C. THOMPSON	400	

Lorrian Thompson
WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 1981.

My commission expires _____.

_____
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Henry L Bartell Bernadette Bartell LANDOWNER - HENRY L. BARTELL	400	-0-

Susan Y Moorman
WITNESS

OR

STATE OF Wyoming)
) SS.
COUNTY OF Fremont)

Subscribed and sworn to before me this 10th day of March, 1981.

My commission expires _____.

Susan Y Moorman
NOTARY PUBLIC

SUSAN MOORMAN - Notary Public
County of Fremont State of Wyoming
My Commission ex... October 1, 1983

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
James W. Hershberger	640	0

LANDOWNER - James W. Hershberger

WITNESS

OR

STATE OF KANSAS)
) SS.
COUNTY OF SEDGWICK)

Subscribed and sworn to before me this 9th day of March, 1981.

My commission expires

BERNICE PENDLETON
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Expires 10-8-84

Bernice Pendleton

NOTARY PUBLIC - Bernice Pendleton

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Jerry N. & Sally A. Ervin		
Jerry N. Ervin & Sally A. Ervin LANDOWNER	450	—

WITNESS

OR

STATE OF Texas)
) SS.
COUNTY OF Harris)

Subscribed and sworn to before me this
4th day of March, 1981.

My commission expires

HELEN ALEXANDER
Notary Public in Harris County, Texas
My Commission Expires November 2, 1981
Bonded by L. Alexander Lovell, Lawyers Surety Corp.

Helen Alexander
NOTARY PUBLIC

APPROXIMATE TOTAL ACREAGE REPRESENTED	
DEEDED	LEASED
400	

Clinton A. White

LANDOWNER - CLINTON A. WHITE

WITNESS

OR

STATE OF Calif)
) SS.
COUNTY OF Alameda)

Subscribed and sworn to before me this 12th day of August, 1981.

My commission expires 8-2-84.

NOTARY PUBLIC

OFFICIAL SEAL
KATHY A. McGINNIS
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
ALAMEDA COUNTY
My Commission Expires August 2, 1984

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
FRANK M. SAMELA		
BY: Oscar Dull OSCAR DULL	880	-0-

STATE OF COLORADO)
) SS.
COUNTY OF OTERO)

Subscribed and sworn to before me this 3rd day of March, 1981.

My commission expires November 9, 1983.

Donna L. Burk
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Lowell D. Burgener Lowell D. Burgener LANDOWNER - LOWELL BURGENER	400	—

WITNESS

OR

STATE OF Colorado)
) SS.
COUNTY OF Arapahoe)

Subscribed and sworn to before me this
11 day of March, 1981.

My commission expires My Commission expires April 7, 1984

Linda Cowgill
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Robert A. & Violet M Fehlinger LANDOWNER	400	

WITNESS

OR

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

Subscribed and sworn to before me this 11th day of March, 1981.

My commission expires March 20, 1981.

Bonnie Lou McMillan
NOTARY PUBLIC

Bonnie Lou McMillan

APPROXIMATE TOTAL ACREAGE REPRESENTED	
DEEDED	LEASED
400	0

LANDOWNER - JAMES C. SUNDU

WITNESS

OR

STATE OF California)
) SS.
COUNTY OF Los Angeles

Subscribed and sworn to before me this 10th day of March, 1981.

My commission expires Feb. 7, 1983.

NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Pat Oberg LANDOWNER - PAT OBERG	15640	640
 WITNESS	option on 13,340 Deeded option on 1280 leased	

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this 9th day of March, 1981.

My commission expires November 9, 1983

Donna L. Buck
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
W. Royce Moffett LANDOWNER - W. ROYCE MOFFETT	8475	10,400

Robert J. Hill
WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this
_____ day of _____, 1981.

My commission expires _____.

_____
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
LANDOWNER - JACK CROWDER	8100	700

WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this 13 day of March, 1981.

My commission expires _____.

NOTARY PUBLIC

APPROXIMATE TOTAL ACREAGE REPRESENTED	
DEEDED	LEASED
45.33	

LANDOWNER - MARY ANN MINCIC

WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 1981.

My commission expires _____.

NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Margaret Morris LANDOWNER - MARGARET MORRIS	1140	

WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 1981.

My commission expires _____.

NOTARY PUBLIC

APPROXIMATE TOTAL ACREAGE REPRESENTED	
DEEDED	LEASED

Dalton H. Long
LANDOWNER - DALTON LONG

WITNESS

OR

STATE OF KANSAS)
COUNTY OF SHERMAN) SS.

Subscribed and sworn to before me this
6th day of MARCH, 1981.

My commission expires

MONA K. McGINNLEY
State of Kansas
My Appt. Exp. Nov. 1, 1984

Mona K. McGinnley
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
TYRONE GRAZING ASSN	745	320 ~~160~~

LANDOWNER

By: Charles Wilkinson Jr., Trustee 3/8/81

By: Ray Hayes - Pres. & Trustee 3/8/81

FOR 21 MEMBERS

WITNESS Gilbert J Hill

OR

STATE OF COLORADO)
) SS.
COUNTY OF LAS ANIMAS)

Subscribed and sworn to before me this _____ day of _____, 1981.

My commission expires _____.

_____
NOTARY PUBLIC

APPROXIMATE
TOTAL ACREAGE REPRESENTED

DEEDED	LEASED
420 Acres owned jointly by L. L. Brownewell and his two brothers Wm. I. Brownewell and E. E. Brownewell	
420	0

L L Brownewell
LANDOWNER - L.L. BROWNEWELL

Edward B Cartwright - Witness 4301-50 Bwdy Englewood Colo
WITNESS

OR

STATE OF Colo.)
) SS.
COUNTY OF Arapahoe)

Subscribed and sworn to before me this 11th day of Mar., 1981.

My commission expires 8/3/84.

Carol A. Chumley
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Elmo E. Brownewell LANDOWNER - ELMO E. BROWNEWELL	420	0

Dorothy D. Brownewell
WITNESS

OR

STATE OF COLORADO)
) SS.
COUNTY OF EL PASO)

Subscribed and sworn to before me this 11th day of March, 1981.

My commission expires Aug 4, 1981.

Frank J. Backes
NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
LANDOWNER William Brownwell	420	-0-
LANDOWNER Mattie Brownwell by William Brownwell	140	-0-

WITNESS

OR

STATE OF Illinois)
) SS.
COUNTY OF McLean)

Subscribed and sworn to before me this 11th day of March, 1981.

My commission expires Sept. 12, 1984.

NOTARY PUBLIC

	APPROXIMATE TOTAL ACREAGE REPRESENTED	
	DEEDED	LEASED
Alan Walter LANDOWNER - ALAN WALTER	160	

James W Rafferty
WITNESS

OR

STATE OF)
) SS.
COUNTY OF)

Subscribed and sworn to before me this _____ day of _____, 1981.

My commission expires _____.

_____
NOTARY PUBLIC

PINON CANYON LANDOWNER POSITION STATEMENT SUPPORT

SIGNED POSITION STATEMENT	DEEDED ACREAGE	STATE/FED LEASE
Owen Baldwin	38,149	19,200
E. C. Stineman	13,900	7,000
Robert J. Hill	5,257	960
George W. Wilson	26,076	7,000
Leroy Biernacki	18,925	1,280
Cheyenne Mining/Dull	7,840	
Wayne Winkelman	400	
Wallace C. Thompson	400	
Henry L. Bartell	400	
James W. Hershberger	640	
Jerry N. Ervin	480	
Clinton A. White	400	
Lowell F. Burgener	400	
Frank M. Samela	880	
Robert A. Schlesinger	400	
James C. Sundu	400	
Pat Oberg	28,980*	1,920**
W. Royce Moffett	8,475	
Jack Crowder	8,100	700
Mary Ann Minsic	4,300	
Margaret Morris	1,740	
Dalton A. Long	640	
Tyron Grazing Assoc.	445	320
L. L. Brownewell, Elmo E. Brownewell, and William I. Brownewell	420	
Mattie Brownewell	140	
Alan Walter	160	

* Total includes option on 13,340 deeded acres
** Total includes option on 1,280 leased acres

TOTAL TO DATE	168,347	38,330
VERBAL ENDORSEMENT - SIGNED STATEMENT NOT RECEIVED YET:		
Joe Faris	3,500	
Wanbaugh/Faris	520	
	4,020	
TOTAL	172,367	38,380

GRAND TOTAL TO DATE..... 210,747 A.

ABSENTEE OWNERS - NO OPPOSITION TO EXPANSION & NO REPLY YET:	
James Kitch	800
Brody Estate	320
Van Fleet Estate	280
George Hohnbaum	240
Alice Bailey	80
Gloria Gilmore	80
John Cha	80
Thomas Oxley	160

79-370 O - 81 - 33

Mr. BURGENER. I don't want our Chairman to go there alone. I will go with him.

Mr. GINN. As someone said earlier before you got here, Mr. Wilson, we don't make site selections. That is up to the Army, itself, or the branch of the service involved to do that. It is our responsibility, then, once the project, itself, is authorized, to make a judgment as to whether or not it should be funded.

There are a lot of checks and balances in this system, and I think it is fair to everyone. In the final analysis, everyone won't be happy probably, but certainly this committee is going to make every effort to be fair, to get all of the facts we can. Mr. Burgener is certainly a very, very fair man. All the members of this subcommittee are. I hope we can have several of our members to come. At least you will have the two of us.

Mr. WILSON. We would like to have you contact us. Our main input to you today is, if it is to come, we would like to be treated fairly.

Mr. GINN. I understand that.

Mr. ESSAY. Mr. Chairman, this position statement has been endorsed by a substantial majority of the landowners. There are approximately 42 landowners out there. It appears we have 35 of them who are, in effect, taking the position that if you come, treat us reasonably. We realize national defense is a primary issue.

There has been much bantering about the price of the compensation and what do we mean as reasonable.

A few of the landowners, actually six or seven of them that comprise approximately 166,000 acres, have attempted to establish what they think reasonable compensation would be. Again, it is based upon their opinion as to what the 244,000-acre tract could, in fact, be acquired for. Their opinion has been represented by letters sent to Congressman Kramer.

Just to tag it with a figure here, the figure has been discussed upstairs in the other committee hearings. They approximate somewhere in the neighborhood of $36 million as the acquisition price, and that is an approximation.

The timing is the other thing that is very crucial and critical. Several of these people have been living with this for some time, and it has deeply affected their lives.

Mr. GINN. I am sure this is true, and I think it is time the matter is resolved. I think it will be resolved within the next few months. It certainly will as far as we are concerned. We want to move quickly, but not so quickly that we don't have the opportunity of visiting you.

Mr. Wilson, we appreciate your testimony.

I believe there are statements of others who were unable to be here who want statements put into the record. Such will be done.

[Mr. Jerry Sweet's prepared statement follows:]

STATEMENT FROM JERRY SWEET
CHAIRMAN: HUERFANO-PINON COALITION (HPC)

My name is Jerry Sweet. In addition to being the Chairman of HPC, I am also a family member of the X77 Ranch, Assistant Professor at the University of Southern Colorado and a concerned Colorado taxpayer.

As Chairman of HPC, I appreciate this opportunity to bring testimony before this Committee concerning the proposed expansion of Ft. Carson into Southeastern Colorado.

It is my intention to make known as much factual information as possible to those persons who have been entrusted with making correct decision about our country.

Mr. Chairman and Members of this distinguished Committee, please question and understand each of the following points. Also, Mr. Chairman, when you have made your decision about Ft. Carson, remember that it will affect the lives of many of the people of our state and nation. We only ask that the truth and the fiction be in proper order when these important decisions are made.

Point 1. History of the Huerfano-Pinon Coalition

The HPC was formed on March 9, 1980. The proposed objective of the Huerfano-Pinon Coalition is to oppose the proposed Ft. Carson land acquisition at either of the two sites located in Southern Colorado. The HPC was formed out of frustration over methods Ft. Carson personnel were using to inform the public. HPC is not only opposed to the Huerfano River site but also the Pinon Canyon site. No where in Southern Colorado will the land regenerate from military feet, wheels or tracks.

Point 2. Patriotism

Active members of HPC have been branded as being "unpatriotic." The U.S. Army at Ft. Carson is also our army. Our opposition is not with the Army, but more importantly, the simply fact that neither the Huerfano River site nor the Pinon Canyon site will be able to survive the proposed military training. However, there are those who have accused us falsely.(a)

Point 3. Land Owners - Pinon Canyon Sites

Previous testimony given, newspapers articles, etc. have given those who favor the Ft. Carson expansion a false set of figures.

Seven ranchers have definitely said "no" to the U.S. Army. Two ranchers have indicated "no," unless the price is right. Two land owners, State of Colorado and the BLM, should not be included in the land totals made by individuals who have indicated that the land in the Pinon Canyon is all for sale.(a)

In the FEIS, Section IV 4.0 is very misleading. In any rancher's language, everything he owns could be for sale if the price to him is what he considers to be "fair and just." This is a play on words expertly used.

Point 4. Governor Lamm's Blue Ribbon Report

Blue Ribbon Panel Chairman Roy Romer, State Treasurer and co-Chairman William K. Coors, Adolph Coors Company have not addressed the Ft. Carson issue in either of their two reports: Private Choices and Public Strategies.

According to these reports, agricultural decline in Colorado is more of a concern than any military activity.

> "Coloradoans cannot afford to be complacent about Colorado agriculture, nor can the nation, because food adequacy will be as major an issue in 1990 as energy is today, and the time to begin preparing for that is now." Blue Ribbon Report, Vol. II 1980-2000, pg. 230 (a)

Point 5. New Evidence

The issue of anthrax was considered to be the only new information presented at any of the ten public hearings, July 7 thru July 11, 1980. This was not the only new information, however. The public, thru testimony and written response, corrected the DEIS. From this corrected information the entire land acquisition effort should have been stopped.

Also, is this Committee that should evaluate the methods by which this process has transpired? If not, who then will take the responsibility to assure the people that this isn't a half million dollar plus boondoogle?(a)

Point 6. Experts

The Army personnel at Ft. Carson have repeatedly criticized the public for not being "expert" in knowledge. It is a fact that ranch families, some with several generations on the same ranch, are experts with regard to their specific locale. It is also a fact that professionals in specific related fields have given expert testimony as to the many reason why the proposed Ft. Carson land acquisition will not work successfully.

Mr. Chairman, the FEIS itself admits that this range land is already in fair to poor condition. With 77% of the land going to experience additional destruction of a moderate to extreme impact, you should seriously question those who have ever said these sites are acceptable.(a)

On Friday, July 11, 1980, Congressman Ken Kramer, a distinguished member of the Military Installations and Facilities Subcommittee, made a brief tour of both proposed sites by helicopter. His expert testimony was reassuring only to the military and the Colorado Springs Chamber of Commerce.

Point 7. Salinity

The Salinity problem continues to be one that Ft. Carson wishes would go away. This issue is a problem of major concern to Coloradoans and is going to get much worse if the Ft. Carson expansion goes through. The testimony of Don Miles, which we feel to be both accurate and alarming, has been largely ignored.

The DEIS states on pages 4-15 that bromine and iodine would convert to chloride.(a)

I do not believe, as does Major General John W. Hudachek, that the detractors of his project are distorting the facts concerning the water problems related to Ft. Carson.(b)

By what authority does the Army have the right to retain Colorado water in sealed dams? How does the Army intend to augment stream flow? Does the Army still believe that salt will settle out of the water? If so, the bottom of our oceans should be solid salt. How will removing some 29,000 acres or approximately 12% of the proposed site, affect the training program? (See letter 25 March, 1981 from the DOA, attached)

Point 8. Aircraft

Army aviation operations are to fly at least 1000 feet above ground level upon approaching the training area. Helicopters and jet aircraft presently train at altitudes lower than 1000 feet in areas of the proposed sites.(a) They have already caused property damage, loss of animal life, personal injury and disruption of wildlife.(b)

Mr. Chairman, by what authority are we to believe the Army will honor its own rules after they become land owners when they violate their rules now?

Point 9. Cultural Resources

Mr. Chairman, in an age when all persons, companies and agencies are required to ovey the laws, acts, executive orders and federal regulations concerning our historical background, military training in either of the two proposed sites will be a criminal act agains the people of this nation.

It makes more sense to have Ft. Carson train at Mesa Verde than in the Pinon Canyon area.(a)

The expert opinion of Joseph A. Tainter addresses historic and prehistoric sites recorded on the property owned by Big Canyon Grazing Association.(b)

Archaelogical assessment of either proposed site has been limited because of private rancher ownership.(c)

Point 10. Alternatives

Mr. Chairman and Members, after having to deal with the threat of the military expanding into some part of Southern Colorado for the past eighteen years, we ask you to examine the following alternatives.

(A) Ask for money to purchase tank simulators similar to those used by the commercial airline pilots.

(B) Exchange the 4th Mechanized Division with any other military unit that would be compatible with existing Ft. Carson.

(C) Live within the existing 137,789 acres and practice the "new and improved" soil conservation methods on the 25,660 acres that are off limits for restoration and regeneration.

(D) Remove one Brigade to another Fort, add one Brigade to it and have a Four Brigade Division, split between two Forts.

(E) Acquire needed land for expansion from acreage already owned by the government,

(F) Lease needed lands for maneuvers from private, state or federal agencies.

(G) Train one Brigade at a time on existing land.

(H) Transport troops for desired maneuvers to other existing military installations of sufficient size.

Benefits of Alternatives

(A) Simulators can be used 24 hours a day, 7 days a week. Actual live firing would be conducted in the same manner as now proposed. No need for additional land and soil conservation methods, Only one area would be permanently destroyed.

(B) The 4th Mechanized Division replaced the 5th Mechanized which should have never been brought to Ft. Carson in the first place. Make Ft. Carson a basic training unit and do a favor for the local people.

If in the event we were suddenly engaged in a war requiring our immediate deployment of the 4th Mechanized, we would be in trouble. Due to the altitude, the C5-A cargo planes could not move this unit out as it should. They have to leave with half a fuel load and half a pay load. This condition should never have been allowed to come into existence.

(C) Living with what the Army now has and practicing the prescribed regeneration methods would give Ft. Carson an additional 18.6% more training area. With the FEIS method of resting the soil, this additional acreage would allow for a rotational rest program.

(D) Four Brigades rotated between two posts and each other would allow for different combinations at different posts to help solve the familiarity problem as well as greater defense at a Reagan price.

(E) Over one-third, 36%, of Colorado is in government ownership. The government should be satisfied with what they own and work within their own ranks. Leave free enterprise and especially agriculture land alone.

(F) Leasing land would give the Army the benefit of training on different ground and thus eliminating having the troops become familiar with any one area. This would also save between 2 and 3 million dollars for water systems and $61,780,000 in estimated support facilities construction.

How could any Congress approve $62,000,000 for support facilities, for a field training mission that is supposed to last no more than five months per year? Authorized over ten years, this will cost the American taxpayer approximately $1,240,000 per month used!! Not bad service for "remote military training."

(G) Training one Brigade at a time is the recommendation of retired Lt. Col. Roy Moffett, U.S. Marine, Rocky Ford, Colorado.

(H) If none of the above alternatives are valid, then it is only that Congress and the Fonz have one thing in common -- neither will admit that they have made a mistake.

Be that as it may, the last alternative -- to transport troops and equipment to any other military installation -- makes sense. We recommend that the private sector be hired to move the 4th Mechanized.

Conclusion.

Mr. Chairman, I assure you that this report, in addition to all other information and testimony that you and your distinguished Committee will review is but a mere tip of an iceberg.

Time and energy does not allow you or your Committee access to the full knowledge acquired concerning this issue.

Please accept my apology for the length of this report. This issue, even though it is just now receiving national attention, is very important to us. Mr. Chairman, a "no" vote at this time to the proposed Ft. Carson land acquisition would be beneficial to the defense of our country. A "no" vote will cause the military to be more cost effective in finding appropriate and economic alternatives.

A "no" vote on this issue will allow more dollars to be spent in areas of greater return.

I do not profess to even begin to understand our government, but I do know that the people of this great nation are demanding a more responsive government, a government that has the good common sense to make responsive decisions.

Thank you for allowing me this opportunity and privilege. As this Committee makes its decision, let two statements weigh heavy on your hearts:

"One Man with Courage is a Majority." American Agricultural Movement

"Man -- with all his wisdom and technology -- owes his existence to three things, God, the top six inches of soil, and the simple fact that it rains."

FOOTNOTES

2(a) Many people have felt that HPC has taken a stand against national defense by opposing Ft. Carson. I purposely asked the question about our patriotism of several of the anonymous military persons attending the public hearings in Walsenburg, Colorado on July 10, 1980. One such person responded, "If there were three licensed drivers in a family and only two vehicles, it would be nice to have another car. Ft. Carson will continue to train regardless of whether or not they get the additional land." This officer went on to talk about what he considered bigger problems at Ft. Carson. He named such things as drugs, alcohol, child abuse, the all-volunteer Army and military pay. He felt that these items were endangering our national defense rather than acquiring more land.

3(a) Land Owners:

(no sale)	acres
Big Canyon Grazing Assn.	33,940
Sharp Ranch, Inc.	11,640
Thatcher Ranch	5,000
Gyurman Land and Cattle	4,920
Mesa De Mayo Ranch	1,990
Margaret Morris	1,720
Bert Novgy	220
	59,430

		acres	(adjusted acres/individual statements)
	would sell if price right		
3(a) cont.	Pat O'Berg ($125.00 per acre)	15,640	
	William Brownewell	840	
	TOTAL(cont.)	75,910	
	land individuals cannot speak for		
	State of Colorado	22,820	
	United States of America	9,090	
	TOTAL	107,820	

75,910 acres represents 31% of pinon landowners

5(a) Good possibilities might be the National Academy of Science or the Office of Technology (Environmental Assessment).

6(a) Issue 79, Page K-50, FEIS. This statement was undoubtedly made by an individual who favored the Army. The response by the Army to this issue is only the beginning of the destruction of this environment. In a region where 40 years of the very best soil conservation practices have been unable to restore the land, how does anyone, including the Army, intend to restore this land in two years? See Forest Service Publication No. 607 and compare expert government information with expert Army wishes. See attached factual information concerning the Timpas unit, Comanche National Grassland. This area borders the Pinon Canyon parcel immediately to the North.

8(a) See DEIS, Page 1-7, 1.4.2, second paragraph.

8(b) George Pigg
5380 I-25 Couth
Pueblo, CO 80104
Ph. 303-564-6685

cattle stampeded and destroyed corrals

Doug Carlson 5150 Cedarwood Toad Pueblo, CO 81004 Ph 303-561-8281	mare and colt stampeded thru fence, animals were cut and destroyed
Skip Carwright Model, CO	bucked off green-broke horse
Clifford Reno 3680 Verde Road Pueblo, CO 81004 Ph 303-564-3941	approximately 70 head of antelope driven into winter feeding ground for cattle

9(a) Mesa Verde, Colorado is approximately 52,000 acres in size. Most of the sites have already been identified and, more importantly, the Army would not have to purchase the land. 36% of Colorado is owned by the government so why spend money to purchase more land?

9(b) See attached report and resume concerning Big Canyon Grazing Association Archaeological Assessment.

9(c) Again, as is the case with soil management, the private rancher ownership is and has been the best protector of our historical past in these areas.

REF. POINT 4

524

Private Choices, Public Strategies

Growth, Development and Investments Colorado, 1980 - 2000

Volume II: Appendices

The Blue Ribbon Panel
State of Colorado
February, 1980

JUN 20 1980

THE BLUE RIBBON PANEL

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AGRICULTURE
Sector Analysis

Introduction

Colorado agriculture is closely linked to major state and national issues, many of which are of concern to this Panel: the U.S. balance of payments, the adequacy of future food production, the state's economy, the need for increased state and individual self-sufficiency, the cost of government, and environmental quality. These issues cannot be discussed intelligently, nor can meaningful solutions be implemented, unless their relationship with agriculture is understood. Coloradans cannot afford to be complacent about Colorado agriculture, nor can the nation, because food adequacy will be as major an issue in 1990 as energy is today, and the time to begin preparing for that is now.

This sector discussion has three purposes: first, to discuss how agriculture is linked to these other issues; second, to examine water and land resources, energy, and transportation from an agricultural perspective; and finally, to suggest some steps for action.

Agriculture and the Balance of Trade. A healthy agricultural economy is critical to the process of alleviating our balance of trade deficit. Agricultural exports are expected to reach $32 billion by the end of 1979, up from $27.3 billion in 1978. Food imports run about half of that amount, leaving a hefty $16 billion to offset our $50 billion in oil imports. Productive U.S. farmers and ranchers offer the most immediate hope for reducing the U.S. trade deficit to more acceptable levels and stabilizing our dollar.

Twelve percent of Colorado's agricultural sales already go into export channels and that record can be expected to improve in the near future. Since 1972, exports of Colorado feed grains have risen 560%; export of poultry products are up 325%; and the overseas sale of hides and skins are up 200%.

Adequacy of Food Supply. By the end of this century, all of the United State's food production capacity will be needed to feed its own burgeoning population. World demand for food will double between 1975 and the year 2000. The world's population is increasing by 72 million people per year. The population of the U.S. alone will increase by 24 percent.

Although 25% (470 million acres) of our country's total land area of 1.9 billion acres is arable, (compared with 11% worldwide), only 80% (380 million acres) of potential cropland is now being used to raise crops. Pasture and rangeland account for an additional 740 million acres, 41 million acres of which are irrigated. Forty million

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M-10 FEIS, SEC. IV - 4.0

3a'

(b) General controversy. The Huerfano site has stimulated considerable public controversy among local governments, businesses, organizations and individuals. Although quantitative facts cannot be presented in the absence of scientific surveys, it can be said that there is a very vocal minority publically opposed to the Huerfano site with concern also being expressed by the Pueblo Chamber of Commerce, local businesses, government agencies and elected officials.

4.04 Pinon Canyon Site.

a. General Site Perspective. The Pinon Canyon parcel was officially offered for sale to the U.S. Army in April 1976. The sale proposal was made by the Faris Land and Cattle Company, which, at that time, held options for six ranches that comprised the majority of the parcel. Since that time, the options have expired. However, conversations with landowners indicate that those who own about 85% of the site are willing to sell provided they receive fair and just compensation (Table 4).

b. Description.

(1) Location. The Pinon Canyon parcel is situated in a remote, sparsely populated area about midway between La Junta and Trinidad, Colorado. (Figure 5.) All of the parcel is located in Las Animas County.

(2) Size/shape. The parcel includes about 243,710 acres*. About 211,800 is deeded, 22,820 leased from the State of Colorado and 9,090 is leased from the Bureau of Land Management. The shape of the parcel approaches an elongated, irregular parallelogram with the long axis, about 60 KM in length, running northeast to southwest. The irregular long axis boundaries average 17 KM in width.

(3) Topography. The topography of the area varies considerably from rolling hills in the northwest and northeast to flats in the center trending southwest and an incised river canyon on the east trending northeast. Elevations in the study area range from 5,700 feet above sea level at the northwest boundary to 4,300 feet above sea level in the northeast corner. Topographical relief is extreme along the Purgatoire River Canyon with cliffs exceeding 450 feet in the southeast corner. The Black Hills, located along the Purgatoire, have a relief of 300 feet from the plains on the southwest to 900 feet relief in the northeast. The southeastern third of the parcel consists almost exclusively of relatively flat, open plain covered with native grass. Continuing to the northeast, the plain becomes more rolling as it rises to a 300 foot-high ridge system, which runs generally from northwest to southeast

*Acreage figures reflect the latest information available and show a slight decrease from the data contained in the EIS which are based on the REPR. Minor fluctuations in acreage totals are not unusual when dealing with property of this size due to manual record management procedures existing in the several County Courthouses. Precise figures would be determined at the time of acquisition when title searches would be made.

REF. 6-a

RESEEDING TIMPAS UNIT

Location	Seeded	Species
Sec. 22 & 27 T25S R57W	1957	Blue grama & Western Wheat
Sec. 22	1966	Von side oats grama, Blue grama
Sec. 27	1968	Indian rice, Side oats grama, sanddrop seed Alkali Sacaton
Sec. 1 T26S R57W	1958	Blue grama
Sec. 1 & 34	1967	Side oats grama, Indian rice, Sanddrop seed & Alkali Sacaton
Sec. 1 & 34 & 22	1974	Blue grama, Sanddrop seed Alkali Sacaton

There are fairly large areas in each of the above where presently we still do not have more than a 5-10% ground cover of perennial grasses and without a good weed growth, wind erosion still occurs.

According to Roy N. Edgar, the above areas were reseeded in the past (before 1957) starting in 1946. This is information on the area around Timpas, but the same holds true for the entire Timpas Unit.

All seeding since 1966 has been done in the early spring (March-April) using 1# P.L.S. of each species except Sanddrop seed and Alkali Sacaton which was planted at the rate of ½" P.L.S. per acre.

Note: All seeding done prior to 1969 was done with double disc, open, grass drill. After 1966, pitter interseeder used, or the ground was pitted with grass drills following immediately- The latter drill was the open, double disc type also.

REF. FOOT NOTE 6-a

76. ISSUE: Two commentors inquired as to whether neighbors at either training parcel would be allowed to bring cattle on the land.

RESPONSE: In general, no. The parcel would be fenced and cattle grazing would be allowed only in conjunction with the experimental grazing program described on page 2-16 of the DEIS.

77. ISSUE: One commentor indicated that it would be advantageous to incorporate public recreation into the land use management plan in conjunction with the wildlife management area.

RESPONSE: This comment essentially applies only to the Huerfano River parcel since we are proposing not to acquire the main canyon of the Purgatoire River at the Pinon site. Public recreation can and would be accommodated in the Huerfano River wildlife management area at levels consistent with the natural attributes of the area. The State is very interested in having that canyon area designated as a Natural Area. If acquired we would pursue that course of action and recreation activities would be developed as part of the inter-agency agreement entered into for that area.

78. ISSUE: One commentor inquired as to whether military units stationed at other installations would be allowed to use either site if acquired.

RESPONSE: Yes, either site, if acquired could be utilized by other military units. It should be noted, however, that use by such other units would displace an equivalent amount of the projected use by the 4th Infantry Division (Mechanized) rather than be in addition to that training intensity.

79. ISSUE: One commentor indicated that the vegetative condition of either site would improve if the Army were to manage it as opposed to its condition under management by ranchers.

RESPONSE: The current condition of vegetation at both sites is discussed in Sections 3.1.3 and 3.2.3 of the DEIS and is shown to be fair to poor. Sections 4.1.3 and 4.2.3 discuss the potential impact to vegetation and state that the condition is predicted to remain fair to poor if used for military training. Table 4-2 indicates that at the Huerfano, approximately 52% of the parcel would be in equal or better condition under Army management while 48% would be in poorer condition. At the Pinon Canyon site 47% of the property would be in equal or better condition and 53% would be in poorer condition, as shown on Table 4-14. These are rough approximations based on site conditions and our experience with military training damage.

80. ISSUE: One commentor indicated that urban development within Pueblo County is occurring to the south and southeast in the St. Charles and Vineland Mesa areas. The commentor asked for a discussion of the potential effect on this development if the Huerfano parcel is acquired, and the possible impact to our proposed use of the parcel if such development continued and encroached upon the parcel in the future.

FOOT NOTE 7-b

DEPARTMENT OF THE ARMY
HEADQUARTERS, FORT CARSON
AND
HEADQUARTERS, 4TH INFANTRY DIVISION (MECHANIZED)
OFFICE OF THE COMMANDING GENERAL
FORT CARSON, COLORADO 80913

AFZC-CG

25 March 1981

Dear Ms. Reno:

One issue that continues to surface and seems to be the subject of misinformation is the possibility of drastically increased levels of salinity in the Arkansas River if we obtain and train on the Pinon Canyon parcel. The issue is addressed in considerable depth in the Final EIS, but I would like to reiterate several key points.

The salinity level of a river is based on the concentration of salts dissolved in it. This concentration, in turn, is based on the salt contributed from local soils and the amount of water available for dilution. Some detractors of our project charge that maneuver training at the Pinon Canyon site will increase erosion rates, sediment yield, and salt loading so drastically that salinity levels in the Arkansas River will increase significantly.

For a number of reasons we believe this to be a distortion. Those reasons are:

a. Overall erosion rates, sediment yield and salt loading will not increase drastically. Evaluations of erosion at Fort Carson (which experiences much more intense maneuver training than the Pinon Canyon site due to our severely restricted maneuver areas) show that soil losses are comparable to similar range sites throughout the region. This can be readily understood by those familiar with the sporadic nature of maneuver training. While key areas providing good maneuver objectives will be heavily used and damaged, adjacent areas remain virtually untouched, so that average soil losses are not drastically increased. The same experience is anticipated for the Pinon Canyon site.

b. Any increase in salt loading from the Pinon Canyon parcel would have an insignificant effect on salinity levels in the Arkansas River. When one considers the millions of acres in Southeastern Colorado contributing runoff to the Arkansas River, the impact of doubling or even triping salt loading

AFEC-CG

from some 200,000 acres is minimal. Furthermore, the second factor controlling salinity, quantity of water, apparently plays a much greater role in the Arkansas River than salt loading. The only study of any import on the subject was published by the Colorado State University Cooperative Extension Service in cooperation with the Environmental Protection Agency, "Salinity in the Arkansas Valley of Colorado", May 1977. This study states that: "The salinity problem in the Arkansas River Basin is more one of full development of a limited water resource than it is of salt loading. About 85% of the total surface water supply of the basin is consumed before the river leaves Colorado."

c. Even though we don't expect to greatly increase salt loading, and even though such an increase would be insignificant to the Arkansas River, we have placed the most sensitive soil areas off-limits to training and have committed to monitor our water discharges and take corrective action if necessary. Selected water sheds containing soil with above average levels of salt will be monitored. If a problem should develop that cannot be solved by erosion control, water from the specific watershed could be retained in sealed dams. We would then augment stream flow, as required, to insure downstream water users are not effected.

In summary, although the salinity issue is certainly worthy of our attention, I believe it is being distorted. When kept in perspective, salinity is a manageable situation. I am committed to the philosophy of being a responsible land manager and good neighbor. This philosophy will continue to guide our actions as it has since 1941.

Sincerely,

JOHN W. HUDACHEK
Major General, USA
Commanding

DEIS

FOOT NOTE 8-a

1.4.2 Personnel and Vehicles

A maximum of 5,085 personnel would use the training area per brigade training period. About 826 wheeled and 432 tracked vehicles would be located within the training area per brigade training period. Of these, about 605 wheeled vehicles and 366 tracked vehicles would be used for maneuvers, as shown in Table 1-3. The total of 971 available maneuver vehicles would be divided among four line battalions (armor and infantry) and one artillery battalion. Average maneuver levels would include two battalions plus their artillery support, for a total of 507 wheeled and tracked vehicles maneuvering at one time. A detailed list of vehicle type and attendant training intensity is given in Appendix A. It should be noted that these projected vehicle levels are conservative so that the worst case situation is depicted.

TABLE 1-3

VEHICLES PER BRIGADE

Category of Vehicles	Wheeled	Tracked
Total Vehicles	826	432
Stationed in Cantonment	154	25
Inoperable/Mechanical Difficulties	67	41
Vehicles Available for Maneuver	605	366

Army aviation operations are anticipated to total 774 hours of helicopter use per brigade training period. Helicopters would fly at least 1,000 feet (305 m) above ground level upon approach to the training area. Upon entering the area perimeter, they would routinely fly at heights of 200 feet (61 m) above ground level. Helicopters would not fly below the rim of major canyons. 8-a

U.S. Air Force tactical support over the training area would be provided primarily from Buckley Air Force Base, Denver, Colorado. Over a one year training period, it is estimated that roughly 100 missions would be flown with an average of two aircraft per mission. During a mission three to five tactical passes would be accomplished over a 35 minute period. For certain training periods, missions may be required on 10 to 12 days, while other training periods may not require any air support. On a single day, the greatest number of missions expected is 6 to 7 over a 12 hour period from dawn to dusk. A night mission may occur once during the 20 day training period. A single F-111 would probably be utilized for this exercise. Jet flight altitudes would be as follows:

Foot Note 9-b

December 7, 1980

To: Big Canyon Grazing Association

From: Joseph A. Tainter, Ph.D.
Consulting Archaeologist
P.O. Box 145
Corrales, NM 87048

Subject: Archaeological Assessment of Big Canyon Grazing Association Lands, Las Animas County, Colorado

At the request of the Big Canyon Grazing Association, I conducted an archaeological assessment of Association and adjacent lands between November 22 and 30, 1980. The purpose of the study was to ascertain the number and density of archaeological and historic sites in the area, and to estimate possible costs for inventory of the area, and for any necessary mitigation, under potential acquisition by the Department of the Army.

Archaeological and historical sites on Federal lands are protected under a variety of laws, regulations, and an executive order. Those which are pertinent in the present case are as follows:

- The Antiquities Act of 1906, which made it a crime to appropriate, excavate, or injure archaeological sites and objects of antiquity on Federal lands.

- The National Historic Preservation Act of 1966 authorized the Secretary of the Interior to expand and maintain a National Register of Historic Places, and directed

STATEMENT OF MR. YARBERRY

Mr. GINN. Congressman Kramer has requested that we include in our record of hearings a letter and resolution which he received from Mr. Roland Yarberry, Chairman of the Las Animas Board of County Commissioners.

[The material follows:]

Ben C. Mestas
Commissioner

Roland Yarberry
Chairman

Eugene D. Lujan
Chairman Pro Tem

APR 8 19

OFFICE OF

The Board of County Commissioners

OF LAS ANIMAS COUNTY

TRINIDAD, COLORADO 81082

April 2, 1981

Honorable Ken Kramer
House of Representatives
1724 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Kramer:

Enclosed herewith is a copy of the resolution passed by this Board outlining our contingencies and feelings of the Army expansion project.

Thank you for your consideration.

Very truly yours,

BY ORDER OF THE BOARD OF
COUNTY COMMISSIONERS

Roland Yarberry, CHAIRMAN

RY:gjc

Enc. 2

P.S. We have enclosed an additional copy which is to be entered into the records of the subcommittee hearings on Fort Carson's expansion project.

A RESOLUTION OF THE BOARD

OF LAS ANIMAS COUNTY COMMISSIONERS

WHEREAS, the Board of Las Animas County Commissioners is aware of the conflict and opinions regarding the Army's acquisition of the Pinon Canyon site located within unincorporated Las Animas County; and

WHEREAS, said Commissioners recognize the hardships, burdens, and financial and economic sacrifices that will be placed upon the residents and owners of lands located within the Pinon Canyon site; and

WHEREAS, the Commissioners recognize the need for preparedness of our Armed Forces against totalitarian nations, and the need for enclarged training sites to meet this need.

NOW, THEREFORE, BE IT RESOLVED that the Board of Las Animas County Commissioners is in favor of the acquisition of the Pinon Canyon site by the Army of the United States provided that the following equitable provisions be addressed and adhered to:

1) that the bonded indebtedness against the Hoehne School District No. R-3 and Branson School District No. R-82 be paid in full by the federal government.

2) that the land owners be equitably compensated for their property, for the best use to which the lands can be applied;

3) that Las Animas County be paid $500,000.00 annually for five (5) years to relieve the burden of the remaining taxpayers located within Las Animas County of having to absorb the loss of public revenue generated through taxes currently derived from the Pinon Canyon site.

This resolution, upon motion made and seconded, was approved this 2nd day of April, 1981.

LAS ANIMAS COUNTY BOARD
OF COMMISSIONERS

Roland Yarberry, CHAIRMAN

Eugene D. Lujan, CHAIRMAN PRO TEM.

Ben C. Mestas, COMMISSIONER

Mr. GINN. Is there anything further? If not, the subcommittee stands adjourned, to reconvene tomorrow at 3 o'clock for markup.

THURSDAY, MAY 14, 1981.

PENDING FISCAL YEAR 1981 REPROGRAMINGS

WITNESSES

HON. NORMAN D. DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON
ALLEN W. CARTON, PROGRAMMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS, U.S. ARMY
WILLIAM STAUSS, CHIEF, HOUSING AND URGENT REQUIREMENTS BRANCH OF THE PROGRAMMING DIVISION, OFFICE OF THE ASSISTANT CHIEF OF ENGINEERS
REAR ADM. W. M. ZOBEL, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, U.S. NAVY
CAPT. J. I. DICK-PEDDIE, DEPUTY COMMANDER, ACQUISITION, NAVAL FACILITIES ENGINEERING, U.S. NAVY
JAMES A. PALMER, NAVAL SEA SYSTEMS COMMAND, NUCLEAR PROPULSION DIRECTORATE, PROGRAM MANAGER FOR SURFACE SHIPS AND WATER-COOLED BREEDER REACTORS, U.S. NAVY
COL. MIKE CONRY, DIRECTORATE OF ENGINEERING AND SERVICES, U.S. AIR FORCE
COL. JOSEPH AHEARN, DIRECTORATE OF ENGINEERING AND SERVICES, U.S. AIR FORCE
LT. COL. JOHN CUNNINGHAM, DIRECTORATE OF ENGINEERING AND SERVICES, U.S. AIR FORCE
LT. COLONEL JOHN B. SEAMON, STAFF CIVIL ENGINEER, OFFICE OF THE CHIEF OF AIR FORCE RESERVE, U.S. AIR FORCE

Mr. GINN. The subcommittee will be in order.

Today, we will review fiscal year 1981 pending reprogramming requests for all services. The largest of these is the Navy's request for an additional $21,200,000 for the water pit facility at Puget Sound Naval Shipyard in Bremerton, Washington. Therefore, we will start off with the Navy and then proceed to the pending requests of the Air Force and Army.

Gentlemen, as always, we welcome you this morning. Admiral Zobel, if you would take your place at the table and introduce your backup witnesses, please. You may proceed as you see fit.

NAVY REPROGRAMINGS

PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON—WATER PIT FACILITY, $53,200,000

Admiral ZOBEL. Thank you, sir.

We don't like to be here for a project like this, but sometimes we have one.

Mr. Chairman, the project was authorized in fiscal year 1981 at $32 million, and bids were opened 24 March, 1981, for the building

portion of the water pit facility. That does not include the built-in cranes, the specialized equipment and the fluid system, which will be accomplished separately.

Of the two bids received, the low bid was $32,640,000. The government estimate was $21,100,000. The full scope of the facility, however, is still vitally required, and we are here today to seek your approval for reprogramming sufficient funds to accomplish the work.

We have made a thorough comparison of the low bid with the government estimate, and it is shown that the bid accurately represents the cost of construction with the extensive quality assurance measures that are required for nuclear projects.

Rebidding, we believe, would only produce delays and higher costs, since the scope cannot be reduced and no additional bidders are likely.

The current working estimate required to permit a water pit construction contract and the subsequent items of work just mentioned is $53,200,000. The bid expiration date, sir, is the 23rd of May, 1981, and a delay in award would likely result in an additional increase, due to inflation. The cost increase is required for the sole purpose of meeting unusual variations in cost which were not anticipated at the time the estimate was submitted to the Congress.

Due to the urgent nature of the requirement and the need to proceed with the construction as soon as possible, as well as the expiring bid, immediate approval to proceed is requested.

A request for a cost variation in the authorized amount is currently before the Armed Services Committees, and the increased amount will not exceed the amount authorized under Title II, sir.

Mr. GINN. Are there any other comments?

Admiral ZOBEL. Mr. Jim Palmer is here from Admiral Rickover's office in case there are requirement questions. Captain Dick-Peddie is one of my associates.

Mr. GINN. We are delighted to have you all here.

In fiscal year 1981, the Navy requested, and the Congress approved, funding of $32 million for a nuclear refueling facility at Puget Sound Naval Shipyard in Bremerton, Washington.

The facility would provide a dockside capability to accomplish dissassembly, inspection, and interim handling of spent fuel and reactor components during the refueling of nuclear-powered ships. This facility would provide a West Coast site for the refueling of nuclear-powered aircraft carriers and Trident submarines.

On April 20, 1981, a reprogramming request was submitted to the committee for an additional $21,200,000 for this facility, making its total estimated cost $53,200,000.

Last year, this subcommittee deferred this project without prejudice because:

a. There is presently only one ship, the USS Enterprise, stationed on the West Coast that could not be refueled using the existing facilities there.

b. This ship, the USS Enterprise, will be refueled in mid-1984. However, the Navy cannot verify that the refueling will take place at Puget Sound.

c. The proposed schedule of full use will begin only after the first Trident requires refueling in 1991.

Subsequently, however, the Senate included the project, and the military construction conferees approved funding of the project.

Briefly explain to the committee why it is necessary to proceed with the construction of the water pit facility at this time.

Admiral ZOBEL. I would like Mr. Palmer to talk to that particular aspect, since it really deals with the requirement for the refueling of nuclear powered ships.

Mr. PALMER. We do have the Enterprise on the West Coast; that is correct. We have two more nuclear aircraft carriers in the Atlantic fleet, and two more under construction right now.

The first of those two is likely to go to the Pacific fleet a year or two after construction. That will give us two nuclear carriers on the West Coast.

With five nuclear aircraft carriers, we think that it is foolish for the Navy to rely on only one refueling site at a private shipyard which is not under the Navy's direct control, at a time when that private shipyard is going to be extremely busy—one of the key shipyards involved in the current plans for increasing the size of the Navy.

If Congress does authorize the proposals of the administration to increase the number of ships, that particular shipyard will be doing a good deal of that new construction work.

At the same time that new construction work is going on we might want to have a carrier refueling done, and that shipyard may be so overloaded, that they won't want to do the refueling; or the Navy may not want them to do the refueling because it could jeopardize the progress of work on the other new ships they are building.

Because of the projected workload at that yard, the fact it is a private shipyard which is not under the Navy's direct control and may not want to do a carrier refueling; and because it would require taking a Pacific Fleet carrier off station and moving its crew and their families to the East Coast, for about two years, a West Coast carrier refueling facility is needed. We think it would be imprudent for the Navy to have huge investments in nuclear aircraft carriers and not be able to refuel them at more than one place.

We don't want to have all our eggs in one basket.

A new aircraft carrier is estimated to cost something like $3.5 billion, The Navy must not be in a position of being unable to refuel one of these carriers when required, or being unable to refuel more than one carrier at a time.

We need the Water Pit facility to support the earliest potential refueling in 1984.

Mr. GINN. If this reprogramming were approved, when would this facility be completed, and when would the first refueling take place?

You just said 1984 for the Enterprise?

Mr. PALMER. If I may, I would like to say a little bit more about that.

Mr. GINN. When would the facility be completed?

Mr. PALMER. Totally completed in 1984, including the additional things, Puget Sound would do.

Admiral ZOBEL. As Admiral Iselin testified last year, we believe if we start now, we would just make it for that 1984 date. In other words, about mid-1984.

Mr. GINN. Explain to me just what is involved with this water pit facility.

Mr. PALMER. Refueling an aircraft carrier requires handling a large amount of spent fuel. The Enterprise, our oldest and most complex carrier has eight reactors, where our new carriers have two large reactors, which give the same power.

When removing the spent fuel out, you take the tops off the reactors, lift each fuel module out, and put the fuel module in an intermediate water-containing facility, such as the water pit, to contain the fuel module while you disassemble its upper part from its lower part.

The upper part of each spent fuel module will be retained for future use, while the lower part will be placed in shielded shipping containers, on rail cars, for shipment to the Department of Energy spent fuel site in Idaho. You need a water pit-type facility to do this disassembly work.

For a ship as large as the Enterprise, an aircraft carrier which has a lot of fuel, eight reactors' worth, you also need to temporarily hold this fuel for a few months because the Navy only has a limited number of these shielded shipping containers. They cost about $5 million apiece. They are very expensive things. The Navy has a limited number of them that they use to refuel over 100 nuclear-powered ships that we have.

In order to move all of the aircraft carrier's spent fuel with the limited number of these shielded shipping containers that would be available, the fuel will have to remain in the water pit for a few months while you shuttle the shipping containers back and forth between Puget Sound and Idaho.

The water pit then does two things: It allows you to disassemble the fuel, and it allows you to temporarily hold it until you ship the last fuel out to Idaho.

Mr. BURGENER. Do you do all eight reactors at once?

Mr. PALMER. During the same overhaul, sir; but you do them in a sequence.

Mr. BURGENER. But it is the same overhaul period?

Mr. PALMER. Yes, sir. And you want to have facilities which keep the refueling operations moving because you want to get the ship in and out and back on the line as soon as possible.

The refueling always takes place along with an overhaul, a period of about two years. But if you do not have a facility such as the water pit, and are only able to remove as much spent fuel at a time as you could transfer out to the spent fuel holding ground with available shipping containers, you might make the carrier remain much longer in the shipyard. The whole idea here is to minimize the amount of time the ship is involved with refueling and get it back to the fleet.

Mr. BURGENER. What is the size of the water pit?

Mr. PALMER. It holds 400,000 gallons of water. It is 67 feet long.

Mr. BURGENER. Concrete?

Mr. PALMER. It is stainless steel, lined, and concrete outside of that. Thirty-six and a half feet deep, 24 feet wide.

Admiral ZOBEL. The stainless steel liner—there is about 278 tons of stainless steel in the liner.

Mr. BURGENER. Are we replacing or enlarging?

Admiral ZOBEL. Building new. There is not one there and no nuclear carrier refueling capability there.

Mr. GINN. This will give us a second such facility. There is one on the East Coast now at Newport News.

Mr. PALMER. The one on the East Coast is, in fact, a different kind of facility. It is a 20-year-old floating barge that is actually over at Norfolk Naval Shipyard. It is a piece of Navy property. On the occasions when the Enterprise was last refueled, which ended in 1965 and again in 1971, that barge was towed over to Newport News, where they used it to do the refueling, and after they completed the job, the barge was taken back to Norfolk, since it is Navy property.

Mr. BURGENER. In the reprograming you are taking the money from somewhere else?

Admiral ZOBEL. Yes, sir. There are two locations, sir. First, we are not cancelling anything. All we want to do is defer two items which are not currently ready to move ahead. The Naval station at Keflavik, in Iceland, has a dual-purpose terminal. Twenty million dollars has been funded and authorized for that terminal. The Icelandic Government is not yet ready to proceed; so we would be able to use that money until such time as funds become available from the 1982 appropriation to replace those dollars.

The Mare Island Naval Shipyard dredging project is authorized and funded at $5.7 million. We propose to take $1.2 million out of that project and use it for this project, which gives us the $21.2 million that we need.

The dredging project will be delayed, anyway, so there will not be any delay as a result of this particular action if we simply defer those projects, sir.

Mr. BURGENER. Thank you.

Mr. GINN. Admiral, how much time for unanticipated delays in construction have you allowed for in your schedule?

Admiral ZOBEL. I couldn't give you an exact amount, sir. I would say normally we would expect on a job like this we would give the contractor an extended construction period, and I suspect in this case we would be talking about giving them about 24 months to complete the job. He would schedule the job. We don't try to tell him how to do or schedule the construction. The how-to is his. The final result we want is compliance with our plans and specifications.

Mr. GINN. Do you feel such a schedule would be realistic in light of the unique nature of the facility?

Admiral ZOBEL. Yes, I think so.

Mr. GINN. To meet that 24 months?

Admiral ZOBEL. Yes, sir.

We realize that the 1984 date is the date that we want to work toward, and there is much work that has to be done after that original contractor completes his work.

BIDS RECEIVED ON PROJECT

Mr. GINN. How many bidders did you have on this project?

Admiral ZOBEL. It is interesting, sir, that we went out on this project in a little different way than we do for some of our projects. We recognized there was a need for a certain amount of pre-qualification for firms to do this kind of nuclear work; so we advertised it in the Commerce Business Daily. We had 23 firms that responded.

Eight of those 23 returned our questionnaire that we asked for on their qualifications to do this kind of work. Six of those eight were pre-qualified. We agreed they were qualified. In the final analysis, two of them bid. The others, for various reasons, were not interested in doing the work.

We feel that we have a very well qualified contractor who has the low bid, but obviously he recognized the competition.

Mr. GINN. Do you feel you have well qualified government estimators?

Admiral ZOBEL. Yes, sir.

Mr. GINN. You estimated $32 million, and they are coming in at fifty. How can that be?

Admiral ZOBEL. It does seem rather amazing.

Mr. GINN. It is amazing to me.

Admiral ZOBEL. Let me try to break that down a little bit.

Obviously, when you have that much of an error, we are very concerned; so we looked at it thoroughly. The stainless steel liner is the primary cause of that $11 million increase. That stainless steel liner is $7 million higher than we originally estimated. What happened was, our estimator went to——

Mr. GINN. That would bring us up to $39 million, then.

Admiral ZOBEL. Yes, sir.

Our estimator for the stainless steel liner went to a local outfit that he believed could do the job and got a quotation. The local firm does jobs of this kind, not exactly the same, but this kind of stainless steel work. That quotation was based on fabricating a large amount of the liner in his shop and then barging it across the Sound to the shipyard, erecting it, dropping it into place.

As it turned out, when he got down to the nitty-gritty of it, he was not able to maintain his plan to do it that way. It required too much room to lay it down; it was too large. Therefore, it would have to be done on-site. So the two final bidders both agreed it would have to be done on-site, and that is the basis on which they bid it.

We are talking about 278 tons of stainless steel. We have a tight dimensional tolerance of plus or minus one-sixteenth of an inch. The welds have to be inspected visually with soap bubbles, and penetrant dyes, and by ultrasonic and radiographic means. All of the work must be very closely controlled under a rigid quality-control process. It is that quality assurance, along with that process of doing it in place, as opposed to back in the shop, that has greatly increased the cost of the stainless steel liner.

Mr. GINN. How would this facility differ from what you are doing in Newport News? You are using a barge there.

Mr. PALMER. That is about a 20-year-old barge. It is basically a section out of an old tanker hull.

Mr. GINN. If that works there, why wouldn't something similar work for a great deal less money at Bremerton?

Mr. PALMER. In reaching the decision to build the shore site water pit facility, such a barge was looked at, but to build such a barge these days and maintain it is a much more expensive thing to do. It was considered when planning for the Puget Sound refueling began. We estimated it would cost half again as much as the shoreside building.

Mr. GINN. Where would the USS Enterprise be refueled if the water pit facility is not completed until after June of 1984? It would have to be at Newport News?

Mr. PALMER. Yes, sir, most likely at Newport News.

Mr. GINN. Most likely? Where else could it be? In this country it would have to be there.

Mr. PALMER. Yes, sir.

REFUELING SCHEDULE

Mr. GINN. When would this facility be used to refuel the first Trident submarine?

Mr. PALMER. Not before about 1990.

Mr. GINN. At which other locations on the West Coast and Hawaii is the refueling of nuclear-powered vessels possible?

Mr. PALMER. Nuclear-powered submarines are refueled at Mare Island Naval Shipyard, at Puget Sound, and at Pearl Harbor Naval Shipyard. Only Puget Sound has a drydock large enough to accommodate an aircraft carrier, and that is why it is the logical place to put this facility.

Mr. GINN. What is the schedule for use of the water pit after the initial refueling, and what impact will its use have on the other sites of nuclear refueling?

Mr. PALMER. Following the initial use for the aircraft carrier, the facility, because it is such a good facility for refueling, would be used almost continually to do the submarine refuelings of the type currently going on in Puget Sound, in addition to future carrier refuelings.

We would also do cruisers such as the USS Long Beach, and other nuclear-powered cruisers would be refueled as they come due year after year.

The ability to exactly determine when a ship will need refueling is difficult. It is like filling the gas tank in your car. It depends on how far you go and how fast, and so on, and it is difficult for us to predict with certainty whether a ship needs to be refueled in a given year, because we don't know whether they are going to be going to the Indian Ocean as they currently are, or the Mediterranean, or operations on the near side.

We have to follow that from year to year and see how the ships are used.

Mr. GINN. Do we have any refueling capability outside of this country?

Mr. PALMER. No, sir.

Mr. GINN. At any other location anywhere in the world?

Mr. PALMER. To be clear, of course, other than in the Continental United States we have refueling capability in Pearl Harbor.

Mr. GINN. Provide for the record the proposed refueling schedule at these other sites after mid-1984, assuming both that the water pit is and is not built.

[The information follows:]

Building or not building the Water Pit would have little effect on the refueling workload except at shipyards refueling nuclear carriers, cruisers, or TRIDENT submarines. If the Water Pit is built, refueling work for carriers and cruisers would be split between the private shipyard at Newport News and Puget Sound Naval Shipyard. If not, the Navy would endeavor to accomplish such work at Newport News. For TRIDENT submarines, construction of the Water Pit would enable the Navy to refuel these ships at Puget Sound. If the Puget Sound facility is not built, the Navy will have to develop a TRIDENT ship refueling capability at another shipyard. At this time, the Navy has no plans for a TRIDENT ship refueling facility other than the Water Pit at Puget Sound.

Whether or not the Water Pit is built, the precise time and place of these refuelings cannot be accurately predicted years in advance due to the following variables: (1) the tempo of ship operations; (2) extension of reactor core use beyond the design lifetime where feasible; (3) the distribution of ships between the Pacific and Atlantic Fleets; (4) the capacity of individual private and naval shipyards to do naval work; and (5) the size of the new construction shipbuilding program. However, the attached schedule is provided to show: (1) the nuclear ships which will be refueled using the Puget Sound Naval Shipyard Water Pit Facility or East Coast refueling facilities. (2) Time spans during which ship refuelings are expected to start based on normal peacetime operation and on increasing operating tempo ten percent. (3) Time spans during which the ship refuelings could possibly start should future technical information permit extension of currently predicted reactor core lives. (4) Time spans required to perform refueling overhauls. (The confidential schedule was provided to the staff of the committee).

Mr. GINN. What is the present status of the USS Enterprise?

Mr. PALMER. It is being overhauled at Puget Sound Naval Shipyard now. A nonrefueling overhaul.

Mr. GINN. When will that be completed.

Mr. PALMER. November, 1981.

Mr. GINN. Would it return to the Puget Sound Shipyard for refueling in mid-1984 if the water pit is completed?

Mr. PALMER. That is very much akin to the question I just answered, sir. It depends a lot on how actively the ship is used, and also it would depend some on the technical assessment we have underway of whether we can eke out more years of operation from those reactor cores. When they were designed, they were designed for 13 years. The ship last went to sea in 1971 following refueling. That is where we got the 1984 date. As we always do, we have analyses underway right now to see if we can eke out another year or a few more years or use out of those, plus it will depend on how the ship is used, whether sent to the Indian Ocean, or whatever.

1984 is the earliest possible date, which we should be ready for, but it could be later than that.

Mr. PEEL. When the 1984 date was originally established, when did you estimate that the Enterprise would be out of overhaul?

Mr. PALMER. The 1984 date was established well before this current overhaul began. The 1984 date was really established back in the mid-1970s, when the initial planning for the water pit got started.

Mr. PEEL. If this ship is in overhaul now for an extended period of time, does that mean the 1984 date moves further away?

Mr. PALMER. It could. That is part of the analysis we are talking about right now. We think, for instance, the reactor cores have sufficient uranium, but we are analyzing to be sure they are still structurally sound, as we think they are.

That is part of the analysis we are going through, to be sure, before we decide to run them longer. We think 1984 is the right

date because that is the date the cores would need refueling based on design core life.

Also, another thing, now that the Navy has several aircraft carriers, the Navy has to be ready to handle unforeseen difficulties which could arise. We have been very successful in our Naval nuclear propulsion program in having our ships be very reliable. But supposing one of these multi-billion-dollar aircraft carriers developed a technical problem in one of its reactors, and the only shipyard that could handle it was Newport News, and they are so busy building new ships for the Navy that they couldn't do it? We need to be ready not only for scheduled refuelings but also unforeseen problems that could come up in these ships.

INCREASE IN ESTIMATED COST

Mr. GINN. I want to come back to my question, Admiral Zobel, about the other estimate. You accounted for $9 million of that.

Admiral ZOBEL. About seven; yes, sir.

Mr. GINN. With the increased cost of the stainless steel. How else were you so low?

Admiral ZOBEL. In our mechanical systems the bids came in $4 million higher than we had originally anticipated they would. The underestimate there was primarily for quality assurance. The bidders said they believed the quality assurance program would require much more time and therefore dollars than we had originally anticipated.

Really, I think the marketplace is the final arbiter of how much goes into the final bid.

There was a general mark-up for quality assurance, both on the stainless steel liner and on the mechanical systems.

This accounts for $11 million of the increase.

The crane cost we now find will be about $2 million higher than originally. That is $13 million. The rest of it is strictly a matter of supervision, inspection, and overhead.

Mr. GINN. If construction of the water pit facility is deferred, can the other existing refueling sites on the West Coast accommodate the refueling requirements of all the existing West Coast nuclear-powered vessels scheduled for refueling except the USS Enterprise?

Mr. PALMER. USS Long Beach needs a water pit facility, as Admiral Zobel says. It has reactors in it like the Enterprise. It is a cruiser.

Mr. GINN. How do the expected costs of refueling a nuclear carrier at the Newport News, Virginia, private shipyard compare with the anticipated costs of refueling a carrier at Puget Sound?

Mr. PALMER. We don't have specifics on that. I don't have them available. I am not sure I could get them accurately.

I would say, though, sir, probably Newport News would do it for less cost beause they have done it before, and they built the ship. They are more experienced with it.

Mr. GINN. Summarize for the record why the cost of this facility has risen from $22 million in fiscal year 1980 to $32 million in fiscal year 1981, to $52 million today.

[The information follows:]

EXPLANATION OF COST INCREASE

Item	Estimated FEB 78 Cost [1]	Estimated As-Enacted Cost	Estimated Current Cost
Water pit facility	21,468	25,945	43,989
Building	(8,906)	(7,075)	[2,3] (14,156)
Built-in equipment	(3,020)	(11,205)	[2,4] (22,075)
Water pit equipment	(6,545)	(5,683)	[2,5] (5,700)
Special fluids system		(1,924)	[2,6] (2,000)
Meteorological station		(58)	(58)
Supporting facilities	893	1,589	1,853
Special construction features	(728)	(1,074)	(1,074)
Electrical utilities	(110)	(331)	(331)
Mechanical utilities	(55)	(184)	[2,7] (448)
Subtotal	19,364	27,534	45,842
Contingency (10 percent)	1,936	2,753	4,584
Total contract cost	21,300	30,287	50,426
SIOH (5.5 percent)	1,172	1,666	2,774
Total request	22,472	31,953	53,200
Total request (Rounded)	22,500	32,000	53,200

[1] The February 78 estimates were based on preliminary engineering. The increase of $9.5 million to the As-enacted estimate is attributed to a change in user requirements (24,000 SF increased to 31,000 SF) plus a more precise definition and costing of the built-in equipment and more detailed estimates based on 35 percent design completion.

[2] Unforeseen cost escalation and quality assurance requirements.

[3] $7.1 million for contractors higher estimated costs for the mechanical systems and dampers, and such other things as process piping.

[4] $10.9 million for contractors higher estimated costs for fabrication and installation of stainless steel liner, and such other things as radiological exhaust and return systems, filters, compressed air systems, and secondary fluids system as well as higher estimates for bridge and wall cranes.

[5] $17,000 for such things as new cell holding equipment, discharge equipment stackup, cell assembly/disassembly stands, and irradiated component rack.

[6] $76,000 for labor and materials for the pure water system.

[7] $264,000 for contractors higher estimated costs for piping distribution system.

Mr. GINN. Provide an updated form 1391 for the record.
[The information follows:]

Reprogramming Revision 13 May 1981

1. COMPONENT	FY 19 81 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
NAVY		

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON	WATER PIT FACILITY

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
7 20 28 N	213.65	P-204	53,200

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
WATER PIT FACILITY	SF	31,295	-	43,989
BUILDING	SF	31,295	452.34	(14,156)
BUILT-IN EQUIPMENT	LS	-	-	(22,075)
WATER PIT EQUIPMENT	LS	-	-	(5,700)
SPECIAL FLUIDS SYSTEM	LS	-	-	(2,000)
METEOROLOGICAL STATION	LS	-	-	(58)
SUPPORTING FACILITIES	-	-	-	1,853
SPECIAL CONSTRUCTION FEATURES	LS	-	-	(1,074)
ELECTRICAL UTILITIES	LS	-	-	(331)
MECHANICAL UTILITIES	LS	-	-	(448)
SUBTOTAL	-	-	-	45,842
CONTINGENCY (10%)	-	-	-	4,584
TOTAL CONTRACT COST	-	-	-	50,426
SUPERVISION, INSPECTION & OVERHEAD (5.5%)	-	-	-	2,774
TOTAL REQUEST	-	-	-	53,200
TOTAL REQUEST (ROUNDED)	-	-	-	53,200
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	(0)

10 DESCRIPTION OF PROPOSED CONSTRUCTION

Reinforced concrete water pit, stainless steel liner; reinforced concrete security walls, reinforced concrete floor and columns above basement, structural steel frame with inner and outer metal siding; utilities; bridge cranes, traveling jib cranes, communication systems, fire protection system, security system, heating and cooling system with high efficiency filters; railroad spur; emergency diesel generator; security fence; evaporative coolers, refrigeration system.

11. REQUIREMENT: 31,295 SF. ADEQUATE: 0 SF. SUBSTANDARD: 0 SF.

PROJECT: Provides dockside facilities enabling the shipyard to perform refueling and other reactor servicing operations on nuclear powered aircraft carriers and TRIDENT submarines, and for reactor servicing of nuclear powered attack submarines and nuclear cruisers.

REQUIREMENT: Adequate dockside facilities for performing refueling and other reactor servicing operations on nuclear powered aircraft carriers. The proposed facilities will also satisfy future requirements for refueling TRIDENT submarines (no other existing or planned facilities are capable of refueling TRIDENT submarines at Puget Sound Naval Shipyard.)

CURRENT SITUATION: The Navy needs dockside facilities for performing refueling and other reactor servicing operations on nuclear powered aircraft carriers. These servicing operations require extensive facilities to disassemble, inspect, reassemble, and control reactor equipment and associated handling gear. Since the Government currently has no such capability, the Navy must rely entirely on the capability of a private shipyard at Newport News, Virginia. This necessitates bringing Pacific

(Continued on DD 1391c)

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
NAVY		

3. INSTALLATION AND LOCATION
PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON

4. PROJECT TITLE	5. PROJECT NUMBER
WATER PIT FACILITY	P-204

11. (Continued)

CURRENT SITUATION: (Continued)
Fleet nuclear carriers to the East Coast for refueling and limits the Navy to performing such reactor servicing operations on only one carrier at a time. The proposed facility is to be available as early as mid-1984. Refueling of a nuclear powered aircraft carrier at this facility may be required as early as June 1984. Once in service, this facility will be used almost continuously. When not in use, the facility will be available to support the possibility of unplanned or earlier than scheduled reactor servicing work on nuclear ships.

IMPACT IF NOT PROVIDED: (1) The Navy would be forced to rely on the assumption that the existing East Coast private shipyard, which is capable of refueling only one carrier at a time, would be made available to perform all nuclear carrier refuelings. (2) The Navy would have no choice but to accept the reduction in operational flexibility resulting from bringing all Pacific Fleet nuclear carriers to the East Coast for refueling. (3) The Navy would be unable to support the possibility of having to service the reactors in more than one carrier at a time. While the Navy will schedule carrier refuelings one at a time, unplanned changes in the tempo of fleet operations or technical difficulties with installed reactor equipment could necessitate earlier than planned refuelings. (4) The Navy would have to establish other facilities to perform refuelings of TRIDENT submarines at Puget Sound Naval Shipyard. (5) Nuclear cruiser refuelings would have to be accomplished using other, less efficient facilities.

ADDITIONAL: There are no existing West Coast facilities which could be used or modified to perform reactor servicing operations on nuclear aircraft carriers. The only existing East Coast capability is a private shipyard at Newport News, Virginia. Further, no other existing or planned facilities at Puget Sound Naval Shipyard would be capable of refueling TRIDENT submarines. This project is required to provide a new capability and is not predicated on generating savings; therefore, no economic analysis has been prepared.

TWO BIDS RECEIVED

Mr. GINN. Since there were only two bidders on this project, would it be in the best interests of the government to rebid this project? If not, why not?

Admiral ZOBEL. We don't believe so, sir. The desired effect of rebidding the project would be to produce a lower bid, and to do that, we would have to obtain additional bids. We think that this is unlikely.

The project was advertised in the Commerce Business Daily, and we had those 23 contractors originally interested. We were able to pre-qualify only six of eight that responded to our questionnaire. The pre-qualification is required of the contractors to demonstrate their capabilities to meet a quality assurance program that is in accordance with the requirements of Title X, Chapter 1, Code of Federal Regulations, Part 50, Annex B.

Mr. GINN. What does that mean?

Admiral ZOBEL. It is a law which determines if a contractor is competent to provide and perform the fabrication, erection and testing of safety-related structures and prove the existence of scheduling, procurement and expediting systems considered essential for the successful management of such projects.

We are talking about nuclear materials that are going to be handled, and we are very careful to cover those qualifications of the contractor.

We had eight contractors that responded, and they all looked at the project very carefully. We picked six, and two of them decided to bid. Therefore, we don't believe we are really going to get any other qualified contractors who are going to be interested, particularly if their original bids are revealed, as they are at this time.

Mr. MURRAY. Then there were six pre-qualified out of the eight. If you rebid the project, is it likely you would get more than two bids on the project, since considerable time has probably elapsed since that original process began?

Admiral ZOBEL. We don't think that time lapse—let me try to answer your question first. I would say it has probably been about six months since that first started. I may have to correct that for the record. I think it is probably in the neighborhood of that timeframe. We don't believe we are going to get any other bidders to come in, even though we have had that amount of time go by.

[Supplemental information follows:]

The pre-qualification process began on July 30, 1980 with an advertisement in the Commerce Business Daily.

The question apparently was not—although we don't have an absolute statement from all those people—the question was apparently one of whether or not they believed that corporately they should go into this particular project, and this kind of work, as opposed to other work.

Mr. MURRAY. You are saying it is not based on their workload but the type of work?

Admiral ZOBEL. That is our estimate from general discussions that we have had.

Source of Funds for Reprogramming

Mr. Ginn. If these fiscal year 1981 projects are deferred until fiscal year 1982, what effect will this have on the fiscal year 1982 "funding shortfall"?

Admiral Zobel. Well, it gets into our overall underfunding question, and we believe there would be no effect on 1982 projects. Obviously, anytime it is required to reprogram dollars away from projects, then you must either cancel or defer those projects. If you defer them, then you have to make up the difference. We plan to defer these projects so we would have to make up that difference either through savings, through other project deferrals, or from replacement of funds from underfunding dollars.

Mr. Ginn. The Navy requested $105 million for the fiscal year 1982 funding shortfall based on the best estimates at the time. What is your present "funding shortfall"?

Admiral Zobel. We believe it is somewhere between $80 million and $105 million. When I say somewhere between, let me explain that a little bit. Our definition of underfunding—just to make sure everybody is talking about the same thing—says that if we were to get no more funding from this point forward, we could not complete the program that has been previously authorized and funded.

Our estimate as of the first of April was that we would need somewhere between $80 million and $105 million to satisfy this definition. The reason why I say somewhere between is, it depends an awful lot on what you set aside or reserve for claims. We know that on the large bulk of the program we have now, we have a few claims that will probably come in. How high those will be, and at what level they will be settled, is another question, and that is why I give you that range of between 80 to 100 million. However, tomorrow, or the next day, we could take another bid on another project and that situation could change, either by having a good bid where we get some savings, or having a bid which goes slightly higher than we anticipate, where we would again have a requirement to go over the amount originally funded.

This is continually happening all the time in the marketplace. As a result, we have to take a snapshot, and I believe it is better to give you that range.

We don't believe, though, that that particular underfunding will affect the execution of our program except in the general requirement to simply say that the program is fully funded, which is what the Secretary of Defense has said he would like to see.

Mr. Ginn. Before we hear from the gentleman from Washington, who has more than a passing interest in this matter, I want to see if any other members of our subcommittee have any questions of the witness.

Are there questions of the staff?

Mr. Peel. I wonder if it would be possible to verify that this is the last amount of money that would be needed for this project.

Are all your contingencies covered?

Admiral Zobel. We have a 10 percent contingency figure cranked into this estimate. We believe we have the best contractor we can get, with the pre-qualification process we have gone through. We think he fully understands what is required in the job. We believe he has certainly included an ample amount for quality assurance.

In addition to that, we have included a 10 percent contingency. We don't believe we can go any further than that in trying to guarantee successful completion of the project.

Mr. PEEL. Are there any bid alternatives or alternatives not included in the $50 million estimate?

Admiral ZOBEL. No, sir, that is for the full scope.

Mr. BURGENER. What is your status at the moment with the contractor you have? You have, I assume, not signed the contract?

Admiral ZOBEL. No, sir.

Mr. BURGENER. You consider it to be a firm, valid bid?

Admiral ZOBEL. Yes, sir.

Mr. BURGENER. How long is he bound by that?

Admiral ZOBEL. Until the 22nd of May.

Mr. BURGENER. That is next week.

Admiral ZOBEL. That is right. That is why we need your approval.

Mr. MURRAY. Have you inquired whether that bid date could be extended?

Admiral ZOBEL. No, we haven't, and we really would rather not, because we believe we are imposing upon the contractor and the costs he would incur as inflation takes place. We have not asked if he would extend. We don't believe he will.

[Supplemental information follows:]

After approvals were received from the House and Senate Armed Services and Appropriations Committees, Judge Barbara Rothstein asked the Navy to try to extend bids so that comments could be obtained on the environmental assessment. The low bidder extended his bid 30 days. The Navy has and will continue to solicit comments due on or before 12 June 1981. The Navy has until 18 June to comment and Judge Rothstein promises a decision by 22 June 1981.

Mr. GINN. Have the other appropriation committees or subcommittees that have to deal with reprogrammings acted on this request?

Admiral ZOBEL. No, sir, not yet. There is a hearing scheduled with the House Armed Services Committee to give us the cost variation authority, and that is scheduled for the 20th. The Senate, I think, is probably waiting for your action, to see what the results of this hearing are. We do not anticipate—we haven't had any indication of any problems with the other committees.

TESTIMONY OF CONGRESSMAN NORMAN DICKS

Mr. GINN. If there are no further questions, the Chair is delighted to recognize the gentleman from Washington, a very valuable member of the Defense Appropriations Subcommittee, who is quite interested in the water pit facility, Mr. Dicks, of Washington.

Mr. DICKS. Mr. Chairman, thank you for providing me this opportunity to share my thoughts on the need to expeditiously approve the reprogramming request for construction of the water pit nuclear refueling facility at Puget Sound Naval Shipyard.

The many reasons for this critically needed facility enunciated to the subcommittee last year remain. Prudent operational flexibility demands that we have two shipyards that can perform nuclear refuelings on aircraft carriers, Trident submarines, and large surface vessels such as the Long Beach. The need for a West Coast

facility to avoid the 45-day transit time and the cost of transferring crew and families during the refueling operation still exists.

The events of the past year have, in fact, strengthened the case for prompt construction of the water pit facility. The operating tempo for the Nimitz and other nuclear vessels has increased dramatically as part of the effort to increase our presence in the critical Indian Ocean region. This increased tempo will, of course, hasten the time at which these ships will have to be refueled.

In addition, the administration has announced a new shipbuilding program that includes three additional nuclear aircraft carriers. This will bring the total number of nuclear carriers to eight, and will eliminate any shadow of a doubt that there will be times in the future when we will have to refuel two carriers simultaneously.

Finally, Newport News, the one shipyard currently capable of carrier refuelings, will have an exceedingly heavy workload over the coming years. The three new carriers will be built there. With the problems in submarine construction being encountered at Electric Boat, the level of attack submarine construction at Newport News will also increase substantially. These increases will make it much more probable that the yard could not accept a carrier refueling when it became necessary.

This reprogramming request is time-critical. The expiration date for current bids is May 23. While bids might be extended for a short period, it is highly unlikely that bidders, or their suppliers, would be willing to forego resubmitting bids for any period of time. Navy estimates are that delay beyond the May 23 date will increase costs by $10,000 a day. The construction schedule is already compressed to meet the anticipated refueling of a nuclear carrier in mid-1984. Any delays would seriously jeopardize our ability to meet that contingency.

I share the committee's concern with the sizable variance between last year's Navy estimate and the low bid on the project. We need to determine why the estimates were so far below what we have encountered and what actions could help us avoid this type of underestimating in the future. At the same time, it must be recognized that the water pit is a very unique project that does not lend itself to the same type of estimating certainty that other naval projects encounter.

For the committee's record, I would like to submit a description of the need for the water pit and the current situation prepared for my office.

In the final analysis, the question is, do we want to risk unnecessarily taking a $2 billion aircraft carrier, and its $1 billion air wing, out of operational service for an indeterminable period because we think we might "save" a few million dollars on construction costs? I do not think that is the type of risk we want to take.

Unfortunately, nuclear refueling requirements are highly scenario-dependent. We cannot accurately predict years in advance precisely when refuelings will be required. It would be folly to attempt to do so. But we do know that we need the flexibility the water pit will provide to ensure effective utilization of our most powerful and expensive naval assets. Further delay will only add to costs and jeopardize naval deployments.

For these reasons, I strongly urge the subcommittee to give its approval to this reprogramming request of $21.2 million, so that we can proceed on this needed addition to our naval industrial base.

Mr. Chairman, it just seems to me, particularly since the Navy is confident about the contractor we have on this particular project, that we ought to get on with it. I think it is very important to understand just how technically important it is to have somebody who is competent and able, and if the Navy is satisfied they have that person, it seems to me we ought to proceed with this bid, expeditiously, and approve this reprogramming.

[The description of the need for the water pit, referred to in Mr. Dicks' statement, follows:]

PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASH., WATER PIT FACILITY

The Water Pit Facility will provide a dockside facility to accomplish disassembly, inspection and interim handling of spent fuel and reactor components during the refueling of nuclear powered ships. Existing West Coast facilities are not adequate to refuel nuclear powered aircraft carriers, the cruiser U.S.S. *Long Beach* or Trident submarines. The Water Pit Facility is needed to provide these capabilities and, once in operation, will facilitate refueling and reactor servicing of other nuclear powered submarines and cruisers.

This project includes several different items of work which will be accomplished through separate acquisition procedures. The authorized items of work are the water pit facility building ($21.1 MIL), the cranes ($2 MIL), the fluids system ($2 MIL), and the special equipment ($5.7 MIL) for handling fuel cores. The water pit facility building will be acquired through a competitive bid lump sum construction contract; the cranes will be procured through a competitive bid contract; the fluids system will be installed by shipyard personnel; and the special equipment for handling fuel cores will be procured through a special equipment purchase by the Naval Sea Systems Command.

Bids were opened on 24 March 1981 for the Water Pit Facility building only. Of the two bids received, the low bid was $32,640,000. The goverment estimate was $21,100,000. There were no additive bid items due to the need for full scope to provide a complete and usable facility. The CWE required to permit award of the construction contract and the subsequent items of work mentioned above is $53,200,000 and represents an escalation of 66.2 percent over the authorized amount for the project.

An analysis of the low bid indicates that Government estimators did not allow sufficient amounts for quality assurance, labor costs, and installation effort for certain unique features of the facility. Review of the various components of the bid reveals that the Government underestimated the cost of the stainless steel lining in the water pit itself by $7 million, and the piping and other mechanical systems by $4 million. In addition, the cost of a large bridge crane, an item of work to be accomplished under a subsequent separate contract, was underestimated by $2 million. These errors, and some smaller ones, plus 10 percent for contingency and 5.5 percent for administration and inspection of the construction, bring the CWE to $53,200,000.

There are presently no West Coast facilities which could be used or modified to perform refueling operations on nuclear aircraft carriers. The Water Pit Facility must be able to perform a nuclear aircraft carrier refueling by June 1984. There is also the potential for unplanned reactor servicing work to arise at any time. Without the Water Pit Facility, the Navy could not perform scheduled or unscheduled refueling operations on the West Coast, thereby seriously impacting nuclear aircraft carrier availability for operations. Immediate commencement of construction of the facility is required to ensure facility completion by June 1984.

The earliest possible availability of the Water Pit Facility becomes even more important if Congress authorizes the proposed additional nuclear powered aircraft carriers. These carriers would be constructed at the East Coast private shipyard which is the only existing facility capable of nuclear carrier refueling, this restricting the ability of that shipyard to accomplish refuelings.

The Navy has three nuclear powered aircraft carriers in operation and two more under construction. Of these carriers, the U.S.S. *Enterprise* is presently assigned to the Pacific Fleet, and the Navy plans on homeporting others on the West Coast. If the Water Pit Facility is delayed, the Navy would be forced to rely solely on the capabilities of the East Coast private shipyard at Newport News to refuel nuclear

carriers and the cruiser U.S.S. *Long Beach*. Such reliance has the following consequences:

1. It forces the Navy to depend upon the private shipyard at Newport News to be available when needed to refuel or service reactors on nuclear carriers and the U.S.S. *Long Beach*. The availability of this shipyard is dependent on many factors not subject to the Navy's control. Further, in view of the increased Navy shipbuilding program now being proposed, coupled with planned overhaul and refueling work, this shipyard may lack the capacity or the willingness to accomodate necessary nuclear carrier or *Long Beach* refueling or reactor servicing work.

2. It means that these major warships must operate without the Navy having the ability to service the reactors in more than one carrier at a time—a situation which could result from unplanned changes in operational tempo or unforeseen technical difficulties. The shipyard at Newport News presently has the capability to refuel only one arircraft carrier.

3. It leaves no choice but to accept the reduction in operational flexibility and on station time resulting from bringing Pacific Fleet nuclear ships to the East Coast for refueling. Such a transfer also would entail either separating thousands of crew members from their families for the duration of the overhaul and refueling, a period of about two years, or funds to relocate the familes to the East Coast.

The Water Pit Facility will also provide the Puget Sound Naval Shipyard with improved facilities for conducting refueling work on submarines and cruisers other than the *Long Beach* and with the capability to refuel Trident submarines, which are to be based in close proximity to the Puget Sound shipyard.

Based on reactor core design lifetime, construction of the Water Pit Facility needs to begin in 1981 in order to be ready to support a potential aircraft carrier or U.S.S. *Long Beach* refueling as early as mid-1984. Once in service, this facility will be used almost continously.

Aside from possibly placing our nuclear carriers and U.S.S. *Long Beach* in jeopardy by having inadequate servicing facilities in the near term, delay in constructing the Water Pit Facility will only result in increased construction costs and loss of the facility to support other nuclear ship work at Puget Sound. The ongoing construction program for nuclear aircraft carriers and Trident submarines coupled with plans for additional new construction nuclear powered carriers and cruisers, makes the requirement for the Water Pit Facility increasingly urgent.

The plans and specification have been reviewed, and it has been determined that no benefit would accrue to the Government from rejecting bids and redesigning for subsequent advertisement. The bid expiration date is 23 May 1981. Delays in award would likely result in additional increases due to inflation. The cost increase is required for the sole purpose of meeting unusual variation in cost, as described above, which was not anticipated at the time the estimate was submitted to the Congress.

Mr. GINN. We thank you very much for your testimony, Mr. Dicks. We are aware of your intense interest in the matter. I want to assure you on behalf of the subcommittee that we really don't question the need for the facility at all. What we are trying to get to the bottom of is why the wide variance in the estimated cost as compared to the bids that came in.

The Navy witnesses, prior to your arrival, have given us some reasons for that. We could argue about those all day, I guess.

Admiral ZOBEL. I think Mr. Dicks commented on one item I don't think I mentioned before, and that is that we are pretty competent at estimating things like barracks, BOQs, piers, runways and hangars that we build all the time. When we come to water pits, we are pretty well dependent upon those who are operating in the nuclear environment, to provide us with estimated cost and quality assurance features for a unique facility. We haven't built one before.

Mr. GINN. We understand we are not dealing with clear spring water here.

Mr. DICKS. I must say, just for the people of my community, there has been some public concern, about this water pit facility. I

am very concerned that we have as competent a contractor as we can get.

You have a community in Kitsap County that has strongly supported the Navy over the years, but there is some apprehension from those who are concerned with nuclear power in the community, and it just seems to me we should make absolutely certain we have a good contractor who can get this job done so there aren't going to be problems. We feel it will be an investment well worth spending a few extra dollars, for the country's sake, and for the community's sake.

Many people are concerned about nuclear power. Sometimes it is irrational, as the Chairman and I know, but it exists.

I am very interested in having a competent contractor, and again if we have to pay a few more dollars, I think it is a very wise investment to make sure we have the right person.

Mr. GINN. Let me ask you this question, Mr. Dicks. Are you personally satisfied with the competence and credibility of this contractor?

Mr. DICKS. I am pleased with what the Navy has said about—about the contractor's professional capability. This is something about which I am interested, because there is, as I mentioned, concern in the community, and we don't want to go with somebody who hasn't had the experience and the background and the professional ability, because we are talking about a very sensitive issue in Kitsap County.

Mr. GINN. Are there questions of Mr. Dicks, or any other witnesses?

Mr. EDWARDS. Mr. Chairman, I have no question. I certainly agree with our colleague from Washington that it is something we ought to go ahead with. It is probably a very worthwhile thing. I regret the overrun. We all do.

The only comment I wanted to make, and it is not a question, is that while the Navy does not have a great deal of experience in this sort of thing, nonetheless, I cannot help, as I heard your answer before, Admiral, think that the estimator has made a rather serious mistake. It would seem that when you are out getting estimates, and there is a problem of whether or not the room is available on-site or whether you are going to have to move over and do an on-site thing rather than in the shop, that that should not go without notice. Whoever did that estimating obviously did his job very, very poorly.

Admiral ZOBEL. It certainly hasn't gone without notice.

Mr. EDWARDS. I am sure of that.

[CLERK'S NOTE.—Additional information received subsequent to the hearing is included as an appendix to this volume.]

Mr. GINN. Are there other questions or comments?

If not, Mr. Dicks, we know you probably have other fish to fry, so we will excuse you if you would like to leave. Or, if you would like to stay, you may.

Thank you very much for being with us this morning.

NAVAL STATION, ADAK, ALASKA—BARGE MOORING PLATFORM, $810,000

Mr. GINN. Provide for the record a justification for the replacement of the barge mooring facility that was destroyed by a storm.

[The information follows:]

On December 6, 1980, Naval Station, Adak suffered a destructive storm which damaged the existing barge unloading facility. Adak supplies of about 37,000 MT/YR are delivered by a tug-barge operation. Interim supply is now being made by securing the barge alongside the only remaining operable pier and off-loading cargo from the barge to the pier, and then from the pier to a staging area using a forklift. This re-supply method is unacceptable for any extended period of time.

Mr. GINN. What is the source of funds for this project?

Admiral ZOBEL. This project will be funded by reprograming savings in the amount of $660,000 available from a Charleston, South Carolina Naval Shipyard Water Distribution System project and savings of $150,000 from a Bangor, Washington Naval Submarine Base Seabee Unit facility project.

NAVAL SURFACE WEAPONS CENTER, DAHLGREN, VIRGINIA—AEGIS COMPUTER FACILITY, $1,860,000

Mr. GINN. Admiral, could you briefly explain why it is necessary to build this facility, and why it has not been requested in the normal budget cycle?

Admiral ZOBEL. I wish I could, sir, but I didn't know that question was coming up, and I am not sure that I have a witness here who can talk to it.

Mr. GINN. Could you furnish us some information for the record?

Admiral ZOBEL. I will be happy to.

[The information follows:]

The Naval Surface Weapons Center (NSWC) is reponsible for Lifetime Support of AEGIS Ship Combat Systems including combat system lifetime engineering and computer program maintenance for in-service systems. Additionally, NSWC has recently been assigned Navy responsibility for computer program integration and testing for the first AEGIS Ship (CG-47) which is now being built. This additional responsibility begins in 1981 and continues until ship delivery in 1983. When the fiscal year 1982 request was develped in early 1980, it was not known that the AEGIS Computer Facility (ACF) would be needed for shipboard combat systems check out on the first ship. If the request for the ACF were now to follow a normal budget cycle, the next being the fiscal year 1983 program, it would be completed too late to serve the first ship. The criticality of this responsibility is based on the requirement to deliver the first CG-47 in a combat ready status in 1983. Lifetime Support will continue thereafter for the 30+ year service life of AEGIS ships. Navy has announced shipbuilding plans for a Fleet of at least 20 CG-47 AEGIS ships, 7 of which have been funded to date.

Because of the unprecedented requirements for computers in the AEGIS combat system, success of the critical CG-47 computer program integration and testing will be contingent upon a dedicated computer facility.

Computer space is urgently required at NSWC to support the critical CG-47 computer program integration and testing functions. Adequate computer space is not available. The full scope of this project is required to support the long term AEGIS computer program maintenance requirements. The use of Minor Construction authority to meet the emergency requirements would result in incrementation of the total ACF requirement and is therefore not being used.

This computer facility request was originally made via the normal budget cycle process but was not approved.

Mr. GINN. Were funds requested for this facility in a prior year? Why were they disapproved? What circumstances have changed that now warrant its approval?

Admiral ZOBEL. We will also provide that for the record.

[The information follows:]

Yes, funds were requested for this facility in the fiscal year 1979 Military Construction request to the Congress.

The required AEGIS Computer Facility has previously been submitted as part of MCON Project P-203. Project P-203 consisted of two separate buildings: an AEGIS Combat Systems Center, plus the AEGIS Computer Facility. These facilities met

separate needs, and the AEGIS Computer Facility alone is the subject of this request.

Project P-203 was not approved by Congress as it was felt that the AEGIS Combat Systems Center was duplicative of a similar facility located at Moorestown, New Jersey, and operated by the contractor. There is no indication that Congress viewed the AEGIS Computer Facility portion of P-203 as duplicative when P-203 was denied. There is no Navy or contractor AEGIS facility structurally similar to or which duplicates the mission of the subject Computer Facility. The Computer Facility, because it was submitted as part of Projet P-203, has been simply deferred along with the Combat Systems Center. Approval of the Computer Facility would uncouple the two buildings and solve the emergency situation.

Mr. GINN. Submit for the record a form 1391 for this project.

[The information follows:]

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
NAVY		3 DEC 1980

3. INSTALLATION AND LOCATION	4. PROJECT TITLE
NAVAL SURFACE WEAPONS CENTER DAHLGREN, VIRGINIA	AEGIS COMPUTER FACILITY

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
6 50 04 N	315.30	P-208	1,860

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
AEGIS COMPUTER FACILITY.	SF	10,000	137.08	1,370.8
BUILDING	SF	10,000	128.90	(1,289.0)
RAISED COMPUTER FLOORING	SF	6,141	13.32	(81.8)
SUPPORTING FACILITIES.	-	-	-	307.3
ELECTRICAL TELEPHONE & FIRE ALARM DIST LINE.	LF	1,660	89.16	(148.0)
WATER DISTRIBUTION LINE.	LF	510	28.04	(14.3)
SANITARY DISTRIBUTION LINE	LF	160	12.50	(2.0)
ROADS, PARKING SIDEWALKS	SY	3,578	15.82	(56.6)
SITE IMPROVEMENTS.	LS	-	-	(86.4)
SUBTOTAL	-	-	-	1,678.1
CONTINGENCY (5%)	-	-	-	83.9
TOTAL CONTRACT COST.	-	-	-	1,762.0
SUPERVISION, INSPECTION & OVERHEAD (5.5%). . .	-	-	-	96.9
TOTAL REQUEST.	-	-	-	1,858.9
TOTAL REQUEST (ROUNDED).	-	-	-	1,860.0
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS .	-	-	(NON-ADD)	(22,400)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

One-story building, metal construction, concrete floor, 6,141 SF of open bay with raised flooring, tempest shielding requirements, vault, utility connections. Air conditioning - 75 tons.

11. REQUIREMENT: 10,000 SF. ADEQUATE: 0 SF. SUBSTANDARD: 0 SF.

PROJECT: Construct new computer facility to support operational AEGIS Ship Combat Systems throughout their 30+ year service lifetime.

REQUIREMENT: NSWC Dahlgren has been AEGIS Lead Laboratory for the AEGIS Ship Combat System since January 1975 as designated by NAVMAT. In 1977, NSWC was informally designated as AEGIS Lifetime Support Engineering agent for computer program maintenance, combat system engineering, technology applications and configuration management for the Lifetime of AEGIS Ship Combat Systems. These responsibilities were formalized in June 1980. In response to CNO direction of August 1980, these responsibilities were further revised by NAVSEASYSCOM to include shipboard pre-introduction combat system check out and Navy testing. This project provides facilities essential for generation, test and lifetime support of all AEGIS computer programs. This facility is required immediately in order to meet critical computer program installation test requirements prior to FY83 Fleet introduction of first AEGIS ship, the CG-47.

CURRENT SITUATION: The AEGIS Combat System is being developed by RCA. Engineering development and production are currently ongoing utilizing the Combat System Engineering Development (CSED) Site at RCA/Moorestown, New Jersey. Following current development efforts, the CSED Site will

1. COMPONENT	FY 1981 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
NAVY		3 DEC 1980

3. INSTALLATION AND LOCATION

NAVAL SURFACE WEAPONS CENTER, DAHLGREN, VIRGINIA

4. PROJECT TITLE	5. PROJECT NUMBER
AEGIS COMPUTER FACILITY	P-208

CURRENT SITUATION (continued)
serve the training needs of AEGIS Ship Combat System personnel and will support block upgrade development efforts such as the cost and weight reduction program for an enhanced AN/SPY-1A radar system. These types of functions, requiring the CSED Site, continue well into the future making the CSED Site unavailable for AEGIS Ship in-service engineering. During the time AEGIS ships enter the fleet, the Dahlgren facility must be fully operational and ready to provide requisite computer program lifetime support functions. There are no other facilities available to accommodate the lifetime support of this combat system.

IMPACT IF NOT PROVIDED: Without this facility AEGIS Computer program problems and deficiencies encountered during fleet introduction and fleet operations of AEGIS ships could not be corrected in a timely and responsive manner.

Mr. GINN. What is the source of funds for this reprogramming? I refer to the one at the Naval Surface Weapons Center at Dahlgren, $1,860,000.

Admiral ZOBEL. Savings of $500,000 from airfield pavement restoration at Whiting Field Naval Air Station, Florida, and $1,360,000 from a supply pier and transit shed at Charleston Naval Supply Center, South Carolina, will be used to fund this project.

Mr. GINN. Will the scope of these two projects from which the funds are derived be changed in any way?

Admiral ZOBEL. No. Both projects are being accomplished at full scope.

Mr. GINN. How is it that a savings of $1,360,000 can be achieved on a project that was approved at $4,000,000—the Charleston Naval Supply Center supply pier and transit shed?

Admiral ZOBEL. The funds are available because of favorable bids received.

AIR FORCE REPROGRAMINGS

Mr. GINN. Colonel Ahearn, we are delighted to have you here this morning, representing General Wright.

Unless you have an opening statement you desire to make, we will just move right into the reprogramming requests. Would you prefer to make opening comments?

Colonel AHEARN. We are pleased to be here, Mr. Chairman, and I have no opening statement.

Mr. GINN. First, let's talk about the Arnold Engineering Development Center, in Tennessee.

ARNOLD ENGINEERING DEVELOPMENT CENTER, TENNESSEE—ALTER MX TEST FACILITIES, $1,520,000

Mr. GINN. The Air Force has proposed a $1.5 million reprogramming to supplement the almost $8 million previously appropriated and reprogrammed for an MX test facility at the Arnold Engineering Development Center. In light of the current review of the MX system by the President and the Secretary of Defense, do you feel this project should proceed at this time?

Colonel AHEARN. We do, and I would ask Colonel Conry to speak to it.

Mr. GINN. Colonel Conry, we are delighted to have you with us.

Colonel CONRY. Thank you.

We feel the additional money is needed inasmuch as we do not have it. If we do not have it, we will not be able to complete the project on time.

Mr. GINN. What is the status of construction for this project?

Colonel CONRY. Sir, at the present time, it is 87 percent complete. It was 80 percent complete at the time we sent in the original request.

Mr. GINN. When did the Air Force determine that additional funding would be required?

Colonel CONRY. Sir, I believe that was in April.

Mr. GINN. Shouldn't the congressional committees have been notified prior to construction that additional funding would be required? Why were we not notified?

Colonel CONRY. Sir, the project was originally authorized at $5,400,00. A construction contract was awarded on 25 April 1980 at a Current Working Estimate (CWE) of $7,992,000 based on the low bid received. This was 48 percent in excess of the programmed amount (PA). A hearing before this committee was held on 17 April 1980 and reprogramming approval was granted 23 April 1980. We are, today, back again requesting an additional $1,520,000 or a total CWE of 76 percent above the PA.

Mr. GINN. Do you have an additional question on that, Mr. Peel?

Mr. PEEL. The project is what, 80 percent complete at this point?

Colonel CONRY. Eighty-seven percent complete.

Mr. PEEL. You didn't know until it was 80 percent complete that additional money would be required?

Colonel CONRY. You are talking about the additional money over and above the contract amount?

Mr. PEEL. Yes.

Colonel CONRY. Yes, sir.

Mr. PEEL. You didn't know it until it was 80 percent complete that more money would be required?

[The following information was submitted for the record:]

Colonel CONRY. We encountered problems after construction was well underway. Unforeseen field changes during construction have nearly depleted our contingency fund. We are modifying existing test cells to accommodate the motors being developed for the M-X. The structural members of the test cells have been distorted due to previous test firings. Considerable field measurements were made during design to identify these variations from the as-built conditions but as construction progressed it became apparent that additional critical structural members could not be mated with the new structural members as designed. The result has been further field changes to mate the existing and new members.

Also, the government-furnished 100-ton gantry crane, used for construction modifications in test cell J-4, has malfunctioned, causing a contractural delay of 15 days for which the government is liable for the contractor's extended overhead. In addition the contract suffered a 13 day slippage due to a strike. This situation required contract modifications, creating another 47 day delay. The 75 days of delay cost additional funds and chewed up most of the contingencies. Increasing the CWE to $9,512,000 would replenish contingencies so future unforeseen field changes can be incorporated and assure construction completion to support the critical path 1 Oct 1981 test fire of the motor and the firm February 1983 first launch. We do anticipate more field changes in the areas of the thrust stand, diffuser, motor transporter system, and the raw water, steam ejector, and temperature conditioning systems.

Colonel CONRY. As I stated, it is 87 percent at this time. At the time we prepared the piece of paper which we sent over originally on 27 March, it was 80 percent. So it was prior to that, probably, I would say, 70 or 75 percent complete, when we realized we would not be able to complete within previously approved funding.

Mr. GINN. Mr. Burgener?

Mr. BURGENER. Colonel, does this relate to the weapon, itself, to the launching mechanism, or does it relate in any way to basing modes?

Colonel CONRY. Sir, this is not related to the basing mode at all. It is the development of the engine of the actual missile, itself.

It is not basing modes at all. If it was put on a ship, or if it was located in one place or two places, the missile itself. It is the flight test. That is why it takes them so long to meet the first flight test date.

Mr. GINN. What was the original appropriation for this project?

Colonel CONRY. Five point four million dollars.

Mr. GINN. When were additional funds provided for the project? Apparently we have already had additional funding added.

Colonel CONRY. Yes, sir. When the project was bid there were four bids received, ranging from CWE of $7.9 million to $13 million.

To award to the low bidder, we came back for a reprogramming action, which was approved on 23 April 1980 and the contract was awarded 25 April, 1980.

Mr. GINN. What has been the number of change-orders for this particular project?

Colonel CONRY. I do not have the exact number.

Mr. GINN. Furnish that for the record with an explanation as to why it took place.

Colonel CONRY. Yes, sir.

Mr. GINN. Provide for the record a list of change orders and their cost.

[The information follows:]

List 1.—AEDC Facilities modifications for M-X contract No. DACA-01-80-C-0058 settled change orders (contract modifications)

Mod number and description:	*Settled amount*
P00001—Remove conduit at Building 2201	$300
P00002—J-4 Diffuser calorimeter	2,869
P00003—Remove 2 inches waterline and N^2 line	286
P00004—Miscellances pipe removal	1,884
P00005—Crane rails stops	1,008
P00006—Enclosure for 90 amp breaker	830
P00007—Cable tray covers	5,282
P00008—Relocate pull box	500
P00009—Valve box	4,000
P00010—Replace pin connectors	1,250
P00011—Remove cable	6,819
P00012—Crane rail bolting	21,937
P00013—Remove conduit	920
P00014—Concrete casing and water stop plate	4,487
P00015—Provide transformer	500
P00016—Emergency shower remvoal (Building 2201)	350
P00017—Barometeric drainage problems	16,975
P00018—Flange-support cone	6,000
P00019—Rework cell port covers	8,000
P00020—Delete ground handling hardware (credit)	+3,500
P00021—Relocate colunmn (2 days)	5,000
P00022—Pipe anchor supports	4,000
P00023—Relocate steamline	325
Subtotal	90,022

List 2.—AEDC facilities modifications for M-X contract No. DACA-01-80-C-0058 outstanding change orders

Strike time (July and February (15 day delay))
Modify J-4 transporters
Blind flanges
Miscellances electric revisions
Spray chamber lighting system
Gilmore thrust stand demolition
Furnish access manwayis remove interferences (2-day delay)
Explosion-proof material in spray chamber
Caisson installation problems
Delete GFE valve programmable patchboards (11-day delay)
Downtime for GFE 100T crane (12-day delay)
Resteel for neutralizing bed covers
New instrument and control grounding cables
Delete building 2108 crane hoist

Provide spacers
Remove platform (4-day delay)
Revise communication system
Shorten diffuser (1-day delay)

Increase capacity 40T to 50T 2210 Building Crane
Relocate existing pipe supports modify platforms (13-day)
Stem ejector pipe supports
Dewatering pumps
Miscellaneous relocation of supports
Removal of GN^2 tank at Building 2201
Clean rust and paint inside support cone
Pipe hanger interference and connectors
Motor transporter power supply (3-day delay)
Wrap/identify pipe J-4/J-5 control room
Gilmore thust stand spacers
Raw water sizing

NOTE.—Changes have not been negotiated. Estimated cost is $404,000.

Mr. GINN. When will funds be required for the project?

Apparently you need them right away, or you wouldn't be requesting a reprogramming.

Colonel CONRY. The funds are needed as soon as possible.

Mr. GINN. Do you have a cutoff date?

Colonel CONRY. I do not have that date.

Mr. GINN. Could you furnish that for the record?

Colonel CONRY. Yes, sir, I will.

[The information follows:]

The funds are required by 1 June so the J-4 Test Cell can be finished by 1 August 1981 to support the Stage II motor. The funds also support completion of Building 2201 by 10 August 1981 to support Stage II. These buildings are where the motors are received, prepared and checked out for testing in the test cell.

[CLERK'S NOTE: Insert received after June 1, 1981.]

To date, there have been 23 settled changes to the contract in the amount of $90.022.

There are additional changes estimated at $404,000 which have been identified but not yet settled. These can be funded within existing contingencies.

Further changes are anticipated but cannot be issued until contingency funds are replenished.

The following lists identify the 23 settled changes and the unsettled changes:

Mr. GINN. The reprogramming request states that additional delays and problems can be "anticipated." Are the estimates in this reprogramming based on contractual obligations or estimates?

Colonel CONRY. Sir, they are based on estimates. However, as I mentioned, we are 87 percent at this time, and we feel we have good estimates to finish up.

Mr. GINN. Could the Air Force return to the committee once it knows the exact amount of additional funds required?

Colonel CONRY. Sir, we could furnish that information, but we need additional funds at this time, and we prefer to do it at once. In other words, we have a small contingency left and are looking at these things coming in, and the need for additional funds to assure timely project completion.

Mr. GINN. What is the source of funding for this reprogramming?

Colonel CONRY. We are taking cost savings from a project that was already funded and under construction, the air-launched cruise missile at Griffiss Air Force Base.

UNUSUAL NATURE OF REPROGRAMING REQUEST

Mr. PEEL. I will point out for the benefit of the committee that this is an unusual reprogramming. Most reprogrammings received by the committee involve a contractual agreement that has to be entered into by a certain date; not for a project that has essentially run out of money.

Could you go back and try to answer that question again? Why isn't there a specific date where you need funds for this project? Is there an agreement with the contractor that you are going to pay him an additional $1.6 million?

Colonel CONRY. No, sir, there is no agreement with the contractor. In other words, we can compute a date when we may run out of funds, and we would then have to close down construction on that date.

Mr. PEEL. Are any of these funds for in-house costs?

Colonel CONRY. No, sir.

Mr. PEEL. It would all be paid to a contractor?

Colonel CONRY. Paid to the contractor; yes, sir.

Mr. BURGENER. How do you make a contract and you have performance plans and specifications, and somebody runs out of money. Normally a contractor goes broke.

Mr. GINN. That is a good question. Do we just permit them to come back and we can keep this thing going on and on and on?

Colonel CONRY. Sir, there are two things: One, we are short of money to the point where we would have to close down; in other words, not complete all of the required work.

Mr. GINN. I understand that, but why are we in that position when you had a contract with a contractor for a set amount, as I understand it?

Mr. BURGENER. Usually there is a performance bond.

Colonel CONRY. As I mentioned before, there are changes that have been made to the contract which have delayed the contract for 75 days. Thirteen of those days were due to the strike.

Mr. EDWARDS. Changes made at the instigation of the Air Force or the contractor?

Colonel CONRY. Sir, as mentioned before the changes due to Air Force contract modification requirements caused a delay of 47 days. In other words, the missile had changes in it. These were minor. There is a natural function of unique equipment. The equipment is a 100-ton gantry crane at Arnold, furnished to the contractor so he would not have to bring one in. It is an old piece of equipment, and there was a breakdown of that.

Once again, because of the number of days that we have been down with that crane, we expect in the future there will be additional delays. There is a completion date that is required.

Mr. GINN. Are you saying the original contract would have been more had the contractor provided his own crane?

Colonel CONRY. Yes, sir.

Mr. GINN. Then you can't hold him responsible for the delays, or the additional cost, because it was an Air Force crane that broke down.

Colonel CONRY. Yes, sir.

Mr. GINN. How cooperative are we on these contracts in furnishing equipment such as cranes? I thought the contractor furnished everything he needed.

Colonel CONRY. Sir, when the government has equipment that is available that we can furnish, that will save the goverment money, so that the contractor does not have to bring it on-site, we try to do this. In other words, this crane is a large 100-ton crane that is there, which has been erected over the top of the J–4 test cell to pick the mating system up.

I have a picture of it if you would like to see it.

Mr. GINN. That policy makes sense, and it would have worked had the crane not broken down; is that what you are saying?

Colonel CONRY. Yes, sir. We are only talking about a 13-day slip due to the crane. I am sorry. Fifteen days due to the crane, 13 days due to a strike. Forty-seven days——

Mr. GINN. We are talking about an additional $1.5 million. Did the 13-day slip cost $1.5 million? Is the bottom line of this the change orders which I asked about and you didn't have those with you? Is that the bottom line on this additional request?

Colonel CONRY. Yes, sir. The added cost is due to the structural change orders.

Mr. PEEL. When you put in those change orders, that is where you realized the cost of the project would increase?

Colonel CONRY. Yes, sir.

Mr. PEEL. Not last March, when the change orders were processed?

Colonel CONRY. The change orders came over a period of time. The first ones went into the contract. We have a contingency, and we used the contingency to take care of this. We are at the place now where we have used up the contingency, and we see additional items coming.

INCREASED COSTS DUE TO STRIKE

Mr. EDWARDS. Colonel, did you mention a strike?

Colonel CONRY. Yes, sir, there were 13 days' delay due to a strike. This, in turn, has delayed the contract. The contract has an original need date that we have to have to make the Initial Operating Capability (IOC) for the engine that will be used in this test stand.

Mr. BURGENER. Who was striking?

Colonel CONRY. I believe it was the Steelworkers at that location.

Mr. GINN. Why did they strike? What was the issue?

Colonel CONRY. I would have to get that.

Mr. BURGENER. They were contractor-employees?

Colonel CONRY. Yes, sir.

Mr. GINN. It sounds like we are paying for his problems.

Colonel CONRY. Sir, one additional thing: $1.5 million that we are looking for, part of this is because we have run out of funds, the contingencies. We see that additional items are coming.

Part of this is to pay costs to make sure that we meet the completion date. Now, if we had part of this money and not all of this money, then we would be unable to meet the completion date to test the engine. We have gone back in detail and checked on the

engines to make sure that these are being delivered; they will be delivered on time.

The work-around would be, if we did not test the engine this way and for some reason it was totally not available, then you would have to make the date an actual firing without making modifications to the engine. In the long run—not with the construction funds, but with total dollars of the Air Force, it would be more expensive than this.

Mr. GINN. As I understand it, this is the engine for the MX missile.

Colonel CONRY. Yes, sir.

Mr. BURGENER. What is the typical strike clause? With these contracts, what risk does the contractor take? If he doesn't take any, that would not seem appropriate. How is a strike covered in a contract when you sign it?

Colonel CONRY. I would have to give you the strike clause for the record. I could get that information.

Mr. BURGENER. If the contractor has nothing to lose with a strike, he wouldn't be motivated to prevent one if he could, I wouldn't think.

Mr. GINN. It just kind of makes you wonder, if a contractor can do whatever it takes to get a contract, then he has it made. Whatever happens, we are going to pull his chestnuts out of the fire.

Mr. EDWARDS. The Colonel has suggested they could make available to us the strike clause. I think it might be interesting for the committee to look at the contract.

We have a problem where we are furnishing the crane; we are apparently absorbing the cost if there is a strike. I think it would be interesting to see what kinds of contracts are drawn between the Air Force and these contractors.

Mr. GINN. It would be helpful and interesting to see that. In addition, I think the list of change orders will account for a lot of this probably.

Colonel CONRY. I will furnish that.

[The information follows:]

The strike clause is within General Provision 5 of the contract which is as follows:

GENERAL PROVISION 5 TO THE CONTRACT (I.E. STRIKE CLAUSE)

5. TERMINATION FOR DEFAULT—DAMAGES FOR DELAY—TIME EXTENSIONS (1969 AUG)

(a) If the contractor refuses or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in this contract, or any extension thereof, or fails to complete said work within such time, the Government may, by written notice to the Contractor, terminate his right to proceed with the work or such part of the work as to which there has been delay. In such event the Government may take over the work and prosecute the same to completion, by contract or otherwise, and may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. Whether or not the Contractor's right to proceed with the work is terminated, he and his sureties shall be liable for any damage to the Government resulting from his refusal or failure to complete the work within the specified time.

(b) If fixed and agreed liquidated damages are provided in the contract and if the Government so terminates the Contractor's right to proceed, the resulting damage will consist of such liquidated damages until such reasonable time as may be required for final completion of the work together with any increased costs occasioned the Government in completing the work.

(c) If fixed and agreed liquidated damages are provided in the contract and if the Government does not so terminate the Contractor's right to proceed, the resulting damage will consist of such liquidated damages until the work is completed or accepted.

(d) The Contractor's right to proceed shall not be so terminated nor the Contractor charged with resulting damage if:

(1) The delay in the completion of the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the Government in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and such subcontractors or suppliers; and

(2) The Contractor, within 10 days from the beginning of any such delay (unless the Contracting Officer grants a further period of time before the date of final payment under the contract), notifies the Contracting Officer in writing of the causes of delay. The Contracting Officer shall ascertain the facts and the extent of the delay and extend the time for completing the work when, in his judgment, the findings of fact justify such an extension, and his findings of fact shall be final and conclusive on the parties, subject only to appeal as provided in the "Disputes" clause of this contract.

(e) If, after notice of termination of the Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause or that the delay was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination had been issued pursuant to such clause. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the Government, the contract shall be equitably adjusted to compensate for such termination and the contract modified accordingly; failure to agree to any such adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Dispute."

(f) The rights and remedies of the Government provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

(g) As used in paragraph (d)(1) of this clause, the term "subcontractors or suppliers" means subcontractors or suppliers at any tier. (DAR 7-602.5)

Mr. BURGENER. This sounds like about a 20 percent overrun. Is that right? One point 5 million dollars on an $8 million job?

Mr. GINN. This is not the first additional request, is it?

Mr. BURGENER. What is the total cost?

Colonel CONRY. The total increase is 76 percent. That was from the original programming action. As I mentioned earlier, the original programed amount was $5.4 million. We had one reprogramming action which pushed the $5.4 million to 7.992 million. We are now at 76 percent of the original approved $5.4 million.

Mr. BURGENER. It is kind of an "experiment-as-you-go" job.

Mr. GINN. Do you anticipate this will be your last reprogramming request?

Colonel CONRY. Yes, sir, because of the fact we are at 87 percent already. We feel confident this will be the last one.

Mr. BURGENER. For an Air Force crane, I don't think that is unusual, but that is a risk we might not want to take in the future. But the strike business, if there is no motivation to prevent a strike on the part of the contractor, that is not good business.

Colonel CONRY. Sir, the Corps of Engineers is our contractor on that, and they put this in. I will have to furnish you the wording.

Mr. BURGENER. The Army Engineers?

Colonel CONRY. The Army Corps of Engineers is our contracting agent on this. They let our contracts. They have a standard clause for strikes, and so on. I will furnish that for the record.

Mr. BURGENER. I would like to see that.

[EDITOR'S NOTE: This information was provided in response to a previous question.]

ARNOLD ENGINEERING DEVELOPMENT CENTER, TENNESSEE—AEROPROPULSION SYSTEMS TEST FACILITY

Mr. GINN. Colonel Ahearn, the committee has learned that additional funding of between $70 and $130 million may be required to complete the aeropropulsion test facility at Arnold Engineering Development Center. Since this could be the largest cost overrun ever for a military construction project, could you take a few minutes to bring the committee up to date on this Arnold project?

Colonel AHEARN. I would like to review the requirement just a moment to get this project in perspective.

The need for this project is three-fold. First, in the research, test, and development of our aircraft engines, we do not have a capacity to test big engines such as the big engines we are now using in KC-10s, and our larger E-4s.

Second, we do not have the capacity to test all our engines in simulated flight envelopes, and measure engine performance at varying altitudes, varying temperatures and varying speeds.

Finally we don't have the total capacity then to really simulate a flying environment to test engine performance at various aircraft attitudes—pitch, yaw, crab, etc.

There are some characteristics to the project that are terribly significant. The characteristics are that there is a very wide temperature range of air that flows through these engines—minus-100 degrees Fahrenheit to 1,000 degrees-plus Fahrenheit; altitudes from sea level to a near vacuum, and speeds up to Mach 4.

The project is extremely complex. I want to walk through with you a description of those complexities.

What we are doing is, we are compressing air and forcing air, after it has been either refrigerated to that low temperature or heated to that high temperature.

We drive the compressed air through the engine test cell. We have two test cells, the free-jet cell on your left, and the other cell for the smaller engines on the right.

We exhaust that air out of the test cell and in order for us to exhaust that air, we must have a series of 12 drive motors and compressors that draw a vacuum down through this exhaust system.

Graphically, we can't quite capture the magnitude of this. This is a 7-story-high facility, that exhaust system, 65 feet inside diameter.

This graphic shows where we are with this project—it covers 48 acres, 17 or 18 buildings. Much of the basic construction is complete now. This shows a perspective in one direction.

Here is the perspective in another direction of the project under construction. I would highlight the heavy steel work that is right there. I would highlight that we call that government-furnished equipment, versus the typical basic construction of the facility and its utility systems.

Mr. GINN. Is that the same crane?

Colonel CONRY. The crane is in that picture, off to the end. It is not used in this construction. It is one block away.

Colonel AHEARN. This is a drive motor, the compressor exhaust system that we use, drawing the air out of the engine.

This is the compressor being delivered.

This is the inside of the compressor. My reason for dwelling a moment on the definition here is that this is government-furnished equipment, one-of-a-kind, milled specifically for this particular project.

In that exhaust system we have many, many valves and systems. This one is about seven stories high and it is milled offsite and transported to the site for assembly and installation.

What we are wrestling with, then, is a huge project with a high degree of complexity. The Air Force, as the program manager, chose to manage this project, looking at three kinds of work: the basic construction, the highly sophisticated one-of-a-kind government-furnished equipment, and the instrumentation required to make the system work.

We have two kinds of instrumentation. One is to make that big huge plant operate. We call that plant instrumentation. The other set of instrumentation is to measure the test object and what is occurring to the test object as we walk it through a research test and development process.

Mr. GINN. Colonel, this facility, then, is designed to test large jet engines?

Colonel AHEARN. The full spectrum of jet engines.

Mr. GINN. You have no other facility of this kind?

Colonel AHEARN. That is right. The nation does not have a facility of this kind.

Mr. GINN. Even in private industry?

Colonel AHEARN. Not with this magnitude and this kind of capability.

Mr. MURRAY. They probably test them when they build them, but they don't test them in heat and cold.

Colonel AHEARN. With this total range of specification, pressures, temperatures, rate of flow, altitudes.

Mr. GINN. Will this facility be used by private industry in any way?

Colonel AHEARN. Sir, we do indeed have reciprocal arrangements.

Mr. GINN. On a contract, a "pay-as-you-go" type basis?

Colonel AHEARN. Yes, sir. I am not an authority in that technique, but indeed we are building an asset for the Air Force and for the nation.

Mr. GINN. What specific actions have been taken by the Air Force, Colonel, to request additional funding for the test facility?

Colonel AHEARN. Sir, we have highlighted in an original request for shortfall relief, $65 million of cash. We did that at a point in time where we did not know what the total cost to completion would be. We still do not know the total cost to completion, but we do know we have more than a $100 million cost overrun for this project.

Mr. GINN. Can you tell us when you will request the additional funding of this committee?

Colonel AHEARN. Yes, sir. We have documents awaiting dispatch from the Office of the Secretary of the Air Force. We are currently coordinating the request with OMB.

Mr. GINN. You are moving on it now?

Colonel AHEARN. Yes, sir.

Mr. GINN. What has been the delay in determining the amount of the overrun?

Colonel AHEARN. Sir, the systems command, the command in the Air Force charged to execute this project, formed a management assessment team, a multi-disciplined management assessment team, engineers, procurement officers, financial managers, and the like, to assess this program, to highlight and define the problems that are causing the many changes that are driving the increased cost, to evaluate the management system employed and to establish a plan to completion that establishes a new initial operating capability, a new "cost-to-completion" figure. We await their final assessment and plan.

Mr. GINN. Is that the reason for the delay to reach this committee?

Colonel AHEARN. Absolutely. We await that plan. Once we get that final plan—I would highlight, sir, that the request for funds that is forthcoming is a request to fix a cash-flow problem—a cash-flow problem that will exist about July, 1981, this year, through 1982. We plan to request all the remaining requirement in the fiscal year 1983 request.

Mr. GINN. Could you furnish for the record some specific factors relating to the cost increases? We have touched on them, but could you give us a list of those for the record?

Colonel AHEARN. Yes, sir.

[The information follows:]

The following information summarizes the MCP funds required to complete construction and the integration of government furnished equipment (GFE) with the facility.

[In thousands of dollars]

Item	1977	1981 [1]
Construction	$278,500	401,200 to 410,800 (+122,700 to 134,300)
GFE/Facility Integration	158,500	174,200 (+15,700)
PA	437,000	575,400 to 585,000 (+138,400 to 150,000)

[1] Required to complete.

A detailed breakout of the above construction costs is as follows:

1981 additional funds

[In thousands of dollars]

Subitem:	
Negotiated	8,700
Stop order on utilities	
Fuel pump, refrigerated turbine redesign	
Switchgear, conduit, other electrical revisions	
Not negotiated:	
To COE/contractor (brine chiller and test fuel systems; building mods)	16,700
In design (cable trays and conduit; electrical interface; bulkhead; valve walkways; structural mods)	32,400
Time extensions (government delays due to contract mods through March 1983; extension for package 6: March 1983–July 1984)	23,400
Claims:	
Negotiated	2,800
Not negotiated (contactor submitted $96M to date)	19,400–31,000
Contingencies for unknowns	13,500
Supervision, inspection and overhead	5,800
Subtotal	+122,700–134,300

A detailed breakout of the above GFE/facility integration costs is as follows:

1981 additional funds

[In thousands of dollars]

Subitem:	
Test Instrumentation System (schedule delay)	1,700
Automatic Test Control System (increase based on final design)	3,000
Technical Support (due to extended contract completion)	2,000
GFE	7,500
Systems Integration (final checkout of equipment)	
Vendor technical reps on site (due to time extension ($500/day on site)	
Contingencies for unknowns	1,500
Subtotal	+15,700

Mr. GINN. Is the Air Force in a position of actually having to tear out and reconstruct facilities in order to accommodate equipment requirements?

Colonel AHEARN. We are not in the position of having to reconstruct. We have to redesign facilities. There may be some minor modifications to existing utility lines and things of that sort, but we are not in a wholesale reconstruction mode. We have all the government-furnished equipment on-site now, and we are redesigning to match the facility to the equipment.

Mr. GINN. What contractual obligations have been made that require additional funding?

Colonel AHEARN. Sir, we have now, at this moment, approximately 600 change requirements. We have negotiated the Corps of Engineers, our contracting agency—has negotiated approximately 300 of these changes at about $11 million. There remains another 300-plus change requirements that need to be negotiated. We anticipate that cost will be approximately $36 million. Then we have time extensions because of these required changes that we will be required to accommodate.

Mr. GINN. What are you now estimating to be the total cost of this facility?

Colonel AHEARN. Sir, our best judgment is more than $537 million. More than the $100 million cost overrun over the 437 that was originally appropriated.

Mr. BURGENER. Colonel, when was this construction started, approximately?

Colonel AHEARN. In July, 1977, sir.

Mr. BURGENER. Almost four years ago?

Colonel AHEARN. Yes, sir.

Mr. BURGENER. Was there a prime contractor or a whole series of them with different technologies.

Colonel AHEARN. Sir, it is a joint venture. There are three contractors involved: Morrison-Knutson, of Boise, Idaho; American Bridge, in Pittsburgh; and Fishback & Moore, of Atlanta.

Mr. BURGENER. The electric people is Fishback & Moore?

Colonel AHEARN. Yes, sir.

Mr. BURGENER. Was it designed as you went along?

Colonel AHEARN. The basic construction was designed in advance.

Mr. BURGENER. By whom?

Colonel AHEARN. By a joint venture of Daniel, Mann, Johnson and Mendenhall, of Los Angeles, and Norman Engineering, Inc., of Los Angeles. We have one architect-engineer team that designed the basic construction and the government-furnished equipment.

Mr. BURGENER. It is a giant machine combined with some buildings?

Colonel AHEARN. That is right.

Mr. BURGENER. There are no items off the shelf?

Colonel AHEARN. Only the very fundamental elements.

Mr. BURGENER. I have never seen a valve of that size.

Colonel AHEARN. Most every bit of that equipment is one of a kind.

Mr. GINN. Thank you very much, Colonel. Anything you can furnish us for the record would be helpful, anything to explain the project more in detail and where we are headed toward completion.

Colonel AHEARN. Be assured we will be pleased to do that.

[The information follows:]

The following photograph portrays an artist's concept of the completed complex and an associated schematic simplifying the relationship of one structure's function to another.

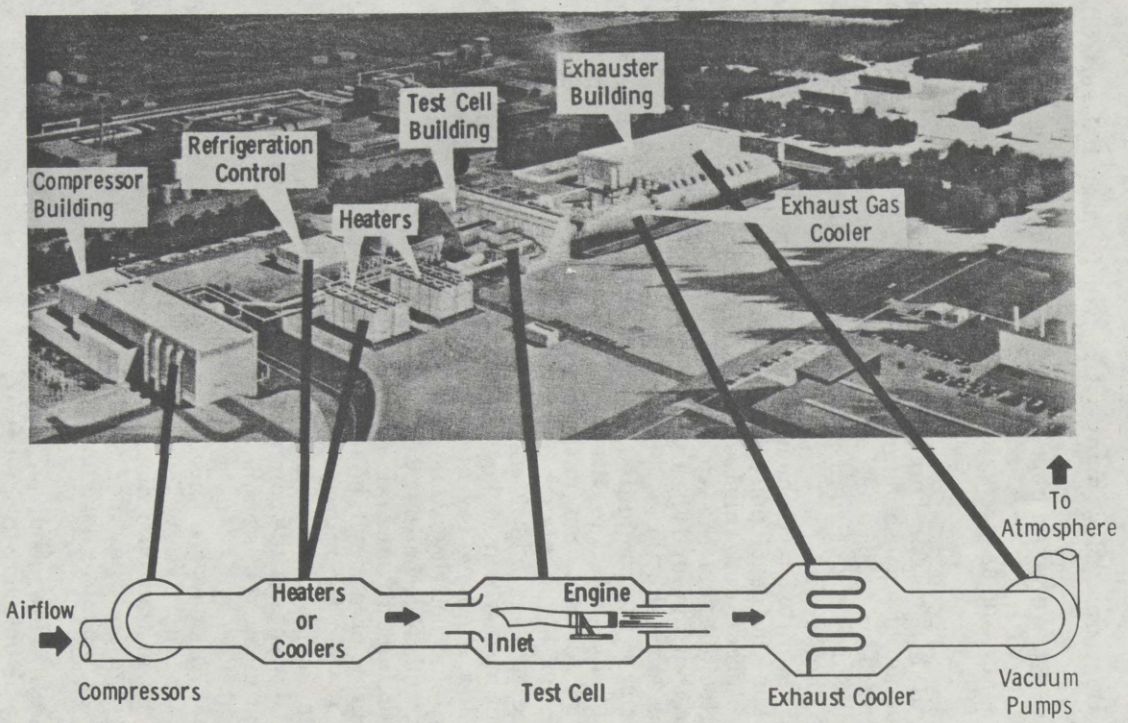

Figure 1: Artist's concept of the Aeropropulsion Systems Test Facility which identifies the major components.

Mr. BURGENER. How many years will it last, that sort of business?

Mr. GINN. We would hope it would last a long time.

RHEIN-MAIN AIR BASE, GERMANY—CONSOLIDATED OFFICERS-ENLISTED CLUB, $2,744,000

Mr. GINN. The Air Force has requested $2,744,000 to fund the construction of a consolidated officers club at Rhein-Main Air Base, Germany. This project has a long and complicated history of funding. The Air Force originally proposed constructing an officers-only club at Rhein-Main.

The committee recommended that funding be provided contingent upon the development of a facility for officers, noncommissioned officers, and enlisted. Upon review of the final plans, the committee felt that the Air Force did not follow this directive and directed that the funds be used instead to fund shortfalls associated with the space shuttle.

Explain to the committee exactly what has been done with the design of this project to satisfy the requirements of the committee.

Colonel AHEARN. Sir, anticipating that inquiry, we prepared a graphic that highlights the design. What we have in that graphic is a shared kitchen, and a single kitchen. We have a shared dining-ballroom area which makes up the preponderance of the space in the facility. We have two areas for bar and club activities. The one bar and club activity would be on a day-to-day basis, used by the officers, and the other bar would be used by NCOs.

As programs involve, all ranks' participation, that club is very, very capable of, and will be used as an all-ranks facility.

Mr. GINN. In the reprogramming request, the justification states that the facility "can and will be used in accordance with the expressed wishes of the committee." By using the expression "can," does that mean you are able to use the club as a consolidated club, but might not?

Colonel AHEARN. We have the capacity. The capacity is designed into the facility. We will use that facility as the social programs that occur in that club dictate. Where we have day-to-day activities, the size and the order would typically be dedicated to officers and NCOs. When we have an all-ranks activity, that club will so be used.

Mr. GINN. How about on a day-to-day basis? Will it just be an officers club on a day-to-day basis?

Colonel AHEARN. It will be an officers club and an enlisted club dedicated to NCOs first.

Mr. GINN. Explain the rationale for proceeding with this project under appropriated funding rather than nonappropriated funding.

Colonel AHEARN. Yes, sir. I think for officers, that element of the requirement, the club is an essential eating facility. We have no officers' mess on the air base. We have a large group of bachelors permanently stationed and in transit. That part of the requirement is generated from the need to feed our officers.

For the NCO element, we do indeed have a dining facility on the air base and have traditionally in the past funded new construction open messes with MCP moneys.

The original officers club burned down, and Public Law 26-73 allows us to replace that construction. That was the original basis of the construction. Current funding policy for morale, recreation and welfare projects includes MCP funding for consolidated open messes overseas.

Mr. GINN. What was the original authorization and appropriation for the project?

Colonel AHEARN. The original authorization was $2.7 million; 28,800 square feet.

Mr. GINN. The appropriation is the same, I assume.

Colonel AHEARN. Yes, sir.

Mr. GINN. Has there been any action taken to increase the authorization?

Colonel AHEARN. An increased authorization? No, sir.

Mr. PEEL. You are still within the authorization?

Colonel AHEARN. Yes, sir.

Mr. GINN. The Air Force has requested a fiscal year 1982 funding shortfall of $250 million. How have you suddenly found $2.7 million for a club?

I thought I would ask you before Jack Anderson did.

Colonel AHEARN. The source of funds from cost savings from a Wortsmith ALCM project, air-launched cruise missile. We had a recent bid opening. Our original estimate was $19.8 million for that ALCM project, and the bid opening was at $7.1 million.

Mr. PEEL. It seems to me the original recommendation from the committee was to build an all-ranks club which would be an enlisted club, NCO club and officers club. The diagram you have shows an NCO club and officers club. What are you doing with the enlisted personnel?

Colonel AHEARN. The day-to-day operations of the enlisted requirement will be satisfied in the facility currently being occupied by the officers club. We chose this facility to accommodate the enlisted because it will be adjacent to the existing base recreation facility, then two adjacent facilities would provide a center of recreation for enlisted personnel.

The programs on a day-to-day basis are very different for the young airmen, the senior NCOs and for the officers. The young airmen want an informal place where they can get fast foods and some refreshments and have their game rooms—very informal, very austere, as compared to the normal NCO club activity. What we are really doing is accommodating the program needs for airmen.

Mr. GINN. It is more than just a club?

Colonel AHEARN. Absolutely, sir.

Mr. GINN. I have not visited Rhein-Main. Perhaps some members of our committee have. What are the housing conditions? I keep hearing all of these horrible stories about housing problems in Germany. What is the housing situation?

Colonel AHEARN. The housing circumstances at Rhein-Main are not deplorable. The family houses are very well maintained. They have gone through a recent upgrading, and I believe we have more upgrading programmed for modernization.

The bachelor housing requires a good deal of heavy repair, which is currently underway. We would not size the general condition of the housing at Rhein-Main any way other than satisfactory.

Mr. GINN. Are there other questions on that?

Mr. EDWARDS. What existing club facilities are there now on the base for either officers or airmen?

Colonel AHEARN. Sir, after the officers club burned down, we moved into a part of an existing facility. It is 12,000 square feet in size—small—perhaps a third of the size of the requirement. It is a temporary facility, very austere. We have an NCO club facility existing right now at 16,500 square feet, and we have a TOP-4, a small facility in the hotel at Rhein-Main that handles the TOP-4 enlisted grades.

Mr. EDWARDS. Would you clarify again for me, because I am still not clear in my own mind, in this new facility, to what extent will the airmen, the enlisted men, on a day-to-day basis be using that facility?

Colonel AHEARN. Enlisted men will be using it on a day-to-day basis. We are talking about scales of enlisted people, junior airmen——

Mr. EDWARDS. Let's say the most junior enlisted men.

Colonel AHEARN. On a day-to-day basis the programmed use is not for the junior airmen, but it is for the more senior NCOs.

Mr. EDWARDS. That is what I thought you have been saying. That sounds like it still is not following what the wishes of the subcommittee have been in the past. We are, in effect, reducing the rank of the officers down one notch to include the NCOs but still excluding the basic enlisted men.

Colonel AHEARN. We have a requirement for about 72,000 square feet of recreation and club space for all the ranks—officers, NCOs and our young airmen. What we are proposing to do is to satisfy that requirement with 58,000 square feet of space—much less than what our architectural standards say that we require.

In order for us to do that, we need a facility that will allow us to provide flexible, but adequate recreation facilities for Rhein-Main. We do not have them at the moment. Our assets are substandard, say, 2,000 square feet in a transit hotel.

On a day-to-day basis, the 28,800-foot project that we are asking for funding approval will not handle the traffic load of all the officers, all the airmen and all the NCOs on the air base. We need our existing open mess facilities and the new one as described in the graphic to satisfy our day-to-day requirement. We also need the new facility designed as it is to handle large programs involving all ranks.

Mr. EDWARDS. The reason I am pursuing that—the Chairman mentioned Jack Anderson—is I want to put it in context. We talk about needing $1.5 million for the MX test facility. Yet here is $2.7 million for an officers club essentially, and I think some questions legitimately could be raised about it.

Mr. BURGENER. Do you have a base theatre? Do you have movie houses there?

Colonel AHEARN. We do, sir.

Mr. BURGENER. Do you have day rooms?

Colonel AHEARN. We do, sir.

Mr. BURGENER. The typical Air Force base I have been around would have an officers club, an NCO club—sometimes better than the officers club—and then for the enlisted ranks below NCO, they had the base theatre, maybe a gymnasium; they would have day rooms; they would have pool tables, and things like that, but I have never seen a club—I am sure the Air Force has changed since I was in it—I have never seen an enlisted men's club for the lower ranks, as such. Have times changed?

Colonel AHEARN. A bit, sir. The beer hall used to be in the exchange facility where you could buy beer, but the social programs now involve activities such as country and western music and rock music, and that kind of thing, programs focused on that element of our population.

Mr. BURGENER. In the United States, you have an officers club, an NCO club, and facilities for enlisted activities.

Colonel AHEARN. Yes, sir.

Mr. PEEL. I think the committee's action on that was that this is really a non-appropriated fund activity, and if it had to be built with appropriated funds, it should be used by everybody. There should be no discrimination between the officers, non-commissioned, et cetera.

The Army is building consolidated clubs like this in several places in Germany. The idea was if we have to give the money, let's have it be something that can be used by everybody in the Air Force. If you don't want to do it that way, then you should return to the non-appropriated fund approach and use your own design criteria. I think that has been the issue, and it has gone back and forth for some years now.

Colonel AHEARN. I have no intent of wanting to get the last word in, and that is not my reason for speaking up. Since there is no way to architecturally design the requirement to handle the loads for all three clubs and still satisfy the program—there are three programs: one for the NCOs, the officers, and the airmen. We tried.

Mr. BURGENER. How many personnel do you have on that base?

Colonel AHEARN. We have that number.

Mr. BURGENER. The facility is smaller than you would like?

Colonel AHEARN. Far smaller.

Mr. GINN. Why can't you design a facility with three wings, with a joint foyer and kitchen. One wing to be for officers, one NCOs, and one airmen? Why can't that be done? The Army is doing that.

Colonel AHEARN. If we were to do that, we would satisfy only partial requirements. If we would, for instance, take the area of the dining area and the ballroom area—as we have this designed, we can accommodate the traffic for the anticipated population for the officers, permanent and transit, which is a large population. We can accommodate a portion of the NCOs. Not all of the NCOs in the square footage that this appropriation allows.

We need another NCO facility and another airmen facility to handle the facility requirements for the total set of programs.

Mr. GINN. Why did you scale down the size? The cost?

Colonel AHEARN. We originally asked just for an officers club against the officers club requirement. The officers club burned down, and we wanted to replace it. Then we went through several ideas on how to satisfy the requirement. We arrived at this cost.

Mr. GINN. Can you increase the scope and take care of all three groups?

Colonel AHEARN. We could, indeed. But we can satisfy our requirement more economically the way we have proposed.

Mr. GINN. That is not what you are asking for.

Colonel AHEARN. Sir, we can satisfy our requirement, the minimum requirement with much less dollars if we are to stay with this plan rather than in expanding it.

Mr. GINN. I guess we have spent enough time on that. We will watch that one very carefully.

Colonel AHEARN. I do have the numbers, and I will be pleased to provide them for the record.

Mr. BURGENER. About what are they?

Colonel AHEARN. Total enlisted about 6,400 and the officers 1,000. That includes the permanent parties and the transit.

AIR FORCE RESERVE REPROGRAMING

TINKER AIR FORCE BASE, OKLAHOMA—WEAPONS AND RELEASE SYSTEMS SHOP, $244,000

Mr. GINN. The Air Force Reserve has requested a reprogramming of $244,000 to fund cost increases associated with bids for a weapons and release systems shop at Tinker Air Force Base. When must funds be approved to meet the bidding requirements?

Colonel SEAMON. The bids on the project expire 30 May 81. Funding approval should be given several days in advance of that date to award the contract before the expiration.

Mr. GINN. Has authorization for this increase been approved?

Colonel SEAMON. Yes. Through notification procedures, the current approved authorization is $860,000 and the low bid project cost of $934,000 is within 125 percent of the approved amount.

Mr. GINN. What specific sources of funds are available for this reprogramming?

Colonel SEAMON. Uncommitted fiscal year 1981 funds generated by favorable bids on several projects will be used. For example, the POL Storage project at Youngstown MAP, Ohio, had a savings of $50,000 from a low bid cost of $430,000 compared to a programmed amount of $480,000. At Barksdale AFB, Louisiana, the ECM Pod Shop and Power Check Pad projects had low bid costs totaling $850,000 compared to $995,000 programmed giving a savings of $145,000. Also, the Grissom AFB, Indiana, Aircraft Engine Shop had a low bid cost of $460,000 compared to $540,000 programmed giving a savings of $80,000. The total savings on these four projects was $275,000 which is sufficient to cover the $244,000 reprogramming request.

Mr. EDWARDS. After the committee gives its approval for this reprogramming, when do you estimate that the construction would begin?

Colonel SEAMON. The project has been bid. We are asking for additional funds to cover the low bid and make the contract awards. Construction could conceivably begin a week to ten days after the contract is awarded.

Mr. EDWARDS. How long would that be? How long does it take to get the contract awarded?

Colonel SEAMON. The bids expire on this the 30th of May, so we are motivated toward a contract before the bids expire at the end of May. In the June timeframe we should see some construction.

Mr. EDWARDS. You expect to complete the bidding process without delay by the end of May?

Colonel SEAMON. Yes, sir. We have a good bid now that expires the end of May.

Mr. EDWARDS. What was the reason for the increase in the cost estimate, just for our records?

Colonel SEAMON. The bulk of the increase resulted in some siting adjustments, where we had additional foundation work and some retaining walls that were not originally anticipated in the initial programmed amounts, and, also, Tinker just seems to be running a little higher than some of our other experience around the country.

Mr. EDWARDS. Are you fairly confident this will be the last increase we need?

Colonel SEAMON. Yes, sir.

ARMY REPROGRAMINGS

Mr. GINN. Now, the Army reprogrammings.

We are delighted to have as our witness Mr. Allen Carton, from the Programming Division of the Office of the Assistant Chief of Engineers.

Do you want to identify other associates?

Mr. CARTON. I have Mr. Stauss, Chief of our Housing and Urgent Requirements Branch.

Mr. GINN. It is nice to have you here.

DUGWAY PROVING GROUND, UTAH—INSULATION, CONTROLS, WEATHERSTRIPPING, $322,000

Mr. GINN. The Army has requested a $322,000 reprogramming for the Dugway energy conservation program. How do you account for the 60 percent cost increase on this project?

Mr. CARTON. It is basically due to two reasons. First, we are awarding the project more than a year later than expected, partially due to the fact we ran into trouble during the design stage and partially due to the fact it is a negotiated contract with the Small Business Administration.

The primary cost, though, is the fact that when we came to the Congress, we had an inadequate estimate, and I think we must accept responsibility for the fact that our estimate was low in the 53 buildings involved and the amount of cost for the weatherstripping and work to be done in the buildings. We had done but five percent of the design by the time we came to Congress, and we were simply wrong, sir.

Mr. GINN. I thought you always prepared requests at least at 35 percent design before you came to the Congress.

Mr. CARTON. This was two years ago. We were moving up to the 35 percent because of inadequate estimates. We reached that target this year. We have made the 35 percent on almost everything. Two years ago, we were further behind.

Mr. GINN. What changes, if any, have been made in the original scope?

Mr. CARTON. We are still doing work in the same 53 buildings. The only change of any significance is that we have reduced the amount of insulation we planned to put in some of the buildings. We had underestimated the cost and the amount of work that would be required to do these things in the 53 buildings.

Mr. GINN. How many bids were received on this project?

Mr. CARTON. Sir, only one. It is a negotiated contract with the Small Business Administration—minority set-aside.

Mr. GINN. I would like to schedule a session with you, and perhaps some of the other members of the subcommittee would like to sit in on it. I don't know that I fully understand all of our bidding procedures. What constitutes the negotiated-type contract; when do you decide to go to bid? I would just like to know more about that sometime, if you can give me a few minutes of your time.

Mr. CARTON. Yes, sir. I would say primarily it is competitive bidding. We are required to offer the Small Business Administration a certain number of projects a year in order to encourage small business. We offered the Small Business Administration a certain number of projects. They pick from that list, and then give us a contractor to work with, to negotiate a price on that particular project. It is our fundamental aim to have open competitive bidding on as many projects as we can.

Mr. BURGENER. Bob Wilson, our former colleague, started a program in San Diego many years ago. Every September, we have a seminar, two days, a day and a half, and we invite all the contractors and suppliers, and they come to a seminar. We have all the services present and GSA. We conduct a two-day seminar on how to bid with the government. It has been highly successful. We just had one in San Diego, teaching people who have never done bidding. If you have such a session, I would like to sit in on it, too.

Mr. GINN. Mr. Carton, if you were to reject the Small Business Administration process, could this project be built within the original estimate of $520,000?

Mr. CARTON. No, sir. If we took our current estimate, there is perhaps a seven percent difference.

Mr. BURGENER. What is the mission at Dugway? What do you test?

Mr. CARTON. It is a proving ground, sir. They have no storage mission. They test chemical munitions using simulants, plus smoke munitions and chemical-biological defensive items such as detectors, warning devices and decontamination devices.

Mr. BURGENER. Is that where we had the sheep problem, where we killed all the sheep?

Mr. CARTON. Yes, sir.

Mr. BURGENER. Is it mostly chemical ordnance?

Mr. CARTON. Yes, sir. It is primarily the testing of chemical munitions.

SUNNY POINT MILITARY OCEAN TERMINAL, NORTH CAROLINA—CONTAINER HOLDING AREA AND ROADS, $1,700,000

Mr. GINN. The Congress has approved a total of $32.5 million since fiscal year 1980 for military construction improvements at

the Sunny Point ocean terminal in North Carolina. Explain to the committee why an additional $1.7 million is required.

Mr. CARTON. It is not an additional 1.7, I am happy to say. Within the $32 million we expect to do all the work at Sunny Point for about $27 million. What we are asking for in this request, is that $1.5 million of the money you had given us for one of the projects at Sunny Point, where we had a cost savings on a bid, be utilized to cover the overrun on this particular project. There is no requirement for an increase in the total at Sunny Point.

Mr. GINN. Explain why reprogramming approval is necessary.

Mr. CARTON. Reprogramming is necessary because the present estimate of $6.4 million exceeds the $4.7 million that was appropriated by 36.2 percent, and the fiscal year 1979 Appropriations Conference Report requires a prior approval reprogramming action when a cost increase for a currently approved project exceeds 25 percent.

Mr. GINN. Have changes in the scope of work been made since the projects were approved?

Mr. CARTON. The only change is, when we got into studying the quantity safety distance for these pads, we found it would require more land, and there was also a requirement for landfill in a swampy area. It is the same project, the same number of pads, the same type of work.

Mr. GINN. When will bids expire on this project?

Mr CARTON. The bids for this project expire on June 7, 1981.

Mr. GINN. What is the source of funding for this project? I think you touched on that.

Mr. CARTON. This is a project at Sunny Point for a crane and other facilities which came in well below the estimate.

Mr. GINN. Are there further questions by the committee?

Getting back to this strike clause, anything you could furnish us on that would be helpful.

Mr. CARTON. Sir, the explanation was not quite as I understand the normal procedures. There may be a special problem with that project I am not aware of.

As I understand it, under normal procedures we do not penalize a contractor if he is involved in a strike. That is, if he has 200 days to do a project and he loses 10 days because of a strike, we give him 10 additional days to finish the project. That normally would not involve any monetary change. We would simply extend his completion time.

Now, it may be in their case they have a rigid completion time which, because of testing purposes, they must meet. Their problem may be because we give him the extended time, that the strike caused—he is not to be penalized because his workers went on strike, and that they are now trying to buy back that 10 days of extra time by having him expedite the work in the time he has left to still meet that target date.

Mr. GINN. It takes care of the strikers very well, then, doesn't it? They will come back and be paid overtime now for time they lost striking?

Mr. CARTON. Sir, I do not know. It is not normal for us to be so rigid on a completion date that it would require us to buy back time. Normally we just extend the contractor's time, give him

another 20 days, or whatever is involved, to complete the contract, pay him the same amount of money, and he would simply pay wages as required.

Mr. GINN. Are you in charge of this?

Mr. CARTON. We would be doing the construction. I am simply not familiar with it. Normally, I would say it is not usual for us to pay a premium because of a strike.

Mr. GINN. Could you furnish us some information on that?

Mr. CARTON. I would be happy to.

[The information follows:]

The Defense Acquisition Regulations do not allow any payments to a contractor due to strike-caused delays. However, additional time for contract completion may be granted to offset time lost due to a strike. In the event that a rigid completion date must be met due to other factors dependent on that completion date, the Defense Acquisition Regulations allow the Government to waive any liquidated damages or to pay the contractor to accelerate his work schedule to meet the original completion date. In the Air Force project to Alter the MX Rocket Motor Test Facility, they are willing to pay the contractor to accelerate his work schedule.

Mr. STAUSS. Also, with regard to inclement weather, he would be allowed additional time.

Mr. BURGENER. You would say the strike is beyond his control?

Mr. CARTON. Yes, sir. If we try to make that decision, we may be forcing him to settle the strike—it is hard to judge a labor dispute.

Mr. GINN. On the other hand, we are making it easier for the strikers to strike. They are going to be able to strike and come back and get additional money for it.

Mr. CARTON. As I say, that is very rare that we would pay or buy back the time. The only thing I can think of is that in this case, they have a rigid time date which may be the problem.

Mr. GINN. It has been good to have you and Mr. Stauss with us this morning. If there are no additional comments, that concludes the hearing.

APPENDIX

Following is the additional information, referred to on page 557, received subsequent to the hearing on the water pit facility at Puget Sound Naval Shipyard, Bremerton, Washington.

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

May 22, 1981

Honorable Bo Ginn
Chairman, Military Construction Subcommittee
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On May 18, 1981, you approved reprogramming 21.2 million dollars of the Navy's fiscal year 1981 military construction program to build the Water Pit Facility at Puget Sound Naval Shipyard. Your approval was contingent upon my certifying that the facility needs to proceed at this time.

The proposed Water Pit Facility will provide the Navy a West Coast refueling capability for nuclear aircraft carriers. The Navy has three nuclear carriers in operation and two under construction. Since one carrier is presently assigned to the Pacific Fleet, and plans are to assign another there, the Navy needs a West Coast refueling capability.

Currently, the Navy is forced to rely on the availability of the sole existing nuclear carrier refueling capability, a private shipyard at Newport News, Virginia. This yard, if willing, can conduct at most one carrier refueling at a time. Authorization of additional nuclear powered carriers, cruisers and submarines may prevent the yard at Newport News from accommodating a nuclear carrier refueling when required.

The Navy must be able to refuel nuclear aircraft carriers on both coasts and more than one aircraft carrier at a time. To provide assurance that the Navy can refuel its nuclear powered aircraft carriers when required, construction of the Water Pit Facility needs to begin now.

A report addressing our miscalculation of the estimated cost concerning the refueling facility will be forwarded by June 15.

I have provided a similar letter to the Chairman of the Senate Appropriations Subcommittee on Military Construction. I appreciate the decision to approve this urgently needed reprogramming.

Sincerely,

John Lehman
Secretary of the Navy

DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
200 STOVALL STREET
ALEXANDRIA, VIRGINIA 22332

IN REPLY REFER TO

15 June 1981

Honorable Bo Ginn
Chairman, Military Construction Subcommittee
Committee on Appropriations
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman,

Your letter of May 18, 1981 approved a reprogramming for a Water Pit Facility at Puget Sound Naval Shipyard, Bremerton, Washington, contingent upon a letter from the Secretary of the Navy certifying that it is necessary for the facility to proceed at this time. The Committee expressed concern that the Navy had miscalculated the costs for the facility and directed that a complete report on the matter be submitted within 30 days.

The Secretary of the Navy by letter of May 22, 1981, certified that it is necessary to proceed now with construction of the Water Pit Facility. The Secretary also indicated that a report addressing the miscalculation of the estimated cost would be forwarded by June 15, 1981. This letter reports on the miscalculated costs.

The as-enacted project cost is $32 million, with the current estimate $53.2 million. As indicated in the cost figures provided for the hearing record, a copy of which is attached hereto, there are two major factors that contributed to the increase, and account for the miscalculated costs. These are:

a. The Navy underestimated the costs the contractors have placed on assuring compliance with the strict quality control specifications incorporated in the contract. Extremely stringent construction quality control is necessary to assure that operation of the facility will have no effect on the environment, workers or the local populace. To achieve this high quality, higher-skilled workers are necessary, closer inspection is required, and lower productivity and more rework can be expected. These efforts exceed those required for most construction projects, and the Navy did not adequately take into account the multiplier effect the added requirements would have in increasing the cost.

b. The Navy especially underestimated the cost of fabricating and installing the stainless steel liner for the water pit, as well as the costs the bidders assigned in their estimates for achieving the quality required by the specifications. The large size of this fabricated component, coupled with the precision required to fit and assemble it, makes the liner a major element in the facility. It is a unique item in the construction and steel fabrication industries and one in which the Navy had no prior experience. Installation of this single item was underestimated by $7 million.

In summary, the Navy estimate was low primarily due to underestimating the effect of the quality assurance requirements of the contract. The Navy wishes to thank you for your continued support of this project.

Sincerely,

W. M. ZOBEL
Rear Admiral, CEC, U. S. Navy
Commander

Encl:
Explanation of Cost Increase

Copy to:
SECNAV

EXPLANATION OF COST INCREASE
($000)

Item	Estimated FEB 78 Cost 1)	Estimated As-Enacted Cost	Estimated Current Cost
Water Pit Facility	18,471	25,945	43,989
Building	(8,906)	(7,075)	(14,156) 2) 3)
Built-In Equipment	(3,020)	(11,205)	(22,075) 2) 4)
Water Pit Equipment	(6,545)	(5,683)	(5,700) 2) 5)
Special Fluids System	(-)	(1,924)	(2,000) 2) 6)
Meteorological Station	(-)	(58)	(58)
Supporting Facilities	893	1,589	1,853
Special Const. Features	(728)	(1,074)	(1,074)
Electrical Utilities	(110)	(331)	(331)
Mechanical Utilities	(55)	(184)	(448) 2) 7)
Sub-Total	19,364	27,534	45,842
Contingency (10%)	1,936	2,753	4,584
Total Contract Cost	21,300	30,287	50,426
SIOH (5.5%)	1,172	1,666	2,774
Total Request	22,472	31,953	53,200
Total Request (Rounded)	22,500	32,000	53,200

NOTES:

1) The February 78 estimates were based on preliminary engineering. The increase of $9.5 million to the as-enacted estimate is attributed to a change in user requirements (24,000 SF increased to 31,000 SF) plus a more precise definition and costing of the built-in equipment and more detailed estimates based on 35% design completion.

2) Unforeseen cost escalation and quality assurance requirements

3) $7.1 million for contractors' higher estimated costs for the mechanical systems and dampers, and such other things as process piping.

4) $10.9 million for contractors' higher estimated costs for fabrication and installation of stainless steel liner, and such other things as radiological exhaust and return systems, filters, compressed air systems, and secondary fluids system, as well as higher estimates for bridge and wall cranes.

5) $17 thousand for such things as new cell holding equipment, discharge equipment stackup, cell assembly/disassembly stands, and irradiated component rack.

6) $76 thousand for labor and materials for the pure water system.

7) $264 thousand for contractors higher estimated costs for piping distribution system.

Enclosure

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