

# **MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR 2015**

WEDNESDAY, MARCH 12, 2014.

## **INSTALLATIONS, ENVIRONMENT, ENERGY, AND BRAC**

### **WITNESSES**

**HON. JOHN CONGER, ACTING DEPUTY UNDER SECRETARY OF DEFENSE FOR INSTALLATIONS AND ENVIRONMENT**

**HON. KATHERINE HAMMACK, ASSISTANT SECRETARY OF THE ARMY FOR INSTALLATIONS, ENERGY, AND ENVIRONMENT**

**HON. DENNIS V. MCGINN, ASSISTANT SECRETARY OF THE NAVY FOR ENERGY, INSTALLATIONS, AND ENVIRONMENT**

**HON. KATHLEEN I. FERGUSON, ACTING PRINCIPAL DEPUTY ASSISTANT SECRETARY, PERFORMING DUTIES AS ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS, ENVIRONMENT, AND LOGISTICS**

### **CHAIRMAN CULBERSON OPENING STATEMENT**

Mr. CULBERSON. The committee will come to order.

I am pleased to welcome everyone this afternoon to our hearing on Installations, Environment, Energy, and BRAC for fiscal year 2015.

We have had a series of votes, and I apologize for coming in a moment late, but I just got hung up. About the only time you ever get to do your business is when you see each other on the House floor.

And I am delighted to have each one of our witnesses with us today. We have a lot of questions to address concerning fiscal year 2015's budget request, specifically the impact of the proposed \$3.2 billion reduction from fiscal year 2014 enacted levels, the impact of sequestration, and how force structure changes will affect the military construction budget in 2015 and beyond.

But before I introduce our witnesses, I would like to turn to my good friend, the ranking member, Mr. Bishop from the great State of Georgia, to make any opening remarks he would like to make.

### **MR. BISHOP OPENING STATEMENT**

Mr. BISHOP. Thank you, Mr. Chairman.

I am glad that today we are going to have the opportunity to talk about the President's 2015 budget request, and we have the civilian leadership that can explain the priorities for military construction in each of the services. I look forward to hearing from our witnesses today on how the current budget climate is affecting their

military construction projects, not only this year but in requests for the next few years.

Mr. Chairman, as I look at these requests, I have to say that I haven't seen requests this low in a long time.

And on another subject, equally important, is the request for a new BRAC round. In 2005, Congress authorized a BRAC that ended up being far more extensive and expansive than we were led to believe. I can understand in 2004 that it was known that there services had a 24 percent excess in capacity, but during the 2005 BRAC round Defense only made reductions of 3.4 percent.

I realize that it was, as many of you have stated in our private meetings that the 2005 BRAC was more of a reshaping-type and restructuring-type BRAC, but a lot of money was spent to move things around and, most importantly, moving people around. So I have some concerns regarding another BRAC round.

I realize that these are very difficult issues for all of the Members of Congress, and so I am glad for today's hearing so that we can discuss them openly. And I look forward to a very rigorous discussion.

Thank you, Mr. Chairman, and I yield back. And thank you for the opportunity to share my concerns.

Mr. CULBERSON. Thank you, Sanford.

Mr. CULBERSON. We will move right into the introduction of our witnesses. And we are delighted to have with us the Honorable John Conger, who is Deputy Under Secretary of Defense for Installations and Environment; Katherine Hammack, Assistant Secretary of the Army for Installations, Energy, and Environment; the Honorable Dennis McGinn, Assistant Secretary of the Navy for Energy, Installations, and Environment; and delighted also to have with us Kathleen Ferguson, who is the Acting Principal Deputy Assistant Secretary, performing duties as Assistant Secretary of the Air Force for Installations, Environment, and Logistics.

We deeply appreciate your service to the country and for taking the time to be here.

And, if I could, without objection, I would like to enter your statements in their entirety into the record and ask you, if you could, to summarize your remarks to the committee. And we look forward to your testimony.

And I am delighted to begin with you, Mr. Conger. Thank you very much.

#### MR. CONGER OPENING STATEMENT

Mr. CONGER. Great. Thank you, Chairman Culberson, Ranking Member Bishop, distinguished members of the subcommittee. I appreciate the opportunity to appear before you to discuss the Department's fiscal year 2015 budget request for installations and environment.

I would like to touch on three items from my opening statement: one, the top-level budget numbers; two, BRAC; and, three, European infrastructure consolidation. I will be brief because I want to get to your questions.

The testimony that I have submitted for the record describes the \$6.6 billion that we are requesting for military construction, the \$8 billion we are requesting for sustaining and restoring our facilities,

and the \$3½ billion we are seeking for environmental compliance and cleanup.

It is worth noting that the Opportunity, Growth, and Security Initiative, which represents funding above the budget caps, includes \$26 billion for DoD, \$2.9 billion of which is for military construction and \$4.2 billion of which is for facility sustainment and restoration. Because infrastructure generally has a long, useful life and its associated degradation is not as immediate, the DoD components are taking more risk in the military construction program in order to decrease risk in other operational and training budgets.

In addition, reducing military construction reduces investment risk, as we contemplate the uncertain allocation of force structure cuts and the possibility of a new round of BRAC. The military construction request alone, as was alluded to earlier, is a 40-percent reduction from what we requested last year.

The budget challenges facing the Department are deep, and they extend for many years. We continue to believe that an important way to ease this pressure is with base closure, allowing us to avoid paying upkeep for unneeded infrastructure and making those funds available for readiness and modernization of our forces.

I would like to quote Speaker Boehner. He was speaking the other day to the Dayton Daily News, where he said, and I quote, "There should be another round of BRAC. We have bases that are unnecessary. They need to go." I appreciate the Speaker's support for our request for a new BRAC round, but, that said, I know that the high cost of 2005 has left a bad taste in many Members' mouths.

We have long talked about the emphasis in 2005 on transformation rather than efficiency, but that answer didn't satisfy Congress' concern regarding the \$35-billion cost, and it certainly didn't explain why we weren't going to end up with more of the same if another round were authorized.

The key reason that 2005 cost so much was that we were willing to accept recommendations that did not save money, that did not pay back. So, in that context, I asked my staff to review each of the recommendations from BRAC 2005, and what we found was that we actually ended up conducting two parallel BRAC rounds.

The first one was about transformation. The recommendations were expensive, and they didn't have payback. But there are some actions you can only execute when you have BRAC authority. Looking at the nearly half of last round's recommendations that either didn't pay back at all or paid back in more than 7 years, we found that this, quote/unquote, "transformation BRAC" cost \$29 billion out of the \$35 billion and only resulted in a billion dollars in annual savings.

The other half of the recommendations, however, was focused on saving money, focused on efficiency. These recommendations had payback in less than 7 years. They ended up costing a total of \$6 billion and yielding recurring savings of \$3 billion a year. This, quote/unquote, "efficiency BRAC" proves that when we are trying to save money, we do. That is the kind of round we are seeking to conduct now.

One last topic I am going to touch on is the European infrastructure consolidation effort. Many Members have said that we should

close bases overseas before we conduct a BRAC round, so we have embarked on a BRAC-like process in Europe. However, in this effort, we are not looking at bringing forces back to the United States. We hold forces constant, and we are looking for efficiencies. So it will not take pressure away from the need for a new BRAC round.

The analysis has taken longer than expected, and we are nearing completion. We anticipate results this spring. We have affirmed several recommendations already and have offered classified briefings to committee staff and Members. In fact, we are scheduled to brief this subcommittee's staff tomorrow.

While most of the recommendations will take years to execute and will require lengthy consultation, there are some near-term activities. And there is one that I want to highlight and ask for your support on, and that is the consolidation of intelligence activities at RAF Croughton.

There is a \$92-million construction request in this budget, part of a 3-year effort that we expect to cost on the order of \$300 million, that will yield a billion dollars in savings over the next 10 years. That is the kind of thing we are trying to accomplish.

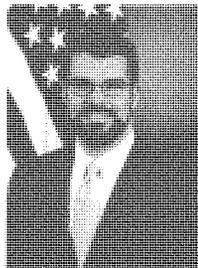
Thanks again for the opportunity to testify, and I look forward to your questions.

Mr. CULBERSON. Thank you, Mr. Conger.

[The information follows:]

**Mr. John Conger**  
**Acting Deputy Under Secretary of Defense**  
**Installations & Environment**

Mr. John Conger is the Acting Deputy Under Secretary of Defense for Installations and Environment, providing management and oversight for U.S. military installations worldwide – comprising 29 million acres, more than 500,000 buildings and structures, and a replacement value of over \$850 billion – and for facilities energy, environmental, safety, and occupational health programs. He has been the Assistant Deputy Under Secretary of Defense for Installations and Environment since June 2009. Previously, he worked for Representatives Chet Edwards, Jane Harman and Sam Gejdenson, and served as Professional Staff for the House International Relations Committee. He holds a B.S. and an M.S. in Aerospace Engineering from MIT and an M.A. in Science, Technology and Public Policy from George Washington University.



**HOLD UNTIL RELEASED**

**BY THE COMMITTEE**

**Statement of**  
**Mr. John Conger**  
**Acting Deputy Under Secretary Of Defense**  
**(Installations and Environment)**

**Before the Subcommittee on**  
**Military Construction, Veteran Affairs, and Related Agencies**  
**of the**  
**House Appropriations Committee**

**March 12, 2014**

## **Introduction**

Chairman Culberson, Ranking Member Bishop and distinguished members of the subcommittee: Thank you for the opportunity to present the President's Fiscal Year (FY) 2015 budget request for the Department of Defense programs supporting installations, facilities energy and the environment.

First, let me thank you for your support for our installation mission. The DoD operates an enormous real property portfolio encompassing over 562,000 buildings and structures on 523 bases, posts, camps, stations, yards and centers. The replacement cost of the Department's installations is \$850 Billion, excluding the cost of the 27 million acres of land that our installations occupy. Our installations remain critical components of our ability to fight and win wars. Our warfighters cannot do their job without bases from which to fight, on which to train, or in which to live when they are not deployed. The bottom line is that installations support our military readiness.

In addition, I would like to express my thanks to Congress for an FY 2014 budget that allowed us to avoid a catastrophic budget year. The funding levels for the facilities accounts and the relative timeliness of the budget compared to FY 2013 allowed us to recover from the disproportionate burden that facilities sustainment and base operations bore last year. While this will still be a challenging budget year, the funding levels and the certainty achieved by striking a budget deal and taking sequestration off the table for the year will allow us to manage our resources and conduct our operations more effectively.

Still, the FY 2015 budget request reflects the assumption that Budget Control Act funding levels are likely to continue. The recent budget deal provided more assistance to FY 2014 than FY 2015, and in order to meet the overall budget numbers, we had to scale back programs across the Department, to include military construction. As such, the FY 2015 request for military construction and family housing is \$6.6 billion, a 40.4% decrease from the FY 2014 request. Because infrastructure, generally, has a long useful life, and its associated degradation is not as immediate, the DoD Components are taking more risk in the military construction program in order to decrease risk in other operational and training budgets. In addition, reducing military construction reduces investment risk as we contemplate the uncertain allocation of force structure cuts and the possibility of a new round of Base Realignment and Closure (BRAC).

Tighter budgets have driven the Services to take more risk in their Facilities Sustainment accounts. While continuing to assume risk in these accounts over time will result in increased repair requirements and decreased energy efficiency, we are accepting near term risk in facility maintenance while the Department adjusts to the new funding profile.

To address this and other shortfalls driven by the funding caps, the President's Budget includes the Opportunity, Growth and Security Initiative. This initiative would provide an additional \$26 billion for the Defense Department in FY 2015, including substantial investments in military construction and facilities sustainment.

Finally, we persist in our request for another BRAC round, though given Congress' rejection of our previous request in 2015 and the time it takes to execute the BRAC process, we are now asking for a round in 2017. We maintain that the Department has well documented excess capacity and is on a path for even more as we reduce our force structure. As Secretary Hagel indicated, we cannot afford to spend money on infrastructure we don't need while we continue to take risk in military readiness accounts.

My testimony will outline the FY 2015 budget request and highlight a handful of top priority issues—namely, the Administration's request for BRAC authority, our progress on the European Infrastructure Consolidation analysis, new developments on the Pacific realignment, an overview of our facility energy programs, and a discussion of the steps DoD is taking to mitigate the risk posed by climate change.

### **Fiscal Year 2015 Budget Request – Military Construction and Family Housing**

The President's FY 2015 budget requests \$6.6 billion for the Military Construction (MilCon) and Family Housing Appropriation—a decrease of approximately \$4.5 billion from the FY 2014 budget request. This decrease primarily reflects the declining budget environment resulting from the Budget Control Act and the recent budget agreement. In light of the sharp reductions in the construction budget, the DoD Components focused principally on sustaining warfighting and readiness postures. As I noted in the introduction, infrastructure degradation is not immediate, so DoD Components are taking more risk in the MilCon program in order to decrease risk in other operational and training budgets.

This funding will still enable the Department to respond to warfighter requirements and mission readiness. However, the reduced budget will have an impact on routine operations and quality of life as projects to improve aging workplaces are deferred. In addition to new construction needed to bed-down forces returning from overseas bases, this funding will be used to restore and modernize enduring facilities, acquire new facilities where needed, and eliminate those that are excess or obsolete. The FY 2015 MilCon request (\$4.9 billion) includes projects in support of the strategic shift to the Asia-Pacific, projects needed to support the realignment of forces, a few projects to improve and update facilities used by the Guard and Reserves forces, and although at a reduced level, it includes some projects to take care of our people and their families, such as unaccompanied personnel housing, medical treatment facilities, and schools.

**Table 1. MilCon and Family Housing Budget Request, FY 2014 versus FY 2015**

Category	FY 2014 Request (\$ Millions)	FY 2015 Request (\$ Millions)	Change from FY 2014	
			Funding (\$ Millions)	Percent
Military Construction	8,656	4,859	(3,797)	(43.9%)
Base Realignment and Closure	451	270	(181)	(40.1%)
Family Housing	1,544	1,191	(353)	(22.9%)
Chemical Demilitarization	123	39	(84)	(68.3%)

NATO Security Investment Program	240	200	(40)	(16.7%)
<b>TOTAL</b>	<b>11,014</b>	<b>6,559</b>	<b>(4,455)</b>	<b>(40.4%)</b>

### **Military Construction**

We are requesting \$5.1 billion for “pure” military construction — *i.e.*, exclusive of BRAC and Family Housing—, the lowest amount in ten years. This request addresses routine requirements for construction at enduring installations stateside and overseas, and for specific programs such as the NATO Security Investment Program and the Energy Conservation Investment Program. In addition, we are targeting MilCon funds in three key areas:

First and foremost, our MilCon request supports the Department’s operational missions. MilCon is key to implementing initiatives such as the Asia-Pacific rebalance, the Army’s Brigade Combat Team reorganization, maritime homeland defense, and cyber mission effectiveness. Our FY 2015 budget request includes \$84 million for the final increment of the Kitsap Explosives Handling Wharf- II, \$120 million for a cyber warfare training facility, \$255 million for KC-46A mission facilities; and, \$51 million for Guam relocation support facilities. The budget request also includes \$180 million for the fourth increment of the U.S. Strategic Command Headquarters Replacement facility at Offutt Air Force Base, Nebraska; \$166 million for the second increment of the U.S. Cyber Command Joint Operations Facility at Fort Meade, Maryland; \$92.2 million for the first phase of a Joint Intelligence Analysis Complex Consolidation at RAF Croughton, United Kingdom; and \$411 million to address Special Forces Operations requirements.

Second, our FY 2015 budget request includes \$394 million to replace or modernize seven DoD Education Activity (DoDEA) schools that are in poor or failing physical condition. These projects, six of which are at enduring locations overseas, support the Department’s plan to replace or recapitalize more than half of DoDEA’s schools over the next several years, but at a slower pace to improve execution. The recapitalized or renovated facilities, intended to be models of sustainability, will provide a modern teaching environment for the children of our military members.

Third, the FY 2015 budget request includes \$486 million for five projects to upgrade our medical treatment and research facilities, including \$260 million for the fourth increment of funding to replace the Landstuhl Regional Medical Center at the Rhine Ordnance Barracks in Germany. Recapitalizing this facility is critical because it not only supports our wounded warriors but also serves as the primary DoD European referral center for high acuity specialty and surgical care. It is also our only theater level medical asset providing comprehensive services to the extraordinary large Kaiserslautern military community. Our budget focuses on medical infrastructure projects that are crucial to ensure that we can deliver the quality healthcare our service members and their families deserve, especially during overseas deployments.

### Family and Unaccompanied Housing

A principal priority of the Department is to support military personnel and their families and improve their quality of life by ensuring access to suitable, affordable housing. Service members are engaged in the front lines of protecting our national security and they deserve the best possible living and working conditions. Sustaining the quality of life of our people is crucial to recruitment, retention, readiness and morale.

Our FY 2015 budget request includes \$1.2 billion for construction, operation, and maintenance of government-owned and leased family housing worldwide, oversight of privatized housing, and services to assist military members in renting or buying private sector housing. Most government-owned family housing is on bases in foreign countries, since the Department has privatized almost all of its family housing in the United States. The requested funding will ensure that U.S. military personnel and their families continue to have suitable housing choices.

**Table 2. Family Housing Budget Request, FY 2014 versus FY 2015**

Category	FY 2014 Request (\$ Millions)	FY 2015 Request (\$ Millions)	Change from FY 2014	
			Funding (\$ Millions)	Percent
Family Housing Construction/Improvements	194	95	(99)	(51.0%)
Family Housing Operations & Maintenance	1,347	1,094	(253)	(18.8%)
Family Housing Improvement Fund	2	2	0	0
<b>TOTAL</b>	<b>1,543</b>	<b>1,191</b>	<b>(352)</b>	<b>(22.8%)</b>

DoD also continues to encourage the modernization of Unaccompanied Personnel Housing (UPH) to improve privacy and provide greater amenities. In recent years, we have heavily invested in UPH to support initiatives such as BRAC, global restationing, force structure modernization and Homeport Ashore—a Navy program to move Sailors from their ships to shore-based housing when they are at their homeport. The FY 2015 MilCon budget request includes \$150 million for five construction and renovation projects that will improve living conditions for trainees and unaccompanied personnel.

The Military Services completed the initial Military Housing Privatization Initiative (MHPI) award phase before the end of FY 2013. The Air Force awarded the final three projects to complete its program, bringing the total privatized inventory to about 205,000 homes. The new challenge will be to manage the government's interests in these privatized projects to ensure they continue to provide quality housing for fifty years.

### Facilities Sustainment and Recapitalization

In addition to new construction, the Department invests significant funds in maintenance and repair of our existing facilities. Sustainment represents the Department's single most important investment in the condition of its facilities. It includes regularly scheduled maintenance and repair or replacement of facility components—the periodic, predictable investments an owner should make across the service life of a facility to slow its deterioration, optimize the owner's investment and save resources over the long term. Proper sustainment retards deterioration, maintains safety, and preserves performance over the life of a facility, and helps improve the productivity and quality of life of our personnel.

The accounts that fund these activities have taken significant cuts in recent years. In FY 2013, DoD budget request included \$8.5 billion of Operations and Maintenance (O&M) funding for sustainment of our real property. This amount represents 82% of the requirement based on the Facilities Sustainment Model (FSM). Due to sequestration reductions, by the end of FY 2013, the Department had only obligated \$6.7 billion for sustainment, which equates to 65% of the modeled requirement. The Department's FY 2014 budget request for sustainment included just \$7.9 billion of O&M funds (78% of the modeled requirement) and Congress appropriated only \$7.3 billion, or 74% of the modeled requirement, for this purpose.

**Table 3. Sustainment and Recapitalization Budget Request, FY 2014 versus FY 2015**

Category	FY 2014 Request (\$ Millions)	FY 2015 Request (\$ Millions)	Change from FY 2014	
			Funding (\$ Millions)	Percent
Sustainment (O&M)	7,867	6,429	(1,438)	(18.3)
Recapitalization (O&M)	2,666	1,617	(1,049)	(39.3)
<b>TOTAL</b>	<b>10,533</b>	<b>8,046</b>	<b>(2,487)</b>	<b>(23.6)</b>

For FY 2015, the Department's budget request includes \$6.4 billion for sustainment and \$1.6 billion for recapitalization. The combined level of sustainment and recapitalization funding (\$8 billion) reflects a 23.6% decrease from the FY 2014 President's Budget (PB) request (\$10.5 billion). While the Department's goal is to fund sustainment at 90 percent of modeled requirements, the funding level noted above supports an average DoD-wide sustainment funding level of 65% of the FSM requirement. Due to budget challenges, the Military Services have taken risk in maintaining and recapitalizing existing facilities. The Services have budgeted facility sustainment between 63 and 77 percent of the DoD modeled requirement, with the Marine Corps taking the least risk by budgeting sustainment at 77 percent and the Army assuming the greatest risk by budgeting sustainment at 63 percent. Continued decreases in sustainment coupled with inadequate investment in recapitalization of existing facilities will present the Department with larger bills in the out-years to restore or replace facilities that deteriorate prematurely due to underfunding their sustainment.

## Facility Investment Policy Initiatives

Military Construction Premium: Last year, the Department completed a study to quantify elements of the MilCon process that increases construction costs compared to similar construction efforts in the private sector. We are now conducting additional analysis in two areas where military cost premiums were high.

First, we are taking a close look at anti-terrorism standards for construction. With current policy that prescribes significant minimum anti-terrorism construction standards, many construction projects must absorb excessive and disproportionate requirements, which in turn drive up costs.

On December 7, 2012, the Deputy Secretary of Defense issued policy for DoD to adopt the Federal Interagency Security Committee (ISC) security standards for off-base DoD leased space consistent with other Federal agencies. In addition, the Department is evaluating revisions to DoD requirements for building anti-terrorism protection on our installations, which currently calls for the same minimum standards for nearly all on-base buildings. We are working to establish a process whereby risk and appropriate anti-terrorism mitigation would be determined for each new project, similar to the policy we adopted for off-base leased facilities. For example, this risk assessment would take into account whether a building was well within a secure perimeter.

Second, we are undertaking a study to better understand the life-cycle cost impacts of our design practices in each of seven major building systems by comparing facilities designed for an extended service life (forty years or more) to those designed for the typical commercial practice of twenty to twenty-five years. We intend this study to inform decisions on design-life requirements in our technical standards. We believe our existing standards reduce life-cycle costs even where there appears to be an increase of initial costs; however, it is important to review them for improvement and/or validation.

Facility Condition Standards: We have been working for some time to develop a policy that relates the condition of facilities to requirements for recapitalization. While straightforward on its surface, it has turned out to be far more complex than originally thought, requiring underlying policy adjustments to enable the implementation of a policy on facility investment related to facility condition standards.

For example, each of the Military Services uses slightly different processes to measure the Facility Condition Index (FCI), a functional indicator used across the Federal Government to assess facility condition, expressed in terms of the relationship between what it would cost to repair a facility to a like-new condition and what it would cost to replace that facility (e.g. an FCI of 90% means that the cost to restore a facility is 10% of the cost to replace it). In order to increase the reliability of DoD's FCI data and to ensure the figures for each Service were comparable, the Department issued policy and implementation guidelines in September 2013 that reinvigorate and standardize our facility condition assessment and reporting processes, to include using a common inspection tool and ensuring qualified professionals conduct the inspections.

With standardized and reliable FCI data, we will be in a better position to develop a facility investment strategy based on the condition of the Department's real property portfolio, either as an aggregate portfolio or by looking at individual assets. Generally, we would like to maintain an average portfolio FCI of Fair (80%, formerly referred to as Q2), and we are seeking to replace, repair, excess or demolish buildings that are in such bad shape that they are rated as Failing (FCI less than 60%, formerly the Q4 designation). Today, our average FCI for all DoD facilities is 86%, and we have more than 17,000 buildings that are rated as Failing across the enterprise. Taking risk by underfunding sustainment will drive these figures in the wrong direction, and we will need a strategy to improve the condition of our real property inventory in the coming years.

Payment in Kind Projects: In 2013, the Senate Armed Service Committee released a report that focused on host nation funded construction in Germany, South Korea, and Japan. The report raised several concerns regarding the selection and prioritization of DoD construction projects using host nation funds, particularly those funds provided to the Department as in-kind contributions. As a result, the FY 2014 National Defense Authorization Act requires that the Department obtain advance authorization for construction projects funded through payment-in-kind from host nations. While we disagree with the provision because it is overly restrictive, we understand Congressional concerns and will work with you to ensure we not only comply with this restriction but keep you better informed about all projects funded with host nation contributions.

#### **Fiscal Year 2015 Budget Request – Environmental Programs**

The Department has long made it a priority to protect the environment on our installations, not only to preserve irreplaceable resources for future generations, but to ensure that we have the land, water and airspace we need to sustain military readiness. To achieve this objective, the Department has made a commitment to continuous improvement, pursuit of greater efficiency and adoption of new technology. In the President's FY15 budget, we are requesting \$3.456 billion to continue the legacy of excellence in our environmental programs.

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

**Table 4: Environmental Program Budget Request, FY2015 versus. FY2014**

(\$ Millions)	FY 2014 Request (\$ Millions)	FY 2015 Request (\$ Millions)	Change from FY 2014	
			Funding (\$ Millions)	Percent
Environmental Restoration	1,303	1,105	-198	-15.2%
Environmental Compliance	1,460	1,458	-2	-0.1%
Environmental Conservation	363	381	18	5.0%
Pollution Prevention	106	119	13	12.3%
Environmental Technology	214	172	-42	-19.6%
BRAC Environmental	379	264	-115	-30.3%
<b>TOTAL</b>	<b>3,825</b>	<b>3,499</b>	<b>-326</b>	<b>-8.5%</b>

**Environmental Restoration**

We are requesting \$1.37 billion to continue cleanup efforts at remaining Installation Restoration Program (IRP – focused on cleanup of hazardous substances, pollutants, and contaminants) and Military Munitions Response Program (MMRP – focused on the removal of unexploded ordnance and discarded munitions) sites. This includes \$1.1 billion for "Environmental Restoration," which encompasses active installations and Formerly Used Defense Sites (FUDS) locations and \$264 million for "BRAC Environmental." DoD is making steady progress, moving sites through the cleanup process towards achieving program goals. The FY2015 cleanup request is reduced by 21.1%. The reduction for the Environmental Restoration request is primarily due to budgetary reductions for the Army, who will still meet our restoration goals despite the lower funding. The reductions in the BRAC funding request will be augmented with unobligated balances from the consolidated BRAC account.

Table 5: Progress Toward Cleanup Goals

Goal: Achieve Response Complete at 90% and 95% of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, by FY2018 and FY2021, respectively			
	Status as of the end of FY2013	Projected Status at the end of FY2018	Projected Status at the end of FY2021
Army	89%	97%	98%
Navy	75%	88%	95%
Air Force	70%	89%	94%
DLA	88%	91%	97%
FUDS	78%	90%	95%
Total	79%	92%	96%

By the end of 2013, the Department, in cooperation with state agencies and the Environmental Protection Agency, completed cleanup activities at 79 percent of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, and is now monitoring the results. During Fiscal Year 2013 alone, the Department completed cleanup at over 800 sites. Of the more than 38,000 restoration sites, almost 30,000 are now in monitoring status or cleanup completed. We are currently on track to exceed our program goals – anticipating complete cleanup at 96% of Active and BRAC IRP and MMRP sites, and FUDS IRP sites, by the end of 2021.

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

Note in particular that we are cleaning up sites on our active installations in parallel with those on bases closed in previous BRAC rounds – cleanup is not something that DoD pursues only when a base is closed. In fact, the significant progress we have made over the last 20 years cleaning up contaminated sites on active DoD installations is expected to reduce the residual environmental liability in the disposition of our property made excess through BRAC or other reasons.

### **Environmental Technology**

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

While the FY 2015 budget request for Environmental Technology overall is \$172 million, our core efforts are conducted and coordinated through two key programs—the Strategic Environmental Research and Development Program (SERDP – focused on basic research) and

the Environmental Security Technology Certification Program (ESTCP – which validates more mature technologies to transition them to widespread use). The FY 2015 budget request includes \$57.8 million for SERDP and \$26.5 million for ESTCP for environmental technology demonstrations. (The budget request for ESTCP includes an additional \$25.0 million for energy technology demonstrations.)

These programs have already achieved demonstrable results and have the potential to reduce the environmental liability and costs of the Department – developing new ways of treating groundwater contamination, reducing the life-cycle costs of multiple weapons systems, and improving natural resource management.

Most recently, SERDP and ESTCP have developed technology that allows us to discriminate between hazardous unexploded ordnance and harmless scrap metal without digging up an object. This technology promises to reduce the liability of the MMRP program by billions of dollars and accelerate the current cleanup timelines for munitions sites – without it, we experience a 99.99% false positive rate and are compelled to dig up hundreds of thousands of harmless objects on every MMRP site. The rigorous testing program for this technology has experienced some delays due to sequestration and is now expected to be complete in 2015. Even as the technical demonstrations are ongoing, the department has been pursuing an aggressive agenda to transition the technology to everyday use. We are proceeding deliberately and extremely successfully with a testing and outreach program designed to validate the technology while ensuring cleanup contractors, state and Federal regulators, and local communities are comfortable with the new approach. We are already beginning to use this new tool at a few locations, but hope to achieve more widespread use within the next few years.

Looking ahead, our environmental technology investments are focused on the Department's evolving requirements. We will work on the challenges of contaminated groundwater sites that will not meet department goals for completion because no good technical solutions exist; invest in technologies to address munitions in the underwater environment; develop the science and tools needed to meet the Department's obligations to assess and adapt to climate change; and continue the important work of reducing future liability and life-cycle costs by eliminating toxic and hazardous materials from our production and maintenance processes.

### **Environmental Conservation and Compatible Development**

In order to maintain access to the land, water and airspace needed to support our mission needs, the Department continues to manage successfully the natural resources entrusted to us – including protection of the many threatened and endangered species found on our lands. DoD manages over 28 million acres containing some 420 federally listed threatened or endangered species, more than 520 species-at-risk, and many high-quality habitats. A surprising number of these species are found only on military lands – including more than ten listed species and at least 75 species-at-risk. That is 9 times more species per acre than the Bureau of Land Management, 6 times more per acre than the Fish and Wildlife Service, 4.5 times more per acre than Forest Service, and 3.5 times more per acre than the National Park Service.

The FY2015 budget request for Conservation is \$381 million. The Department invests so much to manage not only its imperiled species but all its natural resources, in order to sustain the high quality lands our service personnel need to train and to maximize our flexibility when using those lands. Species endangerment and habitat degradations can have direct mission-restriction impacts. That is one reason we work hard to prevent species from becoming listed, or from impacting our ability to test and train if they do become listed.

As a result of multiple law suits, the United States Fish and Wildlife Service (USFWS) has entered into court-approved agreements to make decisions on 250 species that are “candidates” for listing as threatened or endangered under the Endangered Species Act by 2016. The Department has already analyzed the 250 species and thirty-seven of them, if listed and critical habitat was designated on DoD lands, have the potential to impact military readiness at locations such as Yakima Training Center and Joint Base Lewis-McChord (JBLM). To minimize the potential impacts these installations have already begun to appropriately manage these species and to consult with USFWS. USFWS and DoD have long worked collaboratively to minimize any critical habitat designation on DoD lands and to ensure that listed species conservation is consistent with military readiness needs.

Our focus has been on getting ahead of any future listings. I have tasked the Military Departments to get management plans in place now to avoid critical habitat designations.

While we make investments across our enterprise focused on threatened or endangered species, wetland protection, or protection of other natural, cultural and historical resources, I wanted to highlight one particularly successful and innovative program – the Readiness and Environmental Protection Integration (REPI) Program. Included within the \$381 million for Conservation, \$43.6 million is directed to the REPI Program. The REPI Program is a cost-effective tool to protect the nation’s existing training, testing, and operational capabilities at a time of decreasing resources. In eleven years of the program, REPI partnerships have protected more than 314,000 acres of land around 72 installations in 27 states. This land protection has resulted in tangible benefits to testing, training and operations, also made a significant contribution to biodiversity and endangered species recovery actions.

Under REPI, DoD partners with conservation organizations and state and local governments to preserve buffer land near installations and ranges. Preserving these areas allows DoD to avoid much more costly alternatives, such as workarounds, segmentation, or investments to replace existing test and training capability, while securing habitat off of our installations and taking pressure off of the base to restrict activities. REPI supports the warfighter and protects the taxpayer because it multiplies the Department’s investments with its unique cost-sharing agreements. Even in these difficult economic times for states, local governments, and private land trusts, REPI partners continue to directly leverage the Department’s investments one-to-one. In other words, we are securing these buffers around our installations for half-price.

In addition, DoD, along with the Departments of the Interior and Agriculture, announced the Sentinel Landscapes Partnership to protect critical DoD missions, working lands, and environmentally sensitive habitat. The Sentinel Landscapes Partnership further strengthens interagency coordination, and provides taxpayers with the greatest leverage of their funds to

advance the mutually-beneficial land protection goals of each agency. The pilot Sentinel Landscape project at Joint Base Lewis-McChord helped USFWS avoid listing a butterfly species in Washington, Oregon, and California, citing the “high level of protection against further losses of habitat or populations” from Joint Base Lewis-McChord’s REPI investment on private prairie lands in the region. These actions allow significant maneuver areas to remain available and unconstrained for active and intense military use at JBLM.

### **Highlighted Issues**

In addition to the budget request, there are several legislative requests and other initiatives that have received interest from Congress. In the sections that follow, I highlight five specific items of interest – 1) Base Realignment and Closure; 2) European Infrastructure Consolidation; 3) Relocation of Marines to Guam; 4) DoD Facilities Energy Programs; and 5) DoD’s Response to Climate Change.

## **1. Base Realignment and Closure**

For the third year in a row, the Administration is requesting BRAC authority from Congress. This year, we are requesting authority to conduct a BRAC round in 2017.

The Department is facing a serious problem created by the tension of declining budgets, reductions in force structure, and limited flexibility to adapt our infrastructure accordingly. We need to find a way to strike the right balance, so infrastructure does not drain resources from the warfighter. Our goal is therefore a BRAC focused on efficiency and savings, and it is a goal we believe is eminently achievable.

We believe the opportunity for greater efficiencies is clear, based on three basic facts:

- In 2004, DoD conducted a capacity assessment that indicated it had 24% aggregate excess capacity;
- In BRAC 2005, the Department reduced only 3.4% of its infrastructure, as measured in Plant Replacement Value – far short of the aggregate excess indicated in the 2004 study;
- Force structure reductions – particularly Army personnel (from 570,000 to 450,000 or lower), Marine Corps personnel (from 202,000 to 182,000 or lower) and Air Force force structure (reduced by 500 aircraft) – subsequent to that analysis point to the presence of additional excess.

Historically, savings from BRAC have been substantial. The first four rounds of BRAC (1988, 1991, 1993 and 1995) are producing a total of about \$8 billion and BRAC 2005 is producing an additional \$4 billion in annual, recurring savings. This \$12 billion total represents the savings that the Department realizes each and every year as a result of the avoided costs for base operating support, personnel, and leasing costs that BRAC actions have made possible.

A considerable proportion of the opposition to a new BRAC round is the cost of BRAC 2005 – specifically, the \$35 billion it cost compared to the original projection (which was \$21 billion). The Government Accountability Office has validated the \$4 billion in recurring savings

associated with the round, so its savings is not in question. When congressional members say the last round did not save money, what they really mean is that it cost too much, the cost growth was unacceptable, and the payback was too slow.

Simply put, we cannot afford another \$35 billion BRAC round. However, it turns out the key factor that drove the cost of the last BRAC round was the willingness of the Department, the BRAC Commission, and Congress to accept recommendations that were not designed to save money.

To the casual observer, this makes no sense. BRAC has been sold as a method of efficiency – a tool to save money. That is true to an extent, but the law effectively prevents the Department from shifting its functions around from base to base without BRAC, and in the last round that is exactly what was done. The reality is that there were really two parallel BRAC rounds conducted in 2005: one focused on Transformation and one focused on Efficiency.

Last year, we conducted an analysis of the payback from BRAC 2005 recommendations. We found that nearly half of the recommendations from the last round were focused on taking advantage of transformational opportunities that were available only under BRAC - to move forces and functions where they made sense, even if doing so would not save much money. In BRAC 2005, 33 of the 222 recommendations had no recurring savings and 70 recommendations took over 7 years to pay back. They were pursued because the realignment itself was important, not the savings.

This “Transformation BRAC” cost just over \$29 billion and resulted in a small proportion of the savings from the last round, but it allowed the Department to redistribute its forces in ways that are otherwise extraordinarily difficult outside of a BRAC round. It was an opportunity that the Department seized and Congress supported while budgets were high. For example, in our consolidations of hospitals in the National Capital Region and San Antonio areas, we decided to make the hospitals world class in line with direction from Congress. This approach was the right approach because it was an approach focused on healing our wounded and taking care of our men and women according to the latest health care standards. We could have implemented the recommendations for a much lower cost by putting two people in a room and using standard designs, but we did not. Similarly, we chose to transform the Army’s reserve and guard facilities by building new Armed Force Reserve Centers.

The remaining recommendations made under BRAC 2005 paid back in less than 7 years, even after experiencing cost growth. This “Efficiency BRAC” cost only \$6 billion (out of \$35 billion) with an annual payback of \$3 billion (out of \$4 billion). This part of BRAC 2005 paid for itself speedily and will rack up savings for the Department in perpetuity. It was very similar to previous BRAC rounds and very similar to what we envision for a future BRAC round. In today’s environment, a \$6 billion investment that yields a \$3 billion annual payback would be extraordinarily welcome. In today’s environment, we need an Efficiency BRAC.

In addition to being a proven process that yields significant savings, BRAC has other advantages. The BRAC process is comprehensive and thorough. Examining all installations and conducting thorough capacity and military value analyses using certified data enable rationalization of our

infrastructure in alignment with the strategic imperatives detailed in the 20-year force structure plan. The merits of such an approach are twofold. First, a comprehensive analysis ensures that the Department considers a broad spectrum of approaches beyond the existing configuration to increase military value and align with our strategy. Second, the process is auditable and logical which enables independent review by the Commission and affected communities. In its 2013 report GAO stated: - "We have reported that DoD's process for conducting its BRAC 2005 analysis was generally logical, reasoned and well documented and we continue to believe the process remains fundamentally sound."

Additionally, and of primary importance, is the BRAC requirement for an "All or None" review by the President and Congress, which prevents either from picking and choosing among the Commission's recommendations. Together with the provision for an independent commission, this all-or-none element is what insulates BRAC from politics, removing both partisan and parochial influence, and demonstrating that all installations were treated equally and fairly. It is worth noting that the process validates the importance of those bases that remain and are then deserving of continued investment of scarce taxpayer resources.

The Department's legal obligation to close and realign installations as recommended by the Commission by a date certain, ensures that all actions will be carried out instead of being endlessly reconsidered. That certainty also facilitates economic reuse planning by impacted communities.

Finally, after closure, the Department has a sophisticated and collaborative process to transition the property for reuse. The closure of a local installation can cause upheaval in the surrounding community. Therefore, it is important to note that there are advantages to communities under BRAC that are not provided under existing disposal authorities, to include involvement in the land disposal process, availability to acquire property for job creation purposes, environmental review concentrating on the community's planned uses to the extent practicable, and the availability of more extensive community redevelopment/reuse assistance from the Office of Economic Adjustment. Land disposal outside of BRAC is done on a parcel-by-parcel basis with no mechanism for taking local planned uses into account. Additionally, without BRAC conveyance authorities, there is no special property disposal preference for the local community—by law, the local community has to stand in line for the property behind other Federal agencies, the homeless, and potential public benefit recipients.

## **2. European Infrastructure Consolidation**

The Department has been reducing its European footprint since the end of the Cold War. Generally, infrastructure reductions have been proportional to force structure reductions, but we haven't taken a holistic, joint review of our European infrastructure like we have with BRAC and our domestic bases. In response to our recent requests for BRAC, Congress made it clear that it wanted DoD to do so.

In January 2013, the Secretary of Defense directed the Department to conduct a comprehensive review of its European infrastructure in an effort to create long-term savings by eliminating

excess infrastructure, recapitalizing astutely to create excess for elimination, and leveraging announced force reductions to close sites or consolidate operations. Under this comprehensive effort, dubbed the European Infrastructure Consolidation (EIC) process, we are analyzing infrastructure relative to the requirements of a defined force structure while emphasizing military value, joint utilization, and obligations to our allies.

The Department does not conduct this degree of comprehensive analyses of its infrastructure on a regular basis, so the learning curve has been steep. We initially hoped to complete our European infrastructure review and have recommendations by the end of 2013, but the learning curve, furloughs, and other resource constraints have caused delays. The Services did, however, identify and are in the process of implementing a number of "quick wins" in Europe – small scale, non-controversial closures and realignments that require no military construction funding, can be implemented quickly, and produce near term savings. We are also analyzing a variety of major actions to determine operational impacts and positive business case results. The analysis includes the three Military Departments and four joint work groups to look at the potential for cross service solutions. We expect to complete the analysis in the spring, and I would be happy to brief the committee in a classified forum on those scenarios we are analyzing. However, I wanted to highlight one opportunity that is mature enough to share today.

*Scenario: Consolidate intelligence activities to RAF Croughton*

One of the efforts that we consider the prototype of the EIC process is the consolidation of intelligence activities from RAF Alconbury and RAF Molesworth to RAF Croughton. This is a mature scenario with a good business case that the EIC Senior Steering Group reviewed and endorsed early in our analytical process. The consolidation's funding was programmed and the first project is part of the FY15 request, offering Congress an opportunity to signal support for consolidation in Europe in this year's bill.

Under this effort, the Department plans to construct a total of \$317 million in new facilities at RAF Croughton, consolidating the six intelligence organizations currently operating at RAF Molesworth and providing corresponding support facilities to accommodate the incoming personnel. The current facilities supporting U.S. and partner nation intelligence analysis, engagement, and training mission at RAF Molesworth are inadequate to support current analysis requirements and require substantial Sustainment, Restoration, and Modernization (SRM) funding. Support facilities (including schools, housing, fitness center, etc.) for RAF Molesworth are located 13 miles away at RAF Alconbury, approximately a 25 minute commute.

The existing mission facilities at RAF Molesworth include 21 widely dispersed and degraded buildings, providing only 60% of the space authorized by the Unified Facilities Criteria. Total intelligence personnel number approximately 1,250. The dispersed layout inhibits intelligence collaboration, while overcrowding contributes to safety concerns and unhealthy working environment. Short-term repairs and temporary facilities are used to keep intelligence work areas and systems functional. DIA has spent \$30M in SRM and USD/I and DIA have spent \$60M for leased modular facilities that require recapitalization every 7 years – this is not a cost effective situation.

The consolidation of intelligence missions at RAF Croughton creates an opportunity for annual recurring savings of \$75 million; a reduction in Restoration and Modernization (RM) funding required to alleviate \$191M of SRM backlog; avoidance of \$65M for a DODEA Europe project at RAF Alconbury; and, reduction of nearly 350 total personnel (military, civilian and local foreign nationals). These figures demonstrate a relatively rapid payback of our up-front investment.

The first phase of the construction is a \$92 million project in this year's funding request.

### **3. Rebasing of Marines from Okinawa to Guam**

One of the most significant and contentious rebasing actions proposed in recent years is the movement of thousands of U.S. Marines from Okinawa to Guam. The establishment of an operational U.S. Marine Corps capability in Guam is an essential component of the rebalance to the Asia Pacific region. It is an important step in achieving our goal of a more geographically distributed, operationally resilient, and politically sustainable force posture in the region.

The original agreement established in the May 2006 U.S. - Japan Realignment "Roadmap" included the relocation of approximately 8,600 Marines and 9,000 dependents from Okinawa to Guam; construction of the "Futenma Replacement Facility" on Okinawa, and consolidation of the remaining forces there by 2014. Under this agreement, Japan agreed to a cost-sharing arrangement to fund up to \$6.09 billion (\$2.8 billion in cash contributions) of the estimated total cost of \$10.27 billion (FY08 dollars) - later revised to approximately \$19.0 billion. Construction was to occur over a 7 year period after the 2010 Record of Decision and the population was going to peak at approximately 79,000 in 2014. The plan received significant opposition in Congress, which raised reasonable questions about the affordability of this approach.

In 2012, the U.S. and Japan decided to adjust our longstanding agreement to station U.S. Marines on Guam from a garrison (~8,600) to a rotational force (~5,000 Marines/1,300 dependents) with less Marines relocating from Okinawa (~11,500 will remain). The revised agreement also de-links the movement of Marines to Guam from Japan's progress on the Futenma Replacement Facility (FRF). The preliminary estimate for the revised agreement totaled \$8.6 billion with Japan providing up to \$3.1 billion (FY12 dollars) in cash contributions. There is no longer a date certain for completion and construction is projected to take 13 years after the 2015 Record of Decision (contingent on affordability).

In order to implement this plan, the Department is pursuing a Supplemental Environmental Impact Statement (EIS) document that reflects these adjustments, and we expect a Record of Decision in Spring of 2015. That document will reflect the significantly reduced strain that will be imposed on Guam as a result of a much smaller – and much slower – transition. While the document has not been finalized, it is reasonable to expect a smaller requirement for mitigation as well.

The Department appreciates the FY14 authorization and appropriation of \$85 million for construction of an aircraft hangar for the Marine Corps at the North Ramp of Andersen Air Force

Base and is requesting \$50.7 million for construction of Ground Support Equipment shops and Marine Wing Support Squadron Facilities at Andersen's North Ramp. Congress' continued support for cautious progress on this effort will be seen by Japan as an indication of our commitment to the realignment.

Although the U.S. and Japan separated the requirement of tangible progress on the construction of the Futenma Replacement Facility (FRF) before the movement of Marines to Guam could commence it is important to note that on December 26, 2013, the Governor of Okinawa approved the landfill permit request to build the FRF at Camp Schwab-Henoko Bay.

Finally, the FY14 National Defense Authorization Act and the FY14 Consolidated Appropriations Act included \$106.4 million for the Guam civilian water and wastewater program and \$13 million for a Guam public health laboratory. DoD, in collaboration with numerous Federal agencies, validated the need for this funding and has begun the planning and design of specific projects. The President's FY15 budget requests an additional \$80.596 million to continue improving Guam's civilian water and wastewater infrastructure and remedy deficiencies that impact the public health of DoD personnel. These projects are beyond the financial capability of Guam to correct, and will provide safer sustainable water resources and capacity critical not only for the more than 16,000 DoD personnel currently based on Guam and for future DoD growth and the increased civilian population induced by the military realignment, as well as for current residents of the Territory.

#### **4. Facilities Energy Programs**

Congress has demonstrated significant interest in the Department's energy programs in recent years. My portfolio includes the Facilities Energy segment of the DoD energy portfolio – the electricity, natural gas, and other energy used to support our fixed installations. Operational Energy – predominantly fuel for conducting training and operations of aircraft, ships, ground vehicles, and even tactical generators – is overseen by the Assistant Secretary of Defense for Operational Energy Plans and Programs. The Department's facility energy costs represent approximately \$4 billion annually and comprise roughly half of the Base Operations accounts at our installations; while its operational energy costs are significantly more than \$15 billion annually.

Below, I discuss three key pillars of our Facilities Energy program – 1) Energy Efficiency and Demand Reduction; 2) Expand Energy Production; and 3) Leverage Advanced Technology.

##### *Energy Efficiency and Demand Reduction*

The Department's FY15 budget request includes approximately \$500 million for investments in conservation and energy efficiency, most of which will be directed to existing buildings. The majority (\$350 million) is in the Military Components' operations and maintenance accounts, to be used for sustainment and recapitalization projects. Such projects typically involve retrofits to incorporate improved lighting, high-efficiency HVAC systems, double-pane windows, energy management control systems, and new roofs. The remainder (\$150 million) is for the Energy Conservation Investment Program (ECIP), a flexible military construction account used to

implement energy and water efficiency projects. In addition to Savings-to-Investment Ratio (SIR) and Simple Payback, ECIP projects are evaluated on several other criteria. The Department will revise its ECIP guidance for the FY16 program to ensure greater weighting of financial payback factors for ECIP project evaluation. In addition, we will limit projects to only those with a positive payback (i.e. SIR > 1.0) and ensure the overall program has an SIR greater than 2.0.

The Military Component investments include activities that would be considered regular maintenance and budgeted within the Facilities Sustainment, Restoration, and Maintenance accounts. The significant reductions in that account will not only result in fewer energy projects, but failing to perform proper maintenance on our buildings will without question have a negative impact on our energy usage. In plain terms, upgrades to air conditioning systems will not reduce energy usage as projected if the roof is leaking or the windows are broken. Sequestration and BCA budget cuts to the Department's facilities energy program have negatively impacted the DoD's ability to meet mandated energy intensity reduction goals. The DoD projects the Department will catch up and begin meeting its energy intensity reduction goals in FY 2018.

To offset appropriated funding reductions, the Services have increased their focus on third-party financing tools, such as Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs), to improve the energy efficiency of their existing buildings. (With these tools private energy firms make upgrades to our buildings and are only paid back out of reduced utility costs.) While such performance-based contracts have long been part of the Department's energy strategy, within the last two years the Department has significantly increased our throughput in response to the President's Performance Contracting Challenge, issued in Dec 2011.

In addition to retrofitting existing buildings, we continue to drive efficiency in our new construction. We are implementing a new construction standard for high-performance, sustainable buildings issued by my office last year, which will govern all new construction, major renovations, and leased space acquisition. This new standard, which incorporates the most cost effective elements of commercial standards like ASHRAE 189.1, will accelerate DoD's move toward efficient, sustainable facilities that cost less to own and operate, leave a smaller environmental footprint, and improve employee productivity.

Collection of accurate, real-time facility energy information remains a priority. In April 2013, I issued an Advanced Utilities Metering policy which sets an aggressive goal for deploying advanced meters throughout the Department to automatically and accurately measure electricity, natural gas, water, and steam use. This policy requires advanced meters be installed to capture 60% of the Department's electricity and natural gas use (with a goal of 85%) by FY 2020. It also requires advanced meters installed on water-intensive facilities and facilities connected to district steam systems by FY2020. This will provide data essential for effectively managing building energy use, identifying water and steam leaks, and analyzing energy savings opportunities. In addition, this policy requires meters to be connected to an advanced metering system to automatically collect, analyze, and distribute energy data. Further, my office continues to lead the development of an Enterprise Energy Information Management system (EEIM) that will collect facility energy and project data in a systematic and timely way, giving energy

professionals at all levels of the Department the advanced analytical tools that will allow us to both improve existing operations and identify cost-effective investments.

#### *Expand Energy Production on DoD Installations*

DoD is actively developing projects to increase the supply of renewable and other distributed (on-site) sources of energy on our installations. Not only does on-site energy help to make our bases more energy resilient, but the projects we are pursuing will generally result in lower costs.

There are particular authorities for renewable energy – particularly the ability to sign power purchase agreements of up to 30 years – that not only provide incentive for private firms to fund the projects themselves, but also can provide a good enough business case that they are able to offer DoD lower energy rates than are being paid currently. In addition, both Congress and the President have established renewable energy goals that motivate us to pay closer attention to these opportunities.

As a result, the Military Services have stepped up their efforts to develop robust renewable energy programs with a goal to deploy a total of 3 gigawatts of renewable energy by 2025.

Within the last three years, the Department has more than doubled the number of renewable energy projects in operation with approximately 700 megawatts in place today. The Military Departments are planning for a number of renewable energy projects over the next six years that will provide an additional 900 megawatts of renewable energy, enough to power 200,000 American homes. The majority of these projects are solar projects. Army projects currently underway include Fort Drum, NY (28 MW Biomass), and Fort Detrick, MD (15 MW Solar PV); recent Navy projects include Naval Air Weapons Station China Lake, CA (13.8 MW Solar PV) and the Air Force recently completed a solar project at Davis-Monthan Air Force Base (16.4 MW Solar PV).

Within my portfolio, I also manage the DoD Siting Clearinghouse, which reviews energy projects under development on and in the vicinity of our installations to ensure there is no unacceptable risk to military mission that cannot be mitigated. From CY 2012 to 2013, the Department experienced a 17% increase in mission compatibility evaluations conducted on energy sources and electrical power transmission systems submitted under the provisions of Section 358 of the Ike Skelton National Defense Authorization Act (FY11 NDAA). While 96% of these 2,084 project evaluations identified no adverse mission impact, the DoD Siting Clearinghouse is overseeing detailed mitigation discussions on a small number of projects that would otherwise have impacts. In these discussions, we attempt to identify solutions that allow projects to proceed without unacceptably impacting military operations, test, or readiness.

#### *Leverage Advanced Technology*

DoD's Installation Energy Test Bed Program consists of 76 active and 24 completed projects conducted to demonstrate new energy technologies in a real-world integrated building environment so as to reduce risk, overcome barriers to deployment, and facilitate widespread

commercialization. DoD partners with the DOE and reaches out directly to the private sector to identify energy technologies that meet DoD's needs. The FY15 budget request includes \$21M for the Test Bed under the Environmental Security Technology Certification Program (ESTCP).

The Test Bed operates in five broad areas: advanced microgrid and storage technologies; advanced component technologies to improve building energy efficiency, such as advanced lighting controls, high performance cooling systems and technologies for waste heat recovery; advanced building energy management and control technologies; tools and processes for design, assessment and decision-making on energy use and management; and on-site energy generation, including waste-to-energy and building integrated systems. The rigorous Installation Energy Test Bed Program provides an opportunity for domestic manufacturers to demonstrate the technical and economic feasibility of implementing their innovative products. These demonstrations provide the credible evidence needed by investors to commercialize emerging technologies to serve the DoD and broader markets. Several completed projects demonstrated energy savings of 20-70% for lighting and HVAC systems, cost-effective solar generation without tax subsidies, and the need to properly scale waste-to-energy systems.

## 5. Climate Change Adaptation

The issue of climate change has received increasing attention in recent months – especially given the release last year of the President's Climate Action Plan and Executive Order 13653, *Preparing the United States for the Impacts of Climate Change* – and I wanted to take a moment to discuss the Department's approach to addressing this issue.

It is important to understand that DoD looks at climate change impacts through the lens of its mission. Using that perspective and focusing on mission impacts, the changes to the global climate affect national security in two broad categories.

First, climate change shapes the operating environment and the missions that DOD must undertake: retreating Arctic ice creates new shipping lanes and an expansion of the Navy's operating area across the northern pole; increased storm intensity will lead to increased demands for humanitarian assistance or disaster response; and changes in availability of food and water will serve as an instability accelerant in regions that aren't sufficiently resilient to adapt to those changes.

In short, climate change will mean more demands on a military that is already stretched thin.

Second, climate change affects the execution of missions we have today. Sea-level rise results in degradation or loss of coastal areas and infrastructure, as well as more frequent flooding and expanding intrusion of storm surge across our coastal bases. Facilities and transportation infrastructure are already impacted by thawing permafrost around our Alaskan installations. The changing environment increases the threat to the 420 endangered species that live on our installations, leading to increased probability of training and operating restrictions. Increased high-heat days impose limitations on what training and testing activities our personnel can

perform. Decreasing water supplies and increased numbers of wildfires in the Southwest may jeopardize future operations at critical ranges.

Our warfighters cannot do their jobs without bases from which to fight, on which to train, or in which to live when they are not deployed. When climate effects make our critical facilities unusable, that is an unacceptable impact.

As was made clear in my discussion of energy above, even those activities that reduce greenhouse gas emissions are justified by the benefits they bring to our mission capability. Increasing energy efficiency of our combat systems allows greater performance and lowers requirements for vulnerable supply lines. Our investments in facility energy efficiency help to reduce our \$4 billion annual facilities energy bill, or at least slow its increase. In the future, this on-base renewable energy generation promises the opportunity to increase energy security and insulate our operations from the vulnerable electric grid. The result will be fewer greenhouse gas emissions, but that is a co-benefit. We are focused on the mission benefits of managing our energy portfolio.

Even without knowing precisely how the climate will change, we can see that the forecast is for more sea level rise; more flooding and storm surge on the coasts; continuing Arctic ice melt and permafrost thaw; more drought and wildfire in the American Southwest; and more intense storms around the world. DOD is accustomed to preparing for contingencies and mitigating risk, and we can take prudent steps today to mitigate the risks associated with these forecasts. These range from the strategic (DoD's new Arctic Strategy) to the mundane (ensuring backup power and computer servers are not in basements where facilities are facing increased flood risk). In 2013, DoD released the Climate Change Adaptation Roadmap, which highlights a wide range of climate impacts that affect DoD, and highlights our decision to incorporate consideration of climate change risks into our existing policies rather than to create climate change stovepipes within the Department.

Along these lines, we have updated policies on master planning our installations to minimize construction in low lying areas; emphasized smart planning in floodplains and water-scarce regions; and revised guidance on natural resources management to ensure we are accounting for climate shifts as we protect endangered species on our installations.

In addition, we are conducting studies of our coastal installations to assess their vulnerability to extreme weather events and other climate effects – an analysis that should be complete by July – and we will subsequently review the vulnerabilities of our inland bases. We are conducting research on the effects of thawing permafrost on our Alaskan infrastructure, where we've already seen significant damage to foundations and road infrastructure. In the southwest, we've seen initial studies that indicate critical installations could run out of water within two decades. Not only do we need to begin reducing this risk today, but we need to comprehensively review our installation footprint to identify similarly vulnerable installations.

In recent years, extreme weather events such as Hurricane Sandy and *derechos* have caused power outages, damage from floods, high winds, and storm surges. Climate change increases the likelihood of such events, and the DoD must be prepared for, and have the ability to recover

from, utility interruptions that impact mission assurance on our installations, an ability we characterize as *power resilience*. In fact, the policy directing this already exists and we have embarked on an effort to review installation-level compliance with policies that require identifying critical loads, ensuring back-up power is in place, maintaining back-up generators, and storing an appropriate amount of emergency fuel.

The bottom line is that we are dealing with climate change by taking prudent and measured steps to reduce the risk to our ability to conduct missions. We consider climate change an important national security consideration and one that will affect the Department's ability to operate in the decades to come.

### **Conclusion**

Thank you for the opportunity to present the President's FY15 budget request for DoD programs supporting installations, facilities energy, and the environment. As you can see, our budget constraints have required us to accept risk across the portfolio, but it is risk we are already managing and believe we can manage with this budget.

We appreciate Congress' continued support for our enterprise and look forward to working with you as you consider the FY15 budget.

Mr. CULBERSON. Madam Secretary, we are glad to have you with us today, and we recognize you for your testimony.

MS. HAMMACK OPENING STATEMENT

Ms. HAMMACK. Thank you, Chairman Culberson and Ranking Member Bishop, other members of the committee. I am glad to be here today to talk on behalf of soldiers, families, and civilians in the United States Army. And I thank you for the opportunity to discuss the fiscal year 2015 military construction budget proposal.

For fiscal year 2015, the Army is asking for \$1.3 billion in military construction, Army family housing, and the Army's share of the DoD base closure account. This represents a 39-percent reduction from fiscal year 2014.

In addition to military construction, the Army is asking for \$13 billion for installation, energy, environmental programs, facility sustainment, restoration, and modernization, and base operations support.

Due to the fiscal reduction required by current law and the end of combat operations in Afghanistan, the Army is shrinking our Active component end strength to 490,000 by the end of fiscal year 2015. The 2014 Quadrennial Defense Review calls for the Army end strength to decline further, to between 440,000 and 450,000.

As end-strength force structure declines, we must assess and right-size supporting infrastructure to ensure that training and readiness needs are met. This requires us to achieve a difficult balance between the cost of maintaining infrastructure and force readiness.

Last year, the committee asked when a capacity analysis was last conducted. So we are conducting a facility capacity analysis to determine the magnitude of excess capacity in the United States from announced reductions. The analysis shows to date that, inside the U.S., excess Army capacity ranges between 12 and 28 percent, depending upon the facility category group, with an average of 18-percent excess capacity in the Army. Additional end-strength reductions below 490,000 will increase excess capacity.

In Europe, as part of the European infrastructure consolidation review that Mr. Conger referenced, we are addressing excess capacity. With a target completion date in spring of 2014, the current analysis of Army facilities in Europe reflects a 10- to 15-percent excess capacity in Europe. We are on track to shrink overseas supporting infrastructure, overhead, and operating budgets.

BRAC is a proven means to address excess capacity in the United States. Prior BRAC rounds are producing \$2 billion in cumulative net savings to the Army every year. The Government Accounting Office audited BRAC 2005 and found that it is saving DoD as a whole a net \$3.8 billion a year. BRAC savings from DoD for all prior rounds cumulatively amount to \$12 billion a year.

As John stated, we have achieved the expected savings in the 2005 round of BRAC and have a clear business case for our 2014 round. There is a clear path forward for Congress to agree to a new round of BRAC.

As Mr. Conger stated, the BRAC 2005 round was comprised of two parallel BRAC rounds: a transformation BRAC and an efficiency BRAC. The efficiency BRAC round was a component that

produced savings. The next round of BRAC will only be an efficiency BRAC and will likewise produce savings, real savings, for the Army.

The Army and Congress have historically concluded that using BRAC authorities is more transparent and economically advantageous to local communities than other non-BRAC authorities in addressing excess capacity. We fully support the administration's request to authorize a single round of BRAC in 2017 and look forward to working with Congress to determine the criteria for a successful BRAC round.

Thank you for the opportunity to appear before you today, and I look forward to your questions on our recommended 2015 budget.

Mr. CULBERSON. Thank you, Madam Secretary.

[The information follows:]



Assistant Secretary of the Army  
Installations, Energy and Environment

## BIOGRAPHY



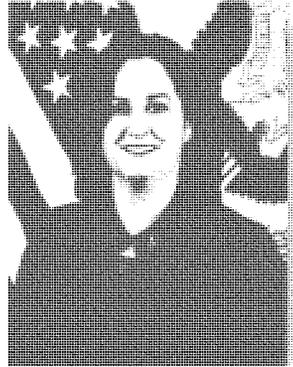
### UNITED STATES ARMY

#### KATHERINE HAMMACK

The Honorable Katherine Hammack was appointed the Assistant Secretary of the Army for Installations and Environment (ASA IE) by President Obama 28 June 2010. Shortly after taking office, she instituted an organizational name change to acknowledge "Energy" specifically, and created the Office of the Assistant Secretary of the Army for Installations, Energy and Environment (ASA IE&E).

She is the primary advisor to the Secretary of the Army and Chief of Staff of the Army on all Army matters related to Installation policy, oversight, and coordination of energy security and management.

She is responsible for policy and oversight of sustainability and environmental initiatives; resource management, including design, military construction, operations, and maintenance; base realignment and closure (BRAC); privatization of Army family housing, lodging, real estate, and utilities; and the Army's installations safety and occupational health programs.



Prior to her appointment, Ms. Hammack was a leader in Ernst & Young LLP's Climate Change and Sustainability Services practice. In that capacity she assisted clients with obtaining Leadership in Energy and Environmental Design (LEED) green building certification for their buildings and identification of sustainability strategies.

She was the key LEED advisor to the largest LEED for new construction building in the world (8.3 million sq ft) which received LEED-NC Silver certification. She was also the key LEED advisor on the largest existing green building certification for building operation and maintenance (9.6 million sq ft) which received LEED-EB Gold level certification.

Ms. Hammack has over 30 years of experience in energy and sustainability advisory services. She has experience in the evaluation of energy conservation projects, including ventilation upgrades, air distribution, indoor air quality, lighting efficiency, cogeneration, sustainable design, solar energy and building operation.

Ms. Hammack has a bachelor's degree in mechanical engineering from Oregon State University and an M.B.A. from the University of Hartford.

She is a Certified Energy Manager, LEED Accredited Professional and a Certified Indoor Air Quality Manager.

She has been an active member of ASHRAE, where she has been on the 90.1 Energy Efficiency Standard Committee and on the Standard 189 High Performance Green Buildings Standard Committee.

Ms. Hammack is a founding member of the U.S. Green Building Council in Washington, D.C.

**RECORD VERSION**

**STATEMENT BY**

**THE HONORABLE KATHERINE G. HAMMACK  
ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS, ENERGY, AND ENVIRONMENT)**

**BEFORE THE**

**SUBCOMMITTEE ON MILITARY CONSTRUCTION  
AND VETERANS AFFAIRS, AND RELATED AGENCIES  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**SECOND SESSION, 113TH CONGRESS**

**ON THE FISCAL YEAR 2015  
MILITARY CONSTRUCTION, ARMY  
MILITARY CONSTRUCTION, ARMY NATIONAL GUARD  
MILITARY CONSTRUCTION, ARMY RESERVE  
ARMY FAMILY HOUSING  
AND  
BASE REALIGNMENT AND CLOSURE  
BUDGETS**

**MARCH 12, 2014**

**NOT FOR PUBLICATION UNTIL RELEASED BY  
THE HOUSE APPROPRIATIONS COMMITTEE**

## INTRODUCTION

Chairman Culberson, Ranking Member Bishop, and Members of the Committee, on behalf of the Soldiers, Families, and Civilians of the United States Army, I want to thank you for the opportunity to present the Army's Fiscal Year (FY) 2015 Military Construction (MILCON) and Army Family Housing (AFH) budget request.

The President's FY 2015 MILCON budget request supports the strategic priorities of developing a globally-responsive and regionally-engaged Army. Within the current fiscal climate, the Army Installation Management Community is focusing our resources to sustain, restore, and modernize facilities to support the Army's priorities. The Installation Management Community is focused on providing the facilities necessary to enable a ready and modern Army.

We ask for the Committee's continued commitment to our Soldiers, Families and Civilians and support of the Army's military construction and installations programs.

## OVERVIEW

The Army's FY 2015 President's Budget request is \$1.3 billion for MILCON, AFH, and Base Closure Accounts (BCA). The request represents one percent of the total Army budget. Of this \$1.3 billion request, \$539 million is for the Active Army, \$127 million is for the Army National Guard, \$104 million is for the Army Reserve, \$429.6 million is for AFH, and \$84 million is for BCA.

The budget request reflects an overall 39 percent reduction from FY 2014 in the MILCON accounts as a result of the reductions in the Army end-strength and force structure. The Army reviewed facility investments necessary to support the force, taking into consideration the fiscal reality that we are facing as a Nation: the Budget Control Act of 2011, the Bipartisan Budget Agreement of 2013, and the department's strategic shift to realign forces toward the Asia/Pacific theater. This MILCON budget request reflects the focused investments necessary in training, maintenance, and operations facilities to enable the future force of the All Volunteer Army in a constrained fiscal environment.

## ARMY FORCE STRUCTURE

Fiscal reductions required by the current law, along with the end of ground combat operations in Iraq and Afghanistan, have put the Army on a path to shrink its active duty end strength from its peak of 570,000 to between 440,000 and 450,000. This is a reduction of 110,000 to 120,000 Soldiers, or approximately 22 percent from the active component. These reductions will affect every installation in the Army. The Army must retain our adaptability and flexibility to provide regionally-aligned and mission-tailored forces in support of national defense requirements. As the first part of the drawdown, the Army is reducing its active component from 45 Brigade Combat Teams (BCTs) to 32 by FY 2015. As part of the BCT reduction, the Army will reorganize Infantry and Armor BCTs by adding a third maneuver battalion, and additional engineer and fires capability. The Army will reduce or reorganize numerous non-BCT units as part of the drawdown.

When we evaluated our initial force structure reductions from 570,000 to 490,000 Soldiers, we conducted a Programmatic Environmental Assessment (PEA), which was prepared in accordance with the National Environmental Policy Act (NEPA).

The PEA analyzed potential environmental impacts that could result from the force reductions, including socioeconomic impacts at specified population loss thresholds. Since the Army's active component end-strength will decline further than 490,000, the Army initiated a supplemental PEA analysis in February 2014 to analyze additional potential population loss scenarios. Following publication of the PEA, the Army conducted approximately 30 community listening sessions at all Army installations with military and civilian populations of 5,000 or more. The community listening sessions gave communities an opportunity to contribute feedback on socioeconomic impacts associated with force structure downsizing. We will host another round of community listening sessions associated with these deeper reductions.

## FACILITY CAPACITY ANALYSIS

As the Army reduces and reorganizes over the next five to seven years, the Army must gauge the current and future installation capacity that will be required for a ready and resilient Army. The Army has begun conducting a facility capacity analysis to determine how much excess capacity will be available at the enterprise level, as the Army decrements its end strength. The Army is taking steps to ensure we do not execute MILCON projects that are in excess of documented requirements based on the Total Army Analysis (TAA) and programmatic review of all MILCON facility requirements.

While additional efforts are underway to understand changing facility requirements as our force structure declines, the Army conducted some analyses of real property to support an end-strength of 490,000 Active Component (AC) Soldiers (and the accompanying force structure). Preliminary results indicate that the Army will have nearly 18 percent excess capacity, totaling over 167 million square feet of facilities spread across our worldwide installations. The Army estimates it costs about \$3 per square foot to maintain occupied facilities, which could be costing the Army over \$500 million a year in unnecessary operations and maintenance. For some facility category types, such as small unit headquarters facilities (for example Company Operations Facilities), the Army has facility shortfalls. We are reviewing our requirements with an eye towards finding practical, efficient solutions that meet Soldier needs and which we as an Army can afford.

Additional excess capacity will be created if the AC shrinks further, necessitating incremental facility capacity analyses.

Inside the United States, excess capacity ranges between 12 and 28 percent, depending on facility category group, with an average of approximately 18 percent. We are working now to identify our excess capacity overseas; our current focus is in the European Area of Responsibility.

A year ago, the Secretary of Defense directed the conduct of a European Infrastructure Consolidation (EIC) review for the specific purpose of reducing “expenses by eliminating excess capacity in Europe while ensuring our remaining base structure

supports our operational requirements and strategic needs.” The Army is fully engaged in the conduct of this review. We are active participants in the steering group governing this work and employing the principles of capacity and military value analysis, developed for BRAC, to guide our work. Our target date to complete the DoD and Army analysis and evaluation is Spring 2014. Current Army Capacity Analysis reflects 10 to 15 percent of excess capacity in Europe.

The Army’s work in this review is wholly consistent with its commitment to reducing unneeded infrastructure. Consistent with changes in both the strategic and fiscal environments, we have been working aggressively to ensure an appropriate balance between force structure and infrastructure. Our strategy is to: (a) consolidate on larger, more capable installations, (b) divest older and inadequate infrastructure, and (c) invest in the remaining footprint in order to provide adequate facilities to accomplish our mission – while meeting the needs of our Soldiers and their Families.

The Army has been downsizing our footprint in both Europe and Asia for many years in the post-Cold War era. Since 2006, Army end strength in Europe has declined 45 percent, and we are on track to shrink the supporting infrastructure, overhead, and operating budgets by about 50 percent. Similarly in Korea, the Army decreased the number of Soldiers by about a third (10,000 Soldiers) and is on pace to shrink our acreage and site footprint by about half.

Overseas, the Army has the tools and authorities we need to identify and reduce excess capacity. Inside the United States, however, the best and proven way to address excess and shortfalls in facility requirements in a cost-effective and fair manner is through the Base Realignment and Closure (BRAC) process.

The Army continues to need additional BRAC authorization to reduce excess infrastructure. As the Army’s end strength and force structure decline alongside its available funding, millions of dollars will be wasted maintaining underutilized buildings and infrastructure. Trying to spread a smaller budget over the same number of installations and facilities will inevitably result in rapid decline in the condition of Army facilities. Without a future round of BRAC, the Army will be constrained in closing or realigning any installations to reduce overhead. This “empty space tax” of about \$3 a

square foot on our warfighters will simply result in cuts to capabilities elsewhere in the budget.

As the Committee considers the President's request to authorize another round of BRAC, I urge the Members to think about following considerations:

First, if Congress fails to authorize another round of BRAC, this defense drawdown is likely to repeat a very unfortunate historical pattern of hollowed-out forces dispersed across hollowed-out installations.

Second, postponing BRAC does not prevent defense communities from experiencing the consequences of smaller forces and lower off-post economic activity. The Soldiers and Families at the installations will be gone, and their spending power and requirements will go with them.

Third, postponing BRAC means that excess infrastructure and civilian overhead cannot be properly addressed at sites experiencing the biggest reductions of workload. Declining budget targets must still be met. Therefore, without BRAC, communities hosting our highest military value installations are likely to see greater negative economic impacts than they would otherwise, if the Army could close some installations.

The Department has some tools to address these US installation imbalances outside the BRAC process, such as the Congressional notification thresholds detailed in 10 USC §2687. Historically, however, the Department and Congress together have concluded that using these other non-BRAC authorities to address excess infrastructure is not as transparent or economically advantageous to local communities.

### **FACILITY INVESTMENT STRATEGY (FIS)**

As we shape the Army of 2020 and beyond, through a series of strategic choices, the Installation Management Community looks to implement the FIS to provide quality, energy-efficient facilities in support of the Army Leadership priorities.

FIS provides a strategic framework that is synchronized with the Army Campaign Plan (ACP), TAA, and Army Leadership priorities in determining the appropriate funding to apply in the capital investment of Army facilities at Army installations and Joint Service bases across the country. FIS proposes a cost effective and efficient approach

to facility investments that reduces unneeded footprint, saves energy by preserving efficient facilities, consolidates functions for effective space utilization, demolishes failing buildings, and uses appropriate excess facilities as lease alternatives in support of the Army of 2020 and beyond.

FIS uses MILCON funding to replace failing facilities and build out critical facility shortages. We apply Operations and Maintenance (O&M) funding to address existing facilities' repair and maintenance. O&M Restoration and Modernization (R&M) funding is used to improve existing facility quality. O&M Sustainment funding is used to maintain existing facilities. Demolition and disposal funding is used to eliminate failing excess facilities. Focused investments from MILCON and O&M funding will support facilities grouped in the following categories: Redeployment/Force Structure; Barracks; Revitalization; Ranges; and Training Facilities. The FY 2015 budget request implements the FIS by building out shortfalls for unmanned aerial vehicle units, the 13<sup>th</sup> Combat Aviation Brigade, initial entry training barracks, selected maintenance facilities, and reserve component facilities. Additional departmental focus areas are Organic Industrial Base and Energy/Utilities.

#### **FISCAL YEAR 2015 BUDGET REQUEST MILITARY CONSTRUCTION, ARMY**

The FY 2015 Military Construction, Army (MCA) budget requests an authorization of \$405.3 million and appropriations for \$539.4 million. The appropriations request includes \$58 million to fund the third and final increment of the FY 2013 Cadet Barracks at the United States Military Academy and \$76.1 million for planning and design, minor military construction, and host nation support. *Barracks (\$110M)*: Provides 480 training barracks spaces at Fort Jackson, South Carolina and funds the previously discussed cadet barracks at the United States Military Academy, which was fully authorized in FY 2013.

*Redeployment/Force Structure (\$217.7M)*: Invests \$124 million to construct unmanned aerial vehicle hangars at Fort Irwin, California; Fort Carson, Colorado; Fort Campbell, Kentucky; and Fort Drum, New York to support the activation of Gray Eagle

requirements. Fort Carson will also receive \$60 million for an aircraft maintenance hangar to support the 13th Combat Aviation Brigade. The Military Ocean Terminal, Concord, California, will receive \$9.9 million to construct an access control point in support of ammunition shipments. The remaining \$23.8 million will support other redeployment/force structure requirements.

*Revitalization (\$135.6M):* The Army is requesting five projects to correct significant facility deficiencies or facility shortfalls to meet the requirements of the units and/or organization mission. Projects include a \$5.3 million general purpose maintenance shop at the Military Ocean Terminal, Concord, California, to alleviate known safety risks; a \$96 million command and control facility complex, including a sensitive compartmented information facility, at Fort Shafter, Hawaii; a \$16 million rebuild shop addition at Letterkenny Army Depot, Pennsylvania; a \$7.7 million tactical vehicle hardstand at Joint Base Langley-Eustis, Virginia; and a \$10.6 million missile magazine at Kadena Air Base, Japan supporting Patriot missile storage.

### **MILITARY CONSTRUCTION, ARMY NATIONAL GUARD**

The FY 2015 Military Construction, National Guard (MCNG) budget requests an authorization of \$95.6 million and an appropriation for \$126.9 million. The request includes appropriations for \$31.3 million in planning and design and minor military construction. The MCNG program is focused on the MILCON categories of Modularity and Revitalization.

*Modularity (\$38M):* The FY 2015 budget request provides for a readiness center in Helena, Montana. The project is an addition and alteration to the existing readiness center, which will address critical space shortfalls created by force structure changes. The project will facilitate unit operations, enhancing unit readiness.

*Revitalization (\$57.6M):* The Army National Guard budget requests four projects to replace failed or failing facilities as part of the FIS. This category includes two vehicle maintenance facilities and two readiness centers. The \$10.8 million maintenance facility in Valley City, North Dakota will improve the safety and efficiency of operations by replacing the existing facility that provides only 11 percent of the authorized unit

space. An unheated storage facility included in the project will preserve equipment and increase readiness. The \$4.4 million maintenance facility in North Hyde Park, Vermont combines two undersized facilities into one properly-sized facility. This new building will meet current standards to create a safe, productive work environment. In Augusta, Maine, multiple repurposed World War II era facilities will be replaced with a \$30 million readiness center. The \$12.4 million readiness center project in Havre De Grace, Maryland replaces a facility built in 1922, originally for a race track clubhouse, and subsequently acquired by the National Guard. The new readiness centers will meet existing construction standards and will be configured and sized for the current units. All four projects will provide modern facilities to enhance the Army National Guard's operational readiness.

### **MILITARY CONSTRUCTION, ARMY RESERVE**

The FY 2015 Military Construction, Army Reserve (MCAR) budget requests an authorization of \$92 million and appropriations for \$104 million. The appropriations request includes \$12 million for planning and design, and minor military construction. The MCAR program is focused on the MILCON category of Revitalization.

*Revitalization (\$92M):* The FY 2015 Army Reserve budget request includes five projects that build out critical facility shortages and consolidate multiple failing and inefficient facilities into energy efficient facilities. The Army Reserve will construct new Reserve Centers in California, New Jersey, and New York (\$71M) and an addition to an existing Reserve Center in Colorado (\$5M) that will provide modern training classrooms, simulations capabilities, and maintenance platforms that support the Army Force Generation (ARFORGEN) cycle and the ability of the Army Reserve to provide trained and ready Soldiers when called. The request also includes a Total Army School System (TASS) Training Center (TTC) in Virginia in support of the One Army School System model (\$16M).

## ARMY FAMILY HOUSING

The Army's FY 2015 AFH budget request of \$429.6 million includes \$78.6 million for construction and \$351 million for housing operations worldwide. The AFH inventory includes 16,009 government-owned homes, 3,277 government-leased homes, and 86,077 privatized-end state homes. The Army has privatized over 98 percent of on-post housing assets inside the United States. All Army overseas Family housing quarters are either government-owned or government-leased units.

*Operations (\$70.5M):* The Operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. Within the management sub-account, Installation Housing Services Offices provide post housing, non-discriminatory listings of rental and for-sale housing, rental negotiations and lease review, property inspections, home buying counseling, landlord-tenant dispute resolution, in-and-out processing housing assistance, assistance with housing discrimination complaints, and liaison between the installation and local and state agencies. In addition, this account supports remote access to housing information from anywhere in the world with direct information or links to garrison information such as schools, relocation information, installation maps, housing floor plans, photo and housing tours, programs and services, housing wait list information, and housing entitlements.

*Utilities (\$82.7M):* The Utilities account includes the cost of delivering heat, air conditioning, electricity, water, and wastewater support for owned or leased (not privatized) Family housing units.

*Maintenance and Repair (\$65.3M):* The Maintenance and Repair account supports annual recurring projects to maintain and revitalize AFH real property assets. and is the account most affected by budget changes. This funding ensures that we appropriately maintain the 16,009 housing units so that we do not adversely impact Soldier and Family quality of life.

*Leasing (\$112.5M):* The Army Leasing program is another way to provide Soldiers and their Families with adequate housing. The FY 2015 budget request

includes funding for 895 temporary domestic leases in the US, and 2,382 leased units overseas.

*Privatization (\$20.0M):* The Privatization account provides operating funds for portfolio and asset management and government oversight of privatized military Family housing. The need to provide oversight of the privatization program and projects is reinforced in the FY2013 NDAA, which requires more oversight to monitor compliance, review, and report performance of the overall privatized housing portfolio and individual projects.

In 1999, the Army began privatizing Family housing assets under the Residential Communities Initiative (RCI). The RCI program continues to provide quality housing that Soldiers and their Families and senior single Soldiers can proudly call home. All scheduled installations have been privatized through RCI. The RCI program met its goal to eliminate those houses originally identified as inadequate and built new homes where deficits existed. RCI Family housing is at 44 locations, with a projected end state of over 86,000 homes – 98% of the on-post Family housing inventory inside the US. Initial construction and renovation investment at these 44 installations is estimated at \$13.2 billion over a three-to-14 year initial development period (IDP), which includes an Army contribution of close to \$2 billion. All IDPs are scheduled to be completed by 2019. After all IDPs are completed, the RCI program is projecting approximately \$14 billion in future development throughout the 44 locations for the next 40 years. From 1999 through 2013, our RCI partners have constructed 31,935 new homes, and renovated another 25,834 homes.

The Privatized Army Lodging (PAL) program is the Army's primary means of revitalizing and building new transient lodging facilities and providing for their long-term sustainment. Operations and Maintenance account funds are programmed to provide portfolio and asset management oversight for PAL. The PAL program is a natural extension of the success achieved through the RCI. The program conveyed existing transient lodging assets and executes a 50-year lease for the underlying ground to a qualified developer and hotel operator. To date, 39 installations are privatized under the PAL program, and will increase to 41 installations by 2016. PAL encompasses all

current lodging operations in the continental United States, Alaska, Hawaii, and Puerto Rico, with a projected end-state of 14,135 hotel rooms.

*Construction (\$77.3M):* The Army's FY 2015 Family Housing Construction request is for \$77.3 million for new construction and \$1.3 million for planning and design. The Army will construct 33 single Family homes at Rock Island Arsenal, Illinois to support Senior Officer and Senior Non-Commissioned Officer and Families. These new homes will enable the Army to begin to address the housing deficit and to reduce dependency on leased housing. Additionally, the Army will construct 90 apartment-style quarters at Camp Walker in Daegu, Korea to replace aged and worn out leased units with on-post construction to consolidate Families.

### **BASE CLOSURE ACCOUNT**

BRAC property conveyance remains an Army priority. Putting excess property back into productive re-use, which can facilitate job creation, has never been more important than it is today.

The FY 2013 NDAA consolidated the Prior BRAC and BRAC 2005 accounts into a single DoD Base Closure Account (BCA). The Army's portion of the FY 2015 BCA budget request is for \$84 million. The request includes \$30 million for caretaker operations and program management of remaining properties, and \$54 million for environmental restoration efforts. In FY 2015, the Army will continue environmental closure, cleanup, and disposal of BRAC properties. The funds requested are needed to keep planned cleanup efforts on track, particularly at Prior-BRAC installations including Fort Ord, California; Fort McClellan, Alabama; Fort Wingate, New Mexico; Pueblo Chemical Depot, Colorado; and Savanna Army Depot, Illinois. Additionally, funds requested support environmental restoration projects at several BRAC 2005 installations, including Fort Gillem, Georgia; Fort Monmouth, New Jersey; Fort Monroe, Virginia; Lone Star Army Ammunition Plant, Texas; and Kansas Army Ammunition Plant, Kansas. Completing environmental remediation is critical to transferring property back to local re-use authorities for productive re-use and job creation.

In total, the Army has disposed of almost 224,000 acres (75 percent of the total acreage disposal requirement of 297,000 acres), with approximately 73,000 acres (25 percent) remaining. The current goal is for all remaining excess property to be conveyed by 2021. Placing this property into productive reuse helps communities rebuild the local tax base, generate revenue, and, most importantly, replace lost jobs.

## ENERGY

The Army is moving forward to address the challenge of energy and sustainability on our installations. In FY 2015, the Installation Energy budget total is \$1.5 billion and includes \$48.5 million from the DoD Defense-wide MILCON appropriation for the Energy Conservation Investment Program (ECIP), \$81 million for Energy Program/Utilities Modernization program, \$1.38 billion for Utilities Services, and \$8 million for installation-related Science and Technology research and development. The Army conducts financial reviews, business case and life cycle cost analysis, and return on investment evaluations for all energy initiatives.

*ECIP (\$48.5M):* The Army invests in energy efficiency, on-site small scale energy production, and grid security through the DoD's appropriation for ECIP. In FY 2014, the DoD began conducting a project-by-project competition to determine ECIP funding distribution to the Services. In FY 2015, the Army received \$48.5M for eleven projects to include seven energy conservation projects, three renewable energy projects, and one energy security project.

*Energy Program/Utilities Modernization (\$81M):* Reducing consumption and increasing energy efficiency are among the most cost effective ways to improve installation energy security. The Army funds many of its energy efficiency improvements through the Energy Program/Utilities Modernization program account. Included in this total are funds for energy efficiency projects, the Army's metering program, modernization of the Army's utilities, energy security projects, and planning and studies. In addition this account funds planning and development of third party financed renewable energy projects through the Energy Initiatives Task Force (EITF).

The EITF currently has 8 large-scale renewable energy projects in the procurement process with a potential of over 175 MW of production capacity.

*Utilities Services (\$1.38B):* The Utilities Services account pays all Army utility bills including the repayment of Utilities Privatization (UP), Energy Savings Performance Contracts (ESPCs), and Utilities Energy Service Contracts (UESCs). Through the authority granted by Congress, ESPCs and UESCs allow the Army to implement energy efficiency improvements through the use of private capital, repaying the contractor for capital investments over a number of years out of the energy cost savings. The Army has the most robust ESPC program in the Federal government. The ESPC program has more than 180 Task Orders at over 75 installations, representing \$1.32 billion in private sector investments and over 360 UESC Task Orders at 45 installations, representing \$568 million in utility sector investments. We have additional ESPC projects in development, totaling over \$400 million in private investment and \$100 million in development for new UESCs. From December 2011 through December 2013, under the President's Performance Contracting Challenge, the Army executed \$498 million in contracts with third-party investment using ESPCs and UESCs, doubling historical trends.

*Installation Science and Technology Research and Development (\$8M):* Installation Science and Technology programs investigate and evaluate technologies and techniques to ensure sustainable, cost efficient and effective facilities to achieve resilient and sustainable installation and base operations. Facility enhancement technologies contribute to cost reductions in the Army facility life cycle process and support installation operations.

## **ENVIRONMENT**

The Army's FY 2015 Operations and Maintenance budget provides \$506 million for its Environmental Program in support of current and future readiness. This budget ensures an adequate environmental resource base to support mission requirements, while maintaining a sound environmental compliance posture. Additionally, it allows

Army to execute environmental aspects of re-stationing while increasing programmatic efficiencies and addressing the Army's past environmental legacy.

As a land-based force, our compliance and stewardship sustain the quality of our land and environment as an integral component of our capacity to effectively train for combat. We are committed to meeting our legal requirements to protect natural and cultural resources and maintain air and water quality during a time of unprecedented change. We are on target to meet DoD goals for cleaning up sites on our installations, and we continue to manage environmental compliance requirements despite operating in a constrained resource environment.

### **SUSTAINMENT/RESTORATION & MODERNIZATION**

This year's sustainment funding is \$2.4 billion or 62 percent of the OSD Facilities Sustainment Model (FSM) requirement for all the Army components. Due to this lower level of sustainment funding, we are accepting a level of risk in degraded facilities due to deferred maintenance. Our facility inventory is currently valued at \$329 billion.

In keeping with the FIS, the Army continues its investment in facility restoration through the O&M restoration and modernization account (\$358M). Our focus is to restore trainee barracks, enable progress toward energy objectives, and provide commanders with the means of restoring other critical facilities. The Army's demolition program has been reduced by 36 percent to \$22.7 million, which slows our rate of removal of failing excess facilities. Facilities are an outward and visible sign of the Army's commitment to providing a quality of life for our Soldiers, Families, and Civilians that is consistent with their commitment to our Nation's security.

### **BASE OPERATIONS SUPPORT**

The Army's FY 2015 Base Operations Support (BOS) request is \$8.6 billion and represents a 17 percent reduction compared to FY2013 execution. Although this reduction is in accordance with the BCA, Army's FY 2015 Base Operations Support (BOS) funding will create challenges to our installations as they seek to provide a

sustainable base for training and quality of life for our Military Families. The Army's FY 2015 installation funding strategy continues to prioritize Life, Health, and Safety programs and services ensuring Soldiers are trained and equipped to meet the demands of our nation. The Army remains committed to its Family programs and continues to evaluate these services in order to maintain relevance and effectiveness. Ensuring the resiliency of our Soldiers and Families is the priority of programs such as Army Substance Abuse Program, Soldier Family Assistance Centers, and Suicide Prevention.

We continue to seek internal efficiencies/tradeoffs as sequestration is producing real-life consequences on our installations. Army continues to face challenges meeting day-to-day installation readiness requirements. Army installations and local communities felt the effects of sequestration in FY 2013. Our efforts to balance expectations and stretch funding involve a contract management review process that enables better visibility for making decisions on how to terminate/down-scope, modify, or bundle current contracts to reduce overhead rates and compete for better rates. Without a reduction in the number of installations, the Army will be forced to sacrifice quality of life programs at the expense of maintaining excess capacity. The cumulative effect of funding reductions over the years stress the overall quality of life on our installations and adjoining communities as the Army realigns its Military and Civilian population and reduces supporting service program contracts across the garrisons.

### **INTERGOVERNMENTAL SUPPORT AGREEMENTS**

Under the authority provided in the FY 2013 NDAA, Section 331 (codified as 10 USC 2336), the Services may provide, receive, or share installation support services with their community counterparts if determined to be in the best interests of the department. Key elements include the ability to sole source to public entities; that state or local government wage grades may be used; and that the Intergovernmental Support Agreements (IGSAs) serve the best interests of the Department by enhancing mission effectiveness or creating efficiencies and economies of scale, including by reducing costs.

The Army developed an overarching strategy and is following its implementation plan to use the expanded public-public partnership authority to enter into IGSA's. An execution order was issued to Army Commands to collect, benchmark, and analyze data for potential IGSA's. From the information gathered from the Commands, 29 IGSA's have been proposed. As of December 2013, four proposals are being developed in conjunction with local communities. Once complete, the agreements will be submitted to Army headquarters for final approval. These initial proposals will assist the Army in developing a standardized process for identifying, evaluating, and approving IGSA's.

## CONCLUSION

The Army's FY 2015 installations management budget request is a balanced program that supports the Army as it transitions from combat, and supports our Soldiers, Families, and Civilians, while recognizing the current fiscal conditions.

The Army's end-strength and force structure are decreasing. At 490,000 active component Soldiers, we have initial evidence that the Army will have about 18 percent excess capacity. The Army needs the right tools to reduce excess capacity. Failure to reduce excess capacity is tantamount to an "empty space tax" diverting hundreds of millions of dollars per year away from critical training and readiness functions.

BRAC is a proven and fair means to address excess capacity. BRAC has produced net savings in every prior round. On a net \$13 billion investment, the 2005 BRAC round is producing a net stream of savings of \$1 billion a year. In this case, BRAC 2005 is producing a non-inflation adjusted 7.7 percent annual return on investment. That is a successful investment by any definition. A future round of BRAC is likely to produce even better returns on investment. We look forward to working with Congress to determine the criteria for a BRAC 2017 round.

In closing, thank you again for the opportunity to appear before you today and for your continued support for our Soldiers, Families, and Civilians.

Mr. CULBERSON. We are pleased to recognize Secretary McGinn. Thank you for your service to the country and for being here today, sir.

#### MR. MCGINN OPENING STATEMENT

Mr. MCGINN. Thank you, Mr. Chairman, Mr. Bishop, members of the subcommittee. I am pleased to appear before you today to provide an overview of the Department of the Navy's investment in its shore infrastructure.

But before I begin, I would just like to thank the committee for the absolutely wonderful, fast work on reprogramming funds to get our Naval Sea Systems Command team back into their headquarters at the Washington Navy Yard. As a result of your rapid action, a construction contract was let in January, and we anticipate having that fine team back in place in April of next year.

From our Nation's infancy, the United States Navy and Marine Corps team has operated far from our shores to protect vital security and economic interests. Forward presence is no less important today than it was in 1902 when Congress authorized President Thomas Jefferson to, quote, "employ such of the armed vessels of the United States as may be judged requisite for protecting effectually the commerce and seamen thereof on the Atlantic Ocean, the Mediterranean, and adjoining seas," unquote.

While the nature of today's threats has grown and is more lethal and insidious than 200 years ago, we need to compensate for that. Our Navy and Marine Corps team must be manned, trained, and equipped to deter and respond to belligerent actors wherever, whenever, and however they strike.

Yet the fiscal imperative to reduce our Nation's debt and control the deficit introduces additional complexity and challenges as our department strives to strike the right balance between resources, risks, and our strategy.

Our President's budget request for fiscal year 2015, while supporting the 2014 Quadrennial Defense Review, comes at a price to the shore establishment. Fortunately, investments made in prior years will enable the Department of the Navy to achieve forward presence without undermining the shore establishment in the near term.

I look forward to working with you to sustain the warfighting readiness and quality of life for the most formidable expeditionary fighting force in the world.

Thank you for the opportunity to testify before you today, and I welcome your questions.

Mr. CULBERSON. Thank you, Secretary McGinn. I am always pleased to have Thomas Jefferson's wisdom as part of the record here in Congress. Thank you, sir.

[The information follows:]



**Assistant Secretary of the Navy**  
(Energy, Installations and Environment)



**THE HONORABLE DENNIS V. MCGINN**

**9/3/2013 – Present**

Mr. Dennis McGinn was appointed Assistant Secretary of the Navy (Energy, Installations & Environment) on September 3, 2013. In this position, Mr. McGinn develops Department-wide policies, procedures, advocacy and strategic plans. He also oversees all Department of the Navy functions and programs related to installations, safety, energy, and environment. This includes effective management of Navy and Marine Corps real property, housing, and other facilities; natural and cultural resource protection, planning, and compliance; safety and occupational health for military and civilian personnel; and timely completion of closures and realignments of installations under base closure laws.

Mr. McGinn is the former President of the American Council On Renewable Energy (ACORE), an organization dedicated to building a secure and prosperous America with clean, renewable energy. While at ACORE, he led efforts to communicate the significant economic, security and environmental benefits of renewable energy. Mr. McGinn is also a past co-chairman of the CNA Military Advisory Board and an international security senior fellow at the Rocky Mountain Institute.

In 2002, after 35 years of service, Mr. McGinn retired from the Navy after achieving the rank of Vice Admiral. While in the Navy, he served as a naval aviator, test pilot, aircraft carrier commanding officer, and national security strategist. His capstone assignment was as the Deputy Chief of Naval Operations for Warfare Requirements and Programs, where he oversaw the development of future Navy capabilities. In a previous operational leadership role, he commanded the U.S. Third Fleet.

Mr. McGinn is a past member of the Steering Committee of the Energy Future Coalition, the United States Energy Security Council, and the Bipartisan Policy Center Energy Board. He earned a B.S. degree in Naval Engineering from the U.S. Naval Academy; attended the national security program at the Kennedy School of Government, Harvard University; and was a Chief of Naval Operations strategic studies fellow at the U.S. Naval War College.

*Updated: 12 February 2014*

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HOUSE APPROPRIATIONS COMMITTEE

**STATEMENT OF**

THE HONORABLE DENNIS V. McGINN

ASSISTANT SECRETARY OF NAVY  
(ENERGY, INSTALLATIONS, AND ENVIRONMENT)

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION,

VETERANS AFFAIRS, AND RELATED AGENCIES

of the

HOUSE APPROPRIATIONS COMMITTEE

12 MARCH 2014

NOT FOR PUBLICATION UNTIL  
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HOUSE APPROPRIATIONS COMMITTEE

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## Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing

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Chairman Culberson, Representative Bishop, and members of the Subcommittee, I am pleased to appear before you today to provide an overview of the Department of the Navy's (DoN's) investment in its shore infrastructure.

### *The Challenge of "Forward Presence" & Achieving Balanced Investments*

From our Nation's infancy, the United States Navy and Marine Corps Team has operated far from our shores to protect our vital security and economic interests. "Forward presence" is no less important today than in 1802 when Congress authorized President Jefferson to "employ such of the armed vessels of the United States as may be judged requisite... for protecting effectually the commerce and seamen thereof on the Atlantic ocean, the Mediterranean and adjoining seas." The nature of today's threats, however, is far more lethal and insidious than two hundred years ago. The means and methods available to those who wish us harm range in sophistication from advanced nuclear and cyber weaponry to improvised explosive devices detonated by cell phone. Our Navy and Marine Corps must be manned, trained, and equipped to deter and respond to belligerent actors wherever, whenever, and however they strike.

Yet the fiscal imperative to reduce the Nation's debt and control the deficit introduces additional complexity as the Department strives to strike the right balance of resources, risk, and strategy. The DoN's President's Budget for Fiscal Year 2015 (PB 2015) supports the 2014 Quadrennial Defense Review, which embodies key elements of the 2012 Defense Strategic Guidance and is informed by the Strategic Choices and Management Review completed last year. Fortunately, prudent infrastructure investments made in prior years will enable the Department to achieve forward presence without undermining the shore establishment *in the near term*. We welcome the additional flexibility Congress provided in the Balanced Budget Act of 2013, but challenges remain.

### *Investing in Our Infrastructure*

*Overview* Our installations provide the backbone of support for our maritime forces, enabling their forward presence. The Department is requesting \$10.5 billion in various

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**


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appropriations accounts, a reduction of \$1.6 billion from amounts appropriated in FY 2014 to operate, maintain and recapitalize our shore infrastructure. Figure 1 provides a comparison between the FY 2014 enacted budget and the PB 2015 request by appropriation.

Category	FY 2014 enacted (\$M)	PB 2015 (\$M)	Delta (\$M)	Delta (%)
Military Construction, Active + Reserve	1,659	1,070	-589	-35.5%
Family Housing, Construction	73	16	-57	-78.1%
Family Housing Operations	379	354	-25	-6.6%
BRAC <sup>1</sup>	145	95	-50	-34.5%
Sustainment Restoration & Modernization (O&M)	2,545	2,135	-410	-16.1%
Base Operating Support	7,015	6,590	-425	-6.1%
Environmental Restoration, Navy	316	277	-39	-12.3%
<sup>1</sup> Prior funds will also support FY2015 BRAC activities				
<b>TOTAL</b>	<b>12,132</b>	<b>10,537</b>	<b>-1,595</b>	<b>-13.1%</b>

Figure 1: DoN Infrastructure Funding by Appropriation

While the overall FY 2015 budget request represents an appreciable reduction from previous years, it demonstrates continued investment to enhance Combatant Commanders' capabilities, continue support for the introduction of new weapons systems and platforms, maintain service member and family quality of life, and recapitalize aging infrastructure. The FY2015 budget also manifests the Department's commitment to energy security by funding cost effective efforts that will improve our energy infrastructure and reduce our consumption.

**Military Construction** Our FY 2015 President's Budget Request of just over \$1 billion supports several key objectives of 2014 Quadrennial Defense Review. For instance, the Navy and Marine Corps are investing approximately \$181 million to *enhance warfighting capabilities in the Asia-Pacific region* including: facilities that will support current and future Marine Corps training requirements on Guam (\$51 million); modifications to existing facilities that enables the Marine Corps to relocate its unmanned

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**

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aerial vehicle squadron to Marine Corps Base Hawaii (\$51 million); and a submarine training facility at Joint Base Pearl Harbor-Hickam, Hawaii (\$9.7 million).

Additionally, the Navy is investing over \$80.3 million in projects such to support the basing of the new P-8A Poseidon in Washington State (\$24.4 million) and Florida (\$21.7 million) that will ensure the United States remains capable of *projecting power in anti-access and area denial environments*. The fourth and final increment of the Explosive Handling Wharf (\$83.8 million) at Naval Submarine Base Bangor and the Transit Protection System at Port Angeles (\$20.6 million), both in Washington state, support the objective of *maintaining a safe, secure, and effective nuclear deterrent*. Finally, the Department is investing \$81 million in laboratories and testing facilities to *sustain key streams of innovation and maintain our technological advantage over potential adversaries*.

The Department continues efforts to reduce our energy costs. The FY 2015 request includes \$47 million to decentralize steam plants at Naval Base San Diego, installing new gas-fired energy efficient space and domestic water-heating systems for 10 piers and approximately 45 buildings. Additionally, the Department will benefit from nearly \$55 million in energy and water conservation projects funded through the Defense-Wide Energy Conservation Investment Program. These funds will increase sources of cost effective renewable energy (\$14.6 million); improve water conservation efforts (\$2.4 million); and increase energy efficiency in many other locations (\$30.7 million). While the Department plans to invest another \$271 million of operations and maintenance funding in shore energy projects; however, the reduction of \$930 million in SRM/O&M and Base Operating Support (Figure 1 above) from the FY 2014 levels—and compounded by the FY 2013 sequester—will make the statutory energy intensity goals more difficult to achieve. Moreover, reduced investments in energy projects *now* will result in lost opportunity for savings in the future, higher utility costs and, ultimately, reduced readiness as funds are diverted to pay these bills.

***Facilities Sustainment, Restoration and Modernization (FSRM)*** The Department of Defense uses a Facilities Sustainment Model to calculate life cycle facility

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## Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing

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maintenance and repair costs. Using industry-wide standard costs for various types of buildings and geographic areas, the model is updated annually. Sustainment funds in the operation and maintenance accounts are used to maintain facilities in their current condition. The funds also pay for preventative maintenance, emergency response to minor repairs, and major repairs or replacement of facility components (e.g. roofs, and heating and cooling systems).

The Navy budgeted \$1.3 billion (70 percent of the model) in FY 2015, an increase of \$62 million (7%) enabled by the additional topline provided in the Balanced Budget Act of 2013. The Marine Corps funds sustainment at 75 percent of the model (\$498.8 million), dropping below the DoD goal for the first time since the criteria was established. Both Services will manage the risk to its shore infrastructure by prioritizing work to address life-safety issues and mission-critical facilities in poor condition.

Restoration and Modernization provides major upgrades of our facilities. In FY 2015, the Department of the Navy proposes a total investment of \$1 billion to restore and modernize existing infrastructure: \$427 million in Military Construction projects, \$361 million in Operation and Maintenance funds, and \$216 million in Working Capital funds.

### *Investing in Our People*

*Overview* The strength of our Navy-Marine Corps team lies not in advanced weaponry or faster, stealthier ships and aircraft. Our naval forces derive their strength from the Sailors and Marines who fire the weapon, operate and maintain the machinery, or fly the plane, and from the families and civilians supporting them. We continue to provide the best education, training, and training environments available so our forces can develop professionally and hone their martial skills. Providing quality of life is a determining factor to recruiting and retaining a highly professional force. To this end, we strive to give our people access to high-quality housing, whether government-owned, privatized, or in the civilian community, that is suitable, affordable, and located in a safe environment.

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## Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing

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***Training and Education*** Of the \$1 billion request for military construction, the Navy and Marine Corps together have programmed over \$301 million in operational and technical training and academic facilities. For example, the Navy will construct facilities to support training for the Littoral Combat Ships homeported at Naval Station Mayport (\$20.5 million) and will continue efforts begun in FY 2014 to accommodate increased student loading at the Nuclear Power Training Unit in South Carolina (\$35.7 million). Finally, the Department will construct a Cyber Securities Studies Building (\$120.1 million) at the U.S. Naval Academy to develop sophisticated and technically savvy Navy and Marine Corps officers able to leverage our strategic advantage in the cyber domain.

***Unaccompanied Housing*** The Navy plans to make \$35 million in operations & maintenance-funded repairs to its bachelor housing inventory, focusing on the barracks in the worst condition. The Marine Corps completed its program of substantial investment in unaccompanied housing in support of the Commandant's Barracks Initiative. Its FY 2015 investment will provide new berthing facilities at Naval Weapons Station, Yorktown, Virginia, enabling the Marine Corps Security Force Regiment and its Fleet Antiterrorism Security Teams to continue consolidating various elements that are dispersed within the Hampton Roads area.

***Family Housing*** The Department continues to rely on the private sector as the primary source of housing for Sailors, Marines, and their families. When suitable, affordable, private housing is not available in the local community, the Department relies on government-owned, privatized, or leased housing. The FY 2015 budget request of \$370 million supports Navy and Marine Corps family housing operation, maintenance, and renovation requirements, including \$16 million to revitalize 44 homes at Marine Corps Air Station Iwakuni, Japan. The budget request also includes \$260.2 million that will provide for the daily operation, maintenance, and utilities expenses necessary to manage its military family housing inventory.

To date, over 60,000 Navy and Marine Corps family housing units have been privatized through the Military Housing Privatization Initiative. As a result, the

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**

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Department has leveraged its resources to improve living conditions for the majority of Sailors, Marines, and their families. The Department has programmed \$27.9 million to provide oversight and portfolio management for over 63,000 privatized homes to ensure the Government's interests remain protected and quality housing continues to be provided to military families. Although the Navy and Marine Corps have identified several remaining phases associated with existing projects, no funds are requested in the FY 2015 budget.

***Managing Our Footprint***

***Overview*** It is a basic tenet that the Department of Defense should own or remove from public domain only the minimum amount of land necessary to meet national security objectives. Coupled with the fiscal imperative to conserve resources, especially in this era of deficit reduction, the Department of the Navy (DoN) has more than enough incentive to reduce its footprint both at home and abroad.

***European Consolidation*** The DoN is completing its evaluation of various basing scenarios, including joint use, at its four primary bases in Europe: Naval Station Rota, Naval Air Station Sigonella, and the Naval Support Activities in Naples and Souda Bay. These analyses will inform the basis for DoD recommendations that are expected to be released in Spring 2014.

***Base Closure and Realignment (BRAC)*** With respect to consolidating our domestic infrastructure, the Base Realignment and Closure process offers the best opportunity to assess and evaluate opportunities to properly align our domestic infrastructure with our evolving force structure and laydown, and the Department of the Navy (DoN) supports the Administration's request to authorize a single round of BRAC in 2017. Since the first round of BRAC in 1988, the DoN has closed 186 domestic installations and activities, including 52 major installations. Figure 2 demonstrates the evolution of the Department's force structure since 2005:

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Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing

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Year	Service	Battle Force Ships	Primary Authorized Aircraft-Active	Personnel-Active	Installations <sup>1</sup>
<b>PB 2005</b>	Navy	290	1402	365900	94
	USMC		995	175000	26
	<b>Total</b>		<b>2397</b>	<b>540900</b>	<b>120</b>
<b>PB 2015</b>	Navy	283	2331	323600	83
	USMC		1201	182700	25
	<b>Total</b>		<b>3532</b>	<b>506300</b>	<b>108</b>

<sup>1</sup> For ease of comparison, the number of current installations is adjusted to account for separate activities that are geographically proximate and now administered as a single base.

Figure 2: Force Structure vs. Number of Installations

The Department has programmed \$95 million and plans to utilize an additional \$43 million in prior year funds to continue environmental cleanup, caretaker operations, and property disposal. By the end of FY 2013, we had disposed 93 percent of our excess property identified in prior BRAC rounds through a variety of conveyance mechanisms with less than 14,000 acres remaining. Here are several examples of what we were able to achieve in the past year.

In May 2013, the Department conveyed 1,917 acres at the former Naval Station Roosevelt Roads to the Commonwealth of Puerto Rico Local Redevelopment Authority under an Economic Development Conveyance bringing the total property transferred to over 8,521 acres. The same month, the Department also conveyed the 118 acre Federal City West Property at Naval Support Activity New Orleans to the Algiers Development District. The remaining 24 acres of the East Bank Property was conveyed to the City of New Orleans via an Economic Development Conveyance in October 2013.

In June 2013, the Department completed the Phase I conveyance of 1,380 acres at the former Naval Air Station Alameda to the City of Alameda under a No-Cost Economic Development Conveyance. This conveyance is the first significant transfer of property at NAS Alameda since 2000.

Overall, the Navy continues to reduce its inventory of properties closed under BRAC. Of the original 131 installations with excess property, the Navy only has 21

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**


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installations remaining with property to dispose. We anticipate reducing this number by four installations this year, with the remainder to be disposed as we complete our environmental remediation efforts.

Under the previous BRAC efforts, the Navy has been able to realize approximately \$4.4 billion in annual recurring savings. BRAC 2005 alone resulted in approximately \$863 million in annual recurring savings. Although cleanup and disposal challenges from prior BRAC rounds remain, we continue to work with regulatory agencies and communities to tackle complex environmental issues and provide creative solutions to support redevelopment priorities, such as Economic Development Conveyances with revenue sharing.

**Compatible Land Use** The Department of the Navy has an aggressive program to promote compatible use of land adjacent to our installations and ranges, with particular focus on limiting incompatible activities that affect Navy and Marine Corps' ability to operate and train, and protecting important natural habitats and species. A key element of the program is Encroachment Partnering (EP), which involves cost-sharing partnerships with states, local governments, and conservation organizations to acquire interests in real property adjacent and proximate to our installations and ranges.

The Department of Defense provides funds through the Readiness and Environmental Protection Initiative (REPI) that are used in conjunction with Navy and Marine Corps O&M funds to leverage acquisitions and restrictive easements in partnership with states, local governments and non-governmental organizations. Figure 3 represents the activity and funding for restrictive easements the Department acquired in FY 2013:

	Expenditures in FY 2013 using Multiple FY funding (\$000)					Total Expenditures FY2005 through FY2013 (\$000)				
	FY 2013 Acres	DoD REPI (O&M)	Service (O&M)	Partner funds	Total Funds	Total Acres	DoD REPI (O&M)	Service (O&M)	Partner funds	Total Funds
<b>Navy</b>	8,593	3,808	831	10,403	14,642	24,899	45,719	6,330	59,146	111,195
<b>Marine Corps</b>	459	2,168	4,655	2,682	9,505	44,553	47,706	22,353	72,954	143,013
<b>Totals</b>	9,052	5,976	5,286	13,085	24,347	69,452	93,425	28,683	132,100	254,208

Figure 3: Restrictive Easements Acquired through Encroachment Partnering in FY 2013

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**

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Vital to the readiness of our naval forces is unencumbered access to critical land, water and air space adjacent to our facilities and ranges. The Department understands that energy exploration, on land and off-shore, plays a crucial role in our nation's security and are activities not necessarily incompatible with military training. However, we must continue to actively work to sustain freedom of maneuver or avoidance of restrictions to tactical action in critical range space to ensure the ability of naval forces to achieve the highest value from training and testing. As an active participant in the DoD Clearinghouse, the Department of the Navy assisted in the mission compatibility evaluation of 2,075 proposed energy projects submitted through the Federal Aviation Administration Obstacle Evaluation process during calendar year 2013. Ninety-six percent (1,992) of the projects were assessed to have little or no impact on military operations. As of December 31, 2013, the remaining four percent (84 projects) were either still under review (76) or assessed to have sufficient adverse impact to military operations and readiness (8) to warrant establishment of a Mitigation Response Team (MRT). The MRTs were established to engage in mitigation discussions with the developer to determine whether agreements can be reached to prevent negative impacts to military training and readiness.

**Relocating Marines to Guam**

**Overview** Guam remains an essential part of the United States' larger Asia-Pacific strategy of achieving a more geographically distributed, operationally resilient and politically sustainable force posture in the region.

**Moving Forward** The Department appreciates the limited exceptions provided in the National Defense Authorization Act for FY 2014, as well as the authorization and appropriation of nearly \$86 million for construction of the Marine Corps hangar at the North Ramp of Andersen Air Force Base. Together, these provisions will enable the Relocation to stay on track and support current and future Marine Corps training activity in Guam and the Commonwealth of the Northern Marianas Islands. The scope of the ongoing Supplemental Environmental Impact Statement, which the Department expects to release a draft for public comment in Spring 2014, includes the live fire training range

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## Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing

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complex, alternatives for the location of the main cantonment area, family housing, and associated infrastructure. Presently, the Department anticipates signing a Record of Decision in Spring 2015.

The FY 2015 budget request includes funding for two military construction projects on Guam for a total investment of \$51 million: Ground Support Equipment Shops (\$21.9 million) and facilities for the Marine Wing Support Squadron (\$28.8 million). Both projects support current and future operations and were addressed in the Record of Decision signed in September 2010.

Finally, The United States and Japan are continuously looking for more efficient and effective ways to achieve the goals of the Realignment Roadmap. Toward this end, the Governor of Okinawa signed the landfill permit request to build the Futenma Replacement Facility (FRF) at Camp Schwab on December 26, 2013. While the U.S. and Japan no longer link the requirement of “tangible progress” on FRF construction to the relocation effort, this is another indication of Japan’s commitment to the Roadmap. Both countries remain steadfast in maintaining and enhancing a robust security alliance, and the United States remains committed to enhancing the U.S.-Japan Alliance and strengthening operational capabilities.

### Conclusion

Our Nation’s Navy-Marine Corps team operates globally, having the ability to project power, effect deterrence, and provide humanitarian aid whenever and wherever needed to protect the interests of the United States. As the threats facing our nation continue to evolve, the fiscal reality creates its own challenges in striking the right balance. The Department’s FY 2015 request supports critical elements of the 2014 Defense Quadrennial Review by making needed investments in our infrastructure and people; reducing our world-wide footprint; and preserving access to training ranges, afloat and ashore.

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**Statement of the HON. Dennis V. McGinn ~ HAC-M Budget Hearing**

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Thank you for the opportunity to testify before you today, I look forward to working with you to sustain the war fighting readiness and quality of life for the most formidable expeditionary fighting force in the world.

## MS. FERGUSON OPENING STATEMENT

Mr. CULBERSON. Secretary Ferguson, we are glad to have you, and thank you for your service. And we look forward to your testimony.

Ms. FERGUSON. Thank you, Chairman Culberson, Ranking Member Bishop, and distinguished members of the subcommittee. I appreciate the opportunity to appear before you today to discuss the Air Force's military construction and military family housing fiscal year 2015 budget request.

On behalf of Secretary James and General Welsh, I would like to thank this subcommittee for its unwavering support of the Air Force.

I know Members are eager to ask questions of this panel, so I will keep my comments brief. To that end, details regarding our fiscal year 2015 budget request are included in my written statement. I would like, however, to highlight two topics of interest: the challenges the Air Force faces in the current fiscal environment and base realignment and closure.

The current fiscal environment required the Air Force to make some very tough choices. In order to best support national defense requirements and comply with the Defense Department's fiscal guidance and challenges, the Air Force chose capability over capacity. Moving forward, the Air Force seeks to maintain a force ready to meet the full range of military operations while building an Air Force capable of executing its core missions.

The budgetary cuts generated by sequestration are difficult to absorb. In fiscal year 2013, the Air Force stood down 31 active flying squadrons for more than 3 months, initiated civilian furloughs, cut maintenance and facilities, and delayed major maintenance actions, to include depot aircraft overhauls.

The Air Force believes that, funded at the fiscal year 2015 PB top-line level, it can continue a gradual path of recovery to full-spectrum combat readiness and support its military construction and housing programs.

My second topic, as has been a number of my other counterparts here, relates to base realignment and closure. The bottom line is we need another round of BRAC and fully support the Department's request for a future BRAC round.

While we have current excess infrastructure capacity analysis from which to draw, the Department's capacity analysis from 2004 estimated the Air Force had 24-percent excess infrastructure capacity. BRAC 2005 directed the Air Force to close only 8 minor installations and directed 63 realignments, affecting 122 installations. Since then, the Air Force has reduced our force structure by more than 500 aircraft and reduced our Active Duty military end strength by nearly 8 percent.

Additionally, the Air Force has outlined plans in its fiscal year 2015 PB submission to reduce force structure and personnel even further. Even though we have not done an updated capacity analysis, we intuitively know we still have excess capacity.

One way we have, however, reduced our footprint is through demolition of aging facilities and infrastructure. Since 2006, we have demolished 44.3 million square feet of aging facilities that

were excess to our needs, and we estimate the resultant savings at greater than \$300 million.

Despite our best efforts and innovative programs, the Air Force continues to spend money maintaining excess infrastructure that would be better spent recapitalizing and sustaining our weapons systems, training to improve readiness, and investing in the quality-of-life needs of our Airmen and their families. Divestiture of excess property on a grander scale is a must.

In conclusion, the Air Force made hard choices during budget formulation. We attempted to strike the delicate balance of a ready force today and a modern force tomorrow while adjusting to budgetary reductions.

To help achieve that balance, the Air Force elected to accept risk in installation support, military construction, and facilities sustainment. We believe this risk is prudent and manageable in the short term, but we must continue the dialogue on right-sizing our installations' footprint for a smaller, more capable force that sets the proper course for addressing our most pressing national security requirements.

Members of the subcommittee, thank you for your strong support of the men and women of the United States Air Force, Active Guard, Reserve, and civilians. This concludes my opening remarks, and I welcome your questions.

Mr. CULBERSON. Thank you, Madam Secretary. I appreciate it.  
[The information follows:]



# BIOGRAPHY

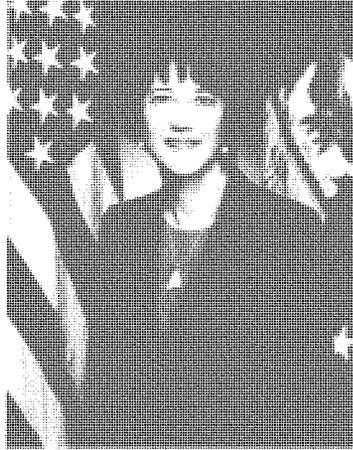


UNITED STATES AIR FORCE

## KATHLEEN I. FERGUSON

Kathleen I. Ferguson, is the Principal Deputy Assistant Secretary of the Air Force for Installations, Environment and Logistics, Office of the Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C. She acts for and assists in executing the responsibilities of the Assistant Secretary for matters in the formulation, review, and execution of plans, policies, programs and budgets for installations, energy, environment, safety and occupational health as well as weapon system logistics support.

Ms. Ferguson began her career in 1981 as a design civil engineer at Plattsburgh Air Force Base, N.Y. She transferred to Langley AFB, Va. in 1983, and held a variety of positions with the 1st Fighter Wing, Headquarters Tactical Air Command and Headquarters Air Combat Command until 1993. In 1994, she moved to the Pentagon where she worked with environmental and civil engineering programs.



Ms. Ferguson became Chief of the Installation Support Panel with the Office of the Deputy Chief of Staff for Installations and Logistics when the Air Force corporate structure stood up in 1995. From 1997 to 1999 she served on the headquarters staff for the U.S. Air Forces in Europe Command at Ramstein Air Base, Germany. She returned to the Pentagon and the IL office as Chief of the Installation Support Panel with the Office of the Civil Engineer. From 2000 to 2002, she worked for IL as the Combat Support Division Chief for the Directorate of Supply. Prior to assuming her current position, she was the Deputy Air Force Civil Engineer. Ms. Ferguson is a registered professional engineer in Virginia.

### EDUCATION

1980 Bachelor of Science degree in civil engineering, University of New Hampshire  
 1989 Air Command and Staff College, Maxwell AFB, Ala.  
 1989 Master's degree in public administration, Auburn University  
 2001 Program for Senior Managers in Government, John F. Kennedy School of Government, Harvard University

### CAREER CHRONOLOGY

1. 1981 - 1983, design engineer, 380th Civil Engineering Squadron, Plattsburgh AFB, N.Y.
2. 1983 - 1988, Chief, Engineering Branch; Chief, Contract and Environmental Planning Section; and Contract Programmer, 1st Civil Engineering Squadron, Langley AFB, Va.
3. 1988 - 1989, student, Air Command and Staff College, Maxwell AFB, Ala.
4. 1989 - 1994, Deputy Chief, Programs Division, Headquarters Air Combat Command Civil Engineering; Chief, Military Construction Programs Branch, Headquarters Tactical Air Command Civil Engineering; later, Project Manager for MILCON Design and Construction, Headquarters Tactical Air Command Civil Engineering, Langley AFB, Va.
5. 1994 - 1997, Chief, Civil Engineer Programs and Analysis Branch; Chief, Installation Support Panel; and Environmental Program Manager, Civil Engineer Legislative Affairs Analyst and resource allocation team member, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.
6. 1997 - 1999, Chief, Programs and Resources Division, Civil Engineer Directorate, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
7. 1999 - June 2000, Chief, Civil Engineer Programs and Analysis Branch and Chief, Installation Support Panel, Office of the Civil Engineer, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.
8. June 2000 - April 2002, Chief, Combat Support Division, Directorate of Supply, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.
9. April 2002 - October 2007, Deputy Air Force Civil Engineer, Headquarters U.S. Air Force, Washington, D.C.
10. October 2007 - September 2012, Deputy Assistant Secretary of the Air Force for Installations, Office of the Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C.
11. September 2012 - present, Principal Deputy Assistant Secretary of the Air Force for Installations, Environment and Logistics, Office of the Assistant Secretary of the Air Force for Installations , Environment and Logistics, Washington, D.C.

#### **AWARDS AND HONORS**

- 2005 Meritorious Executive Presidential Rank Award
- 2010 Distinguished Executive Presidential Rank Award

(Current as of March 2014)

## United States Air Force

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Presentation

Before the House Appropriations  
Committee, Subcommittee on Military  
Construction –Veterans Affairs

### ***Military Construction, Military Family Housing, and BRAC***

Ms. Kathleen I. Ferguson, Acting  
Principal Deputy Assistant  
Secretary Performing Duties as  
Assistant Secretary of the Air  
Force (Installations, Environment  
& Logistics)

March 12, 2014

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Not for publication until released by the House Appropriations Committee,  
Subcommittee on Military Construction-Veterans Affairs

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March 12, 2014

**Introduction**

The mission of the United States Air Force is to fly, fight and win ...in air, space and cyberspace. We do so through our six core capabilities of air and space superiority, global strike, rapid global mobility, precision engagement, information superiority and agile combat support. These capabilities are enabled and reinforced by our global network of Air Force installations, and managing those installations involves understanding and balancing mission requirements, risk, market dynamics, budgets, and the condition of our assets. As such, the health of our installations, environment and energy programs directly contributes to overall Air Force readiness.

**Installations**

Ready installations are an integral part of ensuring a ready Air Force. We view our installations as foundational platforms comprised of both built and natural infrastructure which: (1) serve as enablers for Air Force enduring core missions - we deliver air, space and cyberspace capabilities from our installations; (2) send a strategic message to both allies and adversaries - they signal commitment to our friends, and intent to our foes; (3) foster partnership-building by stationing our Airmen side-by-side with our Coalition partners; and (4) enable worldwide accessibility in times of peace, and when needed for conflict. Taken together, these strategic imperatives require us to provide efficiently operated sustainable installations to enable the Air Force to support the Defense Strategic Guidance.

In our Fiscal Year 2015 President's Budget request, the Air Force attempted to strike the delicate balance of a ready force today and a modern force tomorrow while also recovering from the impacts of sequestration and adjusting to budget reductions. To help achieve that balance the Air Force elected to accept risk in installation support, Military Construction and facilities sustainment. The Air Force funded facilities sustainment at 65 percent of the OSD's Facilities Sustainment Model; reduced restoration and modernization account by 20 percent and MILCON by 33 percent from the Fiscal Year 2014 President's

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March 12, 2014

Budget. In doing so, we acknowledge near-term Facilities Sustainment, Restoration & Modernization, and MILCON program reductions will have long term effects on the health of infrastructure. However, these reductions are critical to maintaining adequate resourcing across the Future Years Defense Program (FYDP) for some of the Air Force's unique capabilities.

In total, our Fiscal Year 2015 President's Budget request contains \$3.32 billion for military construction, facility sustainment, restoration and modernization, as well as another \$328 million for Military Family Housing operations and maintenance. For sustainment, we request \$1.8 billion; for restoration and modernization, \$547 million; and for military construction, we request \$956<sup>1</sup> million, which is approximately \$366 million less than our Fiscal Year 2014 President's Budget request. This decrease in military construction defers infrastructure recapitalization requirements while supporting Combatant Commander (COCOM) requirements, weapon system beddowns, capabilities to execute the Defense Strategic Guidance, and distributes MILCON funding equitably between Active, Guard, and Reserve components.

#### **Readiness**

Our Fiscal Year 2015 President's Budget request includes vital facility and infrastructure requirements in support of Air Force readiness and mission preparedness. Examples of this include investments in projects which strengthen our space posture at Clear Air Force Station, Alaska, and support Total Force cyberspace and intelligence, surveillance, and reconnaissance projects at several locations, including W.K. Kellogg Airport, Michigan, Willow Grove, Pennsylvania, and Des Moines International Airport, Iowa.

Consistent with Defense Strategic Guidance, another key focus area for the Air Force is the Asia-Pacific Theater, where we will make key investments to ensure our ability to project power into areas

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<sup>1</sup> \$956M is the Total Force funding request including Active, Guard and Reserve

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March 12, 2014

which may challenge our access and freedom to operate, and continue efforts to enhance resiliency.

Guam remains one of the most vital and accessible locations in the western Pacific. . For the past eight years, Joint Region Marianas-Andersen Air Force Base (AFB) has accommodated a continuous presence of our Nation's premier air assets, and will continue to serve as the strategic and operational nucleus for military operations in support of a potential spectrum of crises.

To fully support Pacific Command's strategy, the Air Force is committed to hardening critical infrastructure, mitigating asset vulnerabilities, and increasing redundancy, as part of Pacific Airpower Resiliency. In 2015, we plan to continue the development of the Pacific Regional Training Center (PRTC) by constructing a combat communications infrastructure facility, a RED HORSE logistics facility, and a satellite fire station. These facilities will enable mandatory contingency training and enhance the operational capability to build, maintain, operate, and recover a 'bare base' at forward-deployed locations, and foster opportunities for partnership building in this vitally important area of the world.

#### **Modernization**

The Fiscal Year 2015 President's Budget request includes key infrastructure investments to support the beddown of the F-35A and KC-46A. Our ability to support the beddowns of our new fighter and tanker aircraft depends on meeting construction timelines for critical infrastructure - facilities such as aircraft maintenance hangars, training and operations facilities, and apron and fuels infrastructure. This year's President's Budget request includes \$187 million for the beddown of the KC-46A at three locations. This consists of \$34 million at McConnell AFB, Kansas, for Main Operating Base (MOB) 1, \$111 million at Tinker AFB, Oklahoma, for KC-46A depot maintenance, and \$42 million at Pease International Tradeport Air National Guard Base (ANGB), New Hampshire, for MOB 2. This request also includes \$67 million for the beddown of the F-35A at two locations, consisting of \$40 million at Nellis AFB, Nevada, for an aircraft maintenance unit, hangar, and weapons school facilities, and \$27 million at Luke AFB,

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March 12, 2014

Arizona, for an aircraft maintenance hangar and flightline fillstands.

Our Fiscal Year 2015 program also supports vital COCOM priorities, such as continuation of a multi-year effort to recapitalize the U.S. Strategic Command headquarters facility at Offutt AFB, Nebraska, construction of the U.S. Cyber Command Joint Operations Center at Fort Meade, Maryland, and construction of the U.S. European Command Joint Intelligence Analysis Center Consolidation (Phase 1) at RAF Croughton, United Kingdom.

### **People**

During periods of fiscal turmoil, we must never lose sight of our Airmen and their families. Airmen are the source of Air Force airpower. Regardless of the location, the mission, or the weapon system, our Airmen provide the knowledge, skill, and determination to fly, fight and win. There is no better way for us to demonstrate our commitment to service members and their families than by providing quality housing on our installations. We are proud to report that as of September 2013, the Air Force has privatized our military family housing at each of our stateside installations. To date, the Air Force has awarded 32 projects at 63 bases for 53,323 end-state homes.

The Air Force continues to manage more than 18,000 government-owned family housing units at overseas installations. We use Military Family Housing Operations and Maintenance (O&M) sustainment funds to sustain adequate units, and MILCON to upgrade and modernize homes older than 20-plus years, to meet the housing requirements of our Airmen and their families, and the Joint service members we also support overseas.

Similarly, our focused and efficient investment strategy for dormitories has enabled the Air Force to remain on track to meet the DoD goal of 90 percent adequate permanent party dorm rooms for unaccompanied Airmen by 2017. The Fiscal Year 2015 President's Budget request for military construction includes one dormitory at Hanscom AFB, Massachusetts--our Dormitory Master Plan's top

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March 12, 2014

priority. With your support, we will continue to ensure wise and strategic investment in these quality of life areas providing modern housing and dormitory communities. More importantly, your continued support will take care of our most valued asset, our Airmen and their families.

**Closures and Realignments**

We do all of this while recognizing that we are carrying infrastructure that is excess to our needs. While we have no recent excess infrastructure capacity analysis from which to draw, the Department's capacity analysis from 2004 estimated that the Air Force had 24 percent excess infrastructure capacity. Base Realignment and Closure (BRAC) 2005 directed the Air Force to close only 8 minor installations and 63 realignments affecting 122 installations. Since then the Air Force has reduced our force structure by more than 500 aircraft and reduced our active-duty military end strength by nearly 8 percent. So, intuitively we know we still have excess infrastructure.

Since the last BRAC round, we have strived to identify new opportunities and initiatives that enable us to maximize the impact of every dollar we spend. Our efforts to demolish excess infrastructure, recapitalize our family housing through privatization, unlock the fiscal potential value of under-utilized resources through leasing, and reduce our energy costs have paid considerable dividends.

Since 2006, we have demolished 48.8 million square feet of aging building space that was excess to our needs and we estimate the resultant savings at greater than \$300 million. We have demolished antiquated administrative facilities, ill-suited for today's technological age; we have eliminated aircraft operational and maintenance facilities that we no longer need based on reductions to the size of our aircraft fleet; and we have demolished old and energy-inefficient warehouse facilities no longer needed due to rapidly evolving supply chains that reduce the need for localized storage.

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March 12, 2014

Despite our best efforts and the innovative programs, the Air Force continues to spend money maintaining excess infrastructure that would be better spent recapitalizing and sustaining our weapons systems, training to improve readiness, and investing in the quality of life needs of our Airmen. Divestiture of excess property on a grander scale is a must.

**European Infrastructure Consolidation**

The Secretary of Defense directed a capacity analysis to explore opportunities for reducing long-term expenses through infrastructure consolidation in Europe, and the Air Force fully supports this effort. Since 1990, the Air Force has reduced both aircraft and forces stationed in Europe by almost 75 percent. Currently, the Air Force is thoroughly evaluating its European infrastructure: today we operate from six main operating bases, supporting our NATO commitments and providing throughput and global access for six unified combatant commands. We removed one A-10 squadron in Europe in Fiscal Year 2013, programmed for the reduction in the level of operations at Lajes Field, Portugal to better match infrastructure requirements to mission demand, and divested one Air Control Squadron and two Air Support Operations Squadrons. Through the Office of Secretary of Defense-led European Infrastructure Consolidation study, we are looking for additional opportunities for cost savings through consolidation and closure.

**Conclusion**

The Air Force made hard strategic choices during formulation of this budget request. The Air Force attempted to strike the delicate balance of a ready force today and a modern force tomorrow while also recovering from the impacts of sequestration and adjusting to budget reductions. To help achieve that balance the Air Force elected to accept risk in installation support, Military Construction and facilities sustainment. We believe this risk is prudent and manageable in the short-term, but we must continue the dialogue on right-sizing our installations footprint for a smaller, but more capable

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March 12, 2014

force that sets the proper course for enabling the Defense Strategy while addressing our most pressing national security issue - our fiscal environment.

In spite of fiscal challenges, we remain committed to our Airmen and their families. The privatization of housing at our stateside installations provides our families with modern homes that improve their quality of life now and into the future. We also maintain our responsibility to provide dormitory campuses that support the needs of our unaccompanied Airmen.

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

## CAPACITY ANALYSES AND THE FISCAL YEAR 2015 REQUEST

Mr. CULBERSON. Mr. McGinn, are you aware, does the Navy have any analysis, current numbers that you can rely on in terms of what your excess capacity may be?

Mr. MCGINN. We have not done an excess capacity analysis in a number of years, but we, too, also support having a BRAC. We find that that process is very, very analytical; it relies on fact-based decisions and priorities. And we would welcome the opportunity to conduct one.

Mr. CULBERSON. Sure.

Also, I think it is important to note for the record the United States Marine Corps was the first and the Navy is next in being able to adopt generally accepted accounting procedures. And I believe the Marine Corps as of today can be audited by an outside accounting firm, and the Navy is next, right?

Mr. MCGINN. We are working very hard on that, yes, sir.

Mr. CULBERSON. Okay, great. I hope the Army and the Air Force is going to be right there behind them so you can actually do careful, honest analysis.

But in light of the fact, the Army has got numbers, as you said, Madam Secretary, that indicate about an 18-percent average excess capacity currently—so in the absence of current numbers from the Air Force or the Navy, I share Mr. Bishop's deep concern and, frankly, astonishment that you have asked for a 33-percent reduction in your construction budget below what we enacted last year.

And you know how strongly this committee supports what you do. And we want to make sure that the men and women in uniform have everything they need in terms of creature comforts and don't ever have to look over their shoulder or worry one bit about their health care or their housing or their families. And so that is a real, frankly, shocking number, and I don't personally expect that that is one that we are likely to go with.

But I would like to hear your explanation, if you could. Talk to us about how the Department determined what projects or accounts would be reduced. Where did you come up with 33.1 percent or \$3.2 billion reduction? And if, we will just say, the committee would ever approve that, what areas would you see most at risk?

Mr. Conger.

Mr. CONGER. So, in order to answer your question, there are multiple decisions to the budget. It wasn't a holistic, "Here is what your MILCON number is." Each of the services built their own budget, and they will be able to speak to how they set their own priorities.

But I think, holistically, one can point to the fact that, as we are looking at a constrained top line, the priority has to be readiness. And so we had an allocation of resources that attempted to ensure that readiness accounts were more fully funded. And that meant that we had to decide where to take risk as a department.

Mr. CULBERSON. Office of Management and Budget (OMB) gave you X amount of money, and you just had to work to try to make it fit within that? Or how did you do that?

Mr. CONGER. So, the Bipartisan Budget Act that was passed a few months ago set budget numbers for 2014 and 2015. The number that we sent over adheres to that number.

Mr. CULBERSON. Right, that is the overall number. I mean, but from your perspective, your piece on the military construction portion—

Mr. CONGER. So the overall—

Mr. CULBERSON [continuing]. That is not in that overall budget plan. That is just the one big number.

Mr. CONGER. Right. And so the Department has to try and come up with a plan that meets that number.

Mr. CULBERSON. Well, right, right, for your piece of it. But, I mean, basically, OMB comes in and says, here is how much money we believe you need to get out of this entire—

Mr. CONGER. As a department.

Mr. CULBERSON. Yes.

Mr. CONGER. It doesn't bifurcate the MILCON from that.

Mr. CULBERSON. No, I understand, but, I mean, the President and the White House obviously have other priorities.

Mr. CONGER. So the direction was to build the budget based on the Bipartisan Budget Act.

Mr. CULBERSON. That is the top-line number.

Mr. CONGER. Yes. And so the Department had that number to work with. That said, we had priorities to weigh in meeting that budget—

Mr. CULBERSON. Yes.

Mr. CONGER [continuing]. And facilities were one of those areas where the Department decided to take risk.

Mr. CULBERSON. But in the absence of excess capacity numbers from either the Navy or the Air Force, you don't even know—I mean, tell me, how did you determine what projects or accounts are going to be reduced if you don't even know what the excess capacity is?

Mr. CONGER. It is less a matter of what is going to be reduced and more a matter of what you are going to decide to fund within the priorities that you have the available funds for.

Mr. CULBERSON. And what areas do you see most at risk with the numbers that you have given us, the 33-percent reduction in military construction accounts, when the Committee has been very generous and supportive in the past.

Mr. CONGER. Right.

Mr. CULBERSON. And I know that the Committee has scrubbed—we have superb staff. We are abundantly blessed to have the—

Mr. CONGER. Indeed.

Mr. CULBERSON [continuing]. Majority and minority staff work together beautifully. I think you have flushed out every little extra dollar you can out of these accounts.

Where did you come up with these reductions—where does 33 percent reduction come from? And what areas are most at risk if we were to just simply adopt what you have given us?

Mr. CONGER. So I think that the risk that we are accepting—and there is no mistaking that we are accepting risk in facilities. I think that the first place you have to look is the facilities sustainment and restoration and modernization accounts, which I

know aren't part of this Committee's appropriation but are part of the equation as we consider, you know, what affects our facilities. It is cheaper to sustain a building than it is to repair it, and it is cheaper to repair it than it is to replace it.

And so we have accepted risk. We have a facility model to try and say how much money is required to sustain our buildings. And we have, as a department and each of the services, accepted varying degrees of risk as to what we are going to do as far as preventative maintenance, et cetera. That, I think, is probably the highest risk, because that leads to repair requirements, and both those repair requirements lead to requirements for new facilities.

Mr. CULBERSON. Yeah.

#### FUNDING LEVEL IMPACT

Secretary Hammack, could you tell the Committee what you told me on our visit, that essentially you have been able to function—the level of funding you have today enables you to handle about 80 percent of your maintenance and repair needs I believe is what you told me, and that if we were to adopt this you would be at a level of about 60 percent?

Ms. HAMMACK. Yes, sir.

Mr. CULBERSON. So, essentially, you are basically just treading water and just patching the potholes and the leaks in the roof.

Ms. HAMMACK. The focus is on life, health, and safety in our sustainment accounts. In our MILCON accounts, we are focused on fixing the failing; moving out of temporary structures that we have been in too long, and they are also at a failing level; and restationing what is coming back from Afghanistan, some of our (unmanned aerial vehicles).

And so each of the components—the Guard, Reserve, and the Active Duty Army—prioritized on the basis of what were the most failing infrastructure requirements.

#### CHANGES TO THE FUTURE YEARS DEFENSE PROGRAM

Mr. CULBERSON. Well, in the 2015 budget request, 79 projects were, I noticed, in the fiscal year 2014 FYDP for 2015, but the budget request also includes 37 new projects that were not in the 2014 FYDP and 12 that were programmed in the out-years beyond 2015.

Can you talk to us about the rationale behind those changes and those requests? Where did the new ones come from, and how come others dropped out?

Ms. HAMMACK. Absolutely. Some of the changes came from—

Mr. CULBERSON. The Committee would like an answer from each one of you all.

Excuse me, ma'am.

Ms. HAMMACK. Okay. Thank you, sir.

The adds that came into our military program, a lot of those came from emerging requirements that were considered to be failing and were failing at a more rapid rate than was expected. So those were adds that came in.

Some were accelerations from the Commands as they relooked at the restationing. As the Army downsizes to 490,000, we took a very

hard look at our MILCON program and determined what was the most critical.

As we are considering shrinking even further, to 440 or 450, some projects dropped out until we know exactly where they are going to be so we can avoid building infrastructure that might not be needed by a smaller force.

Mr. CULBERSON. If we were to adopt this level of funding, you would be in a position essentially of just patching the potholes and fixing the roof?

Ms. HAMMACK. Yes, sir.

Mr. CULBERSON. And that is it.

Ms. HAMMACK. Yes, sir.

Mr. CULBERSON. Not likely. We love you, and we are going to help. I bet we find a way to help you beyond that.

Quickly, if we could, and I want to move to my good friend, Mr. Bishop.

Mr. MCGINN. Yes, Mr. Chairman. Our story is similar. We are not putting at risk any safety, health, or comfort issues for our wonderful men and women in uniform or their families. I would characterize it simply as saying, as a result of the levels of funding we have had in past years and the support from this subcommittee, we have been able to make a lot of progress. This year, projecting ahead to 2015, we are not going to be going ahead as far and as fast as we have been over the past several years, but we are not going to be falling behind next year.

Mr. CULBERSON. You would be in the same position as the Army, just essentially repairing potholes and fixing the roof?

Mr. MCGINN. A little bit better than that. Some new construction, some family housing improvements, but just not achieving the standards that we want to achieve as quickly as we would like to.

Mr. CULBERSON. Okay.

And I thank my good friend, Mr. Bishop, who has been very indulgent of me. I didn't mean to take so much time. But Ms. Ferguson, then I want to pass to my good friend from Georgia.

Ms. FERGUSON. I will try to be brief here. I just want to hit a couple things.

As the Air Force built the budget, we looked to build the most capable Air Force ready for a high-end threat that was affordable in 2023. And as we built the budget, we had difficult choices as we attempted to strike that delicate balance between a ready force today and a modern force tomorrow, while also recovering from sequestration.

Really, what we did was two things. We continue to seek efficiencies and cut overhead. We reduced management headquarters, consolidated activities to achieve 20-percent savings. We supported the military compensation recommendations. And to prevent deeper cuts to readiness and personnel, we did take risk in military construction, facilities sustainment, and installation support.

We, further, also took capacity down. And I think you are all aware, we had to look at divesting the A-10 and the U-2 fleet to achieve savings to balance that budget.

Thank you.

Mr. CULBERSON. Thank you, ma'am. Thank you for your testimony.

And thank you for your patience, Mr. Bishop.

BASE REALIGNMENT AND CLOSURE

Mr. BISHOP. Thank you very much, Mr. Chairman.  
Let me go to Secretary Conger.

The request for the round of BRAC in your 2015 budget, is it budget-driven, or is it drawdown-driven, or is it a combination of the two?

Mr. CONGER. It is a combination. The reason you have a BRAC round, though, is because you want to save money, and you are looking for places to save it. You use BRAC as a way to save money when you believe you have excess capacity, and we do.

Mr. BISHOP. So it is basically budget-driven, then?

Mr. CONGER. Well, you don't have a BRAC, in general, if you don't expect the need to save money. I mean—

Mr. BISHOP. So all of this reduction in capacity and reduction in force is budget-driven as opposed to strategic-defense-driven?

Mr. CONGER. I think that it is important to clarify that the main motivation for a BRAC round is to save money. The things you can do in BRAC are not always, as we saw in 2005, not always about just saving money. There are transformational activities that we did in 2005.

Right now, the Department is motivated to fit within the budget constraints that it has. And the reason that we want a BRAC round so desperately today is that we don't want to be wasting money on unneeded facilities that, therefore, means that we have less money to spend on readiness and the warfighter.

STRATEGIC DEFENSE

Mr. BISHOP. Basically, our military is our strategic defense for domestic and foreign protection. And we don't know what the exigencies are going to be, so it is kind of difficult to plan without being strategically prepared.

And making the assumption—I guess all of this is making the assumption that because we don't have the resources that we have had budget-wise, that our strategic needs are not going to be as great as they have been. Would you say that is correct?

Mr. CONGER. Far be it from me to allude to a general statement like that. I think, from a facilities perspective, I can talk about the excess that we have and the optimization. But I am not the appropriate person to be answering questions about the overall strategic posture of the Department.

Mr. BISHOP. The excess is a function of what our future requirements are? Or is the excess a result of having unneeded capacity for what we are now doing?

Mr. CONGER. Yes. And when you have a BRAC round, the first thing you do is go to the Joint Staff and say, what is your 20-year force structure plan? What are you projecting for a force structure so that we can use that as an input?

It is also, by the way, what we did on the European infrastructure consolidation effort. We went to the Joint Staff first and said, what is the requirement? It is not our job to decide whether we need fewer or more people in the Armed Forces.

## PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

Mr. BISHOP. Thank you.

For Ms. Hammack, I just want to ask you if the Army's Programmatic Environmental Assessment (PEA) had an effect on the fiscal year 2015 program for the Army.

Ms. HAMMACK. Yes, the PEA that we did last year had an effect on our program. We had done a very close scrutiny of our fiscal year 2014 MILCON program to try and avoid building things that we thought could have been affected.

Right now, we have just started another round of PEA or NEPA in order to look at what kind of infrastructure we would need if we shrunk to 440 or even lower to 420. So we are taking a look at our infrastructure again.

As you clearly stated in your opening statement, the last round of BRAC identified an excess capacity of over 20 percent, yet only reduced by about 3½. So there is clearly excess capacity that has been there a while that we have not addressed.

The Army's recent study has confirmed that we have excess capacity currently in the Army, that we could do further consolidations, we could do further closures because we have excess capacity. And we could consolidate into our most efficient structures, we could consolidate to increase our efficiency of our operations, and we could save money for the American taxpayer.

Mr. BISHOP. And so we should be reassured, then, that, unlike in 2005, we won't end up with a net savings of very little?

Ms. HAMMACK. Absolutely, sir. We are not asking for a transformational BRAC. We are asking for an efficiency BRAC. In 2005, we asked for, as Mr. Conger described, two parallel BRACs. One was a transformational, one was an efficiency. The efficiency portion looked like prior rounds of BRAC. That is what we are asking for this time.

## REBALANCE THE ASIA-PACIFIC REGION

Mr. BISHOP. Okay.

Secretary Conger, changing gears for a moment, can you give us an update on the Department's efforts to rebalance the Asia-Pacific region in terms of facilities, specifically in Guam and Japan? I know that the landfill permit from the Futenma Replacement Facility (FRF) was signed this past December, so what I would like to know is, are we finally going to see some real movement on that project?

Mr. CONGER. So, two things real quick.

One quick clarification on the BRAC savings. The 2005 round is saving \$4 billion in recurring savings. So that is not nothing. I just wanted to clarify it for the record.

The second thing is, as far as the shift to Guam, there currently is ongoing an SEIS process, a supplemental environmental impact statement process. The Navy is projected to release the draft—and maybe I should turn to Secretary McGinn to answer the details of this, but we expect that to be coming out early next year.

Denny, did you want to—

Mr. MCGINN. It should be coming out in about a month or so, Mr. Bishop.

Mr. BISHOP. That is the plan?

Mr. MCGINN. The supplemental, yes, the draft. And it will provide what our preferred alternatives are for the laydown of our U.S. Marines at Guam going forward.

Mr. BISHOP. All right. Because last year I asked your predecessor if there was a plan showing what was needed on the construction side for the new South Pacific strategy, and there was not one then. So you are saying that there is not one now but you are working on it?

Mr. MCGINN. We do have a plan that is being reviewed within the Department that will be published in about 30 days or so. And we will go through that whole process of taking in inputs on that and then finally deciding on what the exact laydown is. But I will tell you, the plan has come into much sharper focus, and I think you will be able to see that when this supplemental EIS is published.

Mr. BISHOP. So can you tell us what types of projects we will see in the Pacific and how lower budgets will affect investments in that area?

Mr. MCGINN. Our focus on Guam is to be able to accommodate 5,000 Marines and about 1,700 or so family members. We want to make sure that the living environment, the quality of life is adequate, and it will be. We want to make sure that the ability to train those Marines, including live-fire training, is evident there, so part of the plan involves live-fire training ranges and mobility training ranges.

We want to make sure that this strategic location, operating so far forward in areas of critical interest to the United States, has the right kind of infrastructure and base laydown that will support those Marines and enable them to go forward.

Mr. BISHOP. Is Japan in agreement with that?

Mr. MCGINN. Yes, sir, they are.

Mr. BISHOP. They have signed off?

Mr. MCGINN. We have made a lot of progress with them, and they have signed off.

Mr. CULBERSON. Thank you.

I now recognize the gentleman from California, Mr. Valadao.

I am going to catch everybody in the order in which they came in. I am a little loose on the 5-minute rule, so I would expect common courtesy and good sense.

#### BIRD STRIKE MITIGATION

Mr. VALADAO. Thank you, Mr. Chair.

As many of you are aware, this year, the State of California is experiencing a significant drought that is causing the fallowing of thousands of acres of productive farmland. Although it is easy to understand the impacts drought can have on agriculture, the drought is also having an impact on our national defense.

Last week, I had the opportunity to sit down with the Commanding Officer of the Naval Air Station (NAS) in Lemoore, who explained to me that the drought is actually increasing the risk of bird strikes at the base. In short, the Navy works with farmers around the base to ensure the land is cultivated in such a way as to prevent birds from entering areas where flight operations take

place. Unfortunately, due to the lack of available water as a result of the drought, farmers are unable to cultivate the land, increasing the risks of bird strikes.

Last year, because of water shortages, 34 percent of the fields around NAS Lemoore were fallowed and the base experienced 43 bird strikes. This year, it is expected that many more acres will be fallow due to the lack of water, and, as a result, more strikes are expected.

The drought is not only a threat to our country's agriculture supply but also an issue of national security due to the danger it poses to our fighter pilots and warfighting aircraft.

Assistant Secretary McGinn, I understand part of your job is ensuring the safety of military and civilian personnel at the Navy's various installations. As a former aviator, will you elaborate on the risks of bird strikes, both to aircraft and to personnel? Is the increasing risk of bird strikes at a major airbase a serious concern of the Navy?

Mr. MCGINN. Yes, sir, it is. Some of the best days of my time in uniform were spent flying out of Naval Air Station Lemoore F-18s and A-7s.

And I will say for the record, "bird strikes are bad". And we see an increased threat for the reasons that you outlined. When fields lie fallow, ground rodents proliferate, raptors come in to get that ready supply of food, and they produce a lot more danger of airplane-bird collisions.

The base is doing a wonderful job at trying to mitigate that, given the tremendous constraints on water. On a normal year, back around 2009, the water allocation was about 40,000 acre-feet. For the past several years, they have been able to get by with different types of crop rotation around 24,000 acre-feet. But, as you know, with the tight conditions on drought, it is looking even less than that going forward in the future.

But this is a definite concern related to aviation safety in Naval Air Station Lemoore. I spoke to the commanding officer this morning, in fact, about this, and he assured me that they are trying to do everything they can, but more water would certainly help.

#### COST INCURRED BY BIRD STRIKES AND DROUGHT

Mr. VALADAO. Will you please elaborate on the costs incurred by the Navy to mitigate against bird strikes because of the drought? Aside from the bird-strike-related costs, what other costs is the Navy incurring as a result of the California drought?

Mr. MCGINN. We are trying to be and are succeeding at being good citizens in the State of California, throughout the State of California, wherever there are Navy and Marine Corps installations. We have cut our water consumption just in the past 3 years by up to 4 billion gallons, and we are going to continue to drive that down even further.

In terms of costs, obviously there is the risk of bird strikes that we just talked about. But we are modifying flight patterns and, if there is a bird strike, having to repair those aircraft. But the biggest thing is the risk of catastrophic collision at some point in the future if we can't continue to do something about this.

## CALIFORNIA DROUGHT IMPACT ON OPERATIONS

Mr. VALADAO. Thank you.

And I would also like to hear from the DoD and from the other services represented here on how the California drought is impacting their operations and other additional costs that the services are incurring as a result of dealing with the current drought conditions.

And I met with Ms. Hammack last week over this, so feel free, if you have anything to add.

Ms. HAMMACK. What I would like to add to the conversation is, with increased drought, there is increased risk of forest fire. And that has been one of the biggest challenges to the Army. We are watching that very closely.

Over the last 6 years, we have had a 27-percent reduction in our overall consumption of water. We have a Net Zero Initiative to reduce water consumption further. And it is a concern, as we are watching water consumption, we are also watching forest fire danger.

Ms. FERGUSON. The Air Force has six installations in California, and they have been partnering with the local governments to comply, to the maximum extent possible, with the drought restrictions and also follow the Executive orders and public law. We can get back to you if there are any operational issues. I am unaware of those right now.

But, similar to the Army, we have had installations that have reduced water consumption by as much as 40 percent since 2007 through a number of initiatives.

Mr. CONGER. I think they have said it all. The services have done a really nice job of water conservation, not just in California but throughout the country. We have legislated goals set out for reducing our potable water consumption, and the Department as a whole has blown through those goals and has done an exemplary job of water reduction.

Mr. VALADAO. Thank you.

That is all I have, Mr. Chair.

Mr. CULBERSON. Thank you very much.

I recognize my good friend from California, Mr. Farr, who has the dubious distinction, I understand, of having had more BRAC than any other Member of the United States Congress.

Mr. FARR. Thank you, Mr. Chairman. I got on this Committee because I am the most BRAC'ed Member of Congress. And I never knew that 20 years later I would still be here talking about BRAC.

I think that BRAC is all about promises made, promises kept, and promises to the United States Congress that when we go through a BRAC process we have a role and accomplishment and a goal for each one of these decisions to reduce or eliminate a base.

The closing of Fort Ord, was one reason that got me to Congress. What DoD did in California in 1991 was to relocate the 1st Brigade, 7th Infantry Division Light from Fort Ord, California, to Fort Lewis, Washington. That was how you sold the idea of BRAC then. But what happened to the 7th Infantry?

Norm Dicks was on this Committee, so excited about the 7th Infantry leaving Fort Ord. And the then-Congressman Leon Panetta

was so sad about Fort Ord losing it. And, as I understand, in the process, both lost, because Fort Lewis never got the 7th Division that you deactivated.

That is my point, that the BRAC that was sold to Congress never turned out the way it was supposed to. And so as you talk about the unloading of excess bases, I wonder whether the decision that they are excess or they need to be realigned is for real.

But I think what this Committee deals with is that other side of BRAC, the uploading, the impact on the community that accepts the responsibility for it. And just like we are seeing in Afghanistan and Iraq, when we pull out, there is a responsibility to build the capacity of those that are left behind. The way we build that capacity is in cleanup so that the new owners can use the land. Without cleaned-up land, it is land we call mothballed. It just sits there; nobody can use it. In fact, we just build fences around it if it has unexploded ordnances. It becomes of no benefit to anybody. It is actually an economic liability to the community.

So I am kind of shocked, if not feeling betrayed, by this budget in what you bring to us in your ability to clean up. It is just not me and my instances with the experience of BRAC in my district, but also the chairman has bases in Texas with Brooks Air Force Base, the Port Authority of San Antonio, the Lone Star Army Ammunition Plant in Texarkana, the Ingleside Naval Station. And the ranking member, Mr. Bishop, has the McPherson Army Base, Forrest Park and Fort Gillem, the Navy Air Station in Atlanta, the Navy Supply Course School in Athens. All of those have been BRAC'ed and are still needing assistance.

So my questions really go to your budget—and I have a lot of specific questions.

I want to ask Ms. Hammack first, because, first of all, before I get into the other questions, I want to just thank you, because you did make some promises to this Committee last year that you would take care of this small little acre property that has become a bureaucratic nightmare to try to transfer, the Tidball Store, to transferring it to Monterey County at Fort Hunter Liggett, and I understand that the final touches are in place and that ought to happen this spring. And I want to thank you for your personal involvement in that. Second, I want to thank you for bringing the water to the veterans cemetery that the State is going to build at former Fort Ord.

#### FORT ORD

But I want to really get into the cleanup at Fort Ord. We divided that into two categories. Essentially, the land that the civilians were going to use for redevelopment went through an ESCA, an environmental services contract, with the Fort Ord Reuse Authority. And that, I think, has gotten little notice from the Pentagon in the success it has had. It is actually ahead of schedule and, I think, under budget so far. Great news.

But the other half of that is the land that is going to stay in Federal jurisdiction, which the Army transferred to the Bureau of Land Management (BLM) and recently has been declared a national monument. But there is a lot of that land, about 7,000 acres, that still have to be cleaned up. And I don't know how you are

going to get from here to there to get it cleaned up with the budget you have. You are only budgeting \$1.3 million for the cleanup of Fort Ord. That is a 92-percent reduction from last year.

So how do you think we can do the mission that is required out there in the timelines promised with such little resources? How are we going to get it cleaned up?

Ms. HAMMACK. Well, it is good to see you again.

And we are working hard at Fort Ord. The priority was placed on transferring those lands that had use to the community first.

What is interesting is that, in prior BRAC rounds, the environmental burden of closure was high, and that is because there was not a lot of focus on cleaning up the lands while they were being stewarded by the military services. There is now an effort to both clean up our active bases as well as those that have been closed.

So what we found in the 2005 BRAC round is that the environmental remediation costs were much, much lower than those of the prior BRAC rounds.

And so what we are doing right now is we are focusing on those BLM lands. One of the challenges is something that Representative Valadao brought up, is the issue in regards to clearing the land so that we can clean them up.

Mr. FARR. It is no different from the ESCA cleanup than it is for the BLM. They are right next to each other.

Ms. HAMMACK. They are, except that we left the training ranges, which have the heaviest amount of burden of cleanup, to the last. And those are what takes the longest to clean up because we have to clear the brush first prior to the cleanup, and there are limitations put on us by the State and that region as to the amount of controlled burns that we can do in order to clean up the lands.

Mr. FARR. But even when you have a controlled burn that gets out of control, burns a lot more than you intended, that presents an opportunity to clean up, but you don't use that opportunity. You just had to wait for the brush to come back, go through the process, burn it all over—just a total dum-dum way of handling a problem.

Anyway, I just—there is an end sight in here for the BLM land then to get cleaned up, and there is enough money in the budget to do that?

Ms. HAMMACK. That is something that we are looking at to see what we can accelerate at Fort Ord, because you are right, last summer a controlled burn did get out of control and we burned more land than we were authorized. It did not go off that land, but it is something that we are working to address right now.

There is money in the budget that comes—we were able to combine the prior-year BRAC round closure budgets with the 2005 closure budget. So as we sell off land from the 2005 BRAC rounds, it goes into that environmental restoration budget and helps fund environmental restoration for all BRAC lands. So we are able to have an increased funding stream to address the issues as you mentioned.

Mr. FARR. Well, I want to get into that, too, but I will maybe wait for another round on that. I want to just finish off a couple things.

## CAMP ROBERTS BRIDGE

One is the Camp Roberts, which you visited. Camp Roberts is run by the California National Guard and the MILCON distribution to the States has a distribution to the Army National Guard. The National Guard and Reserve training bases are ideal places for the Army component to train which is what you are doing at Camp Roberts—we were talking about that before the hearing, and the incredible facilities that often the Active Duty military uses at these bases.

What I am concerned about is how the Army distributes the money for the MILCON funds to the States for the National Guard.

Ms. HAMMACK. When we look at our overall budget, we distribute the MILCON budget by a ratio of the amount of infrastructure the services have. So if you look at the plant replacement value for the Active Army, that is about 70 percent of the total inventory of infrastructure. The National Guard is about 20 percent, and the Army Reserve is about 7 percent.

Mr. FARR. Well, I am sure when you visited Camp Roberts—and I thank you for doing that—you saw that long bridge, the high-water bridge, which is falling apart and can't be used at all. It is a tank trail connecting to Fort Hunter Liggett. But the problem is that it is the only way, the only road that you can access emergency services. So with that bridge out, you have to drive over an hour in emergency situations to bring, you know, people to where they can get care at Camp Roberts.

And the bridge, as I understand it, was the (the Adjutant General) (TAG's) number-one priority for MILCON in the last 2 years. However, no moneys have been funded to help restore that bridge. So how much weight does the State's top priority get in the criteria for MILCON funding?

Ms. HAMMACK. The National Guard looks at the priorities from all of the States and puts them together. And earlier I explained that we prioritize on the basis of fixing the most failing, the most urgent needs. And sometimes a State's number-one priority may not be number one for the entire National Guard.

Mr. FARR. Well, when is the high-water bridge at Camp Roberts going to be in a FYDP?

Ms. HAMMACK. I am going to have to take a look at that and get back to you, sir.

[The information follows:]

The High Water Bridge was closed to traffic in 2005. The closing has been mitigated by routing traffic into the training range area across a bridge approximately 3–4 miles to the southwest. Standard operating procedures require medics with transportation to be present at ranges during training to protect human life, health, and safety. Procedures call for medics to evacuate non-critically injured personnel directly to civilian hospitals. Critically injured personnel would be transported by aero-medical evacuation weather permitting, or the medics utilize ground transport to meet civilian medical transport on main post. This serves to mitigate any potential delay of responding emergency medical teams by road.

The High Water Bridge at Camp Roberts is a requirement for the California Army National Guard (ARNG). However, an overwhelming number of competing priorities has made funding even the most critical MILCON projects a challenge. In order to best identify projects to include in the FYDP the ARNG uses a ranking process called the Infrastructure Requirements Plan. This process assesses the top two projects from each of the fifty states, U.S. territories and the District of Columbia and scores the projects on six criteria. The process includes participants from key

state representatives and is overseen by an Adjutant General. Recommendations from this process are briefed to Senior ARNG Leadership for final decision. Until the prioritization process is run for this upcoming year and the available MILCON funds are determined in the upcoming Department of Defense Program Objective Memorandum process it is unknown when this project for Camp Roberts will be included in the MILCON FYDP.

ARNG is examining alternative (non-MILCON) options for funding this project, including repairs that may use operations and maintenance (O&M) funds consistent with fiscal rules and congressional notification requirements. Utilizing this option could allow bridge restoration to begin in a shorter time frame than a MILCON funded project. The National Guard Bureau is exploring a source of funds for this option. If our investigation of the use of O&M funds shows it to be feasible and prudent, it could be a better facility investment option than programming in the FYDP in terms of timeliness.

Mr. FARR. Okay.

I will tell you, I have to say, one—because I have other questions for the other witnesses, but I just want to say that I am very critical of this process and slowness and awkwardness in UXO clean-up. However I think you are doing a stellar job in conservation.

I am very proud that Fort Hunter Liggett was selected in 2011 as the pilot site for Net Zero Energy Initiative. And since then, two megawatts of solar arrays have been constructed, and a third megawatt is under design. This is really clever. Army had been parking all their tanks and trucks in the direct sunlight, and the heat just, you know, deteriorates them. What Army did is built carports, and on top of those carports is nothing but a solar array. I mean, it is huge. And they are able to generate enough electricity through that array to sustain the whole base.

I don't know if these guys were pulling my leg, but they say these solar plates are so sensitive you can generate electrons with a full moon. It might be possible. Anyway—

Ms. HAMMACK. Some. Just not that much. But you can generate some.

Mr. FARR. So I want to praise you.

And I would love to have you, Mr. Chairman, come out and see these places. Maybe we can get a CODEL. It is hard to visit Monterey County and all those beautiful places in California, but maybe we can do it. I like to brag about this Net Zero Initiative.

Mr. CULBERSON. If there is any part of the country it would be worth seeing, it is your district. You have one of those beautiful parts of the United States and that coastline out there, Sam.

Mr. FARR. Well, come on out.

Mr. CULBERSON. I am not much of a traveler, but we do need to get out there.

Mr. FARR. We have a lot of rocks—we have some rocks out there.

Mr. CULBERSON [continuing]. It is also the anniversary of D-Day.

Mr. FARR. Oh, yeah.

Mr. CULBERSON. So we need to be thinking about that as a committee.

Mr. FARR. Okay.

Mr. CULBERSON. I am going to turn over a new leaf this year.

I really appreciate you all's patience. Again, I want to try to give everybody time to answer questions, so I appreciate your indulgence.

And we turn to Mr. Graves.

Mr. GRAVES. To each of you, thanks for being here.

And first, let me just say we, all on this panel, have the greatest respect for what you are trying to do with limited resources and difficult challenges, but you also hear maybe questions or concerns in a bipartisan fashion on this panel which I think is healthy. And I appreciate your transparency in trying to answer the questions.

#### MOVING BRAC FORWARD WITHOUT CONGRESS APPROVAL

I just have a couple of questions. The first one to Mr. Conger, relating to what Secretary Hagel said a few days ago, I guess a few weeks ago. And you will recall, and I have the quote here, that as it relates to BRAC, he made the comment: "If Congress continues to block these requests, even as they slash the overall budget, we will consider every tool at our disposal to reduce infrastructure." So was he suggesting that he would move forward without Congress' approval?

Mr. CONGER. Well, a couple of points. One, he used the word "consider." So the question is, do you look at all your options if we don't get a BRAC? And I think the answer is yes. He has—there exists authorities to close and realign bases that don't involve BRAC. And whether he considers those options, I think he made it clear. And I am not going to say anything different than the Secretary said in that context.

Did he say that we were going to go ahead and take actions if Congress didn't pass a BRAC? No, he said that they were going to be considered.

Mr. GRAVES. Which would mean that he is suggesting that he might consider moving forward without the approval of Congress or this panel here.

Mr. CONGER. Well, those authorities came from Congress in the first place, and in all honesty, there is very little that can happen in the Department without the approval of Congress. Congress appropriates, as you well know, any money that we have to do anything. So it is a question of the authorities that Congress gives to act, and the specific actions are all going to have to come through here eventually.

Mr. GRAVES. And I assume it is safe to say each of you would prefer Congress directing the path forward as opposed to the Department going around Congress?

Mr. CONGER. Well, first of all, nobody is pretending that anybody is going to go around Congress, okay? The question is, is the path forward that Congress authorizes. The second thing is that BRAC is clearly the preferred way to close and realign bases. It is more analytical. It is more transparent. It is more objective. It affords benefits to communities when properties are disposed of. If there was, say, a section of a base that was declared excess today—and that happens from time to time—that simply gets sold without consultation with the local community. Under BRAC, when a base closes, the community gets to decide what happens to the base. And that means they can direct it toward economic job-generating activities. There are a lot of advantages to local communities from BRAC vis—vis other disposal mechanisms.

Mr. GRAVES. So, as we look forward, and I respect the suggestions that you all are making, and you have made it clear, each of you, all four of you have said that you support and encourage

BRAC moving forward. If, for whatever reason, this panel and the House of Representatives and the Senate does not agree with you, I would suggest and that the Secretary be very careful in considering going around Congress because I don't think that is the healthiest process moving forward.

#### EFFICIENCY GOALS OF THE SERVICES

Just another question to each of you. If you have maybe a number in mind, each of you has spoken about efficiency as being the next BRAC. Is there an efficiency goal? Because I don't know that I heard that. Maybe you said it, and I missed it, but is there like a number, like a so many percent?

Mr. CONGER. So the figure that Mr. Hale used when he was testifying with Secretary Hagel last week I think was that we have a projection based on a 5 percent reduction in plant replacement value, which is a fairly modest number that, based on previous BRAC rounds, that it would be approximately \$6 billion worth of costs over the period of the BRAC and approximately, when it is all complete, a \$2 billion annual return. There would be savings during the—you know, if you take an action at the beginning of any BRAC round, the savings begin to accrue. So, during the period of BRAC, the estimate is that the cost would be a wash. So you would be saving roughly the same amount that you would be spending over the course of the 6 years, and then you would get approximately \$2 billion a year recurring thereafter if you assume that 5 percent, modest 5 percent.

Mr. GRAVES. And that is in total all the way across the Department?

Mr. CONGER. Yes.

#### WHERE ARE WE AS A NATION

Mr. GRAVES. Okay. And then I guess my last question for each of you, if you could think through this and maybe not through the lens of your position but through the lens of caring and loving your country, you know, as one who has families and such, when you really think about where we are as a Nation, I mean, we all know we have enemies. We have those around the world that do not like us and want to destroy us, and a lot of children all across our country that go to bed every night and they sleep well knowing that we are safe and we are secure. And I hear the conversation that we have had today. And I guess the question for me to each of you is when you think about where we are as a Nation and when you think about the assets we have, the property, the equipment, personnel and such, do we have too much or too little in defending our Nation and looking at it in the future?

Mr. CONGER. Let me answer that question broadly. You are talking to the installations folks, and so it is other officials within the Department.

Mr. GRAVES. I am just asking your personal opinion, not through MILCON itself, but just when you look at the concerns across the globe.

Mr. CONGER. Absolutely. I think that it is important to, though, for us as witnesses for the Department keep that in mind, so as the installation folks, can we say that we have too much infrastruc-

ture? Yes. And, moreover, what is really important about this is that the resources that are going to extra infrastructure that you don't need could be going to warfighters that do need the money. The training reductions that have occurred over the last couple years and the shortfalls that they have encountered and the readiness shortfalls are critical and far more critical than funding excess infrastructure.

Mr. GRAVES. Thank you.

Ms. HAMMACK. On behalf of the Army, one of the challenges we have is reduced funding from Congress. And we simply do not have the money to operate buildings that are empty. And when we mothball them and when we shut off utilities, the building degrades. Then it becomes of no use to the Army. It becomes of no use to the private sector, so that is a lost opportunity for the private sector. Where it could be put to productive use by taxpayers, it is no longer of value to anyone. So BRAC is an advantage in that it puts a base in productive use in the community versus having it sit idle and empty.

The challenge is we still need to maintain it. We still need to operate it, and under the other authorities Mr. Conger referred to, we cannot reduce our manning without notification to Congress. So you can't reduce your manpower and you can't reduce your square footage and you can't reduce your boundaries, so we are sort of tied up in knots because for the Army 50 percent of our budget is manpower. And we are reducing that as the budget has gone down, but it takes a while to get those savings because we have a responsibility to try and ensure that the soldiers who leave the Army and their families are taken care of and have jobs. So as the budget goes down for manning, what is left is looking at your training, your modernization, and your facilities. And each one of those budgets are taking deep cuts to try and preserve as much of the forces as we have.

Mr. GRAVES. I understand. But if there weren't these cuts, would you suggest that we need more in defense related items? My general question is, do you feel we are spending too much overall or too little, and are we well equipped to defend this great Nation into the 21st century from the enemies around the globe? That is the general question.

Ms. HAMMACK. Well, I would like echo the Secretary of Defense's comments for the Army, taking cuts below 490 is a concern, and it is a risk.

Mr. GRAVES. Thank you. Thank you.

Mr. MCGINN. We need more ships. One of the ways of getting those ships is to allocate budget dollars to them. I am an old Cold Warrior. I will go back to 1991, when we had the first round of BRAC. We have had five since then. In the Department of the Navy we have closed 186 installations or functions; 52 of them were major. If we had not been able to do that over the course of the ensuing 23 years in those five rounds of BRAC, our budget would be absolutely broken. I don't know how many ships we wouldn't have out there today.

So do we need more dollars to do the things that Katherine just outlined? Yes. We always need to make that balance between the readiness of today and the capabilities of tomorrow or future readi-

ness. And we need to pay for manpower. We need to pay for platforms. So, yes, my answer would be we could.

But one of the ways, given a budget cap and the imperative to address budget challenges as a Nation, we need to make sure that every dollar that goes for defense goes to where it is going to do us the most national security good and keeping unused infrastructure, as painful as that process can be, is not the best use of those taxpayer dollars.

Mr. GRAVES. Thank you.

Yes, Ms. Ferguson.

Ms. FERGUSON. As the Air Force built the budget, we had to make some very difficult choices. And I think you see that reflected in our budget. We reduced force structure. We reduced A-10s, U-2s. We took significant risk in military construction, installation, and support. I think it was the right risk as we go forward, but it is given where we are in the budgetary climate right now.

Mr. GRAVES. Thank you.

Thank you to each of you.

Mr. CONGER. Sir, could I have one follow up? It is also the case, and I think this is more to your point, that the administration sent over a \$26 billion additional fund for the Defense Department that was above the budget caps that included a variety of additional requirements, unfunded requirements the Secretary referred to them as, which includes \$2.9 worth of MILCON and \$4.2 billion worth of facilities sustainment, restoration, and modernization. That is \$7 billion of facility money that was identified and sent over as additional needs beyond the budget.

Mr. GRAVES. Thank you.

Thank you to each of you.

Thank you, Mr. Chairman.

Mr. CULBERSON. Thank you, Mr. Graves.

I want to be sure everybody gets time to ask questions. I am, as you have noticed, not real strict with the 5-minute rule, but I do want to make sure everybody knows that we have got votes between 3:30 and 4:00. So if I could turn to my good friend from Philadelphia, who I enjoy so much working with on the Commerce, Justice and Science Subcommittee on so many good causes, my friend from Philadelphia, Mr. Fattah.

Mr. FATTAH. Thank you Mr. Chairman.

Let me ask briefly, then, about installations and infrastructure around caring for injured soldiers. So I am particularly interested in traumatic brain injury and so on. So we have a lot of all-in costs when we have boots on the ground, say, for instance, in Afghanistan, in terms of being able to evacuate and treat soldiers quickly.

#### SEQUESTER IMPACTS ON SUPPORT SERVICES

Can anyone talk about whether or not in the sequester or in any of these other rollbacks any of these support services are going to be affected in terms of hospitals and in-theater help for soldiers who are injured.

Ms. HAMMACK. In the Army, we are working to protect health care and those kind of services to our soldiers as much as possible. So that is why we are taking cuts in military construction. We are

taking cuts in sustaining our facilities. We are taking cuts in modernization. But taking care of our soldiers is a priority.

Mr. FATTAH. Anyone else want to comment?

Mr. MCGINN. Navy and Marine Corps, same story. That is job one, to take care of those warriors, especially those who have suffered the injuries of war and their families. So our investment in the hospitals over the past years in particular, we just opened a brand new hospital at Camp Pendleton out in California for the Marine Corps. We have a world class facility right here in Bethesda, and so—

#### LANDSTUHL HOSPITAL REPLACEMENT

Mr. FATTAH. What about in Germany, are we going to build a new hospital, or what are we doing?

Mr. CONGER. Sure. Yes, we are going to build a new hospital. I was just out at the site a couple weeks ago. There are often environmental problems with cutting down trees in Germany. It is very, very difficult.

Mr. FATTAH. This is the biggest challenge we have there is the tree issue, and we have—

Mr. CONGER. And I can tell you, eyes on target, that trees have been cleared. It is an impressive sight to see this forest and this big empty clearing in the middle of the forest. The German Government has executed that.

Mr. FATTAH. So can you talk to me, you were just there, can you give the committee some insight about the ensuing timeline?

Mr. CONGER. The specific timeline, I know that it is an—

Mr. FATTAH. At least give us a general picture of it.

Mr. CONGER. Yeah. I mean, in general, the project is proceeding. There have been several increments funded already. There is another large increment that we are requesting this year. I can give you more details.

Mr. FATTAH. Okay. Well, let me just drill down for one second, and I will leave at this, Chairman. I am very interested in the construction and architectural focus on the operating rooms relative to brain surgery and whether or not we are going to be at the edge, at the very cutting edge of making sure that as the hospital is constructed, that we are taking into account where the primary focus of injuries now in large measure happen to be.

Mr. CONGER. In fairness, sir, I am not a brain surgeon, so I am not going to be in a position to provide that amount of detail right here at the desk, but we will get that for you for the record and let you know what the capabilities of the new hospital will be.

[The information follows:]

With regard to the design of the Rhine Ordnance Barracks Medical Center, the Operating Room (OR) Complex provides surgical capabilities in 11 surgical specialties, emergency, and elective procedures. There will be 9 ORs including one Cystoscopy, one Neurosurgical, one Orthopedic, and six General ORs. Though separately designated, these operating rooms are not for dedicated use and all types of cases can be scheduled in each room. The OR will provide Class C level of care, as defined by the American College of Surgeons: major surgical procedures that require general or regional block anesthesia and support for vital bodily functions, providing for traditional and minimally-invasive surgical procedures in a technology-advanced and audiovisually integrated environment.

Mr. FATTAH. Thank you. If you would get it to the chairman, he is in charge, and he will make sure that those of us who are further down the totem pole, it is shared with.

Thank you very much, Mr. Chairman.

Mr. CULBERSON. Thank you very, very much.

And I would, when the VA comes to talk to us, we need to be sure that is a part of the discussion, is the work that the VA is doing to make sure that they are treating these young men and women with these traumatic—

Mr. FATTAH. Mr. Chairman, as you know, in the first instance, when the soldier is harmed, they are in the DoD system, and then they are treated and then they are turned over to VA at some point after discharge. So we have got to make sure that the front end system provides the very best care.

Mr. CULBERSON. There is remarkable things being done at, for example, the VA in Houston is working in conjunction with Baylor and University of Texas in this area, and that is why I bring it up.

Mr. FATTAH. That is why I am going to work with you; we are going to do even more remarkable things.

Mr. CULBERSON. Thank you very much.

At this point, let me recognize Mrs. Roby.

Mrs. ROBY. Thank you, Chairman.

Thank you all for being here today. This is for Secretary Hammack and Secretary Ferguson. You know when you visit an active military installation, you very quickly become aware and, as you have mentioned, about equipment upgrades, as you have already talked about infrastructure. For example, Maxwell Air Force Base has the second oldest control tower in the Air Force. And at Fort Rucker, the Helicopter Overwater Survival Training Facility host is completely outdated and falling apart. And as a Member of Congress, and I have expressed this to you, I have become more and more frustrated with my inability to help resolve these issues. I know installations all over the country have needs like this. It has already been voiced by all of my colleagues here today, so I am interested to hear you talk about how you prioritize.

#### PRIORITIZING SERIOUS INFRASTRUCTURE NEEDS

I know you talked about readiness and if you need to expand on that, that is fine. But how does one get on the list, so to speak, and how is final priority determined? I shared with you a conversation that I had out at Maxwell when I am up in this tower that, by the way, it is so old, Mr. Chairman, that the escape route if there is a fire consists of a cable that runs to the roof of the building next to it, and you have to get in a net like contraption and slide down the cable to get out.

So I am explaining to Colonel Edwards at Maxwell, you know, that you now have to lobby to the Pentagon to get this dealt with because of rules that we have here in Congress. I just want to know how you guys are going about prioritizing these really serious infrastructure needs, and if you two will comment on that based on the Army and Air Force, that would be great.

Ms. HAMMACK. The way we prioritize, it does come up through the command, so they have to talk with their command first. Their command then prioritizes, and then it comes to the Pentagon. And

our focus right now with reduced budgets is a focus on failing. So a facility might be adequate. They would like to do more there, and they think they should do more, but it is adequate to achieve the level of training they need, but it is not failing. So, therefore, it would not have as high a priority as a facility that is termite-ridden, that we are concerned about the structure, that one corner of the building is up on jacks and it desperately needs to be replaced because that is considered failing. So that is what our focus is on.

Mr. CULBERSON. If I may, in support of what Ms. Roby is asking, and also Sam was asking about a bridge, it seems to me human safety and health ought to be a top priority. If they can't even get out of the building, they have to ride down a rope in the event of a fire, and they can't get to an emergency hospital room in Sam's district but for an hour drive because of a broken bridge, that ought to be top of the list, it seems to me, isn't it? And if not, why not?

Ms. HAMMACK. If it is failing or if it is life, health and safety, then, yes, it goes to the top of the list.

Mr. CULBERSON. She ought to be at the top of the list, and so should Sam and his bridge.

Ms. HAMMACK. I will let the Air Force—

Ms. FERGUSON. I can answer the air traffic control, I can't answer the bridge question, though.

What I would like to offer is if we could come over and talk to you and walk through how the Air Force goes through and prioritizes, but very similar to how the Army does it; the requirements come up from the base to the major command. And we do look at life, safety, health as part of the equation, but if you go back and you look at our fiscal year 2015 budget request, we have a very limited number of current mission MILCON projects in there. Basically, with our funding level and our support to our combatant commanders, our combatant commanders' requirements are taking up—and they should—taking up over 50 percent of our MILCON budget for this cycle. Another third of the budget is toward supporting new mission, such as the KC-46 and F-35. And so there is no money really left over for any other current missions. So what we are doing is we are using our O&M money to keep those facilities going, keep them operating, and I have been out to Maxwell Air Force Base, Alabama recently. They do have a lot of new facilities there and have had quite a bit over the last few years, but we were not able to get to that when we still had current mission.

Mrs. ROBY. I just used it as an example for, you know, Air Force wide and Army wide. These are specific to my district, but I know I am not alone in those concerns about how are we making these decisions based on, you know, what the mission is at that particular installation but the mission overall. And so those are my concerns. I appreciate it.

Ms. FERGUSON. And I would like to offer to you or any of your MLAs, we can get a group over and walk through our whole process.

#### MOVING NATIONAL GUARD/RESERVE UNIT TO ACTIVE INSTALLATIONS

Mrs. ROBY. We will take you up on that. Thank you.

Also, in light of the limited budget, is the Air Force considering moving the National Guard and/or Reserve unit on to active installations to share facilities or services and especially those that already are adjacent to or near by installations?

Ms. FERGUSON. We don't have a current ongoing initiative to look across the Air National Guard to look to move them onto Active Duty installations. We look at them predominantly during a mission change to see if it would make sense to operate out of an Active Duty location and look at the business case analysis for that, so we do it on a case-by-case basis.

#### UTILIZATION AND EXCESS INFRASTRUCTURE IN THE ARMY

Mrs. ROBY. To Secretary Hammack, we have already talked about the request for the 2017 BRAC, and I recognize that there is a need for all of the services to tighten belts and that there will be an excess of infrastructure with the drawdown. But as you indicated, the Army was conducting this facility capacity analysis. Can you elaborate for all of us on your preliminary results with regard to the utilization and excess infrastructure in the Army and especially in light of the restructuring plan and how the excess infrastructure impacts the readiness and modernization. This is something that I know you have put a lot of emphasis on.

Ms. HAMMACK. Absolutely. And when we are able to consolidate, this wasn't just a look at Active Army but also at Guard and Reserve. Guard and Reserve are doing a very active study to look at consolidation at the request of Congress. I think phase three of the report is due in December of this year. In identifying places that they could consolidate into, many of those are in to Active Army bases. One of the projects that the National Guard put forward is consolidating—I can't remember—I think it was like 13 individual buildings into one building at half the square footage, but in 13 individual buildings, there were quarters and places that weren't productive. Each of them has their own set of restrooms. Each of them has their own set of kitchenettes, yet when you merge it together in one building you merge some of those central core facilities together, you get a better square foot utilization. So it actually saves them money, reduces their square footage, reduces their operating costs and improves their operations. So those are the kinds of efficiencies that we are really looking at. So when we look at excess capacity, we say that each soldier needs X amount of square footage for sleeping quarters, X amount of square footage for administration, X amount of square footage for the various tasks that they do. So this was a macro capacity analysis looking at our real property inventory, looking at the size of our force and the roles of our force, and then looking at the requirements base. And when we put it all together, that is where we identified, on a macro basis, the 18 percent excess capacity.

With authorization for another round of BRAC, one of the first steps is a capacity analysis that looks at each individual installation, just like we are doing in Europe, and identifies exactly where that square footage is, what kind of space it is and what could consolidate into it, where are those viable facilities so we can make the best use of the infrastructure we have. That is what we need in a 2017 BRAC.

Mrs. ROBY. Okay, thank you.

Mr. Chairman, I have a couple more questions, but I can save them. I know there is others that need to ask questions. So thank you.

Mr. CULBERSON. Votes are going to happen in about 10 or 15 minutes. Thank you very much.

Mrs. ROBY. Okay, thank you.

Mr. CULBERSON. Mr. Nunnelee.

#### MILITARY CONSTRUCTION BUDGETS

Mr. NUNNELEE. Secretary Hammack, I want to thank you for taking time to visit Mississippi, the Corps of Engineers Research and Development Center in Vicksburg. It is not in my district, but it is an important part of our State. And I know that you realize, or you wouldn't have gone there, the important work they do in terms of supporting our Nation's Civil Works Water Resource Infrastructure and also the work they do in support of national security Army installations. While I am pleased that these labs have the support in the minor MILCON process, I know there are times they take a back seat to other national priorities in the major MILCON programming and budget process over the years. It just seems to me if we are going to ask them to do a job and we recognize that the job they are doing is vital for both our civil works and our national security, we have got to make sure that they have the resources that are necessary, including infrastructure, to accomplish that job.

So I just want to ask you to make sure you cooperate with Ms. Shue and her staff when you develop future MILCON budget requests so that the needs of this and other labs are not ignored—if I can just get you to respond to that briefly.

Ms. HAMMACK. Absolutely, and it is something that we are looking at our industrial base and our labs to ensure that they are appropriately funded. The challenges are, and especially the challenge in our fiscal year 2015 budget, it is so low and the cuts are so deep, it is challenging us just to support the force that we have, so we are unable to fund some of the science and technology labs the way we would like to.

#### EUROPEAN FOOTPRINT

Mr. NUNNELEE. Thank you.

Secretary Conger, you talked about reducing our footprint in Europe. I don't think we have really talked about the situation in Ukraine, in Crimea, and what happens if we do reduce our footprint and what impact Ukraine and Russia will have on that.

Mr. CONGER. It is important to recognize that the study that we are doing is not about reducing the amount of people we have over there or even the force structure, the number of planes or ships or etcetera. What we are looking at is given the force structure that we have today, what is the most efficient lay down of infrastructure? And we have to take into account surge capacity there, too, and under various operational plans, how much additional capability would you need if you had to stress the system? And that has been supplied by European commands, and we have incorporated that into our analysis, so we have that flex.

Given all of those requirements, do we still have extra space, and the answer is yes. So the question is one of how do you fit that force structure and that surge capacity into the smallest and most efficient footprint? And there will be some inefficiencies to be gained, but it shouldn't affect our ability to respond to any crisis.

Mr. NUNNELEE. Thank you.

Thank you, Mr. Chairman. I yield back.

Mr. CULBERSON. Thank you very much, Mr. Nunnelee.

And Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Within the last year, I was looking at one of our key pieces of military infrastructure with a four star general. And as we were speaking to some of the troops we stopped and there was a young airman, a young woman who was an airman—do we say airwoman?

Ms. FERGUSON. Airman.

Mr. FORTENBERRY. The general stopped and looked at her and asked her, where are you from? Now, she is probably 19, and this is a four star general, Congressman next to her, little bit of intimidating, out-of-the-blue set of circumstances, and so she hesitates and softly says, Do you mean where I was born or where I live now? And he said, Yeah, where are you from? Where were you born? And she very quietly and softly said, Russia. And the general looked at me and said, I can almost guarantee that the Russian generals reviewing his troops never hear that anyone was born in the United States there. And he went on to ask her, Why did you join the Air Force? She said, Well, this country took me in when I was in need, and I wanted to give something back.

Now, I was in conversation with someone from a foreign country, a developing country recently, who pointed out to me that we forget how strong we are. Now, we are here talking about difficult budgetary times and how we are going to have to think creatively, and sometimes when things are under tension, you get rid of that which was old and no longer necessary and prioritize that which is needed based upon emerging trends and the constraints that we have.

So budgets, as tough as they are, can be times in which they force us all to think creatively in how to reinstruct things, but I do feel your pain. And it is painful for us as well, but thank you for your professionalism in trying to get through this in a responsible manner. I do want to want to ask for an update from you on the progress of the strategic command new building, which is in my district. It is my understanding that strategic command accepts the President's budget level. I can assure you that the dirt movers were there digging that hole even deeper this winter, that that has progressed well.

#### BUDGETARY PROCESS IMPACTS ON STRATCOM

Can you give me any further insights on how the budgetary process is unfolding and any impacts on the new building?

Ms. FERGUSON. In our fiscal year 2015 budget request, we have requested \$180 million to fund the last increment of the U.S. STRATCOM facility; 15 percent of the facility is complete right now. We awarded that project in September of 2012, and it is on

track to complete the facility construction in 2016. And then there will be a period of time for about 2 years, where all the communications and the other equipment will go in. But right now, it is still on track. We have got a senior executive steering group that reviews it very closely and consistently, and they were just out there 2 weeks ago, so we are very comfortable with where we are.

Mr. FORTENBERRY. Good. I hadn't heard anything otherwise, so that is just good confirmation. I appreciate that.

#### BRAC AND ASSOCIATED ECONOMIC REDEVELOPMENT

Let me bring up a few points that have already been covered and we may be able to unpack them further. In any BRAC round, is there an associated economic redevelopment plan that goes along with that that works in conjunction with local communities? That was mentioned, I believe, by you, Secretary Hammack, but I assume the Federal Government plays some sort of transitional role in helping figure out the best and highest possible next use.

Ms. HAMMACK. Well, what we do is coordinate with a local reuse authority that is usually stood up by the State and the community there, so the local reuse authority weighs in heavily as to type of reuse that they would like to see, and they work to market the facility as we work to transfer the property.

#### MARKETING BRAC

Mr. FORTENBERRY. As a suggestion, in terms of marketing the concept of a BRAC, I think interweaving this type of commentary with the suggestion that we are going to have to reduce excess capacity and close things is a good first presentation to, particularly to many communities out there, that this is not going to leave you high and dry. I mean, obviously, it will cause a change, which may be difficult in some circumstances, but I would suggest that be an advertised component of the way in which we talk about this.

Ms. HAMMACK. Absolutely. And there is a group called the Association of Defense Communities, which we have met with this year, and we had those kind of direct conversations and discussions. And we meet with many communities. Right now, there are three or four communities that come in a week to the Pentagon that we meet with and we talk about how we can increase the reuse, what kind of work we can do together to ensure it is of benefit to the community.

Mr. FORTENBERRY. This is helpful to know. All of you have clearly wanted to emphasize your desire for a new BRAC round in your commentary, but I think that this is helpful to know that you are already doing this, but I think splashing that high on the wall would be a good idea.

Ms. HAMMACK. Thank you.

#### SYNERGIES OF FACILITIES AND FORCES

Mr. FORTENBERRY. The other question that I had, I think Congresswoman Roby mentioned it, but combining Guard and Reserve components, now once upon a time, we invented our current military. And you are living with legacy systems, legacy structures that maybe made optimal sense in a previous time. The discussion

about, a high level discussion about the appropriateness of not only combining infrastructure but the concept, the very concept of Guard and Reserve components into one, where is that? Is this the front end of that kind of discussion in terms of building realignment?

Ms. HAMMACK. There are synergies. There are synergies in training. But when we talk about facilities, we look at synergies in the facility itself. In the last round of BRAC, there was a lot of consolidation and joint use readiness facilities. One I visited in Oregon, they pulled in Fish and Wildlife Service, BLM, two Guard units and a Reserve unit all into the same building. And part of the people used the building on the weekends and part used it during the week.

Mr. FORTENBERRY. Can I interject something? This seems to be happening on an ad hoc basis, though, based upon something that you said just a few moments ago. Rather than a coordinated initiative from the top down to continue to look at options—we have got the same thing. We have got a joint force headquarters in Lincoln, Nebraska, where we had Guard, State Patrol and emergency management personnel all housed. It works wonderfully. But I think, again, as we move forward, looking at smart ways to not only combine facility use but rethinking overlapping missions, what we don't want to do, and this is a little bit of an editorial comment a little perhaps beyond your purview, is lose the vast depth of knowledge and experience gained particularly by our Guard in this last 10 years of difficult warfighting. If we go back to just regular status, we are going to—and it will be all the harder if we have an incident where we have got to pull back into some crisis and we lose the continuity of that experience and expertise. That doesn't make much sense. So as we look at, you used the word "synergies," options that are out there, and I know your primary concern is the effective use of infrastructure, but it is a related question about, again, forced realignment and forced structure to meet modern warfighting needs.

Ms. HAMMACK. One of the challenges we are facing with the budget, as I said, our manpower is almost a fixed budget, and that is 50 percent. You have training, modernization and facilities. In order to ensure that our Guard and Reserve are well trained, we need to be able to fund training so that they can get the number of hours in that they need. And that has had to take a cut, as has modernization and facilities in order to meet the budget requirements, because it is difficult to take down your manpower at a rapid pace and ensure that they are cared for.

Mr. FORTENBERRY. Is there talk about combining the Guard and Reserve.

Ms. HAMMACK. Sir, I think that is for another group.

#### NAVY PRESENCE IN OKINAWA

Mr. FORTENBERRY. All right. We will save that for another day. One quick other question. Is Okinawa going to be completely closed?

Mr. MCGINN. No, sir. There will be a continued presence in Okinawa, but it will be less than it is today.

Mr. FORTENBERRY. So what percent reduction?

Mr. MCGINN. I will take that for the record if you will allow me, and I will give you precise numbers.

Mr. FORTENBERRY. You are talking about the troop reduction. I was just trying to get a sense of what the longer-term projection is here. It is not necessary that you go back and do—

Mr. MCGINN. It is not greater than 50 percent.

Ms. FERGUSON. And the Air Force presence remains there.

Mr. FORTENBERRY. Thank you.

Mr. CULBERSON. I am going to pass myself, and any other questions I will submit for the record so my colleagues will have a chance to ask questions.

I know Mr. Bishop had a statement, and I am going to go to you.

Mr. BISHOP. I don't have any further questions. I just want to make the comment that I can fully appreciate the difficult position that you find yourselves in. I know that you have a responsibility to do what you do in the best way and the most efficient way that you can, and of course, we too have a responsibility to try to balance the overall strategic defense interests of our country. And so I appreciate your forthrightness, and I look forward to having further conversations with you. And I appreciate your willingness to talk about some of the nuances going forward, so thank you very much.

And I yield back my time.

Mr. CULBERSON. Thank you very much, Mr. Bishop.

And they will probably call votes any minute here, and I am going to yield to my good friend, Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman.

Mr. Culberson, we have a Defense Community Caucus, bipartisan caucus. I invite you to join. We will keep you informed on all those issues.

Mr. CULBERSON. Thank you.

Mr. FARR. Ms. Hammack, I enjoyed that conversation you had with him about the training for the National Guard and Reserves, but you have got to build a bridge so they can get to the training grounds.

Mr. CULBERSON. Don't forget the bridge or the air tower.

#### UNOBLIGATED BALANCES IN BRAC FOR CLEANUP

Mr. FARR. You said something in your testimony that intrigued me and that was that you have unobligated balances in the BRAC account for cleanup and that aren't reflected in this budget, in which you eviscerate the cleanup budget. But when you combined the two programs, you had unobligated funds. And a source inside the Pentagon tells me that is about \$900 million. Is that correct?

Ms. HAMMACK. For all services, that is the combined account. I would say for the Army, we have committed but not yet obligated three quarters of the Army's portion of that fund. We have, if you have a cleanup program that is a 20-year cleanup program, we have allocated funds each year for 20 years in order to clean up and complete that project. So as we map out these programs, the amount of time it takes to do some of this environmental restoration, it is not only money, but it is also time and technology.

Mr. FARR. Well, that is what I want to ask you. If we have an account for all Pentagon at \$900 million that are unobligated, I

need a commitment, one, that that money will stay obligated then for that purpose, for cleanup. And, two, why hasn't it been obligated? I don't buy this fact that it is lack of technology. I have been here 20 years and doing cleanup, and the day I got elected, every special interest was out there with a technology from satellite technology to flying a helicopter to doing everything you could possibly do if you would just fund their program. We have been doing the cleanup. The technology has evolved actually in the field, not with somebody in a laboratory.

Ms. HAMMACK. Some of the challenges, sir, is how that is reported. If it has not been committed on a contract and/or spent, it goes into an account that is called unobligated.

Mr. FARR. I understand that. But the question is, how do we have defense contractors out there, the cleanup contractors, that indicate that their capacity is what every year, 2 billion dollars in capacity, so why haven't we been matching the needs with the resources?

Ms. HAMMACK. Sir, I would like to take that off line because we can show you how we have already committed the majority of those funds for cleanup, and so I would like to be able to sit down with you and explain that.

Mr. CONGER. Mr. Farr, could I amplify that, too, holistically for the department. Two quick points. One, when we talk about unobligated balances, I would like to get you a coordinated answer with the Comptroller's Office, just so we make sure that you have the right numbers, and we will get you—

Mr. FARR. I want to be sure, one, that all that money is there that you say is there because it ain't in your budget, and I want to make sure that it is obligated for the purposes for which it was always intended and that you spend it.

Mr. CONGER. Yes.

Mr. CULBERSON. I concur with that, Sam.

Mr. CONGER. Let me give you just a couple quick statistics on BRAC cleanup.

Mr. FARR. I don't want statistics. I don't want it. I just want to get this done, and we don't have enough time to do it. I want to ask in the 2 seconds or so we have left, let's get this done. All right? No more excuses.

#### NAVAL POSTGRADUATE SCHOOL AND OTHER INTELLECTUAL CAPACITY

Mr. McGinn, in the Navy, I represent the Naval Postgraduate School, which has probably been BRACed more than any other—every time they BRAC it, they come out there and say, Wow, we can't close this place. It is just too keen. It is just too full of incredible intellectual capacity. In your testimony, you indicated that you had, that the BRAC process has an analytical process that is foolproof and essentially a really great smart practice. Have you yet adapted in that process the ability to measure intellectual capacity?

Mr. MCGINN. I didn't say it was foolproof. I said it was analytical and data-driven but certainly not foolproof. I have availed myself of the wonderful academic environment at the Navy Postgraduate School for various executive level courses, and I would describe it as a true national asset. It is a wonderful academic institution, not

only for all of our Armed Services but for many of our allied countries who—

Mr. FARR. I totally agree and why anybody in the Department of the Navy thinks it ought to be BRACed is beyond my—and they always come up that nobody gave them any sort of measurement of what you point out, the intellectual capacity of this school. And I think that of all the services, if you are going to do this and in your institutions of learning, I mean, this is unique. You cannot get that degree at MIT with the kind of—you can't get it because you couldn't enter MIT without a background in engineering where you could be a music major or a religion major undergrad and get into the Naval Postgraduate School, and your graduates are just as good as the ones that come out of the civilian schools. I think the capacity is phenomenal there.

Mr. MCGINN. We are in total agreement.

Mr. FARR. All right.

#### BRAC WITHOUT AUTHORIZATION

Now, I also hear that there is going to be or you said in your testimony that—it wasn't in your testimony, but maybe in John Congers' testimony, that if Congress didn't authorize another BRAC round, you were going to just do it administratively under authorities of Section 2687 to significantly reduce the activities of various bases. In essence, a BRAC without a BRAC. If that happens, what are you going to downsize or close, and what would that look like?

Mr. CONGER. So allow me to offer a clarification. I don't think my testimony quite said that, but I do think that the Secretary said, and I can quote him because I came prepared, that if Congress—mindful that Congress has not agreed to our BRAC request for the last 2 years, but if Congress continues to block these requests while reducing the overall budget, we will have to consider every tool at our disposal to reduce infrastructure. It was not quite so explicit as you made it. Considering every authority does not mean that you have a list in your pocket.

Mr. FARR. And if you don't have the authority under that, if it is not done under BRAC to dispose of the properties, and that is the concern I have, you may get rid of it, download it, as somebody said in their testimony, but not the ability to transfer it under BRAC for all the purposes outlined nor clean it up. So is this a threat, or what are you telling the committee, that have you to have BRAC, or you are going to do it your way?

Mr. CONGER. So the budget pressures are pressing us to a point where we have to explore all the options to reduce those infrastructure carrying costs. As we look at all of those options, the preferred option for reducing infrastructure is BRAC. I think the Secretary said that very clearly. I think his spokesman said that very clearly, and I think the senior officials of the Department have said that very clearly. But budget pressures are budget pressures. And if there is not a BRAC round, then we will be forced to reduce spending some other way.

Mr. FARR. Are you going to come to this committee before you launch on that activity?

Mr. CONGER. I think that right now, the Secretary is talking about considering those options, and so I think that he would be the one that would have to decide what would happen next.

Mr. FARR. Well, I think the chair and the rest of us would be very interested if you are going to proceed along those lines for all kinds of issues that would have to be answered there.

Last thing, just to make a recommendation, do you really emphasize environmental health and safety? And it is important you do that, and I appreciate that, but I am just wondering because in my district there is a company called the Pacific Scientific Energetic Materials Company that is a supplier of DoD's ordnance, electronics, laser, pyrotechnic, and vehicle resting components, and systems on many of the current and legacy systems. The facility recently was recognized within the Danaher Corporation for the most improved environmental health and safety program in America. It is a wonderful recognition, and I just wondered, do you require that contractors that supply your bases use best practices and give them some—or what incentives does DoD to use work with defense industry bases to encourage supply in use of environmental friendly materials and substances to implement your best EHS practices?

Mr. CONGER. Sir, that is an awfully specific question. I would like to take that for the record so we can give you a good answer. [The information follows:]

The Department strives to ensure effective and efficient compliance with all Federal, State, and Local environmental laws and regulations, and provides guidance to the DoD Components in meeting those requirements as necessary. Part 23.7—Contracting for Environmentally Preferable Products and Services of the Federal Acquisition Regulation (FAR) requires Federal Agencies and DoD to implement cost-effective contracting preference programs promoting the acquisition of environmentally preferable products and services. The Department is committed to protecting the environment in a cost-effective manner, and embraces sustainable acquisition procedures as a critical enabler in the performance of our mission.

The Department makes significant progress on its Safety and Occupational Health (SOH) goals by implementing the OSHA Voluntary Protection Programs (VPP) at its installations. The Department has used VPP to improve safety and reduce workplace injury and illness rates across DoD and the Services. Since 2005, DoD has enrolled 420 sites in VPP. Of those, 53 have received the VPP STAR Award for excellence. These sites experience 69% lower injury incident rates than the industry average contractors operating on DoD sites that are pursuing VPP are encouraged to partner with the DoD operations to also pursue VPP recognition. However, on individual procurement actions, DoD does not have the authority to provide incentives to companies for their safety and occupational health performance.

Mr. FARR. Yeah, I like good answers.

Thank you, Mr. Chairman.

Mr. CULBERSON. Thank you, Mr. Farr.

I want to make sure I recognize Mrs. Roby for any additional questions she may have.

Just a word of wisdom, if you really are, please don't think of doing a round of BRAC administratively. I think you really would be kicking a hornets' nest unnecessarily.

So Mrs. Roby.

#### FUNDING MADE AVAILABLE TO HELP P-4 INITIATIVE

Mrs. ROBY. Thank you.

I just have two more quick questions. Secretary Ferguson, do you see funding being made available to help communities with public-

public and public-private partnerships, the P-4 initiative, for things such as moving military and DOD civilians between facilities or consolidation efforts on an installation?

Ms. FERGUSON. If I may, I also want to thank Congressman Farr and for the great work that the House Defense Communities Caucus has done in the enabling legislation, Section 331, that is allowing us to do so many of these public-public, public-private partnerships. And over the last year, we have been able to start 16 table top exercises across the United States. We are doing 30 more this year, and we have identified 400 initiatives so far. We have done all of this without any additional money, and so we don't have a pot of money to do that with. But as requirements come in, we are looking to put in the process to see what makes sense, and certainly if something saves us a significant amount of money, we will look to try to get the resources to execute it.

Mrs. ROBY. Great. Thanks.

#### RCI PARTNERS

And, Secretary Hammack, during the quality of life hearing, the senior enlisted advisors of each service discussed the impact of the basic allowance for housing, how it had on the out-of-pocket expenses for service members. Do you have any concern about the viability of your agreements with RCI partners, given the President's fiscal year 2015 budget proposal, which would reduce that?

Ms. HAMMACK. Right now we are working with our RCI partners to identify whether they could absorb a reduction in BA and how they could or would charge service members for any incremental rent costs, so we are evaluating that on a case-by-case basis with each project.

Mrs. ROBY. Great.

That is all I have, Mr. Chairman. I yield back.

Mr. CULBERSON. Thank you very much, Mrs. Roby.

I deeply appreciate your testimony today, your service to the country.

I will submit the remainder of our questions for the record because they are going to call a vote any minute on the House floor. I deeply, again, appreciate your presence today, your testimony and your service.

And our hearing is adjourned.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

#### Reduction of Military Construction Budget

The Department of Defense FY 2015 budget proposes \$6.6 billion for Military Construction and Family Housing. This request is \$3.2 billion or 33.1 percent below the FY 2014 enacted level. The majority of the decrease is in the military construction accounts - specifically \$565 million reduction in Army construction, \$611 million reduction in Navy and Marine Corps construction, \$242 million reduction in Air Force construction and \$1.4 billion reduction in Defense-Wide construction.

**Question 1:** Can you explain to the Committee how the Department determined what projects or accounts were to be reduced? What areas do you see the most risk with these reductions?

**Answer:** The military construction reductions were not centrally directed. Instead, the Military Departments and Defense Agencies are issued annual fiscal guidance providing "top-line" funding limits. Within these limits the DoD Components allocate funds to priorities that are defined through various national security and strategic guidance to include military construction.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

Reduction of Military Construction Budget

**Question 2:** With the reduction in military construction funding, are you planning for a corresponding increase in funding within the facilities sustainment accounts to maintain existing facilities?

**Answer:** No. As you can see in the Department's FY15 request, the Components took risk in facilities accounts- both military construction and facilities sustainment- in order to decrease risk in other operational and training budgets

To mitigate that budget risk, the Administration established the Opportunity, Growth, and Security (OGS) Initiative, which calls for additional funding in high-priority areas. The Department's OGS Initiative proposes adding funding of \$26.4 billion in FY 2015. Of this amount \$4.6 billion is identified for facility sustainment, restoration and modernization.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

Determination of projects to be funded

The fiscal year 2015 budget request contains approximately 79 projects that were in the fiscal year 2014 future years defense program (FYDP) in fiscal year 2015. The budget request also includes approximately 37 new projects that were not in the fiscal year 2014 FYDP and 12 projects that were programmed in the out years (beyond fiscal year 2015) that are included in the budget request.

**Question 3:** Can you explain to the Committee the rationale behind the changes in requests projects from FYDP to FYDP.

**Answer:** Each year, the Department re-evaluates its entire FYDP. Individual decisions to include, remove, accelerate or delay projects may be based on evolving requirements, reprioritization, or available funds.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

Additional Need for Another Round of BRAC

**Question 4:** A request to authorize a new round of BRAC in 2017 has been requested in the fiscal year 2015 budget submission. Prior requests for additional BRAC rounds have been unanimously rejected by the Congress. With proposed force structure reductions and consolidation of infrastructure, do you believe a new round of BRAC are necessary? If so please be specific as to why.

**Answer:** Yes, the Department believes a new BRAC round is necessary. Decreasing budgets underscore the requirement to eliminate excess infrastructure to avoid wasting resources maintaining unnecessary facilities — resources that could be much better spent on readiness and modernization. The overhead cost to operate, maintain, and protect bases is substantial. In recent years, we have spent about \$23 billion a year on facilities construction, sustainment and recapitalization. Other costs associated with operating military installations (e.g., utilities, custodial & refuse collection, environmental services, logistics, religious services and programs, payroll support, personnel management, morale, welfare and recreation services, and physical security) have averaged about \$28 billion a year.

We are significantly reducing force structure because of funding constraints. We need to also reduce the overhead associated with that force structure. If we don't do this, readiness, modernization, and even more force structure will have to be cut.

Our projection is that we can achieve recurring savings on the order of \$2B/year with another round. We expect to save enough during the 6-year implementation period that it would be a wash during that timeframe.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

Additional Need for Another Round of BRAC

**Question 5:** The House and Senate Armed Services Committees believe that further reduction of facilities is needed overseas prior to further consolidation in the United States. Is there a plan or argument that demonstrates facilities here in the US are independent of those overseas regardless of force structure reductions, realignments or the movement of troops to the US?

**Answer:** In January 2013, the Secretary of Defense directed the Department to conduct a comprehensive review of its European infrastructure in an effort to create long-term savings by eliminating excess infrastructure, recapitalizing astutely to create excess for elimination, and leveraging announced force reductions to close sites or consolidate operations. Under this comprehensive effort, dubbed the European Infrastructure Consolidation (EIC) process, we are analyzing infrastructure relative to the requirements of a defined force structure while emphasizing military value, joint utilization, and obligations to our allies.

The Department does not conduct this degree of comprehensive analyses of its (overseas) infrastructure on a regular basis, so the learning curve has been steep. We initially hoped to complete our European infrastructure review and have recommendations by the end of 2013, but the learning curve, furloughs, and other resource constraints have caused delays. The Services did, however, identify and are in the process of implementing a number of "quick wins" in Europe — small scale, non-controversial closures and realignments that require no military construction funding, can be implemented quickly, and produce near term savings. We are also analyzing a variety of major actions to determine operational impacts and positive business case results.

The analysis includes the three Military Departments and four joint work groups to look at the potential for cross service solutions. We expect to complete the analysis in late spring, and we have provided briefs to your staffs in a classified forum on those scenarios we are analyzing.

Even significant closures overseas, though, will not be sufficient to make the needed reductions in our excess infrastructure. This underscores the need to conduct the same effort with respect to our domestic infrastructure, in concert with the overseas review to maximize its comprehensiveness and creativity.

[Questions for the Record submitted by Congressman Culberson for The Honorable John Conger follows:]

US Military Academy Cadet Barracks, Increment 3

**Question 6:** During the fiscal year 2013 staff budget briefs only \$86 million of the \$192 million could be obligated in the fiscal year with two additional increments in FY 2014 and FY 2015 of \$68 million and \$38 million respectively. The fiscal year 2014 budget request included only \$42 million for the second increment. The fiscal year 2015 budget request includes \$58 million. Can you please explain why the increment have decreased, granted not by very much in both years - are there additional savings or reduction in costs for the project?

**Answer:** The funding increments for this project were determined using the scheduled Work In Place (WIP) curve. The construction contract was awarded on August 8, 2013, in the amount of \$182.8 million. The delay of the contract award limited the amount of funds that were dispersed to the contractor in Fiscal Year (FY) 2013. The WIP curve was redrawn with the actual contract award date and based on the analysis of the curve the FY2014 increment was reduced from \$68 million to \$42 million. The FY 2015 increment was increased from \$38 million to \$58 million in order to cover the delta between the first two increments and the contract award amount.

[Questions for the Record submitted by Congressman Culberson for The Honorable Katherine Hammack follows:]

**Army Force Structure Reduction:**

By fiscal year 2020, and maybe as early as 2017, the Army proposes to reduce the active component force structure to 490,000. On January 18, 2013 the Army released a Programmatic Environmental Assessment (PEA) describing the impact of potential force structure reductions across the Army. The Army has additionally announced a supplemental PEA on February 6, 2014.

**Question 7:** Ms. Hammack, can you give examples of installations/States that have the greatest challenges as a result of the PEA and would require military construction in lieu of FSRM to accommodate growth, if any, at the installation?

**Answer:** As the Army's active component (AC) force structure declines to 490,000 by Fiscal Year 2015 (rather than 2017), the Army does not anticipate that effort triggering new military construction requirements. The reorganization of Army Brigade Combat Teams (BCT) to add a third maneuver battalion, is planned to be accommodated in existing facilities. The planned drawdown of AC force structure creates excess capacity that can and will be repurposed.

However, even within the overall construct of a decline in total AC force structure, there are some specific planned changes to non-BCT formations and force structure, which will produce growth in those selected capabilities. This growth in some non-BCT capabilities will produce requirements for new construction facility solutions at a few locations.

For example, at Fort Gordon, Georgia, which was analyzed under the Programmatic Environmental Assessment (PEA), there is planned (and anticipated) growth in the installation population, largely due to the overall Army and DoD growth in cyber missions. The Army's Future Years Defense Program (FYDP) has a \$90 million military construction project to support Army Cyber Command currently programmed in fiscal year 2016.

[Questions for the Record submitted by Congressman Culberson for The Honorable Katherine Hammack follows:]

Army Force Structure Reduction:

**Question 8:** When does the Army plan on notifying Congress of the results of the supplemental PEA?

**Answer:** The analysis has begun, and the Supplemental PEA and draft Finding of No Significant Impact (FONSI) are expected to be completed not earlier than Summer 2014. Prior to publication of the notice of availability of the PEA and associated draft FONSI in the Federal Register, the Armed Services and Appropriations Committees will receive advanced notification.

[Questions for the Record submitted by Congressman Culberson for The Honorable Katherine Hammack follows:]

Army Force Structure Reduction:

**Question 9:** Beginning in what fiscal year will the Committee see military construction requirements for this decision, if any are needed?

**Answer:** As the Army's active component (AC) force structure declines, the Army does not anticipate triggering military construction requirements. The reorganization of Army Brigade Combat Teams to add a third maneuver battalion is planned to be accommodated in existing facilities. The planned drawdown of AC force structure creates excess capacity that can and should be repurposed and/or eliminated.

The Army is constantly working to balance critical facility requirements against recently announced and emerging force structure decisions, with each new budget programming year. The Army will determine the requirements for military construction affected by the pending force structure decisions within the programming budget cycle following the announcement of those stationing decisions. This has caused the Army to defer many planned military construction projects, primarily for the Active Component, to reduce the likelihood that excess capacity is inadvertently created as force structure declines.

Upon completion of force structure decisions, Army will re-evaluate projects deferred in the program for future resourcing to meet its most critical requirements, especially those affecting training, readiness and quality of life. If planned or awarded projects are identified whose requirements have substantially changed, they will be reviewed to see if they still have a compelling business case. The Army will determine the fiscal year in which to program the requirements based on available funding and on the priority of the requirement as compared to all other Army construction requirements.

[Questions for the Record submitted by Congressman Culberson for The Honorable Katherine Hammack follows:]

Army Force Structure Reduction:

**Question 10:** The Army began force reductions in fiscal year 2012 focused initially on our overseas locations. Can you please tell the Committee what the Army's current footprint is overseas and where reductions have been already been taken and what further reductions are planned.

**Answer:** The Army announced two Brigade Combat Team (BCT) inactivation decisions in February 2012 in Europe — the 170<sup>th</sup> BCT at Baumholder, Germany, and the 172<sup>nd</sup> BCT at Grafenwoehr, Germany. The 170<sup>th</sup> BCT was inactivated in FY 2013 and the 172<sup>nd</sup> was inactivated in early FY 2014.

The Army has been downsizing our force structure and footprint in both Europe and Asia for many years in the post-Cold War era. Since 2006, Army end strength in Europe has declined 45 percent, and we are on track to shrink the supporting infrastructure, overhead, and operating budgets by over 50 percent. Similarly in Korea, the Army decreased the number of Soldiers by about a third (10,000 Soldiers) and is on pace to shrink our acreage and site footprint by about half.

A year ago, the Secretary of Defense directed the conduct of a European Infrastructure Consolidation (EIC) review for the specific purpose of reducing "expenses by eliminating excess capacity in Europe while ensuring our remaining base structure supports our operational requirements and strategic needs." The Army is fully engaged in the conduct of this review. We are active participants in the steering group governing this work and employing the principles of capacity and military value analysis, developed originally for Base Realignment and Closure (BRAC), to guide our work. Our target date to complete the DoD and Army analysis and evaluation is Spring 2014. Current Army Capacity Analysis reflects 10 to 15 percent excess capacity in Europe.

[Questions for the Record submitted by Congressman Culberson for The Honorable Dennis V. McGinn follows:]

Movement of Marines to Guam from Okinawa

**Question 11:** What is the current status of negotiations with the Government of Japan and other countries such as Australia, Singapore, and Philippines, which have been in the press? Can you give the Committee an update on the progress that has been made to date? Specific locations? Number of Marines that will be move to where?

**Answer:** A key aspect of the Asia-Pacific rebalance is to create a more geographically distributed, politically sustainable and operationally resilient Marine Corps presence in the Pacific. The Marine Corps is in the midst of establishing the Distributed Laydown in the Asia-Pacific region which will provide U.S. Pacific Command with agile and responsive Marine Air-Ground Task Forces (MAGTFs) in four geographical regions across the Pacific; Guam (5,000), Japan (-11,500), Australia (2,500), and Hawaii (8,800). Additionally, the Marine Corps Distributed Laydown supports the Secretary of Defense's requirement for 22.5K Marines to remain west of the International Date Line, and remains a top priority for the Department.

While various elements of the planned relocations have begun, most are still in the early planning stages, refinement, and continuous discussions with the host nations. Below is the current status of the Marine Corps equity in negotiations with the Governments of Japan, Australia, Singapore, and Philippines.

**Japan:** The April 2012 Security Consultative Committee (SCC or "2 + 2") Joint Statement reaffirmed land returns from the 2006 agreement and stipulated the development of a conceptual bilateral Okinawa Consolidation Plan (OCP) by 31 December 2012. The OCP was unveiled on 5 April 2013 and contained projected completion dates for land returns. The Government of Japan (GoJ) derived these dates from joint timelines for construction and development that reflect a GoJ assessment of their own legal requirements and construction capabilities. The dates represent an optimistic "best case" scenario. The October 2013 SCC Joint Statement welcomed the progress on land returns based on the OCP. To date, the Marine Corps has completed Joint Committee agreements on four areas eligible for immediate return: (1) Camp Kinser North Access Road has been transferred to Urasoe City; (2) West Futenma Housing Area of Camp Foster is in the process of being returned; (3) Portion of the warehouse area within the Camp Foster Facilities Engineering Compound is executing a bilateral referral; and (4) Camp Kinser area near gate 5 is in the process of being returned. All of these returns are over a year ahead of schedule. The Shirahi River area has also been identified as an additional area available for immediate return and is under coordination. Per bilateral agreement, the Marine Corps must complete unilateral Okinawa Consolidation master plans by December 2015 and obtain bilateral agreement prior April 2016. In support of the Guam relocation from Okinawa, our governments have built consensus on a specific list and sequencing of construction projects that would meet the objectives and the timing of GOJ contributions.

The key driver to the execution of the planned construction on Guam are the completion of the mandatory National Environmental Policy Act process in 2015 and continued Congressional support.

**Australia:** The Marine Corps is just beginning the execution of the first Phase 2 deployment, an infantry battalion supported by a CH-53E detachment of four aircraft and a small logistics detachment, beginning in April 2014 as part of Marine Rotational Force-Darwin. The facilities and support requirements for this Phase 2 rotation are being met by a combination of existing facilities and expeditionary demountable facilities at both Royal Australian Air force (RAAF) base Darwin and Robertson Barracks. In October 2013, the Government of Australia awarded \$11M AUD worth of contracts for facility upgrades and construction of demountable facilities for operational spaces as well as billeting. The Department of State, with Department of Defense in support, is currently leading negotiations with the Australian Government for an access agreement as well as cost share provisions for future rotations. The negotiations are in the initial stages however both governments' desire to have a signed agreement by end of summer 2014.

**Singapore:** The Marine Corps does not currently have equity in Singapore

**Philippines:** Marine Forces Pacific has had recent access agreement discussions to support training only, and does not have any plan to integrate the Philippines into our Pacific posture.

[Questions for the Record submitted by Congressman Culberson for The Honorable Dennis V. McGinn follows:]

Movement of Marines to Guam from Okinawa

**Question 12:** What, in your view, constitutes an acceptable conclusion to the Futenma Replacement Facility issue?

**Answer:** As you may know, Governor Nakaima of Okinawa approved the landfill permit to build the Futenma Replacement Facility (FRF) at Camp Schwab-Henoko Bay on 27 December 2013. The April 2012 Security Consultative Committee (SCC) (composed of the U.S. Secretaries of State and Defense and their Japanese counterparts, also known as the "2+2") Joint Statement states that the Marine Corps will not turn over Marine Corps Air Station (MCAS) Futenma until the FRF is complete and operational. The completion of the FRF is the primary driver for the closure of MCAS Futenma. We expect the installation to be at Full Operational Capability (FOC) by 2024. FOC is when the Marine Corps Air Facility - Camp Schwab completes its FAA Commissioning Flight Check Inspection for the runways, approach lighting and navigational aids and therefore capable of sustaining flight operations.

[Questions for the Record submitted by Congressman Culberson for The Honorable Dennis V. McGinn follows:]

Movement of Marines to Guam from Okinawa

**Question 13:** What in your view is a suitable location for Marines to train in the Pacific?

**Answer:** Marines will continue to train throughout the Asia-Pacific region on existing ranges and with host nation support as part of the Theater Security Cooperation; however, additional ranges are required to support the realignment of Marine units from Okinawa to Guam. Per the April 2012 Security Consultative Committee (SCC or "2 + 2") Joint Statement, the U.S. Government & Government of Japan have agreed to adjust the terms of the 2006 realignment roadmap. The Marine Corps adjusted its force lay-down in the Asia-Pacific region to support the President's Strategic Guidance for the Department of Defense issued in January 2012. The adjustments, also known as the "Distributed Laydown," include moving approximately 5,000 Marines to Guam.

Whereas the Live Fire Training Range Complex (LFTRC) being studied in the Guam Supplemental Environmental Impact Statement (SEIS) is necessary to fulfill individual training for permanent and transient forces, space limitations on Guam do not allow the approximately 5,000 Marines to maintain unit and MAGTF level readiness. In August 2010, U.S. Pacific Command (PACOM) appointed Marine Corps Forces, Pacific (MARFORPAC) as the Executive Agent (EA) for the preparation of the planned CNMI Joint Military Training Environmental Impact Statement/Overseas Environmental Impact Statement (CJMT EIS/OEIS); tasked with developing and analyzing alternatives that provide capabilities to reduce training deficiencies in the Asia-Pacific region, to enable PACOM service components to meet their Title 10 readiness requirements. The CJMT EIS/OEIS will evaluate potential environmental impacts associated with each alternative selected for full analysis. The concept of the Marianas Joint Training Center encompassing Guam, Tinian, and Pagan is to conduct levels of training for "local" units, but also be available to transiting units. Individual level training will take place on Guam. Unit level training with amphibious beach landings and landing zones and the required facilities to support a transient base camp will take place on Tinian. Combined level training to include joint service and multi-national exercise will take place on Pagan.

Guam and the CNMI allow the Marine Corps to have a long-term enduring presence in the Pacific to quickly respond to military and humanitarian crisis and build partnerships through Theater Security Cooperation activities by providing a full complement of MAGTF training and large force exercises, allowing the joint force the ability to design counter enemy anti-access/area denial (A2/AD) threats.

[Questions for the Record submitted by Congressman Culberson for The Honorable Dennis V. McGinn follows:]

Movement of Marines to Guam from Okinawa

**Question 14:** Have any new locations for firing ranges been identified either on Guam or elsewhere?

**Answer:** The Department of the Navy (DoN) has identified five (5) preliminary alternative locations for the Live-Fire Training Range Complex (LFTRC) as part of the ongoing Supplemental Environmental Impact Statement (SEIS) in Guam to support training and operations of the relocated Marines. The first alternative is carried forward from the 2010 EIS and is adjacent to Route 15 in northeastern Guam, three new alternatives are located at or immediately adjacent to the Naval Magazine (NAVMAAG), also known as the Naval Munitions Site, and another new alternative located at Andersen Air Force Base (AAFB) Northwest Field. The live-fire training range complex will consist of a Known Distance (KD) rifle range, a KD pistol range, a Modified Record of Fire Range, a nonstandard small arms range, and a Multipurpose Machine Gun (MPMG) range. The preliminary alternatives may continue to evolve as the DoN considers public and regulatory agency input through the NEPA process.

Whereas the Live Fire Training Range Complex (LFTRC) being studied in the Guam Supplemental Environmental Impact Statement (SEIS) is necessary to fulfill individual training for permanent and transient forces, space limitations on Guam do not allow the approximately 5,000 Marines to maintain unit and MAGTF level readiness. To meet training shortcomings in the Asia-Pacific region that has been identified in several Department of Defense and independent studies, U.S. Pacific Command (PACOM) appointed Marine Corps Forces, Pacific (MARFORPAC) as the Executive Agent (EA) for the preparation of the planned CNMI Joint Military Training Environmental Impact Statement/Overseas Environmental Impact Statement (CJMT EIS/OEIS); tasked with developing and analyzing alternatives that provide capabilities to reduce training deficiencies in the CNMI to enable PACOM service components to meet their Title 10 readiness requirements.

The CJMT EIS/OEIS will evaluate potential environmental impacts associated with each alternative selected for full analysis. MARFORPAC formally initiated its environmental planning effort to assess the impacts of its proposed action in March 2013 by publishing the CJMT EIS/OEIS Notice of Intent which initiated a 60-day scoping comment period. Public scoping meetings were held on Tinian and Saipan 10-12 April 2013. A Scoping Summary Report was released in July 2013 which provides a summary of the comments received during the public scoping period. The Draft EIS is scheduled for release in late 2014 with public meetings scheduled shortly thereafter. The Final EIS/OEIS will be released in early 2016 and a Record of Decision (ROD) issued shortly thereafter.

The concept of the Marianas Joint Training Center encompassing Guam, Tinian, and

Pagan is to conduct levels of training for "local" units, but also be available to transiting units.

Individual level training will take place on Guam. Unit level training with amphibious beach landings and landing zones and the required facilities to support a transient base camp will take place on Tinian. Combined level training to include joint service and multi-national exercise will take place on Pagan.

[Questions for the Record submitted by Congressman Culberson for The Honorable Dennis V. McGinn follows:]

Movement of Marines to Guam from Okinawa

**Question 15:** Please name specific military construction projects associated with the movement of Marines from Okinawa that will be delayed under a continuing resolution.

**Answer:** Under a continuing resolution, the two FY15 MILCON projects on Guam cannot be awarded for construction: (1.) P230 Ground Support Equipment Shops; and (2) P240 Marine Wing Support Squadron Facilities at Andersen Air Force Base North Ramp. These two projects, although ultimately to be utilized by the aviation combat element forces moving from Okinawa, are primarily needed to support current and future aviation training needs.

[Questions for the Record submitted by Congressman Culberson for The Honorable Kathleen I. Ferguson follows:]

In fiscal year 2013 the Air Force took a deliberate pause in military construction accounts with a \$1.8 billion reduction from fiscal year 2012 to 2013. The fiscal year 2014 budget request was significantly higher than \$322 million requested in fiscal year 2013 with the majority of the increase in new mission requirements. Now your fiscal year 2015 budget request is \$241 million below the fiscal year 2014 enacted levels.

**Question 16:** Can you explain what the Air Force's primary focus is with fiscal year 2015 budget request?

**Answer:** The FY15 President's Budget request strove to align resources to build the most capable Air Force ready for high end threat that is affordable in 2023. The Air Force attempted to strike a balance of a ready force today and a modern force tomorrow while working to ensure the world's best Air Force is the most capable at the lowest cost to the taxpayer. The Air Force had difficult choices and part of that resulted in taking risk in military construction, facilities sustainment and installation support. The FY15 President's Budget request of \$956 million for MILCON supports COCOM requirements, beddown of weapon systems, while taking risk in recapitalization of existing facilities. We believe this risk is prudent in the short term, and continue to support the Department's request for another round of BRAC to eliminate excess infrastructure.

[Questions for the Record submitted by Congressman Culberson for The Honorable Kathleen I. Ferguson follows:]

**Question 17:** The fiscal year 2015 budget request does not contain any funding for Family Housing Construction, Air Force. Does that mean the Air Force has no need for new family housing construction?

**Answer:** The Air Force made difficult choices in this budget request balancing the need to fight tonight and be ready for the high-end fight in 2023. As in other facility accounts, those hard choices resulted in taking short-term risk in military family housing construction. We currently have approximately 1,100 required inadequate houses overseas that we are maintaining through O&M investment. We still plan to eliminate all inadequate housing by 2019. Additionally, Air Force has completed privatization of family housing at all CONUS locations. We will continue to advocate for funding requirements for future year investments.

[Questions for the Record submitted by Congressman Culberson for The Honorable Kathleen I. Ferguson follows:]

Guam Strike and Mariana Islands

**Question 18:** The fiscal year 2015 budget includes \$77.4 million for Guam JRM-Andersen and \$0 million for Saipan which is considerably less than the \$163.1 million requested in fiscal year 2014. Has the mission requirements for these two locations changed?

**Answer:** No, the mission requirements have not changed. The FY14 consolidated appropriation bill funded Pacific Airpower Resiliency (PAR) requirements on Guam totaling \$163.1 million. It also funded three PAR requirements on Saipan totaling \$29.3 million, bringing the FY14 total to \$192.4 million. The FY15 President's Budget request funds the second increment of the Guam Fuel Systems Maintenance Hangar and three additional PACAF Regional Training Center requirements on Guam totaling \$77.4 million. There are no Saipan MILCON requirements in FY15. All of these projects support previously-identified mission requirements.

[Questions for the Record submitted by Congressman Rooney for The Honorable John Conger follows:]

Secretary Conger: In your written testimony, you differentiate between a Transformational BRAC and an Efficiencies BRAC with the assurance that the Department is seeking an efficiencies BRAC, which will provide a more substantive and immediate payback.

**Question 1:** How does the legislation proposed by the Department for BRAC provide this assurance? If the legislation has not changed from the 2005 BRAC authorization, how can Congress be assured that a future round would yield substantive savings?

**Answer:** The legislation, appropriately and as it has in prior rounds, directs the Department to make its closure and realignment recommendations based on a 20-year Force Structure Plan and statutory selection criteria that make military value the primary consideration. Injecting other considerations runs the risk of the process subverting military value. The appropriate place for assurances regarding the focus of a future BRAC round would be in the Secretary's direction to those undertaking the analysis (i.e., his kick-off memo).

[Questions for the Record submitted by Congressman Rooney for  
The Honorable John Conger follows:]

**Question 2:** At what point in time do you think OSD will decide to more aggressively implement BRAC strategies outside of Congressional Approval?

**Answer:** We have twice asked Congress for BRAC authority and Congress has twice rejected it. We are requesting that authority again and hope that Congress will begin to see the critical need and enact BRAC legislation. Our projection is that we can achieve recurring savings on the order of \$2 billion per year with another BRAC round.

Because BRAC is the only fair, objective, and proven process for closing and realigning installations — and the only comprehensive way to get at savings of this magnitude — we would rather have BRAC authority.

If Congress again plans to reject BRAC, the Department will have to explore the viability of using the authority that Congress has already provided the Department to close and realign military installations — Section 2687 of Title 10.

Given the budget problems facing the Department and the force structure reductions we now must contemplate, it would be irresponsible not to explore all options to eliminate excess infrastructure. Under existing authority, we either have to limit our efforts to small scale actions that fall below the thresholds set out in the statute or conduct a wide range of studies justifying each potential closure or realignment that falls above those thresholds. The process is cumbersome, vulnerable to litigation, susceptible to political influence, and the Department expects the savings would be smaller than those that would come from a comprehensive BRAC review.

[Questions for the Record submitted by Congressman Rooney for The Honorable John Conger follows:]

**Question 3:** Do you believe that the DOD should consolidate combatant commands?

**Answer:** Over the course of this past year, the Department has conducted analysis that included the elimination, consolidation, and realignment of Combatant Commands. The Department determined that based on the current global security environment, the current structure of six geographic commands and three functional commands remains the most effective construct. However, the Department continues to look for opportunities to cut costs--including modifications in our organization constructs--that will not also risk attaining our national security objectives.

[Questions for the Record submitted by Congressman Rooney for The Honorable Katherine Hammack follows:]

**Question 4:** The Commander for United States Forces in Korea has expressed a need to have no less than 40% of all accompanied military personnel stationed at Camp Humphreys to be provided with on-base housing due to operational and security concerns. As a result, there is still a need for the construction of 850 additional on-base family housing units. Can you briefly provide me with a current status of the Army's program to provide on-base military family housing at Camp Humphreys?

**Answer:** To meet the Commander, United States Forces Korea 40% on-post Family housing requirement, 640 additional homes are needed. The potential mitigation strategies include programming Army Family Housing construction in the next POM, seeking private investment, and the use of Army leases to bridge the gap.

[Questions for the Record submitted by Congressman Rooney for The Honorable Katherine Hammack follows:]

**Question 5:** Existing MILCON family housing at Camp Humphreys cost in excess of \$500,000 per unit to construct. How much will it cost U.S. taxpayers if the Army proposed to use MILCON to build the additional required family housing units? Given that your MILCON budget request is down by 50% this year, is this feasible?

**Answer:** The estimated MILCON cost to construct 640 additional Family housing units on Camp Humphreys is \$420M. While use of MILCON is feasible, it will take 10 years to construct the required number of homes. The Army's desired solution to deliver homes on USAG Humphreys is through private investment.

[Questions for the Record submitted by Congressman Rooney for The Honorable Katherine Hammack follows:]

**Question 6:** I understand that the Army is currently conducting a study to determine the number of houses deemed to be of "adequate" size and quality in the local area of Korea for up to 30 miles from the base and, in the new Rental Partnership Program (RPP), up to an hour away from Camp Humphreys in normal traffic in a privately owned automobile. How does the Army define what is adequate in terms of size, construction standards, and adherence to force protection measurers?

**Answer:** The Army uses specific standards in accordance with the Unified Facilities Criteria (UFC). The Army's Family housing adequacy size standard is based on the number of bedrooms and the overall size of the housing unit. The minimum unit size ranges from 682 gross square feet for a one bedroom unit up to 1,476 gross square feet for four bedrooms and above. Adherence to force protection criteria begins with a determination of risk for the specific facility. Facilities with low risk are not required to implement the costly force protection construction measures required of facilities that have a high risk of terrorist attack.

[Questions for the Record submitted by Congressman Rooney for The Honorable Dennis V. McGinn follows:]

Mr. McGinn: I noticed from your written testimony that you do not provide an estimate of excess capacity in the Navy that might benefit from a BRAC round.

**Question 7:** Does the Department of the Navy have an estimate of excess capacity? Would the Navy use the BRAC authorization process to close Navy bases?

**Answer:** The Department of Navy fully supports another round of BRAC and would use the BRAC authorization process to ensure our infrastructure is optimally aligned to support the force structure and the associated mission capability requirements. Although we have not analyzed our overall excess capacity since BRAC 2005, we believe the best way to fairly and accurately evaluate excess capacity within the Department of Navy is to conduct the analysis following the BRAC process using certified data that collects detailed information from each base across a broad array of metrics and compares the information against required force structure capabilities.

[Questions for the Record submitted by Congressman Valadao for The Honorable John Conger follows:]

**Question 1:** Regarding the quality of unaccompanied personnel housing within the various services, I understand that improving the quality of unaccompanied enlisted barracks, by ensuring Q1 and Q2 quality ratings, is a goal across the DOD. What metrics will the services use to evaluate progress and ultimately determine when their goal has been met? How does the budget before us help achieve that goal and on what timeline?

**Answer:** The DoD's long-term goal is for at least 90% of the permanent party unaccompanied housing (UH) inventory for each military service to have a Q1 (good) or Q2 (fair) condition quality rating.<sup>1</sup> The Army and Air Force have already met this DoD UH goal, and based on the FY 2015 budget request, the Marine Corps will meet it by the end of FY 2016. The Navy does not yet have a firm milestone when they will meet the DoD long-term UH condition goal. However, they expect that only 58% of their inventory will be in good or fair condition by the end of FY 2019. The Navy needs additional time to achieve the DoD goal because their baseline of poor or failing UH was higher than the other military services, and the austere budget climate has prevented a more aggressive buyout plan.

If sequestration-level cuts persist in FY 2016 and beyond, the Department will be forced to assume additional risks and will continue to face significant readiness and modernization challenges. For unaccompanied personnel housing, the Services will be forced to assume additional risks and will not be able to continue to meet the 90% UH quality condition goal. For example, the Air Force expects that its UH inventory in good or fair condition will drop significantly below the current 98% Q1/Q2 condition quality rating. For the Navy, the sequestration-level funding cuts will intensify existing shortfalls, and delay even further beyond FY 2019 its ability to meet the 90% goal.

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<sup>1</sup>In the future, housing adequacy goals will be expressed in terms of a Facility Condition Index (FCI) in lieu of a Q-rating; where Q1 (good), Q2 (fair), and Q3 (poor) correspond to an FCI range of 90% to 100%, 80% to 89%, and 60% to 79%, respectively. The Q4 rating (failing) corresponds to an FCI of 59% or less.

[Questions for the Record submitted by Congressman Valadao for The Honorable Katherine Hammack follows:]

**Question 2:** Regarding the quality of unaccompanied personnel housing within the various services, I understand that improving the quality of unaccompanied enlisted barracks, by ensuring Q1 and Q2 quality ratings, is a goal across the DOD. What metrics will the services use to evaluate progress and ultimately determine when their goal has been met? How does the budget before us help achieve that goal and on what timeline?

**Answer:** The Army exceeds the Department of Defense mandate of 90 percent Q1/Q2. The Army measures facility conditions and adequacy through the Installation Status Report (ISR). The ISR provides a uniform, Army-wide rating standard for assessing the facility condition within the categories as "green", "amber" or "red" provides an aggregate "Q" rating and the basis for the development of the Army Budget Requirement. The Army goal is to ensure 95% of the facilities are rated Q1/Q2. The Army is currently at 97% Q1/Q2 for permanent party (PP) unaccompanied housing (UH).

[Questions for the Record submitted by Congressman Valadao for The Honorable Dennis V. McGinn follows:]

**Question 3:** In 2013, the Navy issued a draft EIS indicating NAS Lemoore was the Navy's preferred alternative for west coast basing of the new F-35C joint strike fighter. After several delays, a final Record of Decision (ROD) is now scheduled for June 2014. I understand a final ROD announcement is critical to ensure planning and funding for F-35C west coast home basing can occur with certainty. I'm concerned that continued ROD delays are not conducive to the type of planning that is necessary to implement such a decision and that future delays might risk F-35C transition and standup timelines. Can you assure me that the ROD for the Navy's west coast home basing of the F-35C will be issued no later than June of this year? If you expect further delays, why?

**Answer:** The Navy is on schedule to sign a ROD in June 2014.

[Questions for the Record submitted by Congressman Valadao for The Honorable Dennis V. McGinn follows:]

**Question 4:** Regarding the quality of unaccompanied personnel housing within the various services, I understand that improving the quality of unaccompanied enlisted barracks, by ensuring Q1 and Q2 quality ratings, is a goal across the DOD. What metrics will the services use to evaluate progress and ultimately determine when their goal has been met? How does the budget before us help achieve that goal and on what timeline?

**Answer:** The Office of the Secretary of Defense (OSD) has established a goal calling for 90 percent of permanent party unaccompanied housing bedrooms to be rated good (Q1) or fair (Q2) by the end of Fiscal Year 2017. The Navy and Marine Corps use the facility condition (Q) ratings to assess the condition of the unaccompanied housing and measure progress towards achieving the OSD goal.

The Navy's percentage of Q1/Q2 unaccompanied housing improves slightly with the FY 2015 budget. However, given the difficult resource tradeoffs facing it, the Navy will not meet the OSD goal within the current Future Year's Defense Program.

With the FY 2015 budget, the Marine Corps remains on track to meet the goal.

[Questions for the Record submitted by Congressman Valadao for The Honorable Kathleen I. Ferguson follows:]

**Question 5:** Regarding the quality of unaccompanied personnel housing within the various services, I understand that improving the quality of unaccompanied enlisted barracks, by ensuring Q1 and Q2 quality ratings, is a goal across the DOD. What metrics will the services use to evaluate progress and ultimately determine when their goal has been met? How does the budget before us help achieve that goal and on what timeline?

**Answer:** The Air Force uses the DOD metric (Q-rating system) to measure quality in the unaccompanied housing. The FY15 President's Budget request keeps the Air Force on track to meet the 2017 goal.

For nearly 20 years the Air Force has used a comprehensive Dorm Master Plan process to determine unaccompanied housing requirements. These analyses provide comprehensive assessments of condition and identify the funding needed to maintain, modernize, or replace the dorms. The results of these analyses directly drive the Q ratings. The Air Force has nearly 1,000 dormitories in the inventory and continued investment is required to maintain sustained Q1/2 ratings across the entire inventory.

[Questions for the Record submitted by Congressman Graves for  
The Honorable John Conger follows:]

**Question 1:** Last fall, the Department Of Defense announced a change in building policy to recognize both the U.S. Green Buildings Council's - Leadership in Energy and Environmental Design Rating (LEED) system and the Green Building Initiative's - Green Globes Rating system. Given that LEED is widely known and used by the Services how are you educating staff about the availability of BOTH systems?

**Answer:** The new DoD policy on sustainable buildings does not specify a particular green building rating system, but instead points our project teams to the newly published Unified Facilities Criteria (UFC) for high performance sustainable buildings, which establishes sustainable standards for all DoD design and construction activities. As part of the roll-out of the new policy and UFC, the Department has conducted a series of seminars (in person and virtual) targeting the DoD construction agents and the design and construction firms that support them. These seminars have included participants from both the U.S. Green Building Council and the Green Building Initiative to educate the audience on the two systems that have been approved for Federal use through the EISA 436(h) review process.

[Questions for the Record submitted by Congressman Graves for  
The Honorable John Conger follows:]

**Question 2:** How will DoD ensure that building projects consider both systems and choose the system that's most appropriate to the project?

**Answer:** The new DoD policy on sustainable buildings does not specify a particular green building rating system, but instead points our project teams to the newly published Unified Facilities Criteria (UFC) for high performance sustainable buildings, which establishes sustainable standards for all DoD design and construction activities. The Department has conducted a series of seminars (in person and virtual) to educate construction agents and design teams regarding the new policy, the UFC, and the available green building rating systems. Representatives from the U.S. Green Building Council and the Green Building Initiative have been part of those conversations.

[Questions for the Record submitted by Congressman Bishop for  
The Honorable John Conger follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 1:** The FY 2015 budget called for a new round of BRAC. Is the budget driving these rounds or the drawdown of forces?

**Answer:** It is a combination of both. Reduced force structure creates excess capacity. Declining budgets underscore the need to extract maximum value from our infrastructure by minimizing excess and maximizing the efficiency of what must remain. We need to find a way to strike the right balance, so infrastructure does not drain resources from the warfighter.

[Questions for the Record submitted by Congressman Bishop for  
The Honorable John Conger follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 2:** The 2005 BRAC was more of realignment BRAC then an efficiency BRAC, what type of BRAC would this new round be if it happens?

**Answer:** If a new BRAC round is authorized, we envision an "Efficiency" BRAC. One that pays for itself speedily and will rack up savings for the Department in perpetuity.

[Questions for the Record submitted by Congressman Bishop for  
The Honorable John Conger follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 3:** How much did the 2005 BRAC save the Department and why did that BRAC not close anything

**Answer:** BRAC 2005 closed 24 major installations, each with plant replacement value in excess of \$100 million. These included 12 Army, 7 Navy and 5 Air Force installations. Savings from BRAC 2005 are real and substantial: \$4 billion in annual recurring savings. That's \$4 billion every year that the Department can devote to higher priorities.

[Questions for the Record submitted by Congressman Bishop for  
The Honorable John Conger follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 4:** The Committee invested substantial resources in the Army and Marine Corps for facilities related to end strength growth. In fact, it funded some Grow the Army projects as recently as FY 2012. My question is when did the Department realize the need for another BRAC?

**Answer:** As part of the transmittal of recommendations to the BRAC 2005 Commission, the Secretary of Defense noted that in order to optimize its resources, the Department should conduct a BRAC review every five to ten years. Consistent with that judgment, and for the third year in a row, the Administration is requesting BRAC authority from Congress.

[Questions for the Record submitted by Congressman Bishop for The Honorable John Conger follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question:5** The Air Force and Navy last did their capacity analysis in 2004 and the Army is working on it now has OSD made any plans to do a capacity analysis Department wide and was this done before calling for another BRAC round?

**Answer:** The Department conducted a DoD-wide BRAC Capacity Analysis in 2004 that indicated it had 24% aggregate excess capacity. In BRAC 2005, the Department reduced only 3.4% of its infrastructure, as measured in Plant Replacement Value — far short of the aggregate excess indicated in the 2004 study. Coupled with force structure reductions subsequent to that analysis — particularly Army personnel (from 570,000 to 450,000 or lower), Marine Corps personnel (from 202,000 to 182,000 or lower) and Air Force force structure (reduced by 500 aircraft) — the presence of excess capacity is evident.

Furthermore, the Department is requesting a future BRAC round using a process similar to that which was used in the 2005 round which begins with a requirement to confirm the existence of excess capacity and the need for BRAC. Based on the legislation, the Department prepares a 20-year force structure plan and a comprehensive installation inventory. Using those, it prepares a report for Congress in which it must describe the infrastructure necessary to support the force structure, identify areas of excess, analyze the effect of closures and realignments on the excess capacity, and certify that BRAC is needed and that it will produce savings Only after providing that certification is the Department authorized to proceed with the BRAC round.

[Questions for the Record submitted by Congressman Bishop for The Honorable Katherine Hammack follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 6:** Can each Service give the Committee an idea of its excess capacity how much it cost to maintain this excess capacity?

**Answer:** While additional efforts are underway to understand changing facility requirements as our force structure declines, the Army is conducting some analyses of real property to support an end-strength of 490,000 Active Component (AC) Soldiers (and the accompanying force structure). Preliminary results indicate that the Army will have nearly 18 percent excess capacity, totaling over 167 million square feet of facilities spread across our worldwide installations by Fiscal Year 2019. The Army estimates it costs about \$3 per square foot to maintain occupied and/or underutilized facilities, which could cost the Army nearly \$500 million a year in unnecessary operations and maintenance. For some facility category types, such as small unit headquarters facilities (for example Company Operations Facilities), the Army has facility shortfalls. We are reviewing our requirements with an eye towards finding practical, efficient solutions that meet Soldier needs and which we as an Army can afford.

Additional excess capacity will be created if the AC shrinks further, necessitating incremental facility capacity analyses.

Excess capacity will range between 12 and 28 percent in our Core mission facility category groups, with an average of approximately 18 percent. We are working now to confirm our excess capacity overseas; our current focus is in the European area of responsibility.

[Questions for the Record submitted by Congressman Bishop for The Honorable Dennis V. McGinn follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 7:** Can each Service give the Committee an idea of its excess capacity how much it cost to maintain this excess capacity?

**Answer:** The Department of Navy believes the most fair and accurate way to determine and evaluate excess capacity within the Department is to conduct the analysis through the BRAC process using certified data that collects detailed information from each base across a broad array of many metrics and compares this information to the required force structure capabilities.

[Questions for the Record submitted by Congressman Bishop for  
The Honorable Dennis V. McGinn follows:]

Base Realignment and Closure (BRAC) & Capacity Issues

**Question 8:** Can each Service give the Committee an idea of its excess capacity how much it cost to maintain this excess capacity?

**Answer:** The Department of Navy believes the most fair and accurate way to determine and evaluate excess capacity within the Department is to conduct the analysis through the BRAC process using certified data that collects detailed information from each base across a broad array of many metrics and compares this information to the required force structure capabilities.

[Questions for the Record submitted by Congressman Bishop for The Honorable Kathleen I. Ferguson follows:]

Base Realignment and Closure (BRAC) and Capacity Issues

**Question 9:** Can each Service give the Committee an idea of its excess capacity and how much it costs to maintain this excess capacity?

**Answer:** As part of Section §2912 (2003 NDAA), the Secretary of Defense's 2004 BRAC report to Congress on BRAC 2005 stated the Air Force had approximately 24% excess infrastructure capacity. The BRAC 2005 Commission recommendations directed the Air Force toward 8 closures but only reduced AF infrastructure by approximately one percent. The Air Force has not conducted a capacity analysis since BRAC 2005 to determine today's amount of excess infrastructure. Since BRAC 2005, the Air Force reduced force structure by approximately 500 aircraft and 8 percent of its military authorizations and therefore believe we still have excess infrastructure. The FY15 President's Budget request further proposes to reduce force structure by an additional 500 aircraft and cut military authorizations by 20,000 Airmen. The previous five rounds of BRAC closed 40 installations (34 major / 6 minor) and save approximately \$2.9 billion per year. The Air Force annually expends \$5.0 billion related to facilities and \$9.0 billion for operating our installations.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Katherine Hammack follows:]

End strength Drawdown

**Question 1:** With the pending Army drawdown can you please describe for the Committee what its biggest challenges are and how will it affect the Army's construction program?

**Answer:** The Army's challenge in the MILCON program is to constantly balance critical facility requirements against recently announced and emerging force structure decisions, with each new budget programming year. The Army will determine the requirements for military construction affected by the pending force structure decisions within the programming budget cycle following the announcement of those stationing decisions. This has caused the Army to defer many planned military construction projects, primarily for the Active Component, to reduce the likelihood that excess capacity is inadvertently created as force structure declines.

Upon completion of force structure decisions, Army will re-evaluate projects deferred in the program for future resourcing to meet its most critical requirements, especially those affecting training, readiness and quality of life. If planned or awarded projects are identified whose requirements have substantially changed, they will be reviewed to see if they still have a compelling business case. The Army will determine the fiscal year in which to program the requirements based on available funding and on the priority of the requirement as compared to all other Army construction requirements.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Katherine Hammack follows:]

End strength Drawdown

**Question 2:** Army readiness is a top priority what risk has the Army taken with construction so it could invest in readiness?

**Answer:** The Army has significantly reduced our MILCON program in order to invest in readiness and training. This means that the few military construction projects which are funded are those that focus on replacing failing infrastructure, elimination of relocatable buildings and accommodating new missions such as Unmanned Aerial Vehicles. Military construction which has been deferred will be re-evaluated in future years based on available funding and on the priority of the requirement as compared to all other Army construction requirements.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Dennis V. McGinn follows:]

**Question 3:** Former Naval Air Station Brunswick Maine, in my district, was closed in the 2005BRAC Round. The redevelopment authority there has done a marvelous job redeveloping that site-but only because the redevelopment authority and the Navy work so well together and land has been transferred on a timely and predictable basis. By not fully funding the clean-up budget, it'll take much longer to transfer and redevelop this property, which can be detrimental to my district. In a small state like Maine, the closure of NASB impacted the state's entire economy, so we need the federal government to keep its promise and fully fund the BRAC budget to help these communities make up for the severe loss of a military installation. By cutting the BRAC cleanup budget now, doesn't the Administration prolong the overall timeline for cleanup efforts and arguably, drive up the cost of completion? Can you provide the Committee with a timeline of clean-up efforts?

**Answer:** At NAS Brunswick, the environmental cleanup program is currently resourced to keep pace with property transfer plans. Navy's current plan is to have the majority of cleanup completed by 2017.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Dennis V. McGinn follows:]

Asia-Pacific Strategy/Guam Realignment of Marines

**Question 4:** Please provide an update on the Department's efforts to rebalance to the Asia-Pacific region in terms of facilities, specifically in Guam and Japan?

**Answer:** In our FY2015 budget request, the Navy and Marine Corps are investing approximately \$181 million to *enhance warfighting capabilities in the Asia-Pacific region* including: facilities that will support current and future Marine Corps training requirements on Guam and supporting the construction of a CVW-5 hangar in Japan.

In accordance with Section 102(2)(c) of the National Environmental Policy Act (NEPA), the Department of the Navy (DON) is preparing a "Supplemental Environmental Impact Statement (SEIS) for the Guam and Commonwealth of the Northern Mariana Islands Military Relocation (2012 Roadmap Adjustments)." The SEIS evaluates potential alternatives for construction and operation of a main cantonment area, including family housing, and a live-fire training range complex to support the relocation of a substantially reduced number of Marines than previously analyzed under the NEPA. Construction projects at the main cantonment or the LFTRC cannot commence until after the Record of Decision (RoD) is executed in 2015; however, the Marine Corps is authorized by exception to move forward on projects that support current and future training and are unencumbered by the SEIS. At Apra Harbor, the Marine Corps currently has two projects completed (Wharf I and Site Improvements-Visitor Center) and two in progress (Wharf II and Military Working Dog facility). There are six projects in progress at Andersen AFB, (Site Improvement - AAFB Gate, North Ramp Parking I and II, North Ramp Utilities I and II, and the Aircraft Hangar I) and two planned for FY-15 (Ground Support Equipment Shops and Marine Wing Support Squadron Facilities). Additionally, there are two projects planned for the Andersen South training facility FY-15 (Driver Convoy and Urban Combat Training facility) and one Defense Access Road project is in progress.

In Japan there are three major Marine Corps initiatives taking place simultaneously. The GoJ is in the process of executing approximately \$4.5 Billion of construction at MCAS Iwakuni, which facilitates the relocation of VMGR-152 (KC-130J squadron) from MCAS Futenma by September 2014 and relocation of CVW-5 (Navy Carrier Aircraft) from Naval Air Facility Atsugi in 2017. For the Futenma Replacement Facility (FRF) the GoJ has executed over \$340 Million in construction to date and planning to execute an additional \$90 Million within the next year. With the signing of the landfill permit on 27 December 2013, the last legal impediment to the construction of the airfield at Camp Schwab, GOJ has started executing contracting procedures related to landfill design and construction. The 27 April, 2012 2+2 Statement stated "commitment to contribute mutually to necessary refurbishment projects at MCAS Futenma until the FRF is

fully operational". Attendant to the April 2013 Joint Statement, the Marine Corps is executing Okinawa Consolidation master planning with a goal of obtaining bilateral agreement by March 2016. This will reduce the Marine Corps footprint in the most populated part of Okinawa by enabling the return of significant land south of Kadena Air Base. The construction execution to date is testament to the GOJ commitment to implementing bilateral agreements.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Dennis V. McGinn follows:]

Asia-Pacific Strategy/Guam Realignment of Marines

**Question 5:** Is there a plan that shows what is needed on the construction side for the new South Pacific strategy and if when can the Committee expect to see one?

**Answer:** Yes, the Department of the Navy, along with representatives from OSD, have provided plans and schedules to the various congressional defense committees on a quarterly basis. In accordance with Section 102(2)(c) of the National Environmental Policy Act (NEPA), the Department of the Navy (DON) is preparing a "Supplemental Environmental Impact Statement (SEIS) for the Guam and Commonwealth of the Northern Mariana Islands Military Relocation (2012 Roadmap Adjustments)." The SEIS evaluates potential alternatives for construction and operation of a main cantonment area, including family housing, and a Live-Fire Training Range Complex (LFTRC) to support the relocation of a substantially reduced number of Marines than previously analyzed under the National Environmental Policy Act (NEPA) analysis. Construction projects at the main cantonment or the LFTRC cannot commence until after the Record of Decision (RoD) is executed in 2015; however, the Marine Corps is authorized by exception to move forward on projects that support current and future training and are unencumbered by the SEIS (Andersen AFB (AAFB) North Ramp, Andersen South and Apra Harbor locations). The SEIS process has informed and will continue to inform development of the FY14 NDAA mandated master plan for the construction of facilities and infrastructure to implement the realignment of Marine Corps forces from Okinawa to Guam. Due to the good progress made to date on the development of the Guam SEIS, we anticipate that we will be prepared to brief you this summer after specific site plans become more concrete and the master plan moves into a more definitive phase.

The Marine Corps plans to increase its presence in Hawaii by approximately 900 personnel to accommodate numerous changes to the USMC Aviation Plan (AvPlan) by FY18. To accommodate the training, readiness and quality of life requirements for these AvPlan additional units, the Marine Corps has so far received nearly \$300 million in military construction funding from Congress in FY13/14 and has requested \$53 million in FY15. Additional projects are currently being developed and reviewed. The relocation of approximately 2,700 Marines from Okinawa to Hawaii - planned to arrive beginning in 2027 - is currently in the very early stages of planning with several recently completed studies, the outcomes of which will inform future NEPA analysis and are essential before accurate and budget-quality cost estimates and a master plan for the relocation to Hawaii can be completed. The environmental review process is currently planned to begin in 2019; to identify and address issues of local concern, such as compatible land uses, off-base infrastructure improvements, traffic impacts, natural and cultural resources impacts and necessary school upgrades. Final basing decisions and construction cannot occur until after a NEPA Environmental Impact Statement (EIS) and Record of Decision have been completed.

As part of the realignment of Marine forces on Japan, the April 2012 Security Consultative Committee (SCC or "2 + 2") Joint Statement reaffirmed land returns from the 2006 agreement and stipulated the development of a conceptual bilateral Okinawa Consolidation Plan (OCP) by 31 December 2012. The OCP was unveiled on 5 April 2013 and contained projected completion dates for land returns. The Government of Japan (GoJ) derived these dates from joint timelines for construction and development that reflect a GoJ assessment of their own legal requirements and construction capabilities. The dates represent an optimistic "best case" scenario. The October 2013 SCC Joint Statement welcomed the progress on land returns based on the OCP. To date, the Marine Corps has completed Joint Committee agreements on four areas eligible for immediate return: (1) Camp Kinser North Access Road has been transferred to Urasoe City; (2) West Futenma Housing Area of Camp Foster is in the process of being returned; (3) Portion of the warehouse area within the Camp Foster Facilities Engineering Compound is executing a bilateral referral; and (4) Camp Kinser area near gate 5 is in the process of being returned. All of which are over a year ahead of schedule. The Shirahi River area has also been identified as an additional area available for immediate return and is under coordination. Per bilateral agreement, the Marine Corps must complete unilateral Okinawa Consolidation master plans by December 2015 and obtain bilateral agreement prior April 2016.

In Australia, the Marine Corps is just beginning the execution of the first Phase 2 deployment, an infantry battalion supported by a CH-53E detachment of four aircraft and a small logistics detachment, beginning in April 2014 as part of Marine Rotational Force-Darwin. The facilities and support requirements for this Phase 2 rotation are being met by a combination of existing facilities and expeditionary demountable facilities at both Royal Australian Air force (RAAF) base Darwin and Robertson Barracks. In October 2013, the Government of Australia awarded \$11 M AUD worth of contracts for facility upgrades and construction of demountable facilities for operational spaces as well as billeting. The Department of State, with Department of Defense in support, is currently leading negotiations with the Australian Government for an access agreement-as well as cost share provisions for future rotations. The negotiations are in the initial stages however both governments' desire to have a signed agreement by end of summer 2014.

As with the efforts for developing a Guam master plan, we will continue to provide periodic updates to the congressional committees on our progress with the realignment of Marine forces in the Asia-Pacific region, beginning with a brief on the results of the three Hawaii studies once the analysis is complete.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Dennis V. McGinn follows:]

Asia-Pacific Strategy/Guam Realignment of Marines

**Question 6:** Can you provide the Committee with an idea of what types of projects we will see in the Pacific in the future and how lower budgets will affect investment in this area?

**Answer:** The FY2015 Future Years Defense Plan (FYDP) includes Military Construction projects in Japan, Guam and Hawaii to support aviation maintenance, training, utilities repair/upgrades and other infrastructure improvements. It is important to note that the Department's budget for FY I 6-FY19 exceeds the spending caps set by the Bipartisan Budget Act.

Under sequestration-level cuts, the Department of the Navy would continue prioritizing efforts to sustain and complete our rebalance to the Asia-Pacific region. However, our ability to provide infrastructure investment in the Asia-Pacific will continue to be pressurized as the Navy takes risk in shore investments and operations to resource critical warfighting capabilities.

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Dennis V. McGinn follows:]

End strength Drawdown

**Question 7:** From reading the testimonies all Services have taken risk in your Milcon program. Secretary McGinn, what risk has the Navy taken and after your response I would like to hear from Secretary Ferguson on what the Air Force has done.

**Answer:** In order to ensure the operational readiness of our Navy and Marine Corps team, meet Combatant Commanders' requirements, and provide infrastructure necessary to support new weapons platforms, the Department has taken risk in military construction as well as in the sustainment, restoration, and modernization accounts. In particular, we have reduced funding for projects that would enhance quality of life and our sustainment rates fall far short of the DoD goal of 90% (70% Navy; 75% Marine Corps) Finally, the Department did not program sufficient funds to meet the statutory 6% investment in its depots as required by 10 USC 2476, however, we will aggressively pursue opportunities such as reprogramming or realignment of funds to find the appropriate funds to address this important requirement

[Questions for the Record submitted by Congressman Bishop on behalf of Congresswoman Pingree for the Honorable Kathleen I. Ferguson follows:]

End strength Drawdown

**Question 8:** From reading the testimonies all Services have taken risk in your Milcon program. Secretary McGinn, what risk has the Navy taken and after your response I would like to hear from Secretary Ferguson on what the Air Force has done.

**Answer:** In the FY15 President's Budget request, the Air Force had to make difficult choices and part of that resulted in taking risk in military construction, facilities sustainment and installation support. The FY15 President's Budget request of \$956M for MILCON supports COCOM requirements, beddown of new weapon systems and total force equity, while taking risk in recapitalization of existing facilities. We believe this risk is prudent in the short term, and continue to support the Department's request for another round of BRAC to eliminate excess infrastructure.

[Questions for the Record submitted by Congressman Farr for  
The Honorable John Conger follows:]

BRAC funding is cut by 40% in this budget. I find that difficult to swallow because I know there are many legacy bases out there that still have significant clean up requirements. That is outrageous. Not only is it not sufficient to clean up the legacy bases, but last year the BRAC 2005 account was merged into the BRAC 1990 (Legacy) account so by all logic the combined account should be more this year than it was last year. These concerns raise these questions.

**Question 1:** By cutting the BRAC cleanup budget, the Administration is prolonging the cleanup efforts and arguably driving up the cost of bringing things to substantial completion. In light of these facts, how can you make a credible argument for a new BRAC round when you are demonstrating that there isn't a commitment to fulfilling the requirements from previous rounds?

**Answer:** We are deeply committed to fulfilling the requirements at our BRAC bases and we remain on track to meet our goals of achieving response complete (RC) at 90% of our sites by 2018 and 95% by 2021. While we have reduced our budget requests for BRAC, we have not reduced spending at BRAC bases because we continue using the remaining unobligated balances. Further, merging the BRAC 1990 (Legacy) and BRAC 2005 accounts has actually allowed us to increase spending at our BRAC bases and expedite cleanup.

[Questions for the Record submitted by Congressman Farr for The Honorable John Conger follows:]

**Question 2:** I understand that part of the unknown disconnect over the status of BRAC clean up funds might lie in unobligated balances in this account which, from informal reports, is considerable. Can you spell out for me what the unobligated balanced in the BRAC account amount to and the plan to spend them? I feel it is important to spend the money on its proper authorized use and not to let it either disappear or be siphoned off for other non-BRAC clean up uses.

**Answer:** As of December 31, 2013, the unobligated balances are:

Prior-Round BRAC

	<b>Total Program</b>	<b>Unobligated</b>	<b>Unobligated</b>
<b>Army</b>	5,081,570,401	32,542,677	0.6%
<b>Navy</b>	11,985,724,143	31,481,675	0.3%
<b>Air Force</b>	6,440,848,341	13,218,182	0.2%
<b>Defense Agencies</b>	957,412,625	13,059,373	1.4%
<b>Total</b>	24,465,555,510	90,301,907	0.4%

BRAC 2005

	<b>Total Program</b>	<b>Unobligated</b>	<b>Unobligated</b>
<b>Army</b>	17,087,503,214	717,370,782	4.1%
<b>Navy</b>	3,281,622,697	41,733,357	1.2%
<b>Air Force</b>	3,737,833,117	107,215,560	2.9%
<b>Defense Agencies</b>	9,477,344,956	48,876,242	0.5%
<b>Total</b>	33,584,303,984	915,195,941	2.7%

The unobligated balances include both environmental and caretaker funding. These funds are being consolidated into one account that combines funding from all BRAC rounds. We will use the additional flexibility offered by the consolidated account to expedite cleanup of high priority sites on BRAC bases. In accordance with statute, the funds will only be used for BRAC activities.

[Questions for the Record submitted by Congressman Farr for The Honorable John Conger follows:]

**Question 3:** Your testimony has for several years posited that advances in technology make it simpler and cheaper to characterize hazardous waste and either clean it up or put a remedy in place. But I've seen no roll out of new technology in the field of late. Can you identify specifically what new technology has come on line in the last three years, where it's being employed and how much money DOD estimates has been saved because of it? Then I want to know why DOD isn't using it more widely, or alternatively, I'd like a timeline for a roll out of additional sites that will see this technology applied.

**Answer:** In the last three years DoD has completed or is in the process of completing 14 demonstrations of advanced geophysical classification technology that can better distinguish harmless debris from hazardous munitions buried in the ground. It is important to conduct demonstrations at a wide range of sites in order to represent the wide variability in site conditions and characteristics that will affect the technology's use, results, and cost effectiveness. DoD planned and conducted the demonstrations in cooperation with regulators, DoD project managers, and the contractor workforce that perform the work to garner their support and acceptance of the technology. Successful transition from traditional munitions response technology to advanced geophysical classification technology requires acceptance by these stakeholders. DoD is conducting a demonstration at San Luis Obispo, CA in Fiscal Year 2014.

DoD developed and is implementing a plan to transition the advanced geophysical classification from demonstration to more widespread commercial use. This plan serves as a framework to ensure a smooth and speedy transition from site demonstration to full-scale commercial use.

This technology is still in the demonstration phase, so we have not realized cost savings to date. Based on the results of our demonstration projects, the technology significantly increases the acreage that can be cleaned up for a given dollar. For the fieldwork portion of the demonstrations, DoD is seeing a cost savings of up to 50 percent compared to traditional munitions response technology. As part of DoD's transition of advanced classification to commercial use, we are planning to develop realistic cost models that will estimate the cost savings, as well as capture the management and administrative costs associated with advanced classification.

Demonstrations Projects over the last three years:

Fiscal Year (FY) 2011:

Former Camp Beale, CA

Pole Mountain Maneuver Area, WY

Mare Island Naval Shipyard, CA  
Fort Sill, OK

FY 2012:

Spencer Range, TN  
Massachusetts Military Reservation, MA  
Former Camp George West, CO

FY 2013:

Former Camp Ellis, IL  
Fort Rucker, AL  
Southwestern Proving Ground, AR (ongoing)  
New Boston AFS, NW (ongoing)  
Waikoloa maneuver Area, HI (ongoing)  
Hawthorne Army Depot, NV (ongoing)  
Fort Bliss, TX (ongoing)

FY 2014 (planned)

Andersen AFB; Guam;  
Former Camp San Luis Obispo, CA  
Former Camp Hale, CO

[Questions for the Record submitted by Congressman Farr for  
The Honorable John Conger follows:]

**Question 4:** As a follow up, I would appreciate more defining clarification over the ability of DOD to engage in cleanup operations. Given the cleanup need at legacy bases, does DOD have access to sufficient professional clean up resources to do more? By way of background, my interactions with ordnance contractors make me believe there is significant untapped capacity in the industry. If the DOD and Services were to make their BRAC clean up accounts more robust (e.g., by a more transparent application of unobligated BRAC monies), there would be more opportunities for cleanup operations through the use of an under-utilized industry. How can we reconcile agency funding with industry capacity? It would mean a win-win for all concerned.

**Answer:** The Department is making every effort to harness industry capacity to clean up BRAC sites and the flexibility Congress provided by combining BRAC accounts has helped us put more resources where they are needed. Still, there are two factors that feed the perception that we are not taking full advantage of industry capacity.

First, all sites must follow a rigorous investigation and remedy development process, defined in law, that includes coordination with regulators and the public before bringing in a cleanup contractor. Some of our BRAC sites have not reached that stage yet, so no amount of additional funding can resolve the issue.

Second, we are fielding a new technology to better distinguish harmless debris from hazardous munitions on former ranges. Because this technology can significantly reduce the cost of cleanup, it makes sense to pause briefly to let the industry re-tool and build new capacity rather than continuing to pursue less efficient and more expensive conventional methods despite the apparent excess capacity available today.

[Questions for the Record submitted by Congressman Farr for  
The Honorable Katherine Hammack follows:]

**Question 5:** I understand that the High Water Bridge at Camp Roberts, California has been at the top of the California National Guard MILCON list for the past two years but has not been prioritized by the Pentagon for replacement. Given that the bridge is what connects the base with local emergency services, I feel this is a serious oversight. Can you tell me what the plans are for refurbishing this bridge?

**Answer:** The High Water Bridge at Camp Roberts is a requirement for the California Army National Guard. An overwhelming number of competing priorities has made funding even the most critical MILCON projects a challenge. We are examining alternative options for funding this project including via operations and maintenance (O&M) funds. The O&M option would require a close review, to ensure adherence to fiscal guidance, and congressional notification. Utilizing this option could allow construction on the replacement to begin in a shorter time frame. The National Guard Bureau is exploring a source of funds for this project.

[Questions for the Record submitted by Congressman Farr for The Honorable Katherine Hammack follows:]

Pacific Scientific Energetic Materials in Hollister, CA is a critical supplier to the Department of Defense for ordnance, electronics, laser, pyrotechnic, and vehicle arresting components and systems on many current and legacy systems.

This facility was recently recognized within the Danaher Corporation for the Most Improved Environmental Health and Safety Program in the Americas I think that is a wonderful achievement by the folks at Pacific Scientific and I would like to know how the Department takes such supplier awards and recognition into account, what incentives the Department uses with the supply base, which of these DOD incentives are considered the most successful in terms of reducing EHS risks at DOD facilities, and how the effectiveness of incentives are measured.

**Question 6:** Can you please comment on incentives used by the DOD to work with the defense industrial base to encourage the supply and use of environmentally friendly materials and substances and to implement best EHS practices? How can we expand the use of EHS practices by DOD contractors?

**Answer:** The Army is committed to being a good steward of the environment from the start of our acquisition process. We execute this imperative through our Army Green Procurement Program (GPP). Through the GPP, we work to conserve natural resources and minimize our environmental "footprint", improve worker safety and health, reduce Federal energy use, greenhouse gas emissions and waste to landfills, stimulate new markets for green materials, reduce liabilities and provide potential cost savings. We engage our industry partners by providing written mandates in our contracting/procurement actions to comply with the tenets of the Army GPP.

Our Environmental Health and Safety (EHS) efforts are recognized through the DOD partnership with Department of Labor (DOL) in implementation of the Voluntary Protection Program (VPP). The VPP has been recognized as a "best practice" by the Occupational Safety & Health Administration (OSHA). The VPP has been leveraged to improve quality and reduce workplace accident and illness rates across DOD and the Services. DOD has 420 sites enrolled in the program since 2005, of which, 53 have received the STAR Award for excellence. The Safety & Occupational Health effectiveness is measured by lower Incident Rates, 69% on average, and 62% lower Lost Work Day Rates. This program approach has avoided over \$55M in lost work day wages. DOD encourages its contractors operating at DOD sites pursuing VPP to partner in this initiative. However, on individual procurement actions DOD does not have the authority to provide incentives to companies for their safety and health performance.

[Questions for the Record submitted by Congressman Farr for The Honorable Katherine Hammack follows:]

The Presidio of Monterey, Calif. and Monterey-Salinas Transit have developed a partnership that encourages the use of mass transit for personnel to commute to and from the base. This partnership which is funded by the military federal transit benefit generates over 500,000 passenger trips on public transit instead of through personal vehicles each year, annually reducing vehicle miles travelled by base personnel by millions of miles, and reducing millions of pounds of greenhouse gases from being generated. This program received a Secretary of the Army Superior Quality-of-Life award in 2011.

This program and others like it around the country have been adversely affected by the recent 47% reduction in the transit benefit resulting in reduced levels of transit service to military bases and corresponding reductions in transit usage and greenhouse gas emission savings from these programs.

**Question 7:** Would you agree that restoration of the federal transit benefit within the federal tax code will improve transit service availability to military personnel, decrease the amount of vehicle miles travelled by base personnel and decrease the amount of greenhouse gases emitted by base personnel and improve the environmental impact military bases have within the defense communities that support them?

**Answer:** I am not able to address directly the effect the reduction of the federal transit benefit has had since its reduction at the end of 2013. However, the Army tracks its Scope 3 greenhouse gas emissions, which include employee commuting and travel, as a part of its annual Strategic Sustainability Performance Plan and recognizes the valuable contribution greater utilization of mass transit makes towards reducing those emissions. Along the same lines the Army has been working to reduce fuel usage in its fleet of non-tactical vehicles (NTVs). Since 2005 we have reduced petroleum consumption in our NTV fleet by almost 33% by downsizing and rightsizing vehicles as well as procuring hybrid and alternative fuel vehicles.

[Questions for the Record submitted by Congressman Farr for  
The Honorable Katherine Hammack follows:]

This makes me think that clean up at Fort Ord will come to a virtual halt this year. That is not acceptable.

**Question 8:** What is the schedule for clean up at Fort Ord in FY15 and what does the reduction in funding mean for staying on schedule to achieve complete cleanup?

**Answer:** The Army is making a significant investment in the Fort Ord cleanup in FY14. The Army is taking advantage of the new flexibility provided by the consolidated BRAC Account, which took effect in January 2014, to award fully funded multi-year contracts for Fort Ord environmental cleanup projects. Those contracts are expected to total more than \$140 Million. They will consist of: optimizing and continuing operations of the groundwater treatment plant, continuing prescribed burning and munitions cleanup in the impact area; continuing heavy metals cleanup projects in the impact area; and continuing public outreach and education. Given the significant FY14 investment, cleanup work at Fort Ord is accelerating.