

**MILITARY CONSTRUCTION APPROPRIATIONS FOR  
FISCAL YEAR 2002**

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**HEARINGS**

BEFORE A

SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

**H.R. 2904/S. 1460**

AN ACT MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR  
THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEP-  
TEMBER 30, 2002, AND FOR OTHER PURPOSES

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# CONTENTS

TUESDAY, JULY 31, 2001

	Page
Department of Defense:	
Office of the Secretary of Defense .....	1
Defense agencies:	
Military Community and Family Policy .....	27
Ballistic Missile Defense Organization .....	27
Special Operations Command .....	27
Tricare Management Activity .....	27
Department of the Army .....	51

WEDNESDAY, AUGUST 1, 2001

Department of Defense:	
Department of the Navy .....	85
Department of the Air Force .....	111



# **MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 2002**

**TUESDAY, JULY 31, 2001**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 2:33 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Dianne Feinstein (chairman) presiding.

Present: Senators Feinstein, Johnson, Hutchison, and Craig.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

**STATEMENT OF HON. DOV S. ZAKHEIM, UNDER SECRETARY OF DEFENSE (COMPTROLLER)**

**ACCOMPANIED BY RAYMOND F. DUBOIS, JR., DEPUTY UNDER SECRETARY OF DEFENSE FOR INSTALLATION AND ENVIRONMENT**

OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Good afternoon. I know that Senator Hutchison is on her way, but in the interest of time and because we have a vote coming up at about 3 o'clock, I thought I might just start and make my opening remarks, and then hopefully Senator Hutchison will be here and she will make hers.

I would like to welcome all of the witnesses. I would like to thank them for appearing before the subcommittee. I look forward to working with Senator Hutchison. We are good friends, and here she comes right now. I was just saying I look forward to working with you and am delighted that we are together as chairman and ranking member of the MILCON subcommittee.

The fiscal year 2002 military construction budget that is before us today is really a good news story in just about all respects. The top line is nearly \$10 billion and, with the exception of BRAC, virtually every account in the budget has seen significant increases. I am especially pleased to see the emphasis this budget places upon quality of life issues, particularly improved housing. We ask a great deal of our men and women in uniform. We cannot begin to pay them what they deserve, but we certainly should not ask them to live in substandard housing, to work in dilapidated facilities, or forego the kind of community amenities that so many of us take so for granted. Our military personnel and their families have

enough to worry about in carrying out their mission without being burdened by major quality of life concerns.

I am also happy to see the hefty across the board increase in funding for the guard and reserve components. For years Congress has been urging the executive branch to submit realistic guard and reserve budgets. For years Congress has seen no results. This budget submission really marks a turning point in recognizing the importance and the funding need of the guard and the reserve.

I am, however, concerned about the level of funding for BRAC in this budget. The \$532 million proposed by the President is just over half of last year's appropriated amount for BRAC. I understand that the BRAC process is winding down, but I also understand that environmental cleanup bills associated with BRAC are climbing. The Navy reports that it has \$92 million in unfunded, must-pay BRAC environmental compliance costs for fiscal year 2002.

We really need to address these costs and this budget frankly does not appear to do so. It seems strange to me that there may be plans to request a new round of BRAC closures when we have not even paid the tab for the last go-around.

But while this is on balance a good news budget, I hope it is more than just a 1-year spike. The infrastructure needs of the military are enormous regardless of whether we have another round of BRAC or not, regardless of how we rejigger our force structure overseas. The fact remains that the United States will always need to support a robust military. We will need new facilities to meet new mission demands and we will need to maintain and sustain our existing military facilities.

Infrastructure investments are not the kind of gee-whiz technology that tend to capture large infusions of money. Building a barracks is not as exciting as building the Joint Strike Fighter. But without adequate housing for the families, we will not have pilots to fly those planes. Without adequate aircraft maintenance shops and runways, we will not be able to keep the planes flying. Simply put, without an adequate investment in infrastructure, we will not have the best military in the world.

So I look forward very much to hearing from our witnesses today. First, Senator Hutchison, it is great to be with you and perhaps you would like to make your remarks.

#### STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Thank you, Madam Chairman, and I too appreciate the opportunity to work with you. I had thought it would be with reverse chairs, but nevertheless, whatever chair it is, I think we will be able to do what is right for our military and for our country, and I really look forward to working with you.

I look forward to hearing from each of the panels today on the military construction priorities. The large increase in military construction in the President's budget request is important to the modernization of our facilities and the transformation of our forces and facilities for the future, certainly a step in the right direction.

I also want to recognize the Department of Defense and the services for restoring the 5 percent contingency fund back into the

project budgets. I think that is critical to the long-term stability and effective execution of the military construction program.

I do have questions about the increasing percentage of our construction budget allocated to bases overseas. It is absolutely necessary to have some forces forward deployed. Currently we have 74 installations outside the United States, with almost 213,000 personnel permanently stationed in 140 countries. My question is have these commitments subsumed funding that in some cases might have been better used to maintain or improve our enduring domestic base infrastructure?

The fiscal year 2002 budget includes significant funding for overseas projects. We continue to make these significant infrastructure investments overseas before the completion of Secretary Rumsfeld's defense review. It seems like military construction realignment initiatives are being put ahead of the policy decisions that we would need to base our decisions on.

It is critical that the Department of Defense conduct a comprehensive review of these overseas installations to ensure they continue to be correctly balanced against other priorities.

I look forward to hearing from all of the panels today and seeing how the services plan to balance their priorities.

Thank you, Madam Chairman.

Senator FEINSTEIN. Thanks very much, Senator.

I am now pleased to welcome Dr. Dov Zakheim, the Defense Department Comptroller, and Mr. Ray DuBois, the Deputy Under Secretary of Defense for Installations and Environment. Secretaries, because of limited time I ask you perhaps to summarize your statements. As you know, your written statement will go in the record. Then we will have adequate time for questions.

#### STATEMENT OF DR. DOV S. ZAKHEIM

Mr. ZAKHEIM. Thank you very much, Madam Chair, Senator Hutchison. I will do just that. I have a longer statement. With your permission, I hope it can be inserted into the record. I do thank you for providing me with the opportunity to present the President's fiscal year 2002 Department of Defense military construction budget, and I want particularly to thank you both and the rest of the committee for your unwavering support for our requests over these past years. I know that the men and women in uniform owe you and the committee a great deal of gratitude for your support of quality of life initiatives.

I want to thank you and the committee as well for the support you have provided during the certainly very complicated base realignment and closure process that continues. As you know, the authority for that process is saving us considerable money and we have plowed much of that into readiness items. Regrettably, in the past we did not plow enough back into our facilities, and the fiscal year 2002 budget attempts to reverse this trend in a significant way. We have increased the level of funding we traditionally spend on military construction and family housing and hope to spend even more in the future to arrest the dismal conditions of many of our facilities.

I am sure that you are also concerned with funding for the ballistic missile defense initiative and Dr. Sanders will speak to you

in the next panel about the specifics of that proposal. Let me say that we are constructing the testbed facility and that it in no way abrogates the ABM treaty.

Just a brief perspective on the budget as a whole before I turn it over to my colleague Ray DuBois. The fiscal year 2002 budget for the Department of Defense prepares for the future while addressing current needs through robust funding to improve morale, improve readiness, raise defense capabilities, and update our aging facilities.

In terms of this committee's specific concerns, our request for the military construction and family housing programs in fiscal year 2002 totals \$10 billion and includes funding for more than 450 construction projects at more than 220 locations worldwide. The budget request represents a 14 percent increase over the amount requested in fiscal 2001 and is \$936 million over last year's enacted level.

This increase incorporates our initiative to streamline and upgrade the Department's infrastructure and to restore degraded facilities to a mission capable status. The budget reduces the Department's average facilities replacement rate from 192 years to about 100 years as we move closer to commercial standards.

We have taken special care to ensure that the National Guard and reserve facilities requirements were fully and fairly incorporated in this portion of the process. As a result, we have requested \$393 million more for critical Guard and Reserve projects than was requested in past budgets. Our budget improves the quality of military housing and accelerates the elimination of substandard housing. We seek to accelerate the elimination of housing with privatization.

We are changing the way we do business in our housing and utilities systems, where, of course, it is prudent to do so. We also plan to shed our excess infrastructure through a variety of methods ranging from demolition of unneeded structures to installations closures. As part of this effort, we are designing an efficient facilities initiative or, as it is called, EFI, to rationalize and restructure our bases, labs, and other DOD facilities. While our original BRAC programs have been reduced to environmental and other caretaker efforts, we very much require your support for a new EFI-base closure initiative in fiscal year 2003.

This effort makes good business sense and is necessary to free up funds for our highest priorities.

As you directed in report language last year, our military construction budget also restores funds for contingencies comprising 5 percent of project costs. Such funding had been excluded in the past 2 years and we agree with you that these funds are vital, not only to help offset unforeseen cost growth, but also to fund improvements identified during construction.

This initiative is another example of the Department's overall commitment to realistic budgeting.

Our budget for family housing supports a \$4.1 billion program to construct, improve, operate, and maintain family housing units. It also seeks to privatize those units that are no longer critical to supporting a base's mission requirements. This program includes an additional \$400 million in support of the President's goal to im-



prove housing for military members and their families. The additional funding will be used to improve the quality of 14,675 more houses while accelerating the elimination of substandard military housing.

In closing, Madam Chairman, I wish to thank you, Senator Hutchison, and other members for providing me with this opportunity to discuss our program. I would like to reiterate that our request for military construction and family housing represents a balanced program and that it is essential to permit the services to support weapon systems being deployed, to accomplish new or changing missions, and to provide enhanced quality of life to service members and their families.

#### PREPARED STATEMENT

Madam Chair, Senator Hutchison, members of the committee, staff: I am ready to provide any additional information you may request. Thank you very much.

[The statement follows:]

#### PREPARED STATEMENT OF HON. DOV S. ZAKHEIM

##### INTRODUCTION

Madam Chair, Senator Hutchison, members of the committee, I am honored to present the President's fiscal year 2002 Department of Defense (DOD) Military Construction budget. Our request for Military Construction and Family Housing programs totals \$10.0 billion. It includes funding for over 450 construction projects at more than 220 locations to provide facilities that the Armed Forces, the Defense Agencies, and NATO Security Investments urgently require. This level of funding represents a balanced program that is essential to support weapon systems being deployed, to accomplish new or changing missions, to address environmental compliance requirements, to replace facilities that are no longer economical to repair, to provide enhanced quality of life for service members and to continue caretaker efforts at closed bases.

I would like to provide a brief overview of the fiscal year 2002 Defense budget and then to outline the Military Construction and Family Housing requests.

##### FISCAL YEAR 2002 BUDGET OVERVIEW

The fiscal year 2002 budget balances preparation for the future with current needs through robust funding to improve morale, boost readiness, transform defense capabilities, and upgrade aging facilities.

The fiscal year 2002 budget puts people first. It includes a targeted pay raise of at least 5 percent for all grades and up to 10 percent for mid-grades where retention is hardest. The budget provides for a reduction of out-of-pocket housing costs for people living off base from 15 percent in 2001 to 11.3 percent in 2002, towards a goal of zero costs in 2005. Also, military healthcare is funded realistically at \$17.9 billion in fiscal year 2002 (up sharply from \$12.1 billion in fiscal year 2001).

The fiscal year 2002 budget bolsters readiness by beginning to reverse the decline caused by underfunding, the high tempo of operations, and escalating maintenance costs for aging equipment and facilities.

The fiscal year 2002 request for military construction and family housing represents a 14 percent increase over the amount requested in fiscal year 2001. This increase incorporates our initiative to streamline and upgrade DOD Infrastructure and to restore degraded facilities that are rated either C-3 or C-4 in readiness. The budget reduces DOD's facilities replacement rate from 192 years to about 100 years as we move closer to commercial standards over the long term, improves the quality of military housing and accelerates elimination of substandard housing. We are also changing the way we do business by privatizing our housing and utility systems where it is prudent to do so.

In addition, we are attempting to shed our excess infrastructure through a variety of methods ranging from demolition of excess structures to closure of installations. As part of this effort, we are planning an Efficient Facilities Initiative (EFI) to rationalize and restructure bases, laboratories, and other DOD facilities. While our

original BRAC programs have been reduced to caretaker efforts, we very much need Congress to support our plans for a new EFI base closure initiative in 2003. This effort makes good business sense in and of itself; but it also is imperative in order to free up funds to help pay for our highest priorities.

#### MILITARY CONSTRUCTION

Our budget provides for a \$5.9 billion program to meet the military construction requirements of the Military Departments and Defense Agencies. This level of funding demonstrates the Department's desire to ensure a substantial construction program in support of our highest priorities. We continue to emphasize improving the quality of life for our service members and their families while ensuring that the facilities to support weapon systems are available when needed. The following is a brief overview of the key elements of this request.

*Active Forces and Defense-Wide.*—The fiscal year 2002 Military Construction Budget of \$4.6 billion for the Active Forces and Defense-Wide programs is over a billion dollars higher than the fiscal year 2001 enacted level. The additional funding will be targeted towards fixing the most critically deficient facilities. The request includes approximately \$1.3 billion for barracks projects; \$940 million for operational and training facilities; \$719 million for maintenance and production facilities; \$330 million for community facilities; \$193 million for medical facilities; \$187 million for utility facilities; \$183 million for administrative facilities; \$168 million for supply facilities; and \$148 million for research and development facilities.

*Guard and Reserve Facilities.*—The \$615.2 million military construction program requested for the Reserve Components is balanced both to provide the necessary facilities to support current and new missions and to replace aging facilities that are no longer economical to repair. The fiscal year 2002 request is almost \$400 million more than the fiscal year 2001 request. The program includes 69 major construction projects as well as planning and design work and minor construction. Most projects are training centers, maintenance facilities, and operational facilities in support of the Reserve Components' mission.

*Quality of Life.*—The fiscal year 2002 construction program reflects the Department's commitment to improve the quality of life for the military. A significant amount of the military construction program—approximately \$1.3 billion—will fund new or improved barracks for unaccompanied military personnel. This funding level will enable us to execute 65 projects to construct or modernize barracks and to provide approximately 15,000 new or improved living spaces. The Army, Navy and Air Force are continuing to build to the "1+1" design (one soldier to a room with a shared bathroom) for personnel permanently assigned to a base. The Marine Corps is building to the "2+0" design (2 E1-E3s to a room, each with its own bathroom) in an effort to improve living conditions of Marines sooner than if they followed the 1+1 design standard. In addition, the fiscal year 2002 construction program will allow us to construct or modernize 13 schools for dependents, 13 physical fitness centers, 4 child development centers, 2 education centers, 2 chapels, and an assembly building.

*Overseas Construction.*—In keeping with congressional direction, new construction in overseas areas is being requested only where construction requirements are of high priority, absolutely essential to our overseas basing needs, and after all burden-sharing opportunities have been explored and found to be unworkable. The fiscal year 2002 military construction program of \$720 million for projects in overseas areas meets these criteria. Of the \$720 million, \$228 million is designated for Korea, \$221 million for Germany, \$135 million for other European sites, \$123 million for various locations in the Pacific and \$13 million for a Forward Operating Location in El Salvador to support drug interdiction efforts.

The Secretary of Defense recently asked the Unified Combatant Commands to develop strategic overseas basing plans after completion of the Quadrennial Defense Review, taking a long-term look at our forces to ensure we optimize our facilities overseas.

*Missile Defense.*—The fiscal year 2002 budget reflects a restructured missile defense program. One of the results of this new structure is the funding of selected construction activities associated with the missile defense test bed in the Research, Development, Test and Evaluation (RDT&E), Defense-Wide appropriation. The new structure will provide the flexibility needed to design and test missile defense systems. We need to fund certain program activities in the RDT&E account in order to expand the current test bed infrastructure in the most efficient manner, and with the greatest amount of flexibility.

*Medical Projects.*—Consistent with the Department's emphasis on quality of life improvements and readiness, our request reflects the high priority placed on health

care. The Department requests \$193.3 million in appropriations for 22 medical projects, including \$19 million for the third phase of a \$133 million replacement hospital at Ft. Wainwright, Alaska; \$15 million for the replacement of four medical facilities at Camp Pendleton, California; \$32 million for 2 clinic replacements in Florida; and \$84 million for new and replacement facilities in Colorado, Georgia, Maryland, New Mexico, Texas, Washington and Wyoming. In addition, approximately \$43 million of the total medical construction program supports 3 replacement medical facilities in Germany, Greenland and Portugal.

*Chemical Demilitarization Construction.*—The Department continues to make steady progress in its chemical demilitarization efforts. To that end, the Department is budgeting \$184 million in fiscal year 2002 for the construction of chemical demilitarization facilities.

Two facilities are now in operation. The prototype incineration facility on Johnston Atoll in the Pacific Ocean is fully operational and has destroyed 100 percent of the original chemical agent stockpile stored on the Atoll. In addition, the Tooele, Utah Chemical Agent Disposal Facility began operation in August 1996 and has destroyed over 37 percent of the original chemical agent stockpile stored at that site. We have completed construction of the Anniston, Alabama Chemical Agent Disposal Facility, and have completed 99 percent of the Umatilla, Oregon facility. In January 1999, the Army issued a full Notice to Proceed to Raytheon Demilitarization Company to begin construction activities for the Pine Bluff Chemical Agent Disposal Facility at Pine Bluff Arsenal in Arkansas. Construction efforts for the Pine Bluff facility are currently 55 percent complete.

The Army has selected alternative technologies to be used in lieu of the baseline incineration process at the two bulk-only chemical agent storage sites, Aberdeen Proving Ground, Maryland and Newport, Indiana. Systems contractors were selected for the Aberdeen facility in October 1998, and for the Newport facility in February 1999. Construction of the Aberdeen facility is 29 percent complete while the Newport facility is at just under 10 percent complete. Additional technologies are being evaluated for the remaining two chemical demilitarization sites: Pueblo, Colorado and Blue Grass, Kentucky.

*Energy Programs.*—This Administration is committed to energy conservation. As a result the budget includes \$36 million in fiscal year 2002 for projects that will result in energy savings and support long-standing goals to reduce energy demand.

*Minor Construction/Planning and Design.*—The request contains \$81.3 million in fiscal year 2002 for minor construction, alterations, and modifications to existing facilities. These funds are essential to meet unforeseen construction requirements that can impair the health, safety, and readiness of our forces. In addition, we are requesting \$384 million for planning and design. These funds are needed to complete the design of fiscal year 2003 projects and initiate design of fiscal year 2004 projects. We urgently seek your support for this request so we can design our Fiscal Years 2003 and 2004 construction requirements.

*Contingency Funding.*—The fiscal year 2002 amended budget restores funds for contingencies, comprising 5 percent of project cost, which have been excluded the past two years. These funds are needed for unforeseen project cost growth, design changes, and improvements identified during construction. This initiative is another manifestation of our commitment to honest budgeting.

#### BASE CLOSURE

In the past, the Department's Base Realignment and Closure (BRAC) process has been a major tool for reducing the domestic base structure. Between 1988 and 1995, four BRAC Commissions proposed the closure or realignment of 152 major installations and 235 smaller ones. The implementation of the last round of the four approved BRACs is complete as of July 13, 2001. The Department will have invested about \$22.2 billion and realized savings of about \$37 billion for total net savings of about \$15 billion over the implementation period from fiscal year 1990 to fiscal year 2001. Total annual savings after fiscal year 2001 are projected to be about \$6 billion. For fiscal year 2002, the BRAC program is \$532.2 million. The fiscal year 2002 program funds environmental restoration and caretaker costs for bases closed under the previous rounds of base closure authority. This funding will ensure bases are continuing to be cleaned efficiently to speed the transfer of property to redevelopment authorities. Some environmental funding shortfalls have been identified, particularly in the Navy.

The Navy initially identified a fiscal year 2002 BRAC must-fund shortfall of \$92.5 million for work required to be done under signed Federal Facility Agreement milestones. The Navy is continuing to review and validate the exact amount of this

shortfall. Thus far, the review has reduced the Navy's estimated fiscal year 2002 shortfall of required funding per signed legal agreements to \$63.3 million.

The Department will soon submit legislation seeking authority for additional base closures under the Efficient Facilities Initiative to begin in fiscal year 2003. The Department needs authority for additional closures because retaining excess base structure wastes resources that could be better used to address the modernization and transformation of our military forces. EFI is expected to save the Department about \$3.5 billion a year after implementation.

#### NATO SECURITY INVESTMENT PROGRAM

The NATO Security Investment Program (NSIP) request totals \$162.6 million in fiscal year 2002. This amount represents the U.S. share (approximately 24.7 percent) of the acquisition of NATO common use systems and equipment; construction, upgrade, and restoration of operational facilities; and other related programs and projects requires in support of agreed NATO strategic concepts and military strategy. Anticipated recoupments of approximately \$11 million combined with approximately \$25.4 million of prior year savings results in a total fiscal year 2002 program of \$199 million. This request represents the minimum essential U.S. contribution. It will support both our strategic security and our economic interest in the European Theater.

#### FAMILY HOUSING

Our fiscal year 2002 budget request for family housing is \$4.1 billion. This is fourteen percent higher than our fiscal year 2001 request of \$3.5 billion, and includes an extra \$400 million to support the President's housing initiative. The fiscal year 2002 family housing program reflects the high priority the President and the Secretary of Defense have placed on improving the living conditions for our service members and their families.

*Family Housing Operations.*—The Department's family housing inventory includes approximately 295,000 government-owned and 28,000 leased units worldwide. The government-owned units average about 35 years in age. These owned and leased units house approximately one-third of military families.

The budget includes \$2.9 billion to fund a range of services and expenses necessary to support these housing units. For example, the operation account funds items such as housing administration and management, basic support services, referral services, furnishings, utilities, and miscellaneous expenses while the maintenance account funds routine maintenance and major repairs. In addition, the family housing leasing account provides housing at both domestic and foreign locations when the local economy cannot provide adequate support and additional assets are needed to satisfy a housing deficit.

The \$2.9 billion budget will ensure that houses in our inventory are in adequate condition for occupancy by our military families. The fiscal year 2002 request is \$240 million higher than the amount Congress approved for fiscal year 2001, due primarily to the higher cost of utilities and to the need to maintain an aging housing inventory.

*Family Housing Construction.*—The fiscal year 2002 request for family housing construction totals \$1.1 billion to build, replace, or improve approximately 6,400 family housing units. Major emphasis of the Family Housing Construction Program is to replace units that are uneconomical to repair, and to renovate and upgrade units that can be restored to adequate condition. The fiscal year 2002 request is \$208 million higher than the amount enacted for fiscal year 2001, due to the President's initiative to improve housing for our troops and their families.

*Family Housing Privatization.*—The fiscal year 1996 National Defense Authorization Act provided innovative authorities that enable the Department to partner with the private sector to revitalize our housing inventory. The new tools—loan and rental guarantees, direct loans and investments, differential lease payments, and the conveyance or leasing of land and facilities—have enabled the Department to tap private sector expertise and capital to provide quality housing more quickly than would be possible through traditional construction methods.

Using the moneys Congress appropriated directly into the Family Housing Improvement Fund (FHIF) or for construction projects that were later transferred into the FHIF, the Services have awarded ten pilot privatization projects. Following are illustrative of projects awarded thus far:

—*Fort Carson, Colorado.*—At Fort Carson, the Army invested \$10 million to provide a limited loan guarantee and is obtaining 1,823 revitalized housing units and 840 new units. The return on Army's investment in this \$229 million project is 22:1 when compared to traditional construction approach. The Army

is planning to finalize its partnership deal to privatize 5,912 housing units at Fort Hood, Texas, in the near future.

—*South Texas/Everett, Washington.*—The Navy entered into a 30-year limited partnership with a private developer to provide 404 off-base units in the Corpus Christi-Ingleside-Kingsville, Texas area. These are all new units that required an investment of \$9.5 million, less than a third of the \$32 million project cost. A similar partnership arrangement provided 185 new family housing units at Naval Station Everett. The Navy invested \$5.9 million in a \$20 million limited partnership project for a return on investment of slightly better than 3:1. Both the south Texas and Everett, Washington projects have been completed. The Navy recently awarded follow-on projects at Naval Station Everett (288 new units) and Naval Air Station Kingsville (150 new units), and a 712-unit project at the Marine Corps' Camp Pendleton, California.

—*Lackland, Texas.*—The Air Force's first family housing privatization project, at Lackland AFB, will be completed in a few months. The Air Force employed a combination of limited loan guarantee and small direct loan to finance a 420-unit housing project worth \$42 million. For its investment of \$6.2 million in this project, the Air Force realized a return of 8:1 when compared to traditional military construction approach. The Air Force has awarded three more projects—Robins AFB, Georgia (670 units); Dyess AFB, Texas (402 units); and Elmendorf AFB, Alaska (828 units).

*President's Housing Initiative.*—The fiscal year 2002 budget provides an additional \$400 million in support of the President's goal to improve housing for military members and their families. The extra funding will be used to begin new and intensive efforts to improve the quality of military housing and accelerate elimination of substandard housing. The \$400 million is targeted as follows:

- \$195 million will be used for family housing privatization projects to provide over 14,600 units.
- \$107 million will be used to provide Bachelor Enlisted Quarters for 1,396 sailors and Marines.
- \$98 million will provide 849 on-base new construction and improvements of family housing units.

#### HOMEOWNERS ASSISTANCE

The Homeowners Assistance Program (HAP) is an entitlement program established to provide assistance to military and civilian homeowners in cases where base closure or force structure realignment depresses home prices by more than 5 percent. The fiscal year 2002 budget requests \$10.1 million in direct appropriations to partially finance a \$31.6 million HAP program. We plan to finance the balance of the fiscal year 2002 HAP program with revenues from sale of acquired properties and transfer of \$7.7 million from the BRAC accounts to offset HAP costs associated with BRAC-related actions. The planned BRAC transfer is in line with the authority contained in the annual Military Construction Appropriations Acts allowing the use of BRAC resources to support HAP requirements. The fiscal year 2002 budget again requests this transfer authority.

#### CONCLUSION

In closing, Madam Chair, I would like to thank you, Senator Hutchison, and the committee members for providing me with this opportunity to describe our program. I would like to reiterate that our request for military construction and family housing represents a balanced program that is considered essential to permit the Services to support weapon systems being deployed, to accomplish new or changing missions, and to provide enhanced quality of life for service members and their families. We hope that this request will receive your strong support, and we are ready to provide whatever details that you may need.

Senator FEINSTEIN. Thank you very much.

We will proceed with Dr. DuBois and then ask questions.

#### STATEMENT OF RAYMOND F. DUBOIS, JR.

Mr. DUBOIS. Madam Chairman, Senator Hutchison, thank you very much for this opportunity to appear before you, and I thank you and all the members of the subcommittee for the contributions that you make every year to our national security and most of all to the quality of life of our soldiers, sailors, airmen, and marines.

As the Secretary of Defense has recently testified before Congress, over the past 10 years we have underfunded and overused our forces. Doing more with less has been at the cost of needed investment in infrastructure and the maintenance of that infrastructure and the modernization of that infrastructure.

Our fiscal year 2002 MILCON appropriation request, amended request for installations, is centered on four essential themes: adequate sustainment funding for the facilities that we have; modernization of those facilities; restoration of readiness-deficient facilities; streamlining and reconfiguring our installations and our infrastructure to meet the war-fighters' needs.

As I have stated in some detail in my written statement, let me just highlight a couple of themes. As some of you know, I recently visited our installations in the Western Pacific in Okinawa and in Korea. Particularly in Korea, much of the infrastructure, what I refer to as the seen and unseen infrastructure, was old and in various states of deterioration. We on the CODEL saw inadequate and substandard living quarters of all kinds and even witnessed Army senior enlisted members and officers living and working in quonset huts, of course temporarily constructed over 50 years ago.

As you know also, the Department, and as Dr. Zakheim has said, will be seeking your approval to authorize legislation so that we can review our infrastructure within the United States through an efficient facilities initiative. It is important to note that this efficient facilities initiative is not an exercise in achieving some budget goal or savings objective. Rather, it is principally an exercise to realign and, yes, reduce where appropriate our overall infrastructure to best support our military requirements, our operational readiness, and ultimately our war-fighting plans.

To address a question raised in your opening statements of both Senators, the Department also understands the necessity to study the overseas infrastructure requirements. In point of fact, the Secretary of Defense will task in a memorandum to be released shortly the overseas commander in chiefs, the CINC's, to develop an overseas strategic basing plan. But that will be conducted subsequent to the QDR.

We need to take a long-term look at our forces deployed overseas and to assure that we optimize those facilities, as has been pointed out by both of you.

Finally, to ensure that our facilities deficiencies are eliminated in the long run, and this is not something that can be done in one year or 2 years or 3 years, we need, however, to continue to refine that long-range facilities strategic plan, and we will have completed our first annual DOD installations posture statement within the next year.

I was interviewed before I left Korea a couple of months ago and I did make the following statement, that, while some have said it is a little dramatic, I thought it carried a lot of meaning, especially to our troops. The President of the United States, when I accompanied him to Tindall Air Force Base in Florida, commented on it, that for far too long we have sacrificed the quality of life of our troops on the altar of power projection.

PREPARED STATEMENT

Now, as a practical matter, power projection, quality of life, efficient facility, they all go hand in hand. They are moving parts of the same objective and that is to keep this Nation strong. So I appreciate this opportunity, Senators, and I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF RAYMOND F. DUBOIS, JR.

INTRODUCTION

Mr. Chairman and distinguished members of this Subcommittee, thank you for the opportunity to discuss the Department of Defense’s fiscal year 2002 programs for military installations and facilities. Our military installations and facilities are integral components of military readiness. I look forward to working with you to ensure that they continue to support America’s military superiority and the men and women who live and work at our installations. I will address our infrastructure and our plan for its improvement, our military construction and family housing request, our operations and maintenance request, proposed legislation, the Installations’ vision for the future and our action plan.

RENEWING THE INSTALLATIONS FRAMEWORK

For years we allowed our installations and facilities to deteriorate due to competing budget priorities and indeterminate requirements. Last year’s Installations Readiness Report showed 69 percent of the Department’s facilities are rated C–3 (have serious deficiencies) or C–4 (do not support mission requirements). Much of our infrastructure—the seen and the unseen—is old and in various stages of decline. Our average facilities age across the Department is 41 years. Without adequate sustainment and recapitalization, facility performance degenerates, operational readiness and mission support suffer, service life is lost, and total costs rise.

This Administration is committed to restoring our installations and facilities to perform as designed. Secretary Rumsfeld has stated that the fiscal year 2002 budget balances “preparation for the future with current needs—through robust funding to improve morale, boost readiness, transform defense capabilities and upgrade aging facilities.” We are breaking the current cycle of “pay me now or pay me much more later,” and our fiscal year 2002 budget initiates an aggressive program to renew our facilities.

For fiscal year 2002, we are requesting a total of \$10.0 billion for military construction, family housing and base realignments and closures, an increase of \$2 billion over the previously submitted fiscal year 2002 budget request. The amended fiscal year 2002 request represents the down payment on a long-range plan to streamline and improve the performance of our facilities and housing. Key to achieving the long-range goal will be successful implementation of the Department’s Efficient Facilities Initiative (EFI), designed to realign and reduce base infrastructure by approximately 25 percent, and ultimately, save several billion dollars annually. We must also fully sustain our facilities and halt, actually, reverse the unacceptable aging of the Department’s facilities by accelerating our recapitalization rates. Finally, we must restore the readiness of inadequate facilities, modernize facilities to meet future challenges, and dispose of, or demolish, obsolete facilities.

*Summary of Request*

[Estimated President’s Budget as amended—Billions]

<i>Facilities</i>	<i>Fiscal year 2002 Request</i>
Real Property Services (O&M) .....	\$4.0
Sustainment (O&M) .....	5.3
Restoration and Modernization (O&M/MilCon) .....	4.1
New Footprint (MilCon) .....	2.0

Two principles guide our effort to improve and maintain our infrastructure: first, the quality of our infrastructure directly impacts readiness; and second, it is more cost effective in the long term to ensure facilities perform as they are designed than it is to allow them to deteriorate and replace them when they are not useable. By investing money now and sustaining that investment over time, we will restore and sustain readiness, stabilize and reduce the average age of our physical plant, reduce

operations costs, and maximize our return on investment. We plan a comprehensive review of our infrastructure needs through 2020 during the ongoing Quadrennial Defense Review.

As you know, Secretary Rumsfeld has made it quite clear that he intends to significantly change the business practices of the Department. Not that terminology causes change, but it certainly sends a rhetorical signal that the Secretary is serious about not just transforming our force structure but also our infrastructure by virtue of military requirements and necessity. We use outcome-oriented terms that emphasize performance—sustainment, restoration and modernization (SRM)—rather than the misleading legacy term “real property maintenance” (RPM) that represents just one activity of many. Our Facilities Sustainment program funds the required and scheduled maintenance and repairs for the inventory using operations and maintenance funds. Sustainment preserves the inventory and allows it to reach its expected service life. Our Facilities Restoration and Modernization program repairs or replaces damaged or obsolete facilities and implements new or higher standards where necessary. The restoration and modernization terminology recognizes the contribution of both military construction and operations and maintenance appropriations to recapitalizing our facilities and housing.

#### MILITARY CONSTRUCTION AND FAMILY HOUSING REQUEST

The fiscal year 2002 amended budget request for the military construction and family housing program is robust. Over \$2 billion was recently added to the military construction request, targeted towards replacing or renovating what we currently own. This investment takes the Department from a recapitalization rate of 192 years to a rate of 101 years in fiscal year 2002—much closer to the Department’s goal of a 67-year replacement cycle. Most importantly, this funding should aid the Department in moving towards restoring its facilities to at least a C-2 readiness condition.

Our fiscal year 2002 request for military construction is \$5.9 billion, of which \$5.2 billion is for regular military construction—an increase of 46 percent over last year’s request, \$163 million is for NATO Security Investment, and \$524 million is for implementing previously legislated base realignments and closures.

We are requesting \$1.1 billion for family housing construction and \$3.0 billion for operating and maintaining our almost 300,000 family housing units. This budget request reflects the Department’s initiative to restore and modernize its existing facilities and also reflects President Bush’s initiative to improve housing for our service members and their families. On February 12, 2001, in a speech to the troops at Fort Stewart, Georgia, President Bush stated that “we owe you and your families a decent quality of life. We owe you the training and equipment you need to do your jobs—you and your families are the foundation of America’s military readiness.” Secretary Rumsfeld added \$400 million to the program to make this a reality, increasing the family housing construction program by over one third. A substantial portion of this increase will be utilized to increase our housing privatization efforts, which allow us to leverage our appropriated funds and improve the quality of our housing more rapidly.

#### COMPARISON OF MILITARY CONSTRUCTION AND FAMILY HOUSING REQUESTS

[President’s Budget as amended—\$millions]

	Fiscal year 2001 appropriation re- quest <sup>1</sup>	Fiscal year 2001 final appropria- tion	Fiscal year 2002 appropriation re- quest
Military Construction .....	3,189.1	4,215.3	5,210
NATO Security Investment Program .....	190	172	162.6
Base Realignment and Closure IV .....	1,174.4	1,024.4	532.2
Family Housing Construction .....	748	904.1	1,114.4
Family Housing Operations & Debt .....	2,732.1	2,701.1	2,940
Homeowners Assistance .....	0	0	10.1
<b>Total .....</b>	<b>8,033.6</b>	<b>9,016.9</b>	<b>9969.3</b>

<sup>1</sup> Does not include fiscal year 2001 supplemental request. Does not include general provision (sec. 125 and 132) reductions.

*Contingency Funding.*—Military construction projects typically include contingency funds to address problems that arise due to changes in missions changes or design, unanticipated site conditions, or other unexpected circumstances. The Department’s fiscal year 2002 budget request includes a five percent contingency for all of the Services and Defense Agencies.



*NATO Security Investment Program.*—The NATO Security Investment Program (NSIP) provides for the acquisition of common use systems and equipment; construction, upgrade and restoration of operational facilities; and other related program and projects in support of NATO. The request for the NATO Security Investment Program (NSIP) is \$162.6 million in fiscal year 2002. The Department anticipates recoupments of approximately \$11 million, and together with unliquidated balances of \$25.4 million from prior years, the NSIP program will total \$199 million.

*Completion of Prior Base Realignment and Closure (BRAC) Rounds.*—The fiscal year 2002 budget requests \$524 million in BRAC appropriations to complete prior rounds, which is less than half of our fiscal year 2001 request. Over 86 percent is for environmental cleanup and the balance will support operations and maintenance costs. We currently estimate that the four previous BRAC rounds will save approximately \$15 billion through fiscal year 2001 and generate an estimated \$6 billion in annual recurring savings thereafter.

*Overseas Construction.*—The fiscal year 2002 budget for military construction at overseas bases is \$720 million for regular construction. Over \$350 million is directed toward projects that support quality of life issues such as child development centers, family housing, enlisted barracks, school facilities and medical/dental facility upgrades. The remaining projects are operational or support facilities.

#### OPERATIONS AND MAINTENANCE REQUEST

We are requesting \$10.3 billion to fund installations' operations and maintenance costs in fiscal year 2002. Of this total, \$4.0 billion will provide real property services (RPS) support and \$6.3 billion will provide for facilities sustainment, restoration and modernization (SRM) and the demolition of unneeded facilities. RPS is a must-pay cost, and it funds contracts such as grounds maintenance, painting and elevator and crane maintenance. Sustainment funds pay for the day-to-day maintenance and repair costs. Restoration and modernization funds major repairs and upgrades to damaged or obsolete facilities and infrastructure.

The demolition program has been a success story for the Department. In May 1998, we set a goal to eliminate 80 million square feet of obsolete facilities by 2003. Over the past three years, the Department demolished and disposed of over 44.9 million square feet of excess and obsolete facilities and other structures, such as fuel tanks and engine test pads, and the program is 5.5 million square feet ahead of our goal. The program has been expanded to include several Defense Agencies and will continue past its current planned completion in 2003.

#### POSSIBLE ENABLING LEGISLATION

During this past year, we have actively solicited ideas from the Services, our public employees, private industry, and local communities to improve the operation and management of our installations. Based upon this feedback, we have submitted several legislative proposals for your consideration, and we are also examining other innovative ideas:

##### *Legislative Proposals*

Amend Section 2805 of title 10 United States Code to increase the minor construction threshold from \$500,000 to \$750,000 and from \$1,000,000 to \$1,500,000 for projects involving life safety issues. The current threshold limits the Department's ability to complete projects in areas with high costs of construction. Without this relief, there may be a two or three year delay in completing smaller, unforeseen construction projects if the Department of Defense Components must submit such projects for military construction appropriations.

Amend the 1990 and 1988 base closure statutes to revise the guidelines for leasebacks. The proposed legislation seeks authority for Federal tenants to obtain facility services and common area maintenance directly from the local redevelopment authority (LRA) or the LRA's assignee as part of the leaseback arrangement rather than procure such services competitively in compliance with Federal procurement laws and regulations. The proposed legislation also expands the availability of the leaseback authority to property on bases approved for closure through the 1988 base closure statute.

Amend Section 2853(d) of title 10 United States Code to exclude environmental hazard remediation from the 25 percent allowable cost increases on construction projects. This provision would not change in any way our environmental responsibilities. It would give us flexibility to use existing funds to respond to requirements while moving ahead with construction. Experience has shown that unforeseen environmental cleanup costs alone can account for more than 25 percent of cost increases, a problem that becomes unmanageable if construction costs are also higher

than anticipated. With the current situation, some military construction projects must be stopped prior to completion so as not to exceed the current 25 percent cap. Excluding unforeseen environmental hazard remediation from the cap provides greater flexibility and enables the Department to more expeditiously execute contracts and respond to the unforeseen environmental conditions.

Amend Section 276a of title 40, United States Code to increase the thresholds for application of the Davis-Bacon Act from \$2,000 to \$1,000,000. This threshold has remained unchanged for over 35 years. Increasing the threshold reduces costs, provides greater flexibility in purchasing commercial items, simplifies acquisition procedures and competition requirements, and enables the federal government to conduct business in a more commercial manner. The Department could achieve savings of \$190 million in fiscal year 2002 alone if this threshold is increased.

#### *Ideas Undergoing Departmental Consideration*

The Efficient Facilities Initiative is an effort by the Department to achieve an approximately 25 percent reduction in base infrastructure. This initiative is key to allowing the Department to more efficiently support force structure, increase operational readiness, and facilitate new ways of doing business.

The Department is considering the possibility of extending the authorities contained in the Brooks Air Force Base Development Demonstration Project (Section 136 of the Military Construction Appropriations Act, 2001, Public Law 106–246) to all military installations. This effort would permit the Military Departments to explore ways of supporting their missions and people more effectively and at less cost while maintaining operational readiness.

We are considering the amendment of Section 2801 (Alternative Authority for Construction and Improvement of Military Housing), Chapter 169 of title 10, United States Code to provide permanent authority to the Military Housing Privatization initiative (current program authority expires in December, 2004). We are also examining the MHPI to determine any lessons learned and recommend any legislative changes to improve the process.

#### INSTALLATIONS' VISION

To ensure that our facility deficiencies are eliminated in the long run, the Department is articulating a long-term Facilities Strategic Plan with a time horizon consistent with the military operations that installations support. The Facilities Strategic Plan is the foundation for long-term initiatives directly linked to our mission, our vision for installations, our goals, and the needs of our customers. Our installations' vision recognizes that America's security depends on installations and facilities that are available when and where needed with the capabilities necessary to support current and future military requirements. The Facilities Strategic Plan is based on four goals: right size and place, right quality, right resources, and right tools and metrics. Accomplishing these four goals will enable us to create the installations required to support a 21st Century military.

*Right Sizing and Locating Our Installations and Facilities.*—We must shape and size our infrastructure on the basis of military necessity. Our first goal is to improve the balance between the installations and facilities inventory on hand and the inventory required by today's and tomorrow's military forces and missions. This also includes preserving access to and integrity of the Department's operational test and training ranges from encroachment issues. Rightsizing through the Efficient Facilities Initiative also allows the Department to align operational forces with the installations best suited to their 21st Century missions. Our Facilities Strategic Plan assumes that 25 percent of the current inventory will become excess to future needs and can be disposed through additional base realignments and closures.

The Department has been successful in reducing infrastructure through previous base closures and realignments. By the end of fiscal year 2001, the Department will complete implementation of the Base Realignment and Closure recommendations, to include the closure of 97 and realignment of 55 major installations. We are looking at ways to enhance the initiative to privatize our utility infrastructure and are revisiting program guidance and goals to incorporate lessons learned and input from industry.

*Providing the Right Quality Installations and Facilities.*—Our second goal is to provide facilities that possess the qualities needed to support military operations, training, maintenance, housing and community support, which in turn, enable readiness. "Right quality" means facilities capable of meeting warfighting missions and enhancing quality of life for our service members and their families. As General Shelton, Chairman of the Joint Chiefs of Staff, said during a speech at the Defense Orientation Conference Association Annual Meeting on October 4, 2000: "... we

must not continue to ignore the aging infrastructure at our posts, bases and stations that has such a dramatic impact on our service members' quality of life."

The Department has accelerated the restoration of degraded facilities by requesting \$4 billion for fiscal year 2002 for facilities restoration and modernization. Many facilities with current readiness ratings of C-3 or C-4 will be improved to C-2 readiness condition as a result.

*Providing the Right Resources.*—Our third goal is to allocate the right resources to achieve the right size and quality of our installations and facilities. Sustainment requirements are computed using the Facilities Sustainment Model, which determines sustainment costs based on commercial benchmarks and the planned inventory. Recapitalization requirements are computed using a standard design life on average for all facilities of 67 years. New footprint construction is determined based on Service and Defense Agency requirements to meet new missions or to satisfy long-standing deficiencies.

*Using the Right Tools and Metrics:* Our fourth goal is to develop analytical tools and metrics to allow us to more accurately develop our requirements and assess our level of improvement. We are implementing management tools and performance measures to enable us to assess the current and future condition of our physical plant and directly link them to our Installations' Readiness Report.

Over the past year, the Department has made major strides in improving our management tools and metrics. We developed a standard Department-wide terminology for facility classification, which has been institutionalized across the Department. The Facilities Assessment Database (FAD), which incorporates the Services' real property databases, has expanded to include personnel data, weapon system inventory and costs of real property maintenance activities and base support, where available. In addition, the FAD has transitioned into the source database for other Department-wide databases and management tools, including the Facilities Sustainment Model. Another effort involves improving the Base Information System databases and integrating them among the Services so more accurate tools are available to guide and monitor management decisions.

The Facilities Sustainment Model was used by the Services to determine sustainment requirements for their fiscal year 2002 budget submissions, and the Facility Aging Model enables us to assess the impact of planned facility actions on the useful life of the facilities' inventory. In its second year, the Installations' Readiness Report has effectively characterized the effect our installations and facilities have on military readiness.

We are also developing a tool to capture recapitalization requirements and predict restoration and modernization requirements. In a companion effort to the Facilities Sustainment Model, the Department restructured its Program Elements to reflect the new focus of sustainment, restoration and modernization.

#### FRAMEWORK FOR ACTION

America's security, today and in the future, depends on installations and facilities that support operational readiness and changing force structures and missions. The fiscal year 2002 budget request demonstrates our dedication to that mandate. We have taken a four-pronged approach to achieve our vision: right size and place, right quality, right resources, and right tools and metrics for our installations and facilities. We developed the Defense Facilities Strategic Plan to provide the framework for accomplishing these goals and enable us to provide ready and capable facilities for our warfighters.

We will continue to transform our installations and facilities into those required for the 21st Century, both through increased resources and through better use of existing resources. We will capitalize on the strengths of the private sector through housing and utilities privatization and competitive sourcing initiatives. We will also develop a plan for managing unused and underutilized property and facilities and actively explore opportunities for outleasing.

We look forward to continued collaboration with Congress and welcome your ideas for identifying additional opportunities to provide the right quality and quantity of installations in the most cost-effective manner.

#### CONCLUSION

This concludes my prepared testimony. In closing, Mr. Chairman, I sincerely thank you for giving me this opportunity to describe our new focus on installations and facility programs and for your very strong support for a robust military construction program.

Senator FEINSTEIN. Thanks very much, Mr. DuBois.

I would like to welcome Senator Craig to the hearing.

I will proceed with a couple of questions. You both were good enough to come in and see me, and I appreciate that very much. I had a chance to show you my concerns about the base closing cleanup residuals that are left. The President's 2002 budget proposal includes a total of \$532 million for BRAC. That is just half of last year's appropriation of a billion dollars.

Now, the Navy reports that it has an unfunded requirement of \$92 million, as we discussed, in must-pay BRAC environmental compliance costs. The Air Force requested a total of \$42 million for BRAC cleanup funding. It is still facing a \$33 million shortfall. Only \$9 million of that made it into the supplemental.

My question is how are you going to make up the must-pay items of the budget?

Mr. ZAKHEIM. Well, Senator, I will start and my colleague—

Mr. DUBOIS. Will finish.

Mr. ZAKHEIM. Will finish, yes.

With respect to the Navy money, as I understand it they have now reviewed that \$93 million estimate and I believe it is now down to about \$63 million, and they are reviewing that as well. I understand that Mr. Holaday will be testifying in the next panel or the panel thereafter and will give you some detail. My understanding is they are going to try to scrape together the money.

The issue also is when the money actually will be spent. What has been put to me up to now is that the Navy is aware of the problem and intends to do something about it.

On the larger issue, there is a difference in part because many of these facilities have already been turned over. The Army turned over a lot of facilities. Therefore, once they are turned over, you do not have those expenses. I think that certainly does not explain all the shortfalls, like the Navy shortfall or the Air Force shortfall, which is considerably smaller. But it does explain to a great extent why we went from something over a billion dollars to something over \$550 million this year.

As we turn over facilities, of course, the costs come down.

Ray, do you want to add to that?

Mr. DUBOIS. Yes. Senator—and I had best confess that in the 2 months that I have had this job it has been an education to understand how programs sometimes become unfunded as one goes through the POM cycle and the FYDP process. It is somewhat byzantine perhaps to the untrained eye.

Mr. ZAKHEIM. Or even to the trained eye.

Mr. DUBOIS. But it is a process that we have found to be only addressable when you understand that the services have competing requirements within their own budgets. When it appeared that the Navy came up with a \$92 million shortfall, I called a meeting with the Deputy Assistant Secretary, the Acting Assistant Secretary, and we sat down with the representatives from Dr. Zakheim's office and we tried to peel the onion, if you will, to delineate where this came from, why it happened, then what could be done to resolve it.

I believe you will hear in testimony from Mr. Holaday an approach that we think will solve that \$92 million. Unfunded BRAC requirements have to be viewed, I think, in context. I am reminded

that in California alone one of the major so-called unfunded BRAC requirements is environmental remediation, a very important issue no matter what State we have those unfunded requirements in. But in California alone, the latest defense environmental restoration program investments through fiscal year 2000 totals \$3.7 billion, a large figure by anyone's account.

Now, what we ought to look at, however, as you pointed out to me, Madam Chairman, is what remains to be funded, what remains to be cleaned up. It is often-times a moving target, not in large percentage changes, but it moves nonetheless. Why? Because we have uses for the land originally planned and those uses change because the local redevelopment authority to which the land is reverting asks for those changes and we must accommodate them to the extent possible.

We have, of all the BRAC properties in the prior round, some \$3.4 billion cost to complete, given the current uses planned. We have that \$3.4 billion mapped out over the next 6 years. I just wanted to kind of calibrate it, if you will.

Senator FEINSTEIN. Could we jump for a moment to something else we discussed, and that is the Hunters Point Naval Shipyard. As you know, in November of 2000 the city and the Navy entered into an MOU which stated the Navy's commitment to obligate up to \$120 million for cleanup of parcels C and D of the shipyard. The request for proposal process ended May 31st with no bids from the remediation contractors. The Navy then cancelled the RFP.

We discussed this. Are you prepared today to state what the plan is for proceeding from this point on?

Mr. ZAKHEIM. Again I think it would be Mr. Holaday who would give you much more in the way of detail. My understanding is that first of all, as you know, the Navy does have a contractor that is prepared to move ahead and they already are moving ahead. They have been working on this for some time.

Beyond that, I think the Navy is looking again at what it might do. As you know, part of the issue is that no one bid. My understanding, and I stand corrected if I have gotten this mixed up, my understanding is that the contractors had hoped to get what is called a cost-plus contract, as opposed to a firm fixed price, which is was set at \$120 million. Therefore, there were no bids.

That really creates a problem except insofar as there is indeed a contractor and there is some work ongoing. So it is not like everything has come to anything like a dead halt. If there is any complication, it is that the timetable in the MOA, the memorandum of agreement, might not be met exactly as is because these contracts were not let when it was anticipated. But I believe the Navy does have some thought as to how it might remedy this situation and it does have a contractor still working.

Do you want to add to that?

Mr. DUBOIS. Yes. My understanding is that we did discuss this with the Navy subsequent to our conversation, Madam Chairman, and the Navy is aware that the difficulties, at least as articulated by the potential contractors who did not bid, were one of contract methodology. That is to say, as Dr. Zakheim has indicated, fixed price versus cost-plus. Cost-plus normally we try to not use in situations like this because it is an open-ended liability, if you will.

There are, as you pointed out, big parcels. Two are involved in this particular situation, and I believe that Doc Holaday, Duncan Holaday, will address it when he testifies.

Senator FEINSTEIN. Are you going to put the bids out again and be responsible for it?

Mr. DUBOIS. That would be a Navy answer.

Senator FEINSTEIN. I would like to get an answer. This thing is beginning to look a little bit like a kaleidoscope and I do not really care much for that. I would like to get an answer on what is going to happen.

I mentioned there was an underground toxic fire that, it burned for 2 weeks. Nobody bothered to put it out. We have got to get this problem resolved. I intend to stay on it, gentlemen.

Mr. ZAKHEIM. Well, Madam Chair, as I told you this morning, and I think Deputy Under Secretary Ray DuBois would agree and probably tell you the same thing, we are prepared to work on this. The agency of first resort is indeed the Navy, but by all means do not hesitate to come back to us as well.

Senator FEINSTEIN. Thank you. Thank you very much. I appreciate that.

I sent a letter to Secretary Rumsfeld asking about the appropriateness of using \$9 million in military construction funds, authorized and appropriated in the fiscal year 2001, for initial site preparation work at Fort Greely. Under Secretary Wolfowitz in a letter dated today justified the use of these funds in a very interesting way, and I would like to quote from the letter:

“It is critical to the initial deployment of a missile defense system for the United States that we provide for robust testing in an environment that resembles as closely as possible a realistic operational environment. The construction of the testbed facility at Fort Greely is consistent with and indeed is a necessary and prudent immediate step toward the ultimate construction of an initial deployment facility at Fort Greely.”

So as I understand this, you are changing it from a testbed now to an initial deployment facility. Is that correct?

Mr. ZAKHEIM. Well, not entirely, I think, Madam Chair. It is consistent with the conversion, or rather, the ultimate construction of the deployment facility. The original funding was indeed for an initial deployment facility, and what is being done at Fort Greely is consistent with that insofar as one could move from that testbed facility to an initial deployment facility. So it is not out of line with the stated intention of the Congress when the funds were voted. That is what that says.

It is not definitely stated that it will be that facility. It is consistent with that facility, and it can indeed serve and indeed will be the intermediate step to that facility.

Senator FEINSTEIN. Let me ask it this way. Is the activity at Fort Greely for a testbed or for initial deployment or for a tested as part of initial deployment?

Mr. ZAKHEIM. I believe right now it is as a testbed. It could be used for deployment. That is what an intermediate step means. It is certainly consistent with that. A testbed is not operational, but it could become operational at some point in the future.

Senator FEINSTEIN. What is your understanding of how proceeding with this testbed is treated under the ABM Treaty?

Mr. ZAKHEIM. As I understand it, what is being done up to now is not in violation of the treaty, and I believe the same letter you quoted from states that there is no attempt either to violate the treaty in any way or to accelerate a violation in any way.

As you know, Madam Chair, there are discussions going on with Russia in terms of making changes to the treaty. So this is not really one that I think impacts the treaty directly, and I believe that is what Deputy Secretary Wolfowitz wrote to you today.

Senator FEINSTEIN. Well, the letter, Mr. Zakheim, is very specific. It says: "The construction of the testbed is a step toward the ultimate construction of an initial deployment facility."

Mr. ZAKHEIM. Well, as I understand it, when the funds were voted last year—

Senator FEINSTEIN. I am sorry. Please go ahead.

Mr. ZAKHEIM. As I understand it, when the funds were voted last year it was specifically "for NMD initial deployment facilities." Therefore, as long as we are doing something that is consistent with the funding, whatever difficulties might have been raised with respect to the treaty now would clearly have applied to the funding as it was initially provided for.

But as the Deputy Secretary wrote—and I guess the best thing is just to quote him rather than to paraphrase him: "This Department has neither designed a missile defense program to intentionally impact the treaty sooner rather than later, nor have we designed it to avoid the treaty." In other words, there are other things going on that will affect the testbed at Fort Greely, but the testbed at Fort Greely is not in and of itself designed in any way to accelerate, to affect the treaty sooner or later.

Senator FEINSTEIN. One last question. The letter also states that you are undertaking an expedited compliance review of these program activities. According to the chairman of the Armed Services Committee, that was due some days back and has not been presented. Can you give me a date when that compliance review might be completed?

Mr. ZAKHEIM. Well, I understand there has been some communication between the Department and the oversight committee chairman over that. I do not have the date at hand, but I can certainly get it to you.

Senator FEINSTEIN. Pardon me?

Mr. ZAKHEIM. I do not have the date at hand, but I can certainly get you the date when I go back to the Department.

Senator FEINSTEIN. I would very much appreciate receiving the date. I think that has a lot to do with what we do here on this particular item. Thank you very much.

Senator HUTCHISON, would you like to proceed and I will run down and vote and come right back.

Senator HUTCHISON (presiding). That is fine.

Let me ask you—let me say first of all that I certainly believe as I have looked at the information that you were just discussing that it is necessary for us to do the testing to know if it is feasible to go forward on the missile defense. I think it is very important

that we continue what is the stated goal of the President and the Congress of a few years ago.

I want to talk about base closing and the foreign bases again. I want to have you state for the record with the statements that are being made that there is a 25 percent excess facilities and U.S. facilities are the only ones that have previously been considered in BRAC's. What are you doing with regard to foreign bases, and is that a part of the equation when you are looking at excess capacity in the United States?

Mr. ZAKHEIM. Well, Senator, first of all, in the past we have indeed consolidated facilities in Europe, primarily Air Force facilities. There are efforts going on right now across the board. All the Commanders-in-Chief have been tasked to come up with plans for what they intend to do with the overseas facilities that we have. The Commander-in-Chief in Korea has a plan. The commanders in Europe are working on one now.

There is every intention to review that very, very carefully. Obviously, there is an overhang in this country, but I believe there is an overhang outside the United States as well. We still have many facilities outside the United States that essentially are vestiges of the Cold War and we need to have comprehensive plans that address them, be they Europe, Asia, or anywhere else. That has commenced.

I intend to visit some of these facilities myself to get a sense of that, although, having been in the regions in question in the past, I know that there is certainly room for more work to be done. So it is really both domestically and overseas that we have to have reductions.

Senator HUTCHISON. According to my information, 14.4 percent of military construction, 9.9 percent of family housing construction, is for overseas spending, for a total cost of \$748 million in spending on overseas military construction, which is an increase of 80 percent over last year.

I just would ask you why you are looking at a base closing request now when you are not through with the quadrennial review. We have not learned from the Secretary what the strategy, the new strategy, is going to be. And are we putting the cart before the horse here?

Mr. ZAKHEIM. I think I would ask my colleague to help me on this one as well.

Of course, we have not yet put a request, much less identified what facilities might be recommended for consolidation or closure. Since we anticipate having a Quadrennial Defense Review to the Congress by October 1

I do not think at that point—correct me if I am wrong, Ray—we would have a list like that. So in fact, chronologically we will have a Quadrennial Defense Review first.

Senator HUTCHISON. Before you ask for another BRAC?

Mr. ZAKHEIM. Before we identify what exactly what might be in a "BRAC". In other words, if it is anything like the previous system, and I cannot say for sure that it would be exactly like the previous system anyway—

Senator HUTCHISON. We all hope not.



Mr. ZAKHEIM. I understand that, Senator. But if it is anything like the previous system, it goes quite a way before you have identified the actual facilities in question. So I would be very, very surprised if indeed there were any facilities mentioned prior to October 1. We hope to have a very clear Quadrennial Defense Review that is going to outline future directions for the military and priorities, and I believe, frankly I am certain, that what we would then do with respect to facilities here would be reflective of those priorities.

Do you want to add to that—

Senator HUTCHISON. Let me just ask you if you see an inconsistency in an 80 percent increase—

Mr. ZAKHEIM. I am sorry, I did not address that.

Senator HUTCHISON (continuing). In foreign military construction at the same time that you are saying you are actually trying to look at making that more efficient as well?

Mr. ZAKHEIM. I believe that most, if not all, of that increase is due to the sorry state of facilities we have had up until now. What drives what we are doing with facilities generally and with facilities overseas in particular is the fact that we are sending young people out there to be on the front lines, to risk their lives, and that it is absolutely wrong to have them come back to housing that is substandard or to work in facilities that are substandard while they have to deal with angry mobs, get shot at, or anything else.

Now, there has been a pretty dismal record of supporting the facilities over the years. It has built up over time. Whatever we decide to do, I believe that the work that is being done in those facilities is going to prove worthwhile. It is important to the morale of the troops. They have to see that we do not forget about them when they are overseas.

Senator HUTCHISON. I think everyone agrees with the purpose. But are you looking at—and it is hard to tell because we do not have the Quadrennial Review. But when you are asking for three-quarters of a billion dollars for overseas spending, are you looking at where you think you are going to have this steady stream of troops and the responsibility for the long term?

It just seems like we are doing things that have not been backed up with the facts yet.

Mr. ZAKHEIM. Well, I believe that you will find that what we are asking for will prove to be consistent with the Quadrennial Defense Review, yes.

Senator HUTCHISON. Well, let me just say that I have to go vote. Senator Feinstein will be back. I do have some other questions, but I think we are probably going to have to go to the next panel. So I will submit for the record, and I do want to thank you both for coming to my office. I have talked to both of you and you are certainly, I think, aware of my concerns and I just hope that we can get the facts before we have to make the decisions.

Mr. ZAKHEIM. Thank you, Senator.

Senator HUTCHISON. Thank you.

I just ask the second panel to probably get ready to come up, and Dianne will be back in just a minute.

Senator FEINSTEIN. The meeting will come to order.

I would like to ask a question on Vieques. Because of the vote just being in, does that change the view on military use?

Mr. ZAKHEIM. My understanding, Madam Chair, is that was a nonbinding—I am not sure how you describe that vote. It was sort of a straw poll, I guess, and I do not believe it has changed anything.

Ray, do you have any other sense of that?

Mr. DUBOIS. My understanding is that the Secretary of the Navy has already indicated that the vote has no impact on the plan to continue training until May of 2003, as stated in the policy announcement of a month ago.

Senator FEINSTEIN. Is there an intention to go on to fiscal year 2003?

Mr. DUBOIS. Yes, ma'am.

Senator FEINSTEIN. I take it that has not changed?

Mr. ZAKHEIM. No.

Mr. DUBOIS. No.

Mr. ZAKHEIM. While you are on the subject of the Navy, Madam Chair, someone passed me a note that the Navy is committed to the schedule and the cleanup standards of the MOA.

Senator FEINSTEIN. I am sorry?

Mr. ZAKHEIM. I was just passed a note that the Navy is indeed committed to both the schedule and the standards that are laid out in the agreement that we were discussing earlier.

Mr. DUBOIS. Hunters Point.

Mr. ZAKHEIM. Hunters Point.

Senator FEINSTEIN. All right. Now translate that into what that means?

Mr. ZAKHEIM. What it means is that when you look at the memorandum of agreement there is a series of dates that are laid out there and a series of cleanup standards that are laid out in that memorandum, and the Navy is committed to meeting those standards. So they have signed up to them.

Senator FEINSTEIN. And the Navy will pay whatever it requires to get there?

Mr. ZAKHEIM. I would assume that they will do whatever it takes to get there. If it involves payment, then that would obviously be a component. I would again suggest that you put that question to Mr. Holaday, but I was simply answering a question you had put to me earlier regarding schedules and commitments. The schedules are laid out in great detail. I think there are about seven dates, if my memory serves me rightly, in that MOA, literally to the day, and the Navy is committed to meeting those dates.

Senator FEINSTEIN. The Air Force for their \$33 million?

Mr. ZAKHEIM. To the best of my knowledge, the Air Force has put the remainder—some of that money turned out to be in fiscal year 2001. The remainder has been programmed in fiscal year 2002. I asked around during the break and there does not seem to be a sense that there is any kind of funding problem. Whatever shortfall there was programmed in fiscal year 2002.

Senator FEINSTEIN. The point I want to make in terms of the must-pay, that would include—I would just like to read this into the record: Hunters Point, El Toro, Naval Air Station Alameda,

Naval Shipyard Long Beach, Naval Air Station Lockett Field, and Naval Station Treasure Island.

Mr. ZAKHEIM. Again, as I understand it the Navy has already identified out of that \$92.3 million, I think it is—no, \$92.5 million shortfall, they have identified, they have brought that number down to about \$63 million and they are working to find funds for the remainder.

Senator FEINSTEIN. All right.

Could I ask just a couple of quick questions. Has Secretary Rumsfeld determined future force and structure for the Pacific and European commands, and do those construction proposals reflect those decisions?

Mr. ZAKHEIM. Madam Chair, we are in the midst right now of the Quadrennial Defense Review, which will, among other things, be addressing just those issues. The proposals for construction I believe will be valid pretty much regardless of how the numbers come out because there is a certain level at which we will be maintaining our presence under just about any circumstance I can think of, and the facilities that we are looking to improve are consistent with those levels.

But the specifics of what we are going to do will be the outcome of the Quadrennial Defense Review.

Senator FEINSTEIN. Thank you.

That takes care of my questions. Senator, any questions?

Senator HUTCHISON. Well, I appreciate your staying. I thought that they would be able to go and I had not quite finished, but let me just clarify one thing.

Dr. Zakheim, you had said, I think, that the QDR will be finished before we will be asked to vote on a BRAC; is that correct?

Mr. ZAKHEIM. What I said was that the QDR will be finished before any facilities that might arise in any kind of initiative or, to use the old shorthand, BRAC would even be named. It is a long process, as you know. Step one is simply to send a legislative package up for authorization of a process. If we go anything like the previous route—and I do not want to anticipate that—but just to take the previous BRAC as an example, commissioners had to be named. There was then a list that was put together. That comes quite a bit later, after the initial legislative package goes to Congress, and I cannot imagine that any list of any facilities would be formulated, much less presented, prior to the completion of the Quadrennial Defense Review.

Senator HUTCHISON. Let me just say that I would hope that we would have the information from the Quadrennial Review and the full thinking of the Department of Defense on what our troop strength will be, what our focus will be, before we are asked to vote on the BRAC. I do not know how that will mesh with your timetable, but I think that will be the better approach.

Mr. ZAKHEIM. As I said, it depends what you mean by voting on the BRAC. But if it means voting on any facilities, I do not think there is any doubt of that.

Senator HUTCHISON. I am talking about voting to authorize a BRAC.

Mr. ZAKHEIM. Well, I am not completely certain as to the timetable yet, because we have not sent anything up to the Hill, anyway. I do not know if you want to add to that.

Mr. DUBOIS. I think, Senator, that you are addressing a very important issue with respect to sequence, and you and I have talked about this in the past, as have a number of your colleagues. In order to address a so-called package, BRAC package, 2 years from now in the summer of 2003, a process does have to begin. It is our view that it would not begin until after the QDR was completed and submitted to Congress in October of this year.

That does not preclude the fact, however, that the process needs to be authorized by Congress. We believe it is best authorized by Congress in the Defense 2002 Authorization Act. We of course defer to your judgment in that respect. It is your prerogative. But our belief is that that is the best vehicle by which to authorize the process that would then begin subsequent to the submittal of the QDR.

It is a long, detailed, some would say arduous process that as a practical matter would result in a presentation to a commission in the spring of 2003.

Senator HUTCHISON. I would just say I think having more of a strategy before we are asked to vote on the process might be a better approach. But we will just keep on talking and hopefully have more information.

Let me just ask one last question. That is, it seems that one of the issues that comes up again and again with regard to a base closing is the cost of the environmental cleanup, that it never seems to be what it was represented to be in the BRAC process. I just wonder if there is anything that you are trying to do in the Pentagon that would address the cost of environmental cleanup, anything maybe thinking out of the box about how you would approach the environmental cleanup, perhaps to be able to do it in a more efficient way or a better way or something that would cut what appeared to be just ongoing costs that were not anticipated.

Mr. DUBOIS. Yes, ma'am. I think that, as you have concerns and doubts, so do we. We have looked at the numbers as they were projected over time and one would have thought that the numbers would have gone down in a nice, stepped fashion. As I indicated earlier this afternoon, often times the land use changes and when it does standards change. When standards change, costs change.

The other issue that one I think has to understand is that environmental cleanup or remediation are costs and, yes, liabilities, that the Department of Defense shoulders whether or not it keeps a base open, it realigns the base or it closes the base. So there are inherent costs in doing business for the Department with respect to the environmental remediation.

The last issue that you raised and one that we wrestled with over the past couple of months is, are there opportunities for disposal, if you will, or realignment which would mitigate environmental remediation costs, absent those that affect safety and health, i.e., some plume on the ground that impacts the aquifer, which would be something we would address whether we kept the base open, closed, or realigned it.

We have some what we refer to as improvements in this process that we hope to share with Congress very soon, which would miti-

gate some of those pure health-related costs. As you know, there are unexploded ordnance issues that we face at formerly used defense sites and at currently used defense sites. Sometimes we have addressed them from the point of view of creating a bird sanctuary rather than cleaning up the situation to support a condominium or a child development center.

We want to work with Congress to try to outline some options that would help, not necessarily cap, better manage how we are going to spend the taxpayers' dollars to environmentally remediate properties that are no longer central to the Defense Department's mission.

Senator HUTCHISON. I really look forward to hearing more about that. Thank you very much.

Senator FEINSTEIN. Thank you, Senator.

Thank you very much, gentlemen.

Mr. ZAKHEIM. Thank you.

Senator FEINSTEIN. This concludes this panel.



DEFENSE AGENCIES

MILITARY COMMUNITY AND FAMILY POLICY

STATEMENT OF JOHN MOLINO, DEPUTY ASSISTANT SECRETARY OF  
DEFENSE

BALLISTIC MISSILE DEFENSE ORGANIZATION

STATEMENT OF DR. PATRICIA SANDERS, DEPUTY DIRECTOR FOR  
TEST, SIMULATION AND EVALUATION

SPECIAL OPERATIONS COMMAND

STATEMENT OF LIEUTENANT GENERAL WILLIAM P. TANGNEY, DEP-  
UTY COMMANDER IN CHIEF

TRICARE MANAGEMENT ACTIVITY

STATEMENT OF MAJOR GENERAL LEONARD M. RANDOLPH, JR., DEP-  
UTY EXECUTIVE DIRECTOR

Senator FEINSTEIN. May I ask the next panel to quickly assemble and we will move on.

I am very pleased to welcome today our second panel: Mr. John Molino, representing the Department of Defense Education Activity; Dr. Patricia Sanders from the Ballistic Missile Defense Office; Lieutenant General William Tangney—I hope I pronounced your last name—

General TANGNEY. You got it right, “TANG-nee.”

Senator FEINSTEIN. “TANG-nee,” Special Operations Command; Major General Leonard Randolph from the TRICARE Management Activity.

Now, this is a very diverse panel. It represents several defense-wide agencies. Of course, we want to hear from each one of you. Again, because of the limited time, your statement will go into the official record and we would ask that you summarize your statement at this time. Mr. Molino, we will begin with you.

STATEMENT OF JOHN MOLINO

Mr. MOLINO. Thank you, Madam Chairman, Senator Hutchison. Thank you for the opportunity to testify this afternoon on the military construction program for what is most certainly one of the premier people programs within the Department of Defense, the DOD Education Activity. Quality schools along the other facilities such as first-rate child development and fitness centers, are critical to our commitment to uphold the quality of life of service members and families in order to attract and retain the very best.

Continued service is often a family decision. Taking care of military members and their families makes good sense and it is clear that DOD and our partners in Congress are committed to providing

for the quality of life of our armed forces. Thank you for your support over the years to improve quality of life facilities.

Modern, well equipped, educational facilities are vital to the educational process itself. Research shows that students in well-maintained environments outperform those who attend neglected, poorly maintained schools.

What was once said about the world's greatest empire can also be said of DODEA: The sun never sets on the DOD Education Activity. DODEA serves 108,000 students in 227 schools in 14 countries, 7 States, one Commonwealth, and one U.S. territory. The conditions of schools are important to the educational process because of the changing educational curriculum, increasing use of technology in the classroom, and the rising expectations of the military community.

#### PREPARED STATEMENT

The fiscal year 2002 military construction budget includes more than \$65 million in major construction. This compares very favorably to the \$42 million appropriated by the Congress last year for defense school construction. In summary, this is a good news story indeed, of a concerned Congress and the Bush Administration's commitment to the quality education of the sons and daughters of America's sons and daughters selflessly serving to protect the freedom we enjoy, but should never take for granted.

Thank you again for your consistent support and I am happy to entertain any questions you may have.

[The statement follows:]

#### PREPARED STATEMENT OF JOHN MOLINO

Madam Chairwoman and members of the Committee, it is an honor to appear before you today to discuss the status of a key component of our quality of life program, the Department of Defense Education Activity's (DODEA) military construction program. Quality schools, along with other facilities such as first-rate child development and fitness centers are critical to our commitment to uphold the quality of life of Service members and families in order to attract and retain the best. When we address work-life needs such as improved living and working conditions we optimize satisfaction with military life. It is often said that retention strategies must focus on the entire military family because continued service is a family decision. I will begin my testimony by referring to the DODEA program.

This Committee has a long-standing tradition of advocacy for DODEA's programs. You recognize, as do we, the critical necessity and value of providing a first-rate educational program for the children of our Service men and women. Attracting and retaining the best force is the foundation of our national defense. Therefore, quality education remains a central quality of life issue for our military and is critical to military readiness.

Providing modern, well-equipped educational facilities is vital to the educational process itself. Research shows that students in well-maintained environments outperform those who attend neglected, poorly maintained schools. DODEA serves 107,947 students in 227 schools in 14 countries, 7 states, one Commonwealth and one Territory, with a total facility inventory of over \$3.2 billion dollars. Over sixty percent of our schools are over thirty years old, and many are housed in former barracks or administrative buildings, not built to be educational facilities. The changing educational curriculum, increasing use of technology in the classroom, and rising expectations of the military community make the state of the facilities more and more important to the education process.

DODEA is aggressively addressing our outdated infrastructure through the replacement or upgrade of the schools in the worst condition. Since 1999, we have programmed construction totaling \$165.4 million, including \$50.1 million in additions and renovations to existing facilities, \$55 million for the replacement of older schools, and \$60.3 million for the establishment of schools on Guam and in Larissa,



Greece. This includes construction required to support a worldwide implementation of new educational programs: full-day kindergarten and reduced pupil-teacher ratios in the first three grades, both of which enjoy the strong support of our military stakeholders. For the future, we have focused our efforts to identify those schools that are in the most urgent need of repair or replacement and have programmed Military Construction projects where necessary to address those needs.

The fiscal year 2002 Military Construction budget before you now includes \$65.2 million in major construction for DODEA. Last year, with your support, there was \$42 million in the construction program. We see this increase in the fiscal year 2002 budget as very positive progress in an area that has great need. I'd like to thank the committee for its consistent support for the educational program. The fiscal year 2002 program includes one of our most sorely needed projects, the replacement of Lakenheath Middle School, in England. The existing school is operated in World War II-vintage facilities that are difficult to maintain and not conducive to a good learning environment. Replacement of this school will provide state-of-the-art facilities for over 800 students at Lakenheath.

The budget also contains a new elementary school at Laurel Bay, South Carolina, for 500 students. The core areas of the existing Laurel Bay school are severely overcrowded, as evidenced by the eleven trailer classrooms.

The fiscal year 2002 budget also includes funding for the renovation of and addition to Stone Street Elementary School at Camp Lejeune, North Carolina. The Stone Street initiative includes addition of a library, art and music rooms, and a complete renovation of the existing facility, including installation of central air conditioning, replacement of existing window walls and finishes, and renovations to comply with electrical and life safety code, and Americans with Disabilities Act requirements. In 1999, some of DODEA's worst facilities were located on Camp Lejeune. Beginning with the fiscal year 1999 Military Construction program, DODEA has replaced or renovated one of those schools each year. These continuing efforts are resulting in greatly improved facilities for the students at Camp Lejeune.

Also included in this budget are projects at Ramstein High School, Geilenkirchen Elementary School, and Wuerzburg Elementary School.

The project at Geilenkirchen Elementary School involves construction of a new multipurpose room that will replace an existing temporary air-supported structure that was erected in 1993, with an expected life of five years. Heating and cooling this facility is both difficult and expensive. This area doubles as the school's cafeteria, although it is without food preparation capabilities. Lunches are prepared off-site and delivered to the school. The new facility will provide food preparation and dining areas, and will also be used as an indoor physical education facility for the elementary school students.

An eight-classroom addition is scheduled for Ramstein High School. These additional permanent classroom spaces will replace temporary buildings installed for ninth grade students at Ramstein High School.

At Wuerzburg Elementary School, five additional classrooms and a gymnasium will be constructed. The school's existing multipurpose room and gymnasium facilities cannot accommodate the increased physical education and assembly needs, as well as the school lunch program. This project will provide a separate physical education area, allowing more flexibility in the use of the multipurpose room and cafeteria spaces. This project will also demolish existing temporary facilities and replace them with permanent general-purpose classrooms.

In addition to the major construction projects and some funding for planning and design, the 2002 budget also continues the implementation of full day kindergarten and reduced pupil-teacher ratios at our elementary schools worldwide for a total Military Construction program of \$71.4 million. Beginning in fiscal year 2001, DODEA programmed a number of projects around the world to provide the facilities necessary to implement these important initiatives. In addition to offering a full-day kindergarten program at every elementary school, this allowed DODEA to reduce the pupil-teacher ratio in the first through third grades from 23:1 to 18:1. A total of seven projects are included in the fiscal year 2002 budget.

DODEA's will continue to strive to address many of the aging facilities in our inventory. At this time the Administration has not yet addressed the fiscal year 2003-2007 requirements.

I am also pleased to be able to report on the status of our military Child Development Program. We know that more than 50 percent of the force is married and that families are the foundation of success. Family well being is critical to the peace of mind of our Service members. We are proud of our progress in child care during the last ten years—progress that would have been impossible without strong Congressional support. The Department received \$43 million in the fiscal year 2001 construction program for new construction or improvements for ten child centers. This

was a funding investment of an additional \$23 million above the fiscal year 2000 level of \$20 million. The fiscal year 2002 budget is for \$26 million for four centers.

The child development program consists of a variety of delivery systems to include center-based care, in-home care (on and off the installation), school-age care, and resource and referral programs. Each day we currently serve over 200,000 children from new born to 12 years of age at 300 locations worldwide in an estimated 800 facilities and 9,000 Family Child Care homes. The DOD child development program is the largest American employer-sponsored child care program. DOD sponsored forums consistently highlight a critical need for child care program growth. Further, military leaders continue to surface child care as a top priority for military members and their families.

The Department estimates that there is a need for 215,000 child care spaces. Through the current child development delivery system, the Department provides 170,000 spaces and is working aggressively to meet the unmet need. In response to a request from Congress, the Department of Defense and the Military Services are working to develop a plan to construct additional child development spaces. The ability to execute such a plan will be evaluated in the context of the total budget requirement for the Department. While child development centers are the cornerstone of the military child development program our experience indicates that a balanced delivery system that complements our construction program is needed to maintain quality, expand the availability of care, and provide the flexibility to meet mission and family requirements. This includes family child care homes on the installation and homes off the installation, partnerships with other agencies, maximizing school age spaces, and use of resource and referral to provide space in the local communities near our installations.

We appreciate your interest and ask for your continued support to ameliorate this major work-life issue for our families. Supporting DOD families' need for child care contributes to the efficiency, readiness, and retention of the Total Force and the economic stability of military families. Taking care of military members and their families makes good sense and it is clear that DOD and our partners in Congress are committed to providing for the quality of life for our Armed Forces as a high priority.

The third program I am reporting on is our fitness centers. Fitness centers consistently rank as the top Morale, Welfare and Recreation program. According to the 1999 DOD Survey of Active Duty Personnel, 79.5 percent of the respondents said they use the installation fitness center at least once per month, with 40 percent using the facility 11 times or more per month. This equates to an average monthly usage of approximately 12 million visits to fitness centers per month.

The Department received \$111.5 million in fitness and physical training facility construction for fiscal year 2001. This provided the funding for the construction and major upgrade of 12 facilities. For fiscal year 2002, the Department has requested \$171.3 million for construction and major upgrades of 12 facilities. Upgrading and modernizing fitness facilities is a high priority within the Department. We appreciate the continued recognition by Congress of fitness as a vital part of military life and the support provided by Congress in improving these critical facilities.

Each Service is conducting an assessment of its current facility inventories to establish strategic fitness facility plans in order to overcome the backlog in facility improvements. According to our 1998 survey of fitness facilities as part of "Operation Be Fit," 22 percent of our facilities were rated poor, with 54 percent rated as adequate. Each of the Services is conducting their own follow-on review of facilities, based on standards, to develop requirements for future military construction submissions.

DOD continues to develop a strategic plan for fitness in conjunction with the Services. This plan has expanded to encompass health promotion and injury prevention, as well as physical training. This new strategic concept has the potential to provide tangible benefits to DOD by reducing injuries, promoting healthy lifestyles and physically preparing Service members better for duty. The military Services have already started to place segments of this concept into practice. Many installations have brought their health promotion programs into the fitness centers, providing physical fitness assessments, nutrition counseling and other programs to promote healthy life styles.

Thank you for the opportunity to appear before this Committee and for your strong and consistent support of our programs in the past.

Senator FEINSTEIN. Thank you very much.

We will go right down the line. Dr. Sanders, welcome.

## STATEMENT OF PATRICIA SANDERS, PH.D.

Dr. SANDERS. Thank you. Madam Chairman, it is my pleasure to appear before you today to discuss——

Senator FEINSTEIN. Could you pull that right up so that we can hear you clearly and distinctly.

Dr. SANDERS. Thank you.

Madam Chairman, it is my pleasure to appear before you today to discuss our fiscal year 2002 construction program for the Ballistic Missile Defense Organization. The objective of the BMDO construction program is to provide the facilities that we need to support the research, development, and testing of a ballistic missile defense system and to acquire those facilities in accordance with Congressional guidance——

Dr. SANDERS. The BMDO construction budget request includes military construction and research, development, testing, and evaluation, RDTE funding. The requested budget includes MILCON planning and design, unspecified minor military construction, and RDTE-funded missile defense system testbed, and a space-based laser test facility.

The MILCON budget request of \$8.3 million includes \$2 million in unspecified minor construction and \$6.3 million in planning and design funds. The RDTE fund projects total \$288.3 million.

The budget reflects the Secretary of Defense's directive for BMDO to develop a single integrated ballistic missile defense system to defend the forces and territories of the United States——

Senator FEINSTEIN. May I stop you? Did you say \$228 million or \$288 million?

Dr. SANDERS. \$288.3 million.

Senator FEINSTEIN. Is that R&D?

Dr. SANDERS. In R&D.

Senator FEINSTEIN. Thank you.

Dr. SANDERS. So to develop a single integrated ballistic installation defense system to defend the forces and territories of the United States, its allies and friends, from all classes of ballistic missiles, without differentiating between theater and national missile defense. The research, development, test, and evaluation program is designed to enhance system effectiveness over time by deploying layered defenses that employ complementary sensors and weapons to engage threats in the boost, midcourse, and terminal phases.

The testing program will incorporate a larger number of tests than previously, using more realistic scenarios. But to do so will require investment in additional infrastructure. Development of the ground-based midcourse element of our missile defense system, which was formerly known as the National Missile Defense program, requires additional testing under operationally realistic conditions.

The proposed testbed is needed to provide the infrastructure for that realistic testing. The testbed will include components at several different installations at widely dispersed locations to provide the trajectories and sensing and intercept scenarios that realistically represent conditions under which a missile defense system might be expected to operate.

While a testbed will initially be used to test a ground-based mid-course element, in the future the testbed will be capable of integrating boost, midcourse, and terminal defenses, as well as sensors and battle management, command, control, and communications elements. The testbed adds realism. It allows for multiple simultaneous engagements and adds additional intercept areas to the BMD testing. These were recommended to us by both the BMDO-commissioned independent review team, which is commonly referred to as the Welch panel, and by the director of operational test and evaluation.

The testbed will also help us prove out construction, transportation, and logistics concepts that we will need to build and operate deployment facilities in a challenging Alaskan environment.

The fiscal year 2002 construction budget request contributes \$288.3 million of RDT&E funds to the development of national missile defense system tests.

Another RDT&E funded project is the space-based laser test facility. The facility is needed to conduct the ground test demonstration portions of the integrated flight experiment. The test facility will include a singular unique structure designed to specifically support the full-power laser test firing of the flight experiment, and combined integration tests of the chemical laser system configured as a complete space vehicle.

This facility will be constructed at the NASA Johnson-Stennis Space Center in Mississippi. The fiscal year 2002 request for \$5 million starts the project. Total construction is estimated at \$37 million. More detail on all of the construction projects in the BMDO requests are contained in my longer written statement which has been submitted for the record and the exhibits accompanying the Department's budget submission.

#### PREPARED STATEMENT

Thank you for your support, Madam Chairman, and I would be happy to answer any questions you and members of the committee might have.

Senator FEINSTEIN. Thank you.  
[The statement follows:]

#### PREPARED STATEMENT OF DR. PATRICIA SANDERS

Madam Chairwoman, it is my pleasure to appear before you today to present the fiscal year 2002 Construction program for the Ballistic Missile Defense Organization (BMDO).

The objective of the BMDO construction program is to provide the facilities needed to support the research, development and testing of the Ballistic Missile Defense System and to acquire those facilities in accordance with Congressional guidance and that of the Department of Defense. The BMDO construction budget request includes Military Construction (MILCON) and Research, Development, Testing, and Evaluation (RDT&E) funding. The requested projects include MILCON planning and design and unspecified minor construction, an RDT&E funded Missile Defense System Test Bed and a Space Based Laser Test Facility.

#### MILITARY CONSTRUCTION FUNDING (MILCON)

The MILCON budget request of \$8.3 million includes \$2.0 million in unspecified minor construction and \$6.3 million planning and design funds. The unspecified minor construction funds will be used for urgent, unforeseen projects. The design funds will be used for: Theater High Altitude Area Defense (THAAD) (part of the Terminal Defense Segment) test facilities at the Pacific Missile Range Facility

(PMRF) and at the Ronald Reagan Ballistic Missile Test Site (RTS) at the Kwajalein Atoll in the Marshall Islands; Sea-based Midcourse test facilities at West Lock, Hawaii; and Unspecified Minor Construction projects.

This budget reflects the Secretary of Defense direction for BMDO to develop a single integrated ballistic missile defense system (BMDS) to defend the forces and territories of the United States, its allies and friends from all classes of ballistic missiles, without differentiating between theater and national missile defense. The Department will develop and deploy promising technologies and concepts in order to build and sustain an effective, reliable and affordable missile defense system.

The research, development, test and evaluation program is designed to enhance system effectiveness over time by developing layered defenses that employ complementary sensors and weapons to engage threats in the boost, mid-course and terminal phases of flight and to deploy capability incrementally. This revised structure involves three basic thrusts: First, the new ballistic missile defense program will build on the technical progress we have made to date by providing the funding required to develop and test elements of the previous program.

Second, the new program will pursue a broad range of activities in order to aggressively evaluate and develop technologies for the integration of land-, sea-, air-, or space-based platforms to counter ballistic missiles in all phases of their flight. Third, the new testing program will incorporate a larger number of tests using more realistic scenarios and countermeasures. During this testing, we may find opportunities to accelerate elements of the program, and increase the overall credibility and capability of missile defense systems. This realistic testing will require investment in additional infrastructure.

#### MISSILE DEFENSE SYSTEM TEST BED

Development of the Ground Based Midcourse (GBMC) project of MDS (Missile Defense system) (formerly known as the National Missile Defense (NMD) program) requires additional testing under operationally realistic conditions. The proposed MDS Test Bed Facility is needed to provide the infrastructure for realistic testing. The Test Bed will include components at several different installations at widely dispersed locations to provide trajectory, sensing, and interception scenarios that resemble conditions under which a Missile Defense System might be expected to operate. While the Test Bed will initially be used to test the GBMC element, in the future, the test bed will be capable of integrating boost, midcourse, and terminal element defenses, as well as sensors and battle management command, control and communications systems. The Test Bed will add realism, allow for multiple engagements, and add additional intercept areas to BMD testing, as recommended by the BMDO-commissioned Independent Review Team (IRT) (commonly referred to as the Welch Panel), and the Director, Operational Test and Evaluation.

The MDS Test Bed is proposed to include the following components:

- Five Ground Based Interceptors (GBIs) with supporting infrastructure at Fort Greely, Alaska and a missile transfer facility at Eielson Air Force Base, Alaska. The GBIs at Fort Greely will allow BMDO to prove out the design and siting of a GBI field that would be required to fire in a salvo without having the GBI interfere with each other, to test the communication between all component parts, and to test for fuels degradation in the arctic environment, as well as to develop and rehearse maintenance and upkeep processes and procedures. At present, BMDO does not intend to launch any GBI from Fort Greely during the testing process because these missiles would fly over land in violation of current flight test safety restrictions. Flight test would be conducted from Ft. Greely if the safety issues could be satisfactorily addressed.
- Two GBI launch silos at Kodiak Launch Complex (KLC) at Kodiak, Alaska. KLC is a commercial space launch center owned by the Alaska Aerospace Development Corporation. This proposed component requires completion of the National Environmental Policy Act (NEPA) process. The GBI at KLC would allow more realistic test trajectories, compared to those presently provided by launching GBI from the RTS, and from the Pacific Missile Range at Kauai Island in Hawaii.
- Upgraded software for the existing phased array COBRA DANE radar on Shemya Island, refurbishment of the existing electrical power plant there, and test support infrastructure at Eareckson Air Station on Shemya Island, Alaska. The upgrades will allow the COBRA DANE radar to be used as part of the realistic sensing of offensive missiles during MDS tests. This, in combination with the existing ground based radar prototype at RTS, will allow the program to test sensing and intercept of targets launched from a variety of locations.

- Upgraded software for the existing early warning radar (EWR) at Beale Air Force Base in California. The upgrade will allow the upgraded EWR (UEWR) at Beale to be used as part of the realistic sensing of offensive missiles during MDS tests.
  - Battle Management Command and Control (BMC2) nodes at Fort Greely, RTS and the Joint National Training Facility (JNTF), Colorado, and at another location in Colorado Springs, Colorado. The BMC2 nodes will allow the MDS system to test its ability to control MDS components in a variety of locations.
  - In Flight Interception Communication System (IFICS) Data Terminals (IDT) at Fort Greely (2), Eareckson Air Station (2), Kodiak (1) and RTS (2). The IDT will allow the MDS system to test its ability to communicate information about the target location and characteristics to the GBI to effect a successful interception.
  - In the future the Test Bed could include a new phased array, X-Band radar proposed for the Pacific area in roughly the 2006 time frame. This project is at a preliminary stage of design and is not in the fiscal year 2002 budget. Its final location will not be determined prior to completing the National Environmental Policy Act (NEPA) process.
  - Satellite and/or fiber communications between all elements to allow them to communicate.
  - Test targets launched from Vandenberg Air Force Base and from aircraft when an advanced version of an air launched target is developed.
- In addition, the following elements will support the Test Bed:
- Defense Support Program (DSP) satellites to test their ability to assist in rapidly identifying a target missile.
  - Combat Systems Engineering Development Site (CSEDS), New Jersey and Aegis SPY radar.

BMDO proposes to build facilities for the MDS Test Bed using funds appropriated as Research, Development, Test and Engineering (RDT&E), rather than funds appropriated as Military Construction (MILCON). The primary reason for using RDT&E funds versus MILCON funds is to provide the needed flexibility to make required changes identified through testing in a realistic environment. The MILCON funding approach set out in Title 10 U.S.C., Chapter 169 is based on the assumption that all aspects of the facility to be constructed—its size, configuration, and use—can and should be known in detail, prior to Congressional approval of the project. Further, MILCON presupposes that few, and only relatively minor changes would be required to a facility after Congress approved the project. While these are reasonable requirements when applied to most facilities that are constructed on military installations, the requirements do not readily allow for the evolution and development of this MDS Test Bed. The intent of the robust testing is to determine whether the proposed components operate as envisioned, and if not, to determine how the components should be changed so that they will provide an effective defense. Change to the components is extremely likely to require change in the supporting facilities. As an example, the precise missile that will be used as the GBI in an operational GBMC element has not yet been determined. The MDS test bed will be using a surrogate GBI. As more is known about the final size and particular fueling, configuration and other aspects of the GBI, the launch silos, and other supporting GBI facilities at the test bed may have to be reconfigured in order to support as realistic a testing program as is possible.

The cost of constructing the proposed Test Bed should be included in the total R&D cost of developing a GBMC missile defense element. Title 10 U.S.C. Section 2353 authorizes funding a limited class of construction with RDT&E if the facility is necessary for the performance of a research and development contract and in addition the facility must be to support research and development; and it cannot have general utility.

BMDO has determined that aspects of the Test Bed project clearly fall within the 10 U.S.C. 2353 authority. Other aspects of the Test Bed could be viewed to be of “general utility” and thereby not authorized by 10 U.S.C. 2353; as neither the statute nor its legislative history contain a definition of general utility. While BMDO could, in theory, fund part of the Test Bed project with MILCON, doing so would greatly reduce BMDO’s ability to rapidly and effectively make changes to the Test Bed in response to requirements identified through realistic testing. To resolve the issue, the Department of Defense has proposed legislation that would clarify its authority to construct the Test Bed, to include facilities of general utility, with RDT&E funds.

The legislative proposal would allow construction activities to be undertaken with authorized RDT&E funds at Fort Greely, Eareckson Air Station, Eielson Air Force Base and Kodiak, Alaska. The proposal would also authorize the Secretary of Defense to provide assistance to local communities to meet the need for increased mu-

nicipal or community services or facilities resulting from the construction, installation, or operation of the MDS test bed.

The fiscal year 2002 construction budget request (MILCON and RDT&E) of \$296.6 million contributes \$283.3 million of RDT&E funds to the development of the MDS Test Bed, which will be used initially to prove out the midcourse capabilities. Over time the test bed will expand to include weapons and sensor capabilities to improve all missile defense capabilities, as they are made available.

This test bed will allow us to test more than one missile defense segment at a time and exploit multiple shot opportunities so that we can demonstrate the layered defense concept. The test bed will provide a realistic environment to test different missile defense capabilities under varying and stressing conditions. It will also help us test and prove out construction, transportation, and logistics concepts we will need to build and operate deployment facilities in the challenging Alaskan environments.

#### FISCAL YEAR 2001 MILITARY CONSTRUCTION APPROPRIATION

The Congress appropriated \$85.1 million in fiscal year 2001 Military Construction to fund the first phase of NMD deployment facilities. Of that amount \$20.85 million has been reprogrammed to planning and design to continue the deployment facilities design effort. We are planning to use \$9 million to perform site preparation at Fort Greely. The site preparation is for clearing, excavating, and grading the site, preparing facility sub-bases, and installing preliminary utilities (two water wells) and road infrastructure. The proposed site preparation work is the initial part of the approved fiscal year 2001 MILCON project and the work was planned and designed using MILCON funds. It will not include construction of any silos. While the site preparation work at Ft. Greely is work that is authorized under the BMDO fiscal year 2001 MILCON project, BMDO recognizes that the previous MILCON documentation no longer accurately describes the work actually planned in the next several years. To rectify this situation, BMDO has submitted a revised DD Form 1391 for the MDS Test Bed construction in its fiscal year 2002 Budget request. The remaining \$55 million in fiscal year 2001 MILCON will be retained until additional guidance is received on how to proceed with the Ballistic Missile Defense System and would be available to construct deployment facilities when directed.

#### SPACE BASED LASER TEST FACILITY

Another RDT&E funded project is the Space Based Laser Test Facility. The facility is needed to conduct the ground test and demonstration portions of the Integrated Flight Experiment (IFX). The test facility will include a singularly unique structure designed specifically to support the full power laser test firing of the IFX and combined integration tests of the chemical laser system configured as a complete space vehicle.

The main building structure will include a 120 foot wide by 240 foot long by 150-foot tall, "High Bay" class 10,000 clean room, a shipping receiving and decontamination area (120 feet by 95 feet, class 10,000 clean room), and support spaces for offices, laboratories, and shops. The facility will be constructed at the NASA John C. Stennis Space Center in Mississippi. The fiscal year 2002 request for \$5 million starts the project. Total construction cost is estimated at \$37 million.

Thank you for your support, Madam Chairwoman. I would be happy to answer any questions you and the Members of the Committee might have.

Senator FEINSTEIN. General, please proceed.

#### STATEMENT OF LIEUTENANT GENERAL WILLIAM P. TANGNEY

General TANGNEY. Thank you, Madam Chairman, Senator Hutchison. I am pleased to be here today to discuss the United States Special Operations Command fiscal year 2001 military construction budget. I am Lieutenant General Bill Tangney, Deputy Commander in Chief U.S. SOCOM, McGill Air Force Base, Florida. With the chairwoman's concurrence, I will submit my formal statement for the record and present a brief summary at this point.

Senator FEINSTEIN. Excellent. Thank you.

General TANGNEY. Our military construction program has a direct, positive, and significant impact on our unique Special Oper-

ations capabilities. Both our active and reserve Special Operations forces possess highly specialized skills that are used to execute a broad range of specialized joint operations. The command's military construction program provides essential facilities. These facilities in turn support our unique training needs and hence force capability and increase the readiness of our personnel for missions and weapons systems to perform our unique and highly specialized missions.

The military construction budget request for fiscal year 2002 totals \$98.9 million, consisting of \$90.2 million for 19 major construction projects at 8 installations, \$1.9 million for unspecified minor construction, and \$6.8 million for military construction planning and design.

#### PREPARED STATEMENT

Your support of this program is vital to the continued development and effectiveness of Special Operations Forces and their ability to support and advance our national security. This committee's support in prior years has greatly improved our joint Special Operations capability. We look forward to your committee's continuing support again this year and in the future to acquire the facilities which we need for our formations to perform their unique assigned missions.

[The statement follows:]

#### PREPARED STATEMENT OF GENERAL WILLIAM P. TANGNEY

##### INTRODUCTION

Madam Chairwoman and members of the committee, I am pleased to present the United States Special Operations Command (USSOCOM) Military Construction (MILCON) budget request for fiscal year 2002. Our MILCON program has a direct, positive impact on the training, readiness and operational capabilities of this nation's special operations forces (SOF). The highly specialized skills and equipment required to successfully execute the full spectrum of special operations missions require a modern array of operations, training, and maintenance and support facilities.

##### PURPOSE

The long term goal of the USSOCOM facilities program, in which annual MILCON investment is a major factor, is to have all units and personnel working and living in adequate facilities in order to maximize both training and operations capabilities. Facilities requirements are generated by the need to modernize and replace old and inadequate facilities and the need to support new weapons systems, force structure, and missions. The current MILCON program is planned to provide facilities that will improve force capability, increase readiness of SOF weapons systems, and support diverse training needs. Examples of major construction needs that meet this criteria include: training ranges and language training facility improvements at Fort Bragg, North Carolina; aircraft support facilities at Hurlburt Field, Florida; and replacement facilities for our Sea-Air and Land (SEAL) team forces at Naval Amphibious Base Coronado, California. Each construction request is part of a joint construction plan integrated at USSOCOM to ensure the most critical projects are constructed at the right place, on time, and contributing the greatest value to our mission.

Your committee's support in prior years has aided immeasurably in improving SOF's operational capability. We look forward to working with the committee to acquire these facilities so USSOCOM can continue to perform its missions and ensure we have a fully trained and capable force in the 21st Century.



## MILCON PROGRAM

USSOCOM's MILCON budget request for fiscal year 2002 totals \$98.9 million consisting of: \$90.2 million for major construction, \$1.9 million for unspecified minor construction, and \$6.8 million for project planning and design. The nineteen military construction projects in this program for our joint command include thirteen projects for the Army Special Operations Command, two projects for the Air Force Special Operations Command, two projects for Headquarters U.S. Special Operations Command, one project for the Naval Special Warfare Command, and one Joint Special Operations Command project. The majority of our programs support replacement, renovation and renewal of current mission facilities. The purpose behind each of these requirements is to facilitate the high state of readiness of all special operations forces. Following is a brief description of each of the 19 requirements:

*Seal Team Five Operations Facility, Naval Amphibious Base Coronado, California—\$13.65M*

Constructs platoon and operations supply buildings, renovates an existing administrative facility and rehabilitates a parachute drying tower for Seal Air and Land (SEAL) Team FIVE. This project will replace deteriorated and undersized facilities built in the 1950s and also eliminate storing gear outdoors in numerous cargo containers.

*CV-22 Training Device Support Facility, Hurlburt Field, Florida—\$10.2M*

Constructs a facility to support CV-22 simulator training. Areas include classrooms, administrative space, CV-22 flight simulators, simulator support area, specialized training areas and storage. The existing simulator facility is not large enough to support the additional CV-22 training mission as well as current fixed wing and helicopter trainers.

*Readiness Supply Package Facility, Hurlburt Field, Florida—\$3.2M*

Constructs a facility to provide storage for readiness supply packages (RSP) for helicopters and CV-22 aircraft. RSP consist of palletized spare parts and supplies for aircraft during deployments. The existing facility is located over two miles from the aircraft parking area across an active runway. Lack of adequate storage will require storage in temporary shelters or outside, exposing the assets to deterioration.

*Public Access Building, Macdill Air Force Base, Florida—\$2.5 M*

Builds a facility to house the Headquarters USSOCOM contracting function accessible to the public. The facility will house the competition advocate, technical industrial liaison office and procurement directorate. These functions are currently in temporary leased space.

*Renovate Command & Control Facility II, Macdill Air Force Base, Florida—\$9.5 M*

Provides supplemental requirements to complete renovation of the USSOCOM Headquarters command and control facility in Tampa, Florida. Latent requirements were identified during design of the original fiscal year 1999 MILCON building renovation, requiring communications architecture enhancements, backup power generator replacement, added force protection features, extended fire protection coverage, additional physical security, and space adjustments.

*Tactical Equipment Complex, Fort Benning, Georgia—\$5.1 M*

Constructs a tactical equipment complex to include a vehicle maintenance shop, warehouse, arms/communications/electronics maintenance facility, vehicle storage building, oil storage facility and military vehicle parking. Existing vehicle maintenance shops lack sufficient bay and shop space, overhead lift clearance and capability, proper heating and ventilation, adequate lighting, and fire protection.

*Operational Training Facility, Aberdeen Proving Ground, Maryland—\$3.2 M*

Constructs new and renovates existing facilities on an existing range for an expanded special operations mission. Project provides facilities to support training and develop new equipment, materials and tactics. Aberdeen Proving Ground has range conditions and security measures in place that satisfy mission sensitive requirements.

*Battalion Operations & Vehicle Maintenance Complex, Fort Bragg, North Carolina—\$8.5 M*

Constructs a battalion headquarters, organizational vehicle maintenance shop, deployment storage facility, and vehicle parking area for the 96th Civil Affairs Battalion. The existing Korean War era facilities provide only 50 percent of the re-

quired space and lack adequate infrastructure to support modern battalion headquarters.

*Imagery and Analysis Facility, Fort Bragg, North Carolina—\$3.15 M*

Constructs a photographic, imagery and analysis facility to support imagery production, terrain model building and intelligence analysis. The facility will include photographic and imagery equipment areas, darkroom, model/exhibit workshop, storage and administrative space. The existing facilities were designed as warehouses and do not have adequate space and utilities to fully support this highly technical mission.

*Language Sustainment Training Facility, Fort Bragg, North Carolina—\$2.1 M*

Constructs classrooms, administrative and instructor areas, audio/visual storage areas, computer lab and distance learning rooms to provide specialized language sustainment training for the 3rd Special Forces Group. Language training is currently conducted in a WWII era facility and a converted operations facility. Existing facilities do not have sufficient space and lack adequate heating and lighting needed for language training.

*Repair Training Facility, Fort Bragg, North Carolina—\$1.812 M*

Repairs and replaces damaged ballistic wall and floor systems in an indoor range facility. Life-cycle repair of the ballistic wall systems is required every seven years to provide a safe and functional live-fire training facility. The next repair cycle is required by 2002.

*Team Operations & Information Automation Facilities, Fort Bragg, North Carolina—\$5.8 M*

Constructs a consolidated facility for communications forward operations detachments to conduct team planning, store deployable equipment and gear and perform administrative functions. The project will also modify an existing warehouse into an information automation facility. This construction is required to enhance the unit's readiness posture and capabilities.

*Training Facility, Fort Bragg, North Carolina—\$5.0 M*

Provides facilities for instructional staff and Special Forces candidate trainees at the Rowe Training Center. This training area provides initial qualification training for Special Forces personnel. Construction includes a two-story cadre administration building, toilet/shower and laundry facilities. Existing facilities are deteriorated temporary structures that are inadequate for this training mission.

*Training Range, Fort Bragg, North Carolina—\$2.6 M*

Constructs a covered 20-position baffled firing range to conduct live-fire training. The new range will expand training flexibility by providing moving targets for sniper training under various weather conditions, and simulated night training with the use of night vision goggles. The existing range is operating under a safety waiver that limits firing to only single shots at stationary targets.

*Vehicle Maintenance Complex, Fort Bragg, North Carolina—\$3.6 M*

Constructs two additions to a vehicle maintenance shop, a deployment storage facility, a motorcycle storage building, and organizational vehicle parking for the 3rd Special Forces Group. Additional facility space and parking area are required to accommodate the increase in assigned vehicles from 170 to 426 with 42 additional vehicles expected within the next year.

*Weather Operations Facility, Fort Bragg, North Carolina—\$1.0 M*

Provides permanent facilities for a combat weather detachment. This 21-person unit and equipment provide weather information to multiple SOF units at Fort Bragg. Construction includes administrative offices, team rooms, training/conference areas, storage and equipment maintenance space. The existing deteriorated facility was built in 1941 as enlisted quarters and lacks adequate electrical, heating and air conditioning systems.

*Language Sustainment Training Facility, Fort Lewis, Washington—\$1.1 M*

Constructs classrooms, administrative and instructor areas, audio/visual storage areas, computer lab space, and distance learning rooms for the specialized language sustainment training of the 1st Special Forces Group. This language training is currently conducted in a barracks that is not suited for language training.

*Tactical Equipment Complex, Fort Lewis, Washington—\$5.8 M*

Constructs a tactical equipment complex to include a vehicle maintenance shop, warehouse, arms/communications/electronics maintenance facility, vehicle storage building, oil storage facility and military vehicle parking. Current functions are housed in twelve 1950s vintage buildings that do not have sufficient shop space, overhead lift capability, or adequate heating, ventilation and lighting.

*Aviation Training and Maintenance Facility, Classified Location (CONUS)—\$2.4 M*

Constructs an aviation training facility and an aviation maintenance facility. The training facility will provide classroom, life-support equipment maintenance and storage areas, administrative offices, and audiovisual storage and support areas. The maintenance facility will include a single aircraft maintenance bay, bridge crane, avionics and optical shops, storage and office space. Existing facilities are deteriorated temporary trailers that have exceeded their useful life.

## SUMMARY

Our proposed fiscal year 2002 military construction budget for facility investment will significantly improve the operational readiness and training capability of the USSOCOM. Your support of this program is essential to ensure the continued quality and effectiveness of our nation's special operations forces.

Senator FEINSTEIN. Thanks, General, very much.  
General Randolph.

## STATEMENT OF MAJOR GENERAL LEONARD M. RANDOLPH, JR.

General RANDOLPH. Thank you and good afternoon. Madam Chairman and Senator Hutchison, on behalf of Dr. Jarrett Clinton, the Acting Assistant Secretary of Defense for Health Affairs, and Mr. Thomas Carrato, the Executive Director, TRICARE Management Activity, I thank you for the opportunity to present the Department of Defense's fiscal year 2002 amended medical military construction program budget request. With the concurrence of Madam Chairman, I would like to also submit my longer written statement for the record and give a brief overview at this time.

Senator FEINSTEIN. Please proceed, sir.

General RANDOLPH. Let me begin by thanking the committee for your support of our medical construction programs in the past. But I look forward to your continued support in the future for ensuring the quality of life that our soldiers, sailors, airmen, marines, and eligible beneficiaries require to stay ready and to stay healthy. I would like to present this brief overview at this time by saying that the functionality and the condition of the facilities in which health care services are rendered has a profound impact on the perceived quality of life, retention, and recruitment, as well as the quality and the quantity of services that can be provided in those facilities.

When we talk about quality of life in the medical military construction arena, we are referring to the facilities where the staff and the beneficiaries are able to work and receive care in the most optimal and safe environment possible. As a benefit of providing this type of environment, we provide up to date, operationally efficient facilities, lower costs by having greater in-house access to care, and retain well-qualified, highly motivated personnel.

Our fiscal year 2002 program requests appropriations of \$193.3 million for 22 major construction projects. We are also seeking \$5,526,000 for unspecified minor construction and \$26,300,000 for planning and design efforts to complete designs on fiscal year 2003 projects, further design projects identified for fiscal year 2004, and to commence design on projects for fiscal year 2005.

The total appropriation request for this fiscal year 2002 amended medical construction budget is \$225,126,000. Our mission is to support and protect our forces before, during, and after operational deployment, as well as to provide preventive health care services to all eligible beneficiaries of the Department of Defense. The highly specialized skills and equipment required to successfully execute the full spectrum of the DOD health care mission also demands a modern array of treatment, training, operational, and storage facilities.

Our physical plant structure plays an integral role in our ability to successfully carry out this mission. Two projects directly support the readiness of our forces at isolated locations overseas where there are no alternative sources of health care. They include a dental clinic replacement for \$3.75 million at Lajes Air Force Base, Portugal, and the Composite Medical Facility replacement at Thule Air Base, Greenland, at a cost of \$10.8 million.

In conclusion, the medical construction program is one of the important pieces of the quality of life of our uniformed personnel. The program stands as a testament, I believe to our combined commitment with you to maintain our country's medical readiness, provide better access to in-house direct care, and to provide quality health care services to the women and men serving in our armed forces, as well as all of our eligible beneficiaries.

#### PREPARED STATEMENT

Thank you for the opportunity to present our budget. This concludes my overview of the fiscal year 2002 amended medical military construction budget request.

[The statement follows:]

#### PREPARED STATEMENT OF MAJOR GENERAL LEONARD M. RANDOLPH, JR.

Good morning Mr. Chairman and Members of the Subcommittee. I am Major General Randy Randolph, Office of the Assistant Secretary of Defense for Health Affairs.

On behalf of Dr. Jarrett Clinton, the Acting Assistant Secretary of Defense for Health Affairs and Mr. Thomas Carrato, the Executive Director, TRICARE Management Activity, I thank you for the opportunity to present the Department of Defense's fiscal year 2002 Amended Medical Military Construction Program budget request.

The Appropriations Committee has been very supportive of our Medical Construction Program in the past and I look forward to your continued support in the future for ensuring the quality of life that our soldiers, sailors, airmen and eligible beneficiaries require to stay ready and healthy. I would like to present a brief overview of our fiscal year 2002 Medical Military Construction Program.

The functionality and condition of the facilities in which healthcare services are rendered has a profound impact on perceived Quality of Life as well as on the quality and quantity of services that can be provided in those facilities. When we talk about Quality of Life in the Medical Military Construction arena we are referring to facilities where the staff and beneficiaries are able to work and receive care in the most optimal environment possible. As a benefit of providing this type of environment we provide up-to-date, operationally efficient facilities; lower costs by having greater in house access to care and retain well-qualified and highly motivated personnel.

Our fiscal year 2002 program requests appropriations of \$193,300,000 for 22 major construction projects. We are also seeking \$5,526,000 for unspecified minor construction and \$26,300,000 for planning and design efforts to complete designs on fiscal year 2003 projects, further design projects identified for fiscal year 2004 and commence design on projects for fiscal year 2005. The total appropriation request for this fiscal year 02 Amended Medical Construction budget is \$225,126,000.

Our mission is to protect our forces before, during and after operational deployment as well as to provide preventive healthcare services to all eligible beneficiaries of the Department of Defense. The highly specialized skills and equipment required to successfully execute the full spectrum of the DOD healthcare mission also demands a modern array of treatment, training, operational and storage facilities. Our physical plant structure plays an integral part in our ability to successfully carry out these missions.

One long-term goal of the TRICARE Management Activity is to have all eligible beneficiaries and healthcare providers receiving care and working in modern, efficient healthcare facilities in order to maximize use of the in-house facilities and to minimize healthcare costs outside of the direct care system. Facility requirements are generated by the need to modernize and replace inadequate facilities to support the constantly evolving and changing healthcare environment.

The program before you today is planned to provide facilities that will ensure our readiness posture, improve the access to healthcare for our eligible beneficiaries and improve the quality of life for our healthcare patients and providers. Construction projects in this budget that meet these criteria are:

READINESS PROJECTS

*Schreiver Air Force Base, Colorado*

[In millions of dollars]

Medical/Dental Clinic ..... 4.00

This project will replace an existing aid station with a 1, 071 square meter medical/dental clinic to serve over 2,500 active duty beneficiaries at this isolated, high-security installation. The project will allow personnel stationed at Schriever convenient access to healthcare and improve the base's emergency response, industrial hygiene and public health capabilities.

*Fort Stewart, Georgia*

[In millions of dollars]

Consolidated Troop Medical Clinic ..... 11.00

Provides a single, right-sized troop medical clinic that replaces three small dispersed facilities in the west garrison area of the installation. This clinic will serve both active duty and family members and provides facilities for pre-deployment physical examinations and immunizations during force mobilization.

*Thule Air Base, Greenland*

[In millions of dollars]

Composite Medical Facility Replacement ..... 10.80

Replaces a grossly over-sized and extremely inefficient facility constructed in 1953 to serve 12,000-15,000 personnel. The replacement facility will be right-sized for today's population and composed of pre-engineered and pre-manufactured systems and will house the necessary functions to successfully treat remotely-located Armed Services personnel.

*Andrews Air Force Base, Maryland*

[In millions of dollars]

Naval Air Facility Washington, Br Med/Den Clinic Relocation ..... 2.95

This clinic provides medical/dental care to approximately 5,000 active duty personnel. The requested project relocates the existing clinic from the second floor of an aircraft maintenance hangar constructed in 1961 to an adjacent building of opportunity. The present clinic is a health hazard due to roof leaks, jet fuel seepage, lack of environmental controls and non-compliance with life safety and building codes for healthcare facilities.

*Lajes Air Base, Portugal*

[In millions of dollars]

Dental Clinic Replacement ..... 3.75

Provides an on-base adequately sized dental clinic. The current undersized off-base dental clinic is the target of frequent vandalism including broken windows and fires being set next to the building. For force protection reasons, the dental clinic must be relocated on base.

*Naval Operations Base Norfolk, Virginia*

[In millions of dollars]

Branch Medical Clinic Addition/Alteration-Sewells Point ..... 21.00  
 Increases the ability of this overcrowded clinic to meet the current patient workload and redress deficiencies in disability accessibility and life safety issues. The project will add treatment and support spaces as well as configure existing space to provide efficient clinic layout and circulation patterns.

## ACCESS TO CARE/QUALITY OF LIFE

*Twenty-nine Palms, California*

[In millions of dollars]

Hospital LDRP Conversion ..... 1.60  
 The third floor of the existing Naval Hospital will be altered to provide an efficient infant delivery system in the form of an integrated Labor, Delivery, Recovery, and Post Partum treatment unit. This will eliminate the current sizing and layout deficiencies and constraints as well as bring the medical gas system into code compliance.

*Mayport Naval Station, Florida*

[In millions of dollars]

Medical/Dental Clinic Replacement ..... 24.00  
 The existing clinic was constructed in 1977. It has extensive functional, life safety, and engineering systems deficiencies. Circulation patterns are confusing, departmental adjacencies are inefficient, clinical areas are fragmented, and support spaces are insufficient. This facility will support a beneficiary enrollment of over 60,000 people.

*Hurlburt Field, Florida*

[In millions of dollars]

Medical/Dental Clinic Addition/Alteration ..... 8.80  
 The current clinic was constructed to care for 4,000 active duty personnel. Today there are 21,000 beneficiaries enrolled including family members. Functions are currently located in several buildings scattered throughout the installation. The project will consolidate and right size all medical services onto one medical campus.

*Marine Corps Logistics Base Albany, Georgia*

[In millions of dollars]

Medical/Dental Clinic Replacement ..... 5.80  
 This project replaces 16,000 Gross Square Feet of the existing Marine Corps Logistics Base Albany clinic, currently comprised of a leased temporary modular trailer facility erected in 1995 and an 8,288 Gross Square Foot substandard facility. The proposed replacement clinic is planned at 27,621 Gross Square Feet to serve an eligible population of 9,068 TRICARE eligibles. This project will ensure access to care and contribute substantially to the quality of life of these eligible beneficiaries and our healthcare providers.

*Andrews Air Force Base, Maryland*

[In millions of dollars]

Medical Clinic Addition/Alteration ..... 7.30  
 Space located in 10-year-old modular buildings slated for demolition will be replaced by this 32,920 gross square foot addition. The Air Force Surgeon General has mandated that all primary care services for active duty and family members be provided on base, making leasing nonviable. This project is vital to our endeavor to increase access to care and improve quality of life for our eligible beneficiaries and our healthcare providers.

*Holloman Air Force Base, New Mexico*

[In millions of dollars]

Medical Clinic Alteration ..... 5.70  
 This facility was previously right-sized from an inpatient to an outpatient healthcare facility. The alteration work in the requested project will resolve space

issues within the existing hospital and consolidate functions bringing back outpatient clinics that are in deteriorating temporary facilities.

*Dyess Air Force Base, Texas*

[In millions of dollars]

Medical Treatment Facility Alteration ..... 3.30

This project will renovate currently vacant space within the existing clinic, which was previously right-sized. The space requires renovation to convert formerly inpatient space to use as outpatient clinic space. Clinics currently located in 1950's era facilities will be moved into the renovated space.

*Fort Hood, Texas*

[In millions of dollars]

Hospital Addition/Alteration ..... 12.20

Fort Hood is home to III Corps, which includes two divisions and a number of combat support units. The troop population at Fort Hood has grown to the point where the hospital is near maximum capacity in some critical areas. This project provides sufficient space for emergency medicine, radiology and a number of hospital administrative and educational activities.

*F.E. Warren Air Force Base, Wyoming*

[In millions of dollars]

Medical Clinic Alteration ..... 2.70

Project converts the existing small hospital to a clinic. Clinical functions in outlying buildings will be consolidated into vacated, formerly inpatient areas. Uniquely configured inpatient areas such as the surgical suite, central sterile, and the hospital kitchen will be renovated to accept outpatient clinics.

*Heidelberg, Germany*

[In millions of dollars]

Hospital Addition/Clinic Alteration ..... 28.00

The Heidelberg facility, constructed between 1930 and 1940, is the referral hospital for 11 outlying medical clinics. The facility currently suffers from severe life safety issues, space shortages, and inefficiencies and inappropriate adjacencies. This project will provide an addition to serve the 38,000 beneficiaries who require access to care in this region.

*Fort Wainwright, Alaska*

[In millions of dollars]

Hospital Replacement, Phase III ..... 18.50

Authorized in fiscal year 2000 at \$133,000,000, and reauthorized at \$215,000,000 in the fiscal year 2001 Supplemental Appropriations Act, this project seeks \$18,500,000 in appropriations this year. The Cost of construction has risen significantly in Alaska. The recent natural disasters in the Northwest contiguous lower 48 states have monopolized the contractor job market and sub-contractors in Alaska are spread thin as well. The project itself has not changed from its original concept. The existing facility was built in 1951 and still has the original utility systems in operation.

PROJECTS SEEKING RE-APPROPRIATION

We are seeking re-appropriation on five projects in this budget request. A large contractor-filed claim following completion of the Acute Care Facility portion of the Naval Hospital Portsmouth construction project was paid by the US Treasury Judgment Fund. The fiscal rules that apply to this account required expeditious repayment by the Medical Construction, Defense Agencies program. There were no savings that could be used for this purpose. Contracts for construction award had to be held in abeyance while we used our only existing source of available dollars to pay the Judgment Fund—projects appropriated but not yet under award. The projects, appropriated in fiscal year 2000 and fiscal year 2001 and their currently required amounts are:

Location	Project	(Millions of dollars)
Whidbey Island, Washington .....	Water Survival Facility .....	\$6.60
Camp Pendleton, California .....	Med/Den Clinic Rpmt—Horno .....	4.30
Camp Pendleton, California .....	Med/Den Clinic Rpmt—Pulgas .....	4.05
Camp Pendleton, California .....	Med/Den Clinic Rpmt—Flores .....	3.80
Camp Pendleton, California .....	Fleet Hospital Support Facility .....	3.15

These projects are all ready to be executed. The Whidbey Island project was unable to be awarded within the originally authorized and appropriated amount of \$4.7 million. The increase in cost as reflected above will ensure successful award of this fiscal year 2000 project. The other projects were all originally authorized and appropriated in fiscal year 2001 and their increase in cost is reflective of inflation due to the necessity to delay award.

#### CONCLUSION

The Medical Construction Program is one of the important pieces of the quality of life for our uniformed personnel. The program stands as a testament to our combined commitment with you to maintain our country's medical readiness, provide better access to in-house direct care and provide quality health care services to the men and women serving in our Armed Forces and all of our eligible beneficiaries. I thank you for the opportunity to present our budget. This concludes my overview of the fiscal year 2002 Amended Medical Military Construction budget request.

Senator FEINSTEIN. I wanted to begin, if I might, with Dr. Sanders. I understand there are no MILCON funds for Fort Greely in the 2002 budget; is that correct?

Dr. SANDERS. That is correct.

Senator FEINSTEIN. But there are funds in the 2001 budget?

Dr. SANDERS. That is correct.

Senator FEINSTEIN. Could you explain to me why a decision was made to use research and development funds instead of MILCON to construct the missile defense testbed which is now going to be at the initial deployment site at Fort Greely?

Dr. SANDERS. The Department believes that the testbed facility should be funded with RDT&E, reflecting the reality that the testbed is a research and development effort, and as such the cost of constructing the testbed should be included in the cost as a research and development cost of developing a ground-based mid-course missile defense system. The RDT&E funding will provide the needed flexibility to make the required changes to the testbed that we identify through testing in this realistic environment.

Senator FEINSTEIN. I guess what I am concerned by—and I am sure I am wrong here, because Mr. Wolfowitz would not have said it in his letter—but that this is considered as a prudent intermediate step toward the construction of an initial deployment facility and all initial deployment work is being done with R&D money; is that correct? There will be no MILCON money utilized?

Dr. SANDERS. I do not believe I would characterize it that way. I cannot speak for Mr. Wolfowitz, obviously, but I would interpret what he says in terms of it being an intermediate step towards the ultimate construction of the initial deployment facility. It is much the same as any research and development effort is an intermediate step to the ultimate product. We do not know yet that what we construct as part of the testbed will actually be the final configuration of those facilities to support the deployment facility. We do believe that Fort Greely will be a site at which we would



desire to have deployment facilities eventually. So it makes sense from a cost effectiveness standpoint to put some of your initial research and development facilities there so that you can build upon the experience later.

Senator FEINSTEIN. So you are saying the clear intent is that if all the tests work out it is a deployment facility. At what point, Dr. Sanders, in your evaluation does it violate the ABM Treaty?

Dr. SANDERS. I think that is something I am not qualified to make a judgment on. The work that we have asked to do in calendar year 2001 and that you questioned in your recent letter has been determined to be treaty-compliant.

Senator FEINSTEIN. Has been determined?

Dr. SANDERS. Has been determined to be treaty compliant, because it involves no construction of silos, no construction of actual facilities. It involves only clearing, grading, excavating of land, building of a road, and some minor utilities. The treaty does allow us to build additional test facilities. The ABM Treaty does require notice of a new test range 30 days after construction related to building ABM launchers or radars, which is not included in the fiscal year 2001 money. So site preparation is specifically allowed.

With regard to future activities, since the ABM Treaty does explicitly allow a party to establish new test ranges, it does allow us to do that, but provided that they are consistent with the obligation not to provide a base for the defense of the territory. It is an open question on whether the entire missile defense system testbed as a whole will provide a base, so that that question is currently under review and under consideration by the appropriate treaty experts and I am not an appropriate treaty expert.

Senator FEINSTEIN. Is there a requirement for an environmental impact statement?

Dr. SANDERS. There is a requirement. The work at Fort Greely has been covered under the environmental impact statement that was done for the NMD deployment, deployment facilities, because it essentially consists of activities that are a small portion of what was originally covered there and in fact it is less of an impact on the environment because it has a much smaller footprint, it involves much fewer facilities and only five silos, as opposed to a much larger number of silos in a deployment facility. Other parts of the testbed will require environmental assessments that have not all been completed.

Senator FEINSTEIN. Is it correct that there still is some question as to whether this testbed would be purely research and development or whether it would have some general utility? My understanding of the Wolfowitz letter, is that it is clearly being prepared as an initial deployment site, not for any general utility.

Dr. SANDERS. We have really determined that aspects of the testbed project clearly fall within Title 10, Code 2353 authority, and use of and RDT&E funding would be authorized. There are some aspects of the testbed that could be viewed as having general utility and therefore are not authorized for RDT&E funding. But neither the statute nor the legislative history have a clear definition of "general utility." So in order to clarify that, the Department has proposed legislation that would clarify the authority to con-

struct a testbed to include some facilities that might be considered general utility with RDT&E funds.

Senator FEINSTEIN. What are those facilities?

Dr. SANDERS. The ones that might be considered general utility?

Senator FEINSTEIN. Right.

Dr. SANDERS. I would hesitate to say right now because that is an ambiguous area, but it could be, for example, at one aspect of the testbed it is an upgrade to the radar, the Cobra Dane radar in Shemya, the upgrade to the radar's software. It is not even a construction element. But there is an upgrade to the power plant needed there in order to support that radar, and that might or might not be considered general utility.

Can you tell me how long the site preparation work at Fort Greely is scheduled to take?

Dr. SANDERS. I am not sure. I believe the intent would be to have that completed before the end of this construction period, which typically would last only through October.

Senator FEINSTEIN. I just wondered, to your knowledge is there any directive out as to when proposals and plans would bump up against the ABM Treaty?

Dr. SANDERS. Proposals specifically relating to the testbed?

Senator FEINSTEIN. Right.

Dr. SANDERS. I only know that the proposal for the testbed is under consideration currently with the compliance review process, and I do not know what the outcome of that process will be.

Senator FEINSTEIN. Okay.

If I might, Mr. Molino, with the increased presence in Guam what steps have been taken to address the adequacy of school facilities there?

Mr. MOLINO. Madam Chairman, we reacted to the decision to increase the Navy's presence in Guam by adding temporary facilities—trailer type setups—to facilitate the student population. In addition to that, there is construction of a high school located midway between the Air Force base and the naval facility that will accommodate both, the students from both bases. So we are reacting to that in a catch-up mode and are making good progress in that regard.

Senator FEINSTEIN. Thank you very much.

General Randolph, if I might, my understanding is there is a request for a clinic addition at Warren Air Force Base in Wyoming and this is the base of the Peacekeeper missiles. Recently the administration has said that the Peacekeeper is no longer necessary and is going to be phased out of the inventory. How might that decision affect the current MILCON plans for Warren?

General RANDOLPH. Madam Chairman, I do not think that that would affect it at all. The reason that the project was put forward had to do with the buildings that exist already. As I think you are probably aware, two of the three buildings that are now being utilized for health care facilities there are historical in nature and therefore old. The infrastructure that you have heard about in previous testimony exists there, too.

Because of that, we are looking to consolidate, first of all, those three facilities into one and we are looking to modernize the facili-

ties and take care of those infrastructure problems. So it really was not a population-based decision.

Senator FEINSTEIN. Thank you very much.

Senator HUTCHISON.

Senator HUTCHISON. Yes. Let me start with General Randolph. The TRICARE I think is a very important part of our medical coverage, and you have two facilities in Texas that are being upgraded, which I think is very good. In fact, I think one of the problems that we have tried to address is retiree health care, which I think has faced many problems because of fewer hospitals on bases because of base closings. That is one of the offshoots of base closings that I think is not quite anticipated, so we try to deal with it.

Let me ask you, as you plan for the Fort Hood project and the other projects, are you factoring in the future requirements based on anticipated requirements based on the new TRICARE for Retirees that was enacted last year? Are you putting that in your budgets?

General RANDOLPH. That is a great question and the answer to it is a very simple yes. There is a great deal of effort going forward, particularly as we approach the October 1 start of TRICARE for Life, into exactly how that will happen at each and every base, particularly when I think about the TRICARE Plus portion of TRICARE for Life. So to be frank, as we look at the facilities for instance at Dyess, we were not looking so much at how we would look at a particular part of the population there; we were looking at the fact that the dental clinic there is literally falling apart. It is wood. Patients are in the middle of the aisles. It is a life safety issue and a fire safety issue. So those were the things that drove the decision there, as well as the life skills building, which is about a 1958 building as I recall. So that is what drove the one there.

The thing that drove the Fort Hood discussion had more to do with the graduate medical education and emergency medicine facilities than it did in TRICARE for Life. We had a situation there where that entire program is occurring in an ambulance garage, as some might think is appropriate. It is emergency service, so you take care of things in the ambulance garage.

That is not the case. It is substandard, has been substandard for many, many years, and we intend to fix that. So those were the decisions that affected those two particular projects. But in an overall statement, I can tell you that the TRICARE for life requirements are part of our every hour thinking about the things that we are doing, construction-wise right on through care-giving.

Senator HUTCHISON. I would just say that I hope we can do more on our bases that would give our retirees the kind of care that they really prefer, which is really military health care as opposed to outside facilities. So I hope as we are looking at the building in the future and the service to our retirees in the future, as well as our active duty, that keeping things on base is one of the priorities.

General RANDOLPH. Let me assure you that we are in fact looking at that. I mentioned TRICARE Plus. That is in fact a facility-based program and it was put in place primarily to drive those that are in the TRICARE Senior Prime demonstrations, for instance. Those people have developed significant relationships within the

facilities already, as you just described. That program was specifically put in place to help transition those patients to the facility rather than out. It will certainly affect also our construction plans.

Senator HUTCHISON. Thank you very much.

Mr. Molino, I was very pleased to see in the President's budget and what we are looking at a hefty increase in the schools and education part of the Department of Defense budget. In the past it has seemed like the schools have been an afterthought and the Department of Defense has not considered it a priority that goes along with our other must-fund projects or new missions or old missions.

So I just wanted to ask you if you were now of the mind that this is going to be a new paradigm, that it will permanently become as high a priority that we have schools built where our children are going to be as an integral part of any base for any service that we are asking our people to take when we are responsible for educating children as part of the overall provision for the people who serve in our armed services.

Mr. MOLINO. Senator Hutchison, I have been in this position—I was appointed 6 weeks ago, so my part in the formulation of this budget was minimal at best. I recently learned about my requirement to testify at this hearing, so I was also relieved to see the robust funding when I heard that I had to come and defend it.

Senator HUTCHISON. Well, let me say that I am sorry that you have not been to some of the schools that I have visited, because you would respond with a lot more vigor.

Mr. MOLINO. Oh, no, ma'am. I can appreciate that.

Senator HUTCHISON. You will after you visit, I am sure you will.

Mr. MOLINO. I have been given every indication that this is indeed the new paradigm for this administration, that DOD schools will be given the attention they so much deserve.

Senator HUTCHISON. Thank you. It is our responsibility.

Mr. MOLINO. Yes, ma'am.

Senator FEINSTEIN. Senator Craig.

#### STATEMENT OF SENATOR LARRY E. CRAIG

Senator CRAIG. Madam Chairman, thank you very much, and I apologize for being in and out. I am still going to be in and out, so let me ask unanimous consent that my opening statement be a part of the record.

Senator FEINSTEIN. So ordered.

Senator CRAIG. I thank all of you very much for being here today. I will say I have geared my comments and my questions to the folks who have just left, so you can see my scheduling is not so good today.

I will say, though, Madam Chairman, to the folks from the Office of the Secretary, while I was extremely pleased to see the military family housing dollars up, I am very frustrated by the 80 percent tied to privatization. Some of us do not qualify for that and money that we had in last year's budget for Mountain Home Air Force Base and we are beginning to improve the housing there all of a sudden disappears under this new formula. So we will have to discuss that with you at some length, and I will ask—I will be calling our Deputy Under Secretary and the Under Secretary to visit with me about that and with others, because not all of us meet those

qualifications and yet housing needs are every bit as critical on those bases. I did want to say that for the record because it is a problem that we were beginning to remedy and now, of course, it is back to be remedied once again.

PREPARED STATEMENT

But I must tell you that these dollars and cents and what we are trying to do—I had the privilege of meeting with the Secretary of Defense last week—are important. I support you in this effort and will work to resolve any of the problems that we might have.

Thank you, Madam Chairman. Thank you.  
[The statement follows:]

PREPARED STATEMENT OF SENATOR LARRY E. CRAIG

Mr Chairman, it is indeed a pleasure to be here with the Hon. Dov S. Zakheim, Under Secretary of Defense (comptroller), Mr. Raymond F. DuBois, Jr., Deputy Under Secretary of Defense (installations and environment), Mr. John Molino, Deputy Assistant Secretary of Defense (military community and family policy), Dr. Patricia Sanders, ballistic missile defense organization (BMDO), Major General Randolph of the Office of the Asst. Sec. of Defense (health affairs), Lt. Gen. William Tangney, Deputy Commander and Chief, U.S. Special Operations Command, Mr. Paul W. Johnson, Deputy Asst. Sec. of the Army (installation and housing), Major General Robert L. Van Antwerp, Jr., Asst. Chief of Staff for Installation Management, Department of the Army, Major General Paul Bergson, Military Deputy (reserve components), Deputy Under Secretary of the Army for international affairs, U.S. Army reserve, Bgen. Michael J. Squier, Deputy Director, Army National Guard, Department of the Army.

I'm glad to see that the fiscal year 2002 DOD amended budget puts people first by including strong measures to improve morale, recruiting, and retention. A key element of that commitment is to upgrade DOD's aging infrastructure. As we are all aware, the infrastructure of our nations military installations has deteriorated to the point of concern for our military's operational readiness. It is important that we reverse the trend of infrastructure deterioration and work hard to provide a quality work environment that improves a service members efficiency and effectiveness, eliminates impediments to mission accomplishment, and fosters recruitment and retention.

But, it's not just the work environment which is essential to retention and readiness. I also believe that "for while we recruit individuals, we retain families". I was very pleased to see that the president's amended budget includes \$4.1 billion for military family housing (MFH)—up from \$3.6 billion in fiscal year 2001. It intensifies efforts to improve the quality of military housing and accelerate elimination of substandard housing.

In addition to this, the budget includes the president's \$400 million blueprint initiative to improve housing for military people and their families: \$107 million in military construction for barracks and \$293 million for family housing. Implementation of the initiative emphasizes privatization in order to deliver better housing more quickly. I understand that recent OSD policy dictated that 80 percent of these funds be used for privatization.

But, not all installations qualify for MFH privatization, and quite often it is at these installations that there is no acceptable alternative housing in the local area for lower ranking enlisted personnel. This places a tremendous burden on military members and their families, especially enlisted personnel who have very limited resources. For example, at mountain home AFB, ID it was determined that privatization was not economically feasible. The majority of housing on base is substandard. The housing in the community of mountain home is limited. The only other alternative is to commute to Boise, ID which is almost two hours away. The services have put together master plans that prioritize MFH by putting the worst housing first. This is a balanced approach that treats conventional and privatized MFH equally. In making policy decisions on MFH, we must ensure that the worst gets taken care of first and not simply give projects priority that get more housing for less money.

The good news is that the military construction budget includes a total of \$5.9 billion for—up from \$5.3 billion in fiscal year 2001. It was especially important that

this includes funding increases for the national guard and reserve in recognition of the vital role the reserve component plays in the U.S. Defense posture.

The budget also put a priority on the construction or renovation of barracks, medical treatment facilities, schools, and physical fitness centers. Unfortunately, because of the reduced support facility requirements of the national guard and reserve installations, they don't necessarily benefit from these kinds of quality of life initiatives. I recommend that in future prioritization, that greater emphasis be given to the fact that for the guard and reserve a quality workplace improves their quality of life.

I applaud the DOD's efforts to increased funding in order to meet current needs and beginning a long-range plan to streamline, restructure, and upgrade DOD facilities. I understand that the administration hopes the "efficient facilities initiative (EIF)" will achieve a 25 percent reduction in DOD facilities, and ultimately save \$3.5 billion annually. As a member of Congress, I look forward to reviewing the proposed "efficient facilities initiative (EIF)" and providing input.

I am grateful that the proposed increase in the military construction fiscal year 2002 budget demonstrates a commitment to our nations military members and their families. I look forward to your testimony as we develop a budget that recognizes the immeasurable contributions our military members have made to this great country.

As a fiscal conservative, I believe it's critical to have a balanced federal budget. In the long run, a balanced budget will serve all americans, including our military. But, I also know that along with this commitment to a balanced budget, comes the responsibility to ensure our government provides a quality work and living environment for our military members and their families.

In closing, Mr. Chairman, there is no way to over emphasize the honor and respect this nation owes the military men and women who sacrifice so much. I look forward to working with the office of the Secretary of Defense (OSD) and service chiefs who continue to contribute to the long-range vision for the DOD.

Senator FEINSTEIN. Thank you, Senator.

That completes my questions. Thank you, gentlemen. Thank you, Dr. Sanders, very much. Now we will move on to the next panel.

DEPARTMENT OF THE ARMY

STATEMENT OF PAUL W. JOHNSON, DEPUTY ASSISTANT SECRETARY  
OF THE ARMY FOR INSTALLATION AND HOUSING

ACCOMPANIED BY:

**MAJOR GENERAL ROBERT L. VAN ANTWERP, JR., ASSISTANT  
CHIEF OF STAFF FOR INSTALLATION MANAGEMENT**

**BRIGADIER GENERAL MICHAEL J. SQUIER, DEPUTY DIRECTOR,  
ARMY NATIONAL GUARD**

**MAJOR GENERAL PAUL C. BERGSON, MILITARY DEPUTY [RESERVE  
COMPONENTS], DEPUTY UNDER SECRETARY OF THE ARMY FOR  
INTERNATIONAL AFFAIRS, U.S. ARMY RESERVE**

Senator FEINSTEIN. We are very pleased to welcome the United States Army to this hearing, particularly Mr. Paul Johnson, the Deputy Assistant Secretary of the Army for Installations and Housing; Major General Van Antwerp, Assistant Chief of Staff for Installation Management; Brigadier General Michael Squier, Army National Guard; and Major General Paul Bergson of the Army Reserve. So all of you, welcome.

Before we begin, I would like to congratulate and thank Secretary Johnson in particular. You are going to be retiring at the end of the week following 52 years of service to the government. That is indeed a long time and your career indeed has been distinguished. This committee sees you as an excellent example of dedication and your support of service members worldwide is well known. We want you to know that your service to this committee is greatly appreciated and that your experience and expertise is going to be very, very missed. So we thank you on behalf of the entire committee and we wish you all the best in a very well-deserved retirement. Mr. Secretary, good luck.

STATEMENT OF PAUL W. JOHNSON

Mr. JOHNSON. Thank you, Madam Chair.

Senator FEINSTEIN. Oh, you are very welcome.

Now, following the same protocol because of the limited time, all of your statements will go into the record and I would ask you to summarize, beginning with General Bergson.

General BERGSON. We will start with Mr. Johnson. Civilian control of the military, ma'am.

Mr. JOHNSON. I am pleased to be here this afternoon with Generals Van Antwerp, Squier, and Bergson.

I am pleased to report that the Army budget request for the active and reserve components provides a substantial increase in construction and family housing resources essential to support our soldiers and families and civilians. The commitment of our leadership to improving installation and facilities is reflected in this \$3.7 billion submission, about a billion dollar increase over fiscal year 2001.

We are making great progress in our permanent party barracks and strategic mobility program. In family housing, we continue to mix privatization and construction. We have gone through some tough growing pains in housing privatization, but I believe we are now ready to institutionalize the process and move on out on execution. Fort Carson has shown that this concept is a good deal for soldiers and their families. Our transformation will affect the facilities on our installations and this is reflected in initiatives in our budget at Fort Lewis. For the reserve components it focuses on maintenance facilities and reserve centers.

PREPARED STATEMENT

As you mentioned, this is my last appearance before this committee. I have had about 1,200 hearings over the last 50 years. I attribute our progress basically to the help of this committee and your staff, who have been just absolutely fabulous, and I know that you will always look after our soldiers and our families.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF PAUL W. JOHNSON

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the Army's Active and Reserve Components' military construction requests for fiscal year 2002. These requests include important initiatives to improve the infrastructure of America's Army. Any dollar amounts beyond fiscal year 2002 discussed herein are, of course, dependent upon the results of the Secretary of Defense's Strategic Review, and should be considered in that light.

This budget provides a substantial increase in construction and family housing resources essential to support the Army's role in our National Military Strategy. It supports the Army's Vision and Transformation strategy. Our budget includes the increased funding necessary to improve our installations: infrastructure in keeping with our leadership's commitment to having world class installations.

The program presented herein requests fiscal year 2002 appropriations and authorizations of appropriations of \$1,760,541,000 for Military Construction, Army (MCA); \$1,400,533,000 for Army Family Housing (AFH—in two separate accounts); \$267,389,000 for Military Construction, Army National Guard (MCNG); \$111,404,000 for Military Construction, Army Reserve (MCAR) and \$10,119,000 for the Homeowners Assistance Fund, Defense.

The Army is and must remain the most respected Army in the world. Our commitment to meeting the challenges requires a comprehensive transformation of the Army and the Army's installations.

Army Transformation represents a move to forge a more strategically responsive, yet dominant, force for the 21st Century. The new force will be more mobile and sustainable, and able to respond to the full spectrum of operations. Transformation also includes a rigorous training program, full integration of the Active and Reserve Components, comprehensive initiatives to protect the force, and provides first class installations from which to project our forces. A fully-funded Transformation will keep the Army capable and ready until it has achieved an Objective Force that is more responsive, deployable, versatile, agile, lethal, survivable and sustainable. We are working closely with the Transformation Task Force to ensure installation needs are identified and addressed.

The Army must sustain a force of high quality, well-trained people; acquire and maintain the right mix of weapons and equipment; and maintain effective infrastructure and power projection platforms to generate the capabilities necessary to meet our missions. Taking care of soldiers and families is a readiness issue and will ensure that a trained and qualified soldier and civilian force will be in place to support the Objective Force and the transformed Army.

As the Army transforms, we must ensure that Army installations are transformed to meet the needs of the force. Army installations and reserve component facilities must fully support our war fighting needs, while providing soldiers and their families with a quality of life that equals that of their peers in civilian communities.



## FACILITIES STRATEGY

The Army's facilities strategy is the centerpiece of our efforts to fix the deplorable current state of Army facilities. It addresses our long-term need to sustain and modernize Army-funded facilities in both Active and Reserve Components by framing our requirements for both sustainment, restoration and modernization (SRM) and military construction (MILCON) funding. Sustainment, restoration, and modernization (SRM) has replaced the term, "real property maintenance" (RPM). SRM includes funds for annual maintenance and scheduled repair—sustainment; and military construction funding to repair or replace facilities damaged due to failures attributable to inadequate sustainment or emergencies or to implement new or higher standards—restoration and modernization.

The first pillar of the Strategy requires us to halt further deterioration of our facilities. Our programmed sustainment funding, which comes from the SRM accounts has greatly improved. This level of funding may be sufficient to prevent further deterioration of Army facilities. We are funded at 94 percent of our requirements in fiscal year 2002. Our current C-3 conditions are a result of years of underfunding and migration of funds from the SRM accounts. We must have sufficient SRM resources to sustain our facilities and prevent facilities from deteriorating further, or we put our MILCON investments at risk.

The second pillar of the Strategy is to tackle the enormous backlog that has grown over numerous years of underfunding. Since we can't afford a quick fix to the \$17.8 billion SRM backlog, and a significant deficit for construction of Army-funded facilities, we will focus centrally managed resources towards a critical set of facility types. This modernization requirement will primarily require MILCON funding supplemented by SRM project funding. Our goal is to raise Army facilities from current C-3 ratings to C-2 in the long term by bringing our focused set of facilities to C-1 in 10-year increments. Our first 10-year increment includes ARNG Readiness Centers, Army Reserve Centers, fitness facilities, basic training barracks, general instruction facilities, and tactical vehicle maintenance shops and supporting hardstands at a cost of approximately \$10 billion. There are a number of MILCON projects in the fiscal year 2002 budget that support this first increment.

We have based the Army Facility Strategy on Commanders' ratings of our facilities in our Installation Status Report. The facilities we have chosen to modernize under this centrally managed program are critical to the Army's mission and to our soldiers. It is essential that both the sustainment (SRM) and the modernization (MILCON and SRM) pieces are funded as a single, integrated program. Only then will we be able to improve the health of Army real property and its ability to successfully support our worldwide missions and our soldiers.

In addition to implementing our facilities strategy, we continue to eliminate excess facilities throughout the entire Army. During fiscal years 1988-2003, our facilities reduction program, along with the base realignment and closure process, will result in disposal of over 200 million square feet in the United States. We continue our policy of demolishing at least one square foot for every square foot constructed. By 2003, with our overseas reductions included, the Army will have disposed of over 400 million square feet from its fiscal year 1990 peak of 1,157,700,000 square feet.

Additionally, we are pursuing innovative ways to modernize our infrastructure and reduce the cost of our facilities. One example is installation utilities systems. Our goal is to privatize all utility systems in CONUS by 2003, where it is economically feasible, except those needed for unique security reasons. We are expanding the privatization of military family housing, in an effort to provide quality residential communities for soldiers and their families.

Executive Order 13123, "Greening The Government Through Efficient Energy Management," sets higher goals for reducing energy consumption. As of June 30, 2001, the Army had awarded 74 task orders on Energy Savings Performance Contracts (ESPCs), with a total private sector investment of \$328 million and an anticipated annual energy savings in excess of two million MBtu's (the equivalent to 16 million gallons of oil). We are also pursuing opportunities to purchase electrical power generated from renewable sources such as wind, solar and geothermal. We have installed hundreds of solar lighting systems that use no energy in our facilities.

Next, I will discuss our budget.

## MILITARY CONSTRUCTION, ARMY (MCA)

The MCA program focuses on six major categories of projects: mission facilities, operations facilities, transformation, well being, installation support, and chemical demilitarization. I will explain each area in turn.

## MISSION FACILITIES

In fiscal year 2002, there are 36 mission facility projects to ensure the Army is deployable, trained, and ready to respond to meet its national security mission. The projects continue the Army's Strategic Mobility Program (ASMP) to ensure deployment within specified timelines, provide enhanced training via live fire ranges and simulators, and maintain equipment readiness by ensuring Army vehicles are repaired and operational.

*Army Strategic Mobility Program.*—The 15 mobility projects in our budget facilitate movement of personnel and equipment from CONUS bases for both the Active and Reserve components to meet Army and Defense timelines for mobilization operations. They are part of an important program to upgrade our strategic mobility infrastructure, enabling the Army to maintain the best possible power projection platforms. We are requesting \$128.75 million. The fiscal year 2002 projects will complete 93 percent of the Strategic Mobility program. Although the Strategic Mobility Program is scheduled for completion in fiscal year 2003, it is anticipated that there may be a follow-on phase as a result of changes in force structure and stationing.

These include 11 projects totaling \$94.9 million to improve our rail and air deployment capability by expanding an aircraft hardstand at Fort Campbell, extending a runway at Fort Benning, and providing air and rail passenger and materiel staging complexes at Fort Benning, Fort Campbell, Fort Sill, Fort Lewis and Sunny Point Military Ocean Terminal. To improve our port capability, we are upgrading a pier to support the mission of the 7th Transportation Group at Fort Eustis. Two projects at Sunny Point Military Ocean Terminal will improve the outloading of ammunition by constructing a canopy over the storage area, widening the road and constructing truck pads for safe transport and outloading of cargo and ammunition. An assembly building is programmed to support deployment at Fort Wainwright.

*Training.*—To improve soldier training, we are requesting phase II to complete the Digital Multi-purpose Training Range at Fort Hood. This project was fully authorized by Congress in fiscal year 2001. Our request includes a Record Fire Range and Night Fire Range at Fort Leonard Wood and a Modified Record Fire Range at Fort Riley. These ranges will provide our soldiers with M16 rifle qualification and training and also will provide for the integration of the Next Generation Targetry System for single and multiple targets. General Instruction Buildings are included in our program for Camp Jackson, Korea and Fort Sam Houston. These buildings will enable the Army to provide much needed classrooms for training of our soldiers. We are also requesting phase II of the Battle Simulation Center at Fort Drum that was also authorized in fiscal year 2001. A Comanche simulator training facility at Fort Rucker to train pilots on the Army's new helicopter is also requested. An Airborne Training Facility at Fort Lee will support training for our Enlisted Parachute Rigger and Aerial Delivery and Material Officers courses.

*Readiness.*—We are requesting 9 projects that will provide vehicle maintenance facilities and tactical equipment shops to ensure unit equipment readiness: Baumholder, Mannheim, Fort Stewart, Fort Drum, Camp Casey, Fort Bragg, Fort Gordon, and two projects at Fort Hood, a vehicle maintenance facility and a tactical equipment shop. The request also includes two projects at Anniston Army Depot: a project to improve the safety conditions in the main combat vehicle disassembly and rebuild facility and a repair and demilitarization of combat armor. An Ammunition Surveillance Facility at Aberdeen Proving Ground is requested to maintain control and accountability of foreign munitions.

## OPERATIONS FACILITIES

The fiscal year 2002 budget request includes command and control facilities, laboratories, operations facilities, and a physical development center which began construction in fiscal year 1999.

Two Command and Control Facilities are in the request for Pohakuloa Training Area, Hawaii, and Phase 2 of the Command and Control facility at Fort Hood where we are completing a project that began in fiscal year 2001. Three laboratory projects include a Criminal Investigation Forensic Laboratory at Fort Gillem which will provide forensic support and expert testimony in judicial cases for all DOD investigative agencies; a Chemistry Laboratory at Edgewood (Aberdeen Proving Ground—APG) for life cycle chemical agent research, development, and evaluation; and a Climatic Test Facility at APG to provide controlled temperature and humidity test environment for critical weapons testing.

We are requesting a Military Entrance Processing Facility at Fort Lee for processing applicants from 77 counties in the State of Virginia and reducing the high cost of leased facilities. This project has a payback period of less than three years.

Field Operations Facilities at Fort Drum and Fort Eustis will provide criminal investigative support for the Army. The budget request also includes a Shipping Operations Building at Pearl Harbor; a Readiness and Operations Facility at Fort Polk; an Explosive Ordnance Detachment Operations Building at Fort Gillem; an Operations Facility at the Humphreys Engineer Center for the Information Security Command; and a Parachute Team General Purpose Building at Fort Bragg. This request also includes Phase 3 for the United States Military Academy Cadet Physical Development Center, which was fully authorized in fiscal year 1999.

#### TRANSFORMATION

Our budget contains five projects at Fort Lewis that support the deployment, training and equipment maintenance of the new transformed force. These projects include two maintenance facilities for new vehicles, an expanded ammunition supply storage facility to support training and deployment of the increased force, a combat vehicle trail and a pallet handling facility to support the logistic deployment of equipment and supplies. As new transformation installations are identified, we will continue to identify and validate additional requirements associated with transformation and will include these projects in future budgets.

#### WELL BEING PROJECTS

The well being of our soldiers, their families and civilians has a significant impact on readiness. Therefore, 40 percent of our MCA budget is dedicated to providing these types of facilities. Although our first priority is to get soldiers out of ganglatrine type barracks, we are also requesting two basic combat trainee barracks, child development centers, physical fitness training centers, a dining facility, two education centers, a Soldier Service center, and a chapel. These projects will improve not only the well being of our soldiers and families, but also the readiness of the Army. We are requesting appropriations and authorization of appropriations of \$701.2 million for well being projects this year.

*Barracks Modernization Program.*—Modernization of barracks for enlisted permanent party soldiers continues to be the Army's number one facilities priority for military construction. It provides single soldiers with a quality living environment that approximates conditions off the installation, or enjoyed by our married soldiers. New or renovated barracks provide increased personal privacy and larger rooms, closets, new furnishings, adequate parking, and landscaping. In addition, administrative offices are separated from the barracks. With the approval of our budget, as requested, 73 percent of our barracks requirement will be funded at the new standard for our permanent party soldiers. Our plan is to invest an additional \$4.2 billion in MCA and host nation funds between fiscal years 2003 and 2008, supplemented by \$0.6 billion in sustainment, restoration and modernization (SRM) to fix barracks worldwide to meet our goal of providing improved living conditions for all of our single soldiers by fiscal year 2008. While we are making considerable progress at installations in the United States, we will request increased funding for Germany and Korea in future budgets to compensate for these areas being funded at lower levels than the CONUS installations. A large portion of the remaining modernization effort, 44 percent, is in these overseas areas.

In fiscal year 2002, we are planning 20 barracks projects. This includes 6 projects in Europe and 3 projects in Korea. Our budget completes the Schofield Barracks and Fort Bragg barracks complexes that were authorized in fiscal year 2000 and incrementally funded in fiscal year 2000 and fiscal year 2001. Fort Bragg's large soldier population and poor barracks conditions require sustained high investment through fiscal year 2008 to provide quality housing. We are continuing with the second phase of two additional barracks complexes at Fort Bragg that were authorized in fiscal year 2001. At Fort Richardson, Fort Lewis, and Fort Carson, we are requesting authorization for all phases of the barracks complex which extends over several fiscal years; however, we are only requesting the funding needed for the fiscal year 2002 phase. Our plan is to award each complex, subject to subsequent appropriations, as a single contract to gain cost efficiencies, expedite construction, and provide uniformity in building systems.

*Basic Combat Training Complexes.*—We have included Phase 2 to complete the basic combat training complex at Fort Leonard Wood that was authorized and begun in fiscal year 2001. This project provides a modern, initial entry basic training complex that includes separate and secure housing to support gender-integrated training, and provides for the administrative and training functions that are organic to the mission of the basic training battalion. We also are requesting full authorization for a basic combat training complex at Fort Jackson. However, we are only requesting the funding necessary to execute the first phase in fiscal year 2002.

*Community Facilities.*—Our budget request includes three new child development centers to replace failing or inadequate facilities in Wiesbaden, Fort Riley, and Fort Meade. To improve soldier physical fitness and community wellness, our budget includes physical fitness training centers at Camp Carroll, Bamberg, Wiesbaden, and Fort McNair. A new dining facility to provide for the soldiers at Redstone Arsenal, two education centers at Fort Polk and Fort Stewart, and a Soldier Service Center also at Fort Stewart are included in our request. With this budget request we will implement the Chapel of the Year program with a chapel at Fort Belvoir to improve the quality and availability of religious facilities for the well being of our soldiers and their families.

#### INSTALLATION SUPPORT PROGRAMS

This category of construction projects provides vital support to installations and helps improve their readiness capabilities. We have requested nine projects with an appropriations and authorization of appropriations request of \$79.3 million.

Projects in the budget request include a Cold Storage Warehouse at Kwajalein Atoll; an Effluent Reuse System at Fort Huachuca; a Power Plant Cooling Tower at Fort Wainwright; a Sanitary Sewer system at Camp Hovey; Electrical Distribution system at Camp Carroll; an Electrical Substation at Fort Campbell; a Hazardous Materials Storage facility at Fort Drum; an Information Systems Facility at Fort Gordon; and a Fire Station at Sunny Point Military Ocean Terminal.

A classified project is also included in our budget request.

#### AMMUNITION DEMILITARIZATION

The Ammunition Demilitarization (Chemical Demilitarization) Program is designed to destroy the U.S. inventory of lethal chemical agents, munitions, and related (non-stock-piled) materiel. It also provides for emergency response capabilities, while avoiding future risks and costs associated with the continued storage of chemical warfare materiel.

The Office of the Secretary of Defense devolved the Chemical Demilitarization program to the Department of the Army in fiscal year 1999. Although Congress has consistently authorized and appropriated funding for the Chemical Demilitarization construction program to the Department of Defense, the overall responsibility for the program remains with the Army and we have included it in this year's Army budget.

We are requesting appropriations and authorization of appropriations for \$172.5 million in the Army's fiscal year 2002 budget to continue the Chemical Demilitarization projects previously authorized. Table 1 summarizes our request:

TABLE 1.—FISCAL YEAR 2002

Installation	Type	Amount
Aberdeen Proving Ground, MD .....	Ammun Demil Facility, Ph III .....	\$66,500,000
Blue Grass Army Depot, KY .....	Ammun Demil Facility, Ph II .....	3,000,000
Newport Army Depot, IN .....	Ammun Demil Facility, Ph IV .....	66,000,000
Pine Bluff Army Depot, AR .....	Ammun Demil Facility, Ph VI .....	26,000,000
Pueblo Army Depot, CO .....	Ammun Demil Facility, Ph III .....	11,000,000
Total .....	.....	172,500,000

The destruction of the U.S. stockpile of chemical weapons by the 2007 deadline in the Chemical Weapons Convention is a major priority of the Army, DOD and the Administration. The MILCON funding for the chemical weapons destruction facilities is essential to achieving that goal.

#### PLANNING AND DESIGN

The fiscal year 2002 MCA budget includes \$134.098 million for planning and design. The fiscal year 2002 request is a function of the construction programs for three fiscal years: 2002, 2003, and 2004. The requested amount will be used to design-build a portion of the fiscal year 2002 program, complete design in fiscal year 2003, and initiate design of fiscal year 2004 projects.

Host Nation Support (HNS) Planning and Design (P&D): The Army, as Executive Agent, provides HNS P&D for oversight of Host Nation funded design and construction projects. The U.S. Army Corps of Engineers oversees the design and construction to ensure the facilities meet our requirements and standards. Lack of oversight may result in an increase in design errors and construction deficiencies that will re-

quire United States dollars to rectify. Maintaining the funding level for this mission results in a payback where \$1 of United States funding gains \$60 worth of Host Nation Construction. The fiscal year 2002 budget request for \$23.1 million will provide oversight for approximately \$850 million of construction in Japan, \$50 million in Korea, and \$50 million in Europe.

## BUDGET REQUEST ANALYSIS

*Summary.*—The fiscal year 2002 MCA budget includes a request for appropriations and authorization of appropriations of \$1,760,541,000.

*Authorization Request.*—Request for authorization is \$1,558,673,000. The authorization request is adjusted for those projects previously authorized in prior fiscal years. These projects include the chemical demilitarization projects, Phase 3 of the West Point Cadet Physical Development Center, Phase 2 of the Fort Hood Digital Multi-purpose Training Range, Phase 2 of the Fort Drum Battle Simulation Center, Phase 2 of the Basic Training Complex at Fort Leonard Wood, and the phases of the Whole Barracks Renewal Complexes at Fort Bragg and Schofield Barracks. Additionally, it is modified to provide full authorization of \$375 million for the barracks complex at Fort Carson, Fort Lewis, Fort Richardson, and Fort Jackson. Only \$144 million in appropriations is required for the first phase of these projects. Table 2 displays the projects which are phased over several fiscal years.

TABLE 2.—PHASED PROJECTS

[In millions of dollars]

Location	Authorization				Appropriation			
	Fiscal year—				Fiscal year—			
	1999	2000	2001	2002	1999	2000	2001	2002
Cadet Physical Dev Ctr .....	85.0				12.0	14.0	13.6	37.9
Schofield Barracks—Brks .....		95.0				25.0	46.4	23.0
Fort Bragg (Tagaytay Rd)—Brks .....		74.0				16.5	38.6	17.5
Fort Bragg (Butner Rd)—Brks .....			130.0				26.0	49.0
Fort Bragg (Longstreet Rd)—Brks .....			79.6				45.6	27.0
Fort Carson—Barracks .....				66.0				25.0
Fort Richardson—Barracks .....				97.0				45.0
Fort Lewis—Barracks .....				150.0				48.0
Fort L Wood—Trainee Complex .....			61.2	4.4			38.6	27.0
Fort Jackson—Basic Trainee Cmplx .....				62.0				26.01
Fort Drum—Battle Sim Ctr .....			18.0	3.0			12.0	9.01
Fort Hood—Digital Range .....			26.0	3.0			16.0	13.01
Chem Demil Projects	1999 and prior	2000	2001	2002	1999 and prior	2000	2001	2002
Aberdeen—Ammo Demil Fac .....	184.5			37.6	26.5	53.5	45.7	66.51
Blue Grass—Ammo Demil Fac .....		195.8		47.2				3.0
Newport—Ammo Demil Fac .....	189.6				11.5	35.9	34.4	66.0
Pine Bluff—Ammo Demil Fac .....	154.4			23.0	58.0	49.8	43.6	26.0
Pueblo—Ammo Demil Fac .....	179.0	24.5					10.7	11.0

The fiscal year 2002 request for appropriations and authorization for fiscal year 2002, by investment focus, is shown in Table 3:

TABLE 3.—INVESTMENT FOCUS APPROPRIATIONS, FISCAL YEAR 2002

[Dollars in thousands]

CATEGORY	AUTHORIZATION	APPROPRIATIONS	PERCENT APPROP'N
Well Being .....	\$793,143	\$701,243	39.8
Mission (Mobilization, Training and Readiness) .....	344,300	360,300	20.5
Operations and Labs .....	173,900	211,800	12.0
Transformation .....	56,200	56,200	3.2
Installation Support .....	79,300	79,300	4.5
Planning and Design/Minor Construction .....		175,198	10.0

TABLE 3.—INVESTMENT FOCUS APPROPRIATIONS, FISCAL YEAR 2002—Continued

[Dollars in thousands]

CATEGORY	AUTHORIZATION	APPROPRIATIONS	PERCENT APPROP'N
Subtotal Army MILCON .....	1,446,843	1,584,041	90.0
Chemical Demilitarization .....	107,830	172,500	9.8
Classified Project .....	4,000	4,000	.2
Total Program .....	1,558,673	1,760,541	100.0

Table 4 shows the Fiscal Year 2002 distribution of the appropriations request among the Army's major commands:

TABLE 4.—COMMAND SUMMARY—MILITARY CONSTRUCTION, ARMY, FISCAL YEAR 2002

[Dollars in thousands]

Command	Appropriations	Percent of total
INSIDE THE UNITED STATES:		
Army Materiel Command .....	\$248,850	14.1
Army Test and Evaluation Command .....	9,000	.5
Criminal Investigations Command .....	32,900	1.9
Forces Command .....	630,600	35.8
Information Security Command .....	36,300	2.1
Medical Command .....	2,250	.1
Military District of Washington .....	22,350	1.3
Military Entrance Processing Command .....	6,400	.4
Military Traffic Management Command .....	11,400	.6
Training & Doctrine Command .....	129,850	7.4
United States Army Recruiting Command .....	7,700	.4
United States Army, Pacific .....	162,100	9.2
United States Military Academy .....	37,900	2.2
Classified Project .....	4,000	.2
SUBTOTAL .....	1,341,600	76.2
OUTSIDE THE UNITED STATES:		
Eight, United States Army .....	109,443	6.2
Space and Missile Defense Command .....	11,000	.6
United States Army, Europe .....	123,300	7.0
SUBTOTAL .....	243,743	13.8
TOTAL MAJOR CONSTRUCTION .....	1,585,343	90.0
WORLDWIDE:		
Planning and Design .....	157,198	8.9
Minor Construction .....	18,000	1.0
SUBTOTAL .....	175,198	10.0
TOTAL APPROPRIATIONS REQUESTED .....	1,760,541	100.0

## ARMY FAMILY HOUSING

The family housing program provides a major incentive that is necessary for recruiting and retaining dedicated individuals to serve in the Army. Adequate and affordable housing continues to be a major concern to soldiers when asked about their quality of life. We have waiting lists at nearly all of our major posts and out-of-pocket expenses for soldiers living off post are approximately 15 percent of the total cost of their housing. The Army supports the initiative to increase the Basic Allowance for Housing (BAH) to eliminate the out-of-pocket costs being paid by Service members for off-post housing in the United States. Maintaining and sustaining safe, attractive, and convenient housing for our soldiers and families is one of our con-

tinuing challenges. This budget represents an increase in the family housing program for additional family housing construction and expanded privatization. This increase will assist us in providing improved housing quicker and to more of our military families. Our current plan ensures we meet the Secretary of Defense's goal of 2010 to provide adequate housing to all military families. I would like to thank the President for his support and extra funding to improve quality of housing for Army personnel and their families.

Privatization is an essential element in solving our acute family housing problem. The Army's privatization program, Residential Communities Initiative (RCI), utilizes the authorities granted by the Congress in 1996 and extended to December 31, 2004, and includes the initial pilot privatization projects at Fort Carson, Colorado; Fort Hood, Texas; Fort Lewis, Washington; and Fort Meade, Maryland, plus 24 additional privatization sites.

We are especially pleased with the progress being made with our first privatization project at Fort Carson. The first new homes were occupied by Army families in November 2000. A total of 840 new units are being built and the rest (1,823) are being fully renovated. This project will provide our soldiers a quantum leap in quantity and dramatic improvement in the quality of our on post housing in a short period of time.

For the remaining government owned units in the United States and overseas, the Army has programmed sufficient MILCON and Major Maintenance and Repair funds to eliminate all inadequate units in Europe, Korea and the United States by 2010.

Our fiscal year 2002 request for appropriations and authorization of appropriations request is \$1,400,533,000. Table 5 summarizes each of the categories of the Army Family Housing program.

TABLE 5.—ARMY FAMILY HOUSING, FISCAL YEAR 2002

[Dollars in thousands]

Facility category	Authorization of appropriations		Appropriations	
	Amount	Percent	Amount	Percent
New Construction .....	\$59,200	4	\$59,200	4
Post Acquisition Const .....	220,750	16	220,750	16
Planning and Design .....	11,592	1	11,592	1
Operations .....	178,520	13	178,520	13
Utilities .....	258,790	18	258,790	18
Maintenance .....	446,806	32	446,806	32
Leasing .....	196,956	14	196,956	14
Privatization .....	27,918	2	27,918	2
Debt .....	1	<1	1	<1
<b>Total .....</b>	<b>1,400,533</b>	<b>.....</b>	<b>1,400,533</b>	<b>.....</b>

## FAMILY HOUSING CONSTRUCTION

The total fiscal year 2002 request for construction is \$291,542,000. It continues the Whole Neighborhood Revitalization (WNR) initiative approved by Congress in fiscal year 1992 and supported consistently since that time. This successful approach addresses the entire living environment of the military family. The projects are based on life-cycle economic analyses and support the Department of Defense's 2010 goal by providing units that meet current construction and adequacy standards.

*New Construction.*—The fiscal year 2002 new construction program provides WNR projects that replace 220 units at four locations. Replacement construction provides adequate facilities where there is a continuing requirement for the housing and it is not economical to renovate. Some existing housing, 278 units, will be demolished, in order to reduce the housing density. New construction projects are requested at Camp Humphreys, Korea, for 54 units, where adequate off post family housing is not available and no on post family housing exists. These units serve command sponsored personnel living in substandard, off post quarters and those personnel who are unaccompanied due to a lack of adequate family housing on or off post. All of these projects are supported by housing surveys which show that adequate and affordable units are not available in the local community.

*Post Acquisition Construction (Renovation).*—The Post Acquisition Construction Program is an integral part of our housing revitalization program. In fiscal year

2002, we are requesting funds for improvements to 14,404 existing units at 10 locations in the United States, including privatization at 7 installations: 6 locations in Europe, and 1 site in Korea. Included within the scope of these projects are efforts to improve supporting infrastructure, energy conservation and elimination of environmental hazards.

#### FAMILY HOUSING OPERATIONS AND MAINTENANCE

The operations, utilities, maintenance, and leasing programs comprise the majority of the fiscal year 2002 request. The requested amount of \$1,108,991,000 for fiscal year 2002 is approximately 79 percent of the total family housing budget. This budget provides for the Army's annual expenditures for operations, municipal-type services, furnishings, maintenance and repair, utilities, leased family housing, and funds supporting the Military Housing Privatization Initiative. With current funding, housing units can be kept habitable and open; however, their condition will continue to deteriorate.

#### FAMILY HOUSING LEASING

The leasing program provides another way of adequately housing our military families. We are requesting \$196,956,000 in fiscal year 2002 to fund existing Section 2835 project requirements, temporary domestic leases in the United States, and approximately 8,700 units overseas.

#### MILITARY CONSTRUCTION, ARMY NATIONAL GUARD (MCNG)

The military construction request, \$267,389,000 for the Army National Guard, focuses on readiness centers, maintenance support shops, and training facilities. These projects are mission focused and are centered on the well being of our soldiers.

#### MISSION FACILITIES

Fiscal year 2002 contains 26 mission facility projects.

*Readiness Centers.*—In support of the Army Facility Strategy, the Army National Guard is requesting \$56,228,000 million for 11 projects. Our fiscal year 2002 budget request is for readiness centers in Iowa, Idaho, Mississippi, New Hampshire, Ohio, Tennessee, Alabama and two 60 year old readiness centers in Louisiana. Also, in support of Army National Guard Division Redesign Study (ADRS), we are requesting funding for the addition/alteration to readiness centers in California and Montana. The California project is particularly significant, because it eliminates smaller facilities on land desperately needed by the local community in the Los Angeles Basin.

*Maintenance Support Shops.*—There are 10 maintenance shops planned as part of our revitalization plan: a unit training equipment site in Alabama, a maneuver and training equipment site in California and New York, a combined support maintenance shop in South Dakota and Michigan (Phase II), and 4 organizational maintenance shops located in Massachusetts, Maryland, Tennessee and Wisconsin. The majority of these facilities were built in the 1950s. Also, as part of the ADRS initiative, we have included one organization maintenance shop for addition/alteration in Kansas for this fiscal year. Sites in California, Indiana, Kansas, Michigan, Montana, and Nebraska were selected to begin the conversion process, which started this year. These projects are essential for the units to successfully maintain the additional heavy equipment they will receive during ADRS Phase I. A total of \$85,080,000 million is being requested for these Army National Guard Maintenance Support Shops.

*Training Facilities.*—The Army National Guard is requesting \$90,264,000 for 5 training facilities: Army aviation facilities in Arizona, Maine, New Hampshire, Texas, and Phase II of the military education facility in Mississippi. Two illustrations of this need are in Texas and New Hampshire. Since Austin, Texas, closed the airport the Aviation facility in Texas is spread between 7 temporary facilities. New road construction by the city at our New Hampshire aviation facility will cut off all access to the runway.

#### BUDGET REQUEST ANALYSIS

*Summary.*—The MCNG budget request includes a request for appropriations and authorization of appropriations of \$267,389,000 for fiscal year 2002. The fiscal year 2002 request for appropriations and authorization for fiscal year 2002, by investment focus, is show in Table 6



TABLE 6.—INVESTMENT FOCUS MILITARY CONSTRUCTION ARMY NATIONAL GUARD  
APPROPRIATIONS, FISCAL YEAR 2002  
[Dollars in thousands]

Location	Project title	Appropriations	Percent total
Major Construction .....		\$236,924	89
Unspecified Minor Construction .....		4,671	2
Planning and Design .....		25,794	9
TOTAL .....		267,389	100

Table 7 shows fiscal year 2002 distribution of the appropriations request among the 54 States and Territories supporting the Army National Guard:

TABLE 7.—PROJECT SUMMARY, MILITARY CONSTRUCTION ARMY NATIONAL GUARD, FISCAL YEAR  
2002  
[Dollars in thousands]

Location	Project title	Appropriations	Percent of total
Huntsville, AL .....	Unit Training Equip Site .....	\$7,498	3
Mobile, AL .....	Readiness Center add/alt .....	5,333	2
Marana, AZ .....	Aviation Maintenance Hangar .....	14,358	5
Fort Irwin, CA .....	Maneuver & Training Equip Site .....	21,953	8
Lancaster, CA .....	Readiness Center (ADRS) .....	4,530	2
Gowen Field, ID .....	Readiness Center PHI .....	8,117	3
Estherville, IA .....	Readiness Center .....	2,713	1
Fort Riley, KS .....	Organ Maint Shop (ADRS) add/alt .....	645	—
Carville, LA .....	Readiness Center .....	5,677	2
Camp Bearegard, LA .....	Readiness Center .....	5,392	2
Bangor, ME .....	Army Aviation Support Fac. PHI .....	11,618	4
Framingham, MA .....	Organizational Maintenance Shop .....	8,347	3
Salisbury, MD .....	Organizational Maint Shop add/alt .....	2,314	1
Lansing, MI .....	Combined Support Maint Shop PHII .....	5,809	2
Gulfport, MS .....	Readiness Center .....	9,145	4
Camp Shelby, MS .....	Mil Education Center PHII .....	11,444	4
Kalispell, MT .....	Readiness Center add/alt (ADRS) .....	822	—
Concord, NH .....	Army Aviation Support Facility .....	27,185	10
Concord, NH .....	Readiness Center .....	1,868	1
Fort Drum, NY .....	Maneuver Area Tmg & Equip Shop .....	17,000	6
Cincinnati, OH .....	Readiness Center .....	9,780	4
Mitchell, SD .....	Combined Support Maint Shop .....	14,228	5
Alcoa, TN .....	Readiness Center .....	8,203	3
Henderson, TN .....	Organizational Maint Shop .....	2,012	1
Austin, TX .....	Army Aviation Support Facility .....	25,659	10
Oshkosh, WI .....	Organizational Maintenance Shop .....	5,274	2
Various .....	Planning and Design .....	25,794	10
Various .....	Unspecified Minor Construction .....	4,671	2
Total appropriation and authorization of appropriations requested .....		267,389	100.0

#### MILITARY CONSTRUCTION, ARMY RESERVE (MCAR)

The MCAR program focuses on mission facilities projects. In fiscal year 2002, there are nine Army Reserve projects to assist the USAR with its mission requirement of providing trained and ready forces to support the missions of the United States Army. The USAR's program continues to emphasize Readiness, Quality of Life, Modernization, and Installation and Base Support.

#### MISSION FACILITIES

Fiscal year 2002 contains eight mission facilities projects and one land acquisition project.

*United States Army Reserve Centers.*—Our fiscal year 2002 USAR budget request is for the construction of five U.S. Army Reserve Centers in Arizona, Kentucky, Washington, New Hampshire, and American Samoa, and one Armed Forces Reserve Center in Colorado. The Reserve Centers in American Samoa, New Hampshire, and Kentucky are to replace severely overcrowded facilities that were constructed in the 1950s. The Army Reserve Center in Tafuna, American Samoa, also represents the sole presence of the Department of Defense on the island. The current center's utilization rate is 293 percent. This facility will also serve as a command and control facility for the local authorities, as well as a safe haven for the local populace. The project in Washington also includes an Aviation Support Facility needed to maintain the Army Reserves' new aviation assets assigned to Fort Lewis. The projects in Arizona and Colorado are to improve facilities transferred to the USAR as a result of the 1995 Base Realignment and Closure (BRAC). These facilities are overcrowded and in need of renovation and new construction. A land acquisition project is required in Cleveland, Ohio to support future construction of an Army Reserve Center.

*Maintenance Facilities.*—There are six Organizational Maintenance Shops (OMS) included as part of our construction plan. The OMS in American Samoa is required for use by a vehicle repair platoon and an engineer detachment, and the OMS in Arizona will support the routine maintenance requirements for the units assigned to that Reserve Center. Currently, there is no maintenance facility at the Reserve Center in Mesa, Arizona. The OMS in New Hampshire and Washington are part of the replacement plan for out-dated facilities. The OMS in Texas will replace an existing 1958 facility. Also included is an Aviation Support Facility at Fort Lewis, Washington. These new maintenance facilities will improve the equipment readiness of the units assigned and provide a modernized workplace for the mechanics to train.

*Barracks Renovation.*—There is a project to renovate the Officer Education School barracks at Fort Dix, New Jersey. The current barracks were constructed in 1970 and do not currently meet the requirements for training soldiers. The renovation of these barracks will provide the students an environment that is both safe and conducive to learning.

The fiscal year 2002 request is for appropriations and authorization of appropriations of \$111,404 million for Military Construction, Army Reserve, as shown on Table 8:

TABLE 8.—COMMAND SUMMARY, MILITARY CONSTRUCTION ARMY RESERVE, FISCAL YEAR 2002  
[Dollars in thousands]

Location	Appropriations	Percent of total
Arizona, Mesa (USARC/OMS) .....	\$10,900	9.8
American Samoa, Tafuna (USARC/OMS) .....	19,703	17.7
Colorado, Fort Carson (USARC) .....	9,394	8.4
Kentucky, Fort Knox (USARC) .....	14,846	13.3
New Hampshire (USARC/OMS) .....	9,122	8.2
New Jersey, Fort Dix (OES Barracks Upgrade) .....	12,000	11.0
Ohio, Cleveland (Land Acquisition) .....	1,200	1.1
Texas, Texarkana (OMS) .....	1,862	1.7
Washington, Fort Lewis (USARC/OMS/ASF) .....	21,978	19.7
TOTAL MAJOR CONSTRUCTION .....	101,005	90.7
WORLDWIDE:		
Planning and Design .....	8,024	7.2
Minor Construction .....	2,375	2.1
SUBTOTAL .....	10,399	9.3
TOTAL AUTHORIZATION OF APPROPRIATIONS REQUESTED .....	111,404	100.0

#### HOMEOWNERS ASSISTANCE FUND, DEFENSE

The Army is the Executive Agent for the Homeowners Assistance Program. This program provides assistance to homeowners by reducing their losses incident to the disposal of their homes when the military installations at or near where they are serving or employed are ordered to be closed or the scope of operations reduced. The fiscal year 2002 request is for \$10.119 million appropriations, along with a companion request for authorization and authorization of appropriations for the same

amount. Fiscal year 2002 will be funded with appropriations, carryover, and anticipated authority to transfer monies from the BRAC account to the Homeowners Assistance Fund.

The request will provide assistance to personnel at approximately 14 locations that have been impacted with either a base closure or a realignment of personnel resulting in adverse economic effects on local communities. The Homeowners Assistance Program is funded not only from the resources being requested in this budget, but is also dependent, in large part, on the revenue earned during the fiscal year from the sale of properties.

#### SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM)

In addition to Military Construction and Family Housing, the third area in the facilities arena is the SRM program. SRM is the primary account in base support funding area responsible to maintain the infrastructure to achieve a successful readiness posture for the Army's fighting force. Installations and Reserve Component facilities are the platforms of America's Army and must be properly maintained to be ready to support current Army missions and any future deployments.

SRM consists of two major functional areas: (1) facilities sustainment of real property and (2) restoration and modernization. Facilities sustainment provides resources for maintenance and repair activities necessary to keep an inventory of facilities in good working order. It also includes major repairs or replacement of facility components, usually accomplished by contract, that are expected to occur periodically throughout the life cycle of facilities. Restoration and modernization provides resources for improving facilities. Restoration includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident or other causes. Modernization includes alteration of facilities solely to implement new or higher standards, including regulatory changes, to accommodate new functions, or to replace building components that typically last more than 50 years, such as foundations and structural members.

Within the SRM program, there are two areas to highlight: (1) our Barracks Upgrade Program (BUP) and (2) the Long Range Utilities Strategy. At the completion of the fiscal year 2002 program, as requested, we will have funded adequate housing to meet or approximate the DOD 1+1 barracks standard for 73 percent of our soldiers. The fiscal year 2003–2008 Military Construction program will provide barracks for another 20 percent of eligible soldiers. We will use SRM resources to renovate barracks to an approximate DOD 1+1 standard for the remaining 7 percent of barracks residents. The Army is grateful for Congressional support for well being programs. We allocated \$86 million of appropriated Quality of Life Enhancements, Defense (QOLE,D) funds to bring more of our permanent party barracks in the United States, Europe and Korea to an approximate 1+1 standard and to renovate Advance Individual Training (AIT) and Reception barracks in the United States. The Army is committing an average of about \$120 million per year in SRM to continue the efforts to upgrade housing for our single soldiers. This substantial funding keeps our barracks program on track to build new or renovate all barracks to an approximate 1+1 or equivalent standard worldwide by 2008.

The second area to highlight within the SRM program is our Long Range Utilities Strategy to provide reliable and efficient utility services at our installations. Privatization or outsourcing of utilities is the first part of our strategy. All Army-owned electrical, natural gas, water, and wastewater systems are being evaluated to determine the feasibility of privatization. When privatization appears economical, we use competitive contracting procedures as much as possible. We continue to successfully privatize utility systems on Army installations. Recent successes include privatization of the electrical distribution system at Fort Knox, the gas system at Fort Sill, the water system at Fort Lee, and the waste water system at Presidio of Monterey. Of the 320 Army systems available for privatization since 1998, 19 have been privatized, 28 have been exempted, and the remaining are in various stages of privatization. The second part of the strategy is the utilities modernization program. We are upgrading utility systems that are not viable candidates to be privatized, such as central heating plants and distribution systems. We have executed approximately \$177 million in utility modernization projects in fiscal years 1998 through 2000 and in future years we plan to accomplish \$94 million in additional projects. Together, privatizing and modernizing utility systems will provide reliable and safe systems.

We are making progress in upgrading barracks and improving utility services, and funding for the basic maintenance and repair of Army facilities has improved to 94 percent of the OMA, OMNG and OMAR requirement in fiscal year 2002. However, we still need to strive toward fully funding sustainment to keep facilities from

getting worse and to protect the large infrastructure investment requested in this budget. The Installation Status Report shows Army facilities are rated C-3 (not fully mission capable) due to years of under-funding. At the end of fiscal year 2000, 26 percent of the Army's facilities were "red"—unsatisfactory; 44 percent were "amber"—marginal; and only 30 percent were "green"—good. The Army National Guard rated 40 percent red, 54 percent amber and 6 percent green and the Army Reserve rated 45 percent red, 27 percent amber, and 28 percent green.

#### BASE REALIGNMENT AND CLOSURE (BRAC)

Our facilities strategy strives to meet the needs of today's soldiers while also focusing on the changes required to support the Army of the 21st century. For BRAC in fiscal year 2002, we are requesting appropriations and authorization of appropriations of \$164.3 million. This budget represents the Army's first budget required to continue environmental restoration and property management of those facilities not yet disposed from the first four rounds of BRAC. In fiscal year 2000, the Army saved \$911 million and will save \$944 million annually upon completion of these first four rounds of BRAC. Although these savings are substantial, we need to achieve even more, and bring our infrastructure assets in line with projected needs. We must reduce the total cost required to support our facilities and manage and maintain our real property inventory. BRAC has significant investment costs, but the results bring to the Army modern and efficient facilities at the remaining installations. The resulting savings are critical to modernization, sustainment, and infrastructure improvements.

The Army is now in the final year of the 13-year process to implement the first four rounds (112 closures and 27 realignments). We are accelerating all BRAC actions to obtain savings and return assets to the private sector as quickly as available resources will allow. However, BRAC savings do not come immediately because of the up-front costs for implementation and the time it takes to close and dispose of property. Environmental costs are significant and are being funded up-front to facilitate economic revitalization. The remaining challenges that lie ahead are implementing the final round, BRAC 95, ahead of schedule; cleaning up contaminated property, disposing of property at closed bases; and assisting communities with reuse.

The fiscal year 2002 budget includes the resources required to continue environmental cleanup of BRAC properties. These efforts will make 14,321 acres of property available for reuse in fiscal year 2002 and complete restoration activities at 12 additional locations. This budget includes the resources required to support projected reuse in the near term and to continue with current projects to protect human health and the environment.

*Base Realignment and Closure—Overseas.*—Although the extensive overseas closures do not receive the same level of public attention as those in the United States, they represent the fundamental shift from a forward-deployed force to one relying upon overseas presence and power projection. Without the need for a Commission, we are reducing the number of installations by 70 percent, roughly equal to the troop reductions of 70 percent. In Korea, the number of installations is dropping 20 percent. The total number of Army overseas sites announced for closure or partial closure is 677. Additional announcements will occur until the base structure matches the force identified to meet U.S. commitments.

*Base Realignment and Closure Program Status.*—The Army has completed all realignments and closure actions from the BRAC 88, BRAC 91, BRAC 93, and BRAC 95 rounds. The Army continues with the difficult challenges of environmental cleanup and disposal actions to make the property available to local communities for economic redevelopment. Introduction of economic development conveyances and interim leasing has resulted in increased property reuse and jobs creation. Negotiations and required environmental restoration continue at the closed and realigned installations, and additional conveyances will occur in the near future.

The Army has completed environmental actions at 1,414 of a total of 1,973 environmental cleanup sites through fiscal year 2000. Environmental restoration efforts were complete at 77 installations through fiscal year 2000, out of a total of 116 installations. The Army remains focused on supporting environmental cleanup actions required to support property reuse and will continue to fund environmental cleanup actions that are required in support of property transfer and reuse of the remaining approximate 255,000 acres.

*Summary.*—The BRAC process has proven to be the only viable method to identify and dispose of excess facilities. The closing and realigning of bases saves money that otherwise would go to unneeded overhead and frees up valuable assets for productive reuse. These savings permit us to invest properly in the forces and bases

we keep to ensure their continued effectiveness. We request your support by providing the necessary BRAC funding to continue environmental restoration and property management in fiscal year 2002.

We remain committed to promoting economic redevelopment at our BRAC installations. We are supporting early reuse of properties through no cost economic development conveyances as well as the early transfer of properties along with cooperative agreements to accelerate the completion of remaining environmental remediation. The Army is also making use of interim leasing options made possible by Congress and awarding guaranteed fixed price remediation contracts to complete environmental cleanup to make properties available earlier. Real property assets are being conveyed to local communities, permitting them to quickly enter into business arrangements with the private sector. Local communities, with the Army's support and encouragement, are working to develop business opportunities that result in jobs and tax revenues. The successful conversion of former Army installations to productive use in the private sector benefits the Army and ultimately the local community.

As noted, we have had much success in base closures, eliminating excess infrastructure that drained needed funds from other programs. Unfortunately, this has not been sufficient. For this reason, the Army supports additional authority to reduce infrastructure.

#### FISCAL YEAR 2002 SUMMARY

Mr. Chairman, our fiscal year 2002 budget is a greatly improved program that permits us to execute our construction programs; provides for the military construction required to improve our readiness posture; and provides for family housing leasing, operation and maintenance of the non-privatized inventory, and to initiate privatization at four additional installations. This request is part of the total Army budget request that is strategically balanced to support both the readiness of the force and the well being of our personnel. Our long-term strategy can only be accomplished through sustained balanced funding, divestiture of excess capacity, and improvements in management. We will continue to streamline, consolidate, and establish community partnerships that generate resources for infrastructure improvements and continuance of services.

The fiscal year 2002 request for the Active Army is for appropriations and authorization of appropriations of \$3,161,074,000 for Military Construction, Army and Army Family Housing.

The request for appropriations and authorization of appropriations is \$267,389,000 for Military Construction, Army National Guard and \$111,404,000 million for the Military Construction, Army Reserve.

For the Homeowners Assistance Fund, Defense, the request is for \$10,119,000 appropriations and authorization of appropriations.

Thank you for your continued support for Army facilities funding.

Senator FEINSTEIN. Thank you very much, Mr. Johnson.

General Van Antwerp.

General VAN ANTWERP. Thank you. Madam Chairman, Senator Hutchison, nice to see you. I just want to thank you for your passion for facilities and for how they support our soldiers and their families, and thank you for all you do.

These are exciting times in the Army. We have a clear vision and focus. It is on the people, it is on readiness, and it is on transformation. These three pillars, are supported by our facilities and our installations. This budget provides a substantial increase, as Mr. Paul Johnson said, over fiscal year 2001. MILCON is up over \$750 million. This is for the total force. Family housing, up \$150 million. What we are now calling SRM, sustainment restoration and modernization, used to be RPM funds, so it is a different terminology that you will hear. What this does for us this year, it keeps our barracks on track for fiscal year 2008. It gets us at the end of this fiscal year 2002 at 73 percent of modernizing our barracks, permanent party barracks. It keeps our strategic mobility projects on track for a 2003 buyout. They have 15 projects in this

year's budget, and it gets us to 93 percent of the requirement being met in that area.

It supports transformation at Fort Lewis with \$56 million to buy projects. It gets the fix on family housing, and we have submitted our family housing master plan to Congress. It gets us to adequate family housing by 2010 for both CONUS and OCONUS. It improves our recapitalization rate to 90 years. It is not the 67 years desired metric that DOD has, but it is moving in the right direction.

As you noted in your opening statement, ma'am, it funds contingencies for all fiscal year 2002 projects. It initiates the next increment of our future facilities strategy and it provides \$164 million for base realignment and closure, basically the environmental cleanup at 35 sites.

I want to thank you for this opportunity to appear before you and I look forward to your questions when that time comes.

Senator FEINSTEIN. Thanks, General.

#### ARMY NATIONAL GUARD

General Squier.

General SQUIER. Madam Chair, it is my pleasure to be here to represent the Army National Guard from the 50 states, the territories, and the District of Columbia. We welcome the opportunity to appear before the subcommittee to present the Army National Guard's construction program for fiscal year 2002, which really is an Army story and we are very pleased with the budget request this year of \$267.4 million.

The readiness of the Army National Guard, as General Van Antwerp has mentioned, is a primary focus of the Army. Our facilities provide for our ability to do training and readiness to meet our operational requirements. As you are well aware, the Army is increasing use of reserve components on a regular basis and making use of the Army National Guard around the world.

There are some unique things going on with our Army. We are a participant in the transformation and looking at new ways to do business. Part of our transformation is converting some of our force structure, and some of our request this year is to support that. The Army facilities strategy will better focus our energies towards military construction for the future.

The Army National Guard strongly supports the facilities strategy. Even though it is a 30-year strategy, it is a focused approach. In the first 10 years, the Army National Guard, will focus on our readiness centers, trying to take care of at least a third of those requirements that we have nationwide in the States, the three territories and the District of Columbia. We will also be focusing on our surface maintenance facilities and our classrooms in order to train our soldiers for the future, and support this strategy.

While this does not address all of our needs, it is a step in the right direction and we certainly do support a focused approach for the future. The Army National Guard has been looking at how the force structure of the Army will change for the future. Initially we will be converting part of our combat structure to combat support and combat service support requirements of the Army. There is a phased approach in converting up to 12 of our brigades over a time

frame that will take us out through 2009. This year includes phase one of that particular strategy.

As you are much aware, the Army National Guard has a proud history of its accomplishments and service to our Nation and what we bring to our communities across the Nation. We have an obligation of continuing to provide adequate, safe, and cost effective facilities to support our personnel throughout the Nation, and we appreciate the support that we have received from this committee. Thank you.

Senator FEINSTEIN. Thank you very much, General.

#### ARMY RESERVE

General Bergson.

General BERGSON. Madam Chair, on behalf of the men and women of America's Army Reserve, the credentials of America's Army Reserve, thank you for the opportunity to represent them and present their military construction needs to you today. As we speak, your Army Reserve soldiers and units continue to serve proudly in support of Operations Joint Forge and Joint Guardian under the presidential reserve call-up authority.

In fiscal year 2001 we are deploying Army Reserve soldiers in units around the world in support of other high priority missions. Our soldiers provide daily proof that America's Army Reserve is in fact a trained and ready and relevant force. With your continued support in Congress, they will remain trained and ready and carry us forward well into the 21st first-century.

The President's budget for fiscal year 2002 continues to focus on resources to readiness in line with the Army Chief of Staff's priorities. The budget provides essential military construction resources to address the Army Reserve's highest priority facilities, construction projects, and other needs. It will allow the Army Reserve to continue to modernize and revitalize its facilities infrastructure across the Nation.

The organization, roles and missions of the Army Reserve dictate the need for a widely dispersed inventory and facilities. It provides a military linkage in 1350 communities throughout America, its territories, and overseas locations. We occupy over 1,100 facilities consisting of more than 7,600 buildings and structures that have an average age of about 37 years. Army Reserve-operated installations add another 2,600 buildings and structures to the total inventory. The average age of facilities on these installations is about 47 years.

The essence of our program is straightforward: to provide essential facilities to improve readiness and quality of life, to preserve and enhance the Army's image across America, and to preserve and protect the facilities resources for which we are responsible.

The Army Reserve has been successful in demonstrating itself to be a competent and effective steward of the resources placed in its care. Since 1981 the Army Reserve has completed more than 300 major construction projects that represent an investment of \$1.3 billion. In addition to the programmed military construction, we realize significant savings from base realignment and closure actions. The Army Reserve acquired facilities from all services, including the Active Army, offsetting military construction requirements. The

facilities acquired through BRAC provided a military construction cost avoidance of \$123 million. Other facilities acquired through BRAC process has permitted the Army Reserve to relocate units from leased facilities to quality government-owned centers. That effort allowed the Army Reserve to reduce its lease costs by \$13 million.

The budget request for fiscal 2002 provides funds for the highest priority Army Reserve MILCON requirements. The fiscal year 2002 MCAR budget request for the Army Reserve includes three categories of funding: major construction, unspecified minor construction, and planning and design. Our fiscal year 2002 budget requests an appropriation of slightly over \$101 million to fund construction of five new Army Reserve centers in American Samoa, Arizona, Kentucky, New Hampshire, and Washington, to accomplish essential facility replacement, revitalization of existing facilities in Colorado, a new maintenance facility in Texas, an officer education systems barracks in New Jersey, and land acquisition to support a future project in Cleveland, Ohio.

Another important issue that is directly linked to the Army Reserve's overall ability to be good stewards of its facilities and installations is that of funding for sustainment, restoration, and modernization that General Van Antwerp mentioned earlier. Although provided separately by the O and M Army Reserve, OMAR, appropriation, these funds complement military construction funds to round out the Army Reserve's total resources to manage its facilities inventory.

Long-term resource constraints in both military construction and real property maintenance have a combined effect of increasing the rates of aging and deterioration of our valuable facilities and infrastructure. Historically, the budget has provided SRM resources to only fund the most critical maintenance and repair needs. The fiscal year 2002 budget includes \$158 million for SRM, which funds fully 93 percent of the Army Reserve sustainment, restoration, modernization requirements. We solicit your support of SRM as an essential adjunct of construction.

The fiscal 2002 budget request is for appropriations and authorization of \$111 million for military construction Army Reserve and \$158 million for SRM. We are grateful to the Congress and the Nation for the support you have given and continue to give to United States's Army Reserve. Thank you, Madam Chair.

#### UNSPECIFIED MINOR CONSTRUCTION

Senator FEINSTEIN. Thank you very much, General.

I would like to begin with General Squier if I might. Last year the Army Guard was given \$25 million for unspecified minor construction to provide facilities for the 27 weapons of mass destruction civil support team. From that \$25 million, it funded facilities for 20 of the teams, with 7 remaining unfunded, one of which is Los Alamos. I understand the program is still \$7 million short of what it needs.

Is there a request in this budget that will fund that shortfall?

General SQUIER. No, ma'am. We did not—were not able to bring forward a request for that particular initiative. I am very much aware of that and we did in fact fund for 20 of those and we have



a requirement for at least \$7 million that you have highlighted here for the remaining teams as this evolving new program is established.

Senator FEINSTEIN. Do you feel you need the money or not?

General SQUIER. Yes, ma'am, we do need that money.

Senator FEINSTEIN. Is that a priority for you?

General SQUIER. It is a high priority.

Senator FEINSTEIN. How high a priority?

General SQUIER. It is as high as it could be for us. As far as this is unspecified minor, given the fidelity of trying to find out exactly where the States are going to put these facilities and what their requirements are, it is a high priority for us.

Senator FEINSTEIN. Then we will try and work with you and see that it gets done.

Can you handle the job with the 27 civil support teams?

General SQUIER. Actually, there is a requirement as we know it to go to 32.

Senator FEINSTEIN. 32?

General SQUIER. 32, yes, ma'am. We have not stood up the additional 5 teams yet. We are only focused on the 27 that are currently being established. The Department of Defense is establishing the criteria and requirements. I am not prepared to address whether that is adequate or not. Still, it is an emerging new program. There are still some things to be refined as we look at the roles and missions responsibilities.

Senator FEINSTEIN. Well, I would like to work with you on that. It seems to me we are building this big missile defense system and we ought to have civil support as well.

General SQUIER. It is a critical issue for the Nation, ma'am.

#### NATIONAL TRAINING CENTER

Senator FEINSTEIN. Secretary Johnson, if I might, could you update us on the status of the National Training Center expansion at Fort Irwin, California? I understand that DOD and Interior, including the Fish and Game, Fish and Wildlife Service, are working together on an expansion, very controversial. Congressman Lewis and I have worked together on it. That expansion attempts to address various environmental concerns that have been addressed or that have been mentioned, particularly the desert tortoise.

I know I went to Fort Irwin and met with General Webster, saw what they were doing. My belief is that they have worked out a very fine plan.

What is the status and the outlook and the schedule for implementing that plan?

Mr. JOHNSON. We have worked very hard with the Department of Interior and yourself and Congressman Lewis. We have now submitted our plan for the land withdrawal. That is still being considered. As soon as that is passed in law, then we will be able to pick up the additional land to the south so we can train and protect the endangered species and the milkweed also.

Senator FEINSTEIN. Milk Vetch.

Mr. JOHNSON. Milk Vetch, excuse me.

Senator FEINSTEIN. I particularly want to compliment General Webster. I had the pleasure of going to the base—as you know—

for a meeting with him and in terms of effecting a compromise that could prevent a tortoise from standing in front of a tank and creating the necessary or probable civic explosion, he was quite wonderful and I gathered worked that out.

It looks like it could be a done deal very shortly. So please extend for me my compliments to him. I am very appreciative.

Mr. JOHNSON. Senator, as a matter of fact we set up a team and went out there before your visit and got this all set up. He is a great guy. He knows his stuff there on training and he is also sensitive to the environment and the Milk Vetch.

Senator FEINSTEIN. Let me ask you this question and maybe you can answer it because you are leaving and you do not have to worry about it. I have often wondered why there cannot be more inter-service sharing of bases. I initially tried that between China Lake and Fort Irwin and struck out 100 percent. Wherever I seem to go—I do not know if Senator Hutchison has had this same experience—but there is a refusal to do any inter-service sharing of bases or materials or claims or anything else.

Mr. JOHNSON. Well, we have China Lake and that is still a gleam in our eye. It is not over with. We also have some other, like Fort Dix, McGuire. We are joining with an RCI project up there. We have a number of those. It is just sometimes hard getting us to thinking exactly alike, but we are studying it very, very much. We think it is a savings, no question about it, if we can consolidate some of these and save some money.

Senator FEINSTEIN. Do any other of the Generals have any comment on that subject?

General VAN ANTWERP. I will venture a comment on that. I think part of the consideration where it comes to training lands is training lands are in such high demand that folks are reluctant to share those training areas because it is so difficult to already get on them. That is part of the National Training Center's problem right now. It is highly utilized and overutilized. We would love to expand into China Lake, as Mr. Johnson said, and use that as part of our training area. I think that may be a possibility.

Senator FEINSTEIN. That would be excellent. If I could help with that, I would be happy to do so.

General BERGSON. We have had some success with reserve centers, Madam Chair, because we are using them part-time and the Army will use them one weekend and the Navy Reserve will use them a different weekend. Unfortunately, as we are getting more and more involved in training the times tend to overlap a little bit. We do have quite a few joint reserve centers.

Senator FEINSTEIN. Thank you.

Senator HUTCHISON. I just would take what you were discussing a little bit further and say I think that the more we can do with that the better, because we have a joint reserve base, it used to be Carswell and now that is a joint base, that is working great. You can have better facilities when you can share them and get more use from them. So I think it is something that probably is the way for the future.

Just the Joint Strike Fighter, which is now going to be used by three services, I think is a great first step, or it might not be the

first but it is certainly a major step in that direction. So I think it is something that hopefully we will be doing more of.

I just have one question for Mr. Johnson, and I also want to thank you for your 52 years of service. That has got to be a record, that someone has been, let us see, Deputy Assistant Secretary for 18 years, Deputy Assistant Secretary of the Army for 18 years. That has got to be a record. We really appreciate your excellent service and thank you for doing that.

I just have one question and it is for Mr. Johnson. It is the issue of privatization of housing, which I think more and more of the services are using and I think it is proving to be quite effective. Where something might cost \$40 million, the service is able to put about \$10 million in and with privatization the private contractor absorbed the rest of the cost. But that also means that local schools are going to be impacted if you are doing off-base housing and it might not necessarily be the on-base schools as we were talking about earlier.

I have been very active in making sure that our impact aid schools do get the funding they need to service the children that go into off-base housing. I would just like to ask you how the Army going forward is looking at the impact aid schools as affected by privatization, and are you still convinced that overall this is the way to go?

#### HOUSING PRIVATIZATION

Mr. JOHNSON. Yes, it is the way to go. Actually, what we did was start off early in the process with the school districts and our installation managers and discussed this with them, what their requirements are and what we can provide. Actually, we provide land for the schools, but we would certainly prefer that the school districts raised the bonds and built their own schools. Otherwise, we use part of the allowance for quarters to pay for housing, we would use some of that to pay for schools.

We are working very carefully and closely with the local communities and so far so good. That is working.

Senator HUTCHISON. Well, I think that is fine, but you have to remember that a local community cannot absorb kind of a rubber band, large numbers of students, then shrinking numbers of students after they have built the facilities. We have to step up to the plate and make sure that the school district has the help they need to get the quality education.

Any comments from anyone else on this subject?

If not, those are the questions I had.

Senator FEINSTEIN. I had one request, one last request. I would like to know the total of the Army's unfunded priorities for fiscal year 2002.

General VAN ANTWERP. As you look at—

Senator FEINSTEIN. I am giving you an open chance.

General VAN ANTWERP. This MILCON budget funds about 41 percent of our requirements, so there is a long list that was below the cut line for this. We think we have those priorities that support readiness, transformation, and our people, but they are in some cases, like the barracks buyout program goes to fiscal year 2008, they are long-term programs.

Obviously, if you could accelerate that and provide that earlier, it would provide for the wellbeing of the force.

Senator FEINSTEIN. Well, what I would like to ask you to provide for the committee is a list of your unfunded priorities in priority order en bloc. That would be very helpful. I am most interested in, and I know Senator Hutchison is—it is one thing coming from the civilians. It is another thing coming from the military. So we would like to know what your top unfunded priorities are.

[The information follows:]

Unfinanced Requirements

LOCATION	PROJECT NAME	COST (\$000)
Tacoma, Washington	Area Maintenance Support Activity(Marine)/Pier Phase II	9,000
Virginia, Ft Story	Army Reserve Center/Organizational Maintenance Shop	12,813
Kansas, Hays	Army Reserve Center/Organizational Maintenance Shop	8,106
Ohio, Cleveland	Army Reserve Center/Organizational Maintenance Shop	16,598
Wisconsin, Fort McCoy	Battalion Dining Facility	4,516
Texas, El Paso	Equipment Concentration Site	13,695
Ohio, North Canton	Army Reserve Center/Organizational Maintenance Shop	12,429
Alabama, Birmingham	Land acquisition for Army Reserve Center	1,800
Saint Peterburg, Florida	Armed Forces Reserve Center Phase II	20,000
Tennessee, Nashville	Army Reserve Center/Organizational Maintenance Shop	6,939
New York, Oswego	Addition/Alteration Army Reserve Center	4,981
Pennsylvania, Ft Indiantown Gap	Army Reserve Center/Organizational Maintenance Shop	9,576
Texas, Grand Prairie	Army Reserve Center/Organizational Maintenance Shop	11,587
Utah, Ogden	Addition/Alteration Army Reserve Center	8,500
California, Mare Island	Organizational Maintenance Shop/Area Support Maintenance Activity	9,432
Maryland, Fort Meade	Army Reserve Center/Organizational Maintenance Shop	52,840
Puerto Rico, Aguadilla	Army Reserve Center/Organizational Maintenance Shop	17,560
Conway, Arkansas	Army Reserve Center/Organizational Maintenance Shop	4,980
Illinois, Granite City	Army Reserve Center/Organizational Maintenance Shop	17,618
Georgia, Ft Stewart	Army Reserve Center/Organizational Maintenance Shop	10,896
Vancouver, Washington	Army Reserve Center/Organizational Maintenance Shop	26,300
Victorville, California	Army Reserve Center/Aviation Support Facility	21,665
Fort McCoy, Wisconsin	Regional Training Site Classroom/Storage	5,669
Saint Peterburg, Florida	Armed Forces Reserve Center Phase III	14,000
Planning and Design		27,135
TOTAL		328,635

## ARNG MILCON Projects for \$541.1 million dollar ACSIM UFR

FYDP or IRP Rank	ST	Location	Project/Description/Title	Prgm Amt (\$000)	Project Number
FY-03	HI	Barber's Point	Military Complex, Phase I	18,998	150057A
FY-03	WI	Camp Williams	United States Property & Fiscal Office	15,478	550140A
FY-03	WV	Williamstown	Readiness Center	6,550	540073A
FY-04	KS	Topeka	Armed Forces Reserve Center	14,407	200008A
FY-04	VT	South Burlington	Army Aviation Support Facility	23,827	500048A
FY-05	CA	Los Angeles	Readiness Center	20,419	060023A
FY-05	IN	Camp Atterbury	Training Site Battle Simulation Center	4,947	180037A
FY-05	NC	Fort Bragg	Regional Training Institute, Phase II	8,290	370063A
FY-05	NC	Fort Bragg	Regional Training Institute, Phase III	6,319	370067A
FY-05	PR	Fort Buchanan	Readiness Center	17,250	430010A
FY-05	VA	Fort Pickett	Maneuver Area Equipment Training Site - Phase I	2,957	510035A
FY-06	GA	Savannah	Army Aviation Support Facility	14,993	130111A
FY-06	LA	Camp Beauregard	Army Aviation Support Facility	14,169	220022A
FY-06	NJ	Lakehurst	Consolidated Logistics and Training Facility, Phase 1	15,369	340107A
FY-08	OH	Coshocton	Readiness Center	3,000	390131A
FY-06	RI	East Greenwich	Combined Support Maintenance Shop	13,041	440030A
FY-06	WV	Glen Jean	Military Complex - Phase I	1,125	540056A
FY-07	AK	Juneau	Readiness Center - Phase I	584	20044A
FY-07	CA	Fresno	Aviation Classification and Repair Depot, Phase I	13,819	060120B
FY-07	LA	Camp Beauregard	Combined Support Maintenance Shop, Ph I	6,200	220149A
FY-07	MI	Battle Creek	Total Army School System Facility	13,318	260085A
FY-07	MS	Camp Shelby	Military Education Center, Phase III	9,145	280009A
FY-07	OR	Eugene	Armed Forces Reserve Center, Phase I	3,150	410078A
FY-07	OR	Eugene	Organizational Maintenance Shop, Phase I	3,150	410067A
FY-07	SD	Camp Rapid	Total Army School System Facility	13,956	460050A
FY-07	SD	Mobridge	Readiness Center	2,822	460091A
1	CA	Fresno	Add/Alt Aviation Classification And Repair Depot, PH II	40,563	060016A
2	LA	Camp Beauregard	Combined Support Maintenance Shop, PH II	22,310	220156A
3	NM	Santa Fe	Army Aviation Support Facility UH-60 Hanger/C-12 Hngr	15,000	350043A
4	AR	Camp Robinson	Army Aviation Support Facility	15,790	050089A
5	VI	Ltj Jackson Armory	Trng Site Military Education Fac	2,260	520014A
6	DE	New Castle	Readiness Center	13,504	100008A
6	MO	Springfield	Aviation Classification And Repair Depot, Add/Alt	20,249	290113A
9	WA	Spokane	Joint Trg & Readiness Center	11,250	530008A
10	CO	Fort Carson	Total Army School System Facility	27,254	080067A
11	GU	Barrigada	Readiness Center (Phases II & III)	23,200	140004B
12	ND	Minot	Organizational Maintenance Shop/Mvsb	5,800	380032A
13	NY	Camp Smith	Readiness Center	10,918	380056A
14	MI	Lansing Headquarters	Readiness Center - HQ STARC	16,828	260073A
Project Total				492,317	
Planning and Design				44,676	
Minor Construction				4,105	

Military Construction Army National Guard, Future Years Defense Plan  
FY2002 - 2007

Fiscal Year	Installation	Location	Project Title	Budgeted Amount	Change from Previous	
					Submission	Explanation
2002	F Huntsville (Redstone Arsenal)	AL	Unit Training Equipment Site	7,498	(814)	Revised
2002	F Mobile	AL	Readiness Center Add/Alt	5,333	5,333	Accelerated from Infrastructure Requirements Plan
2002	F Marana	AZ	Maintenance Hangar - Western Army Aviation	14,368	14,368	Accelerated from 2005
2002	F Fort Irwin	CA	Training Site	21,953	664	Revised
2002	F Fresno (Chance S)	CA	Maneuver Area Training Equipment Site	4,530	(1,267)	State cancelled project
2002	F Lancaster	CA	Organizational Maint Shop add/alt (ADRS)	4,530	4,530	New mission
2002	F Fort Carson	CO	Readiness Center (ADRS)	14,228	(1,267)	Appropriated 2001
2002	F Estherville	IA	Maneuver Area Training Equipment Site	6,117	2,713	Accelerated from Infrastructure Requirements Plan
2002	F Gowen Field	IA	Readiness Center	6,117	8,117	Accelerated from Infrastructure Requirements Plan
2002	F Fort Riley	KS	Readiness Center (PH I)	645	645	New mission
2002	F Fort Belvoir	CO	Organizational Vehicle Parking, Surfaced (ADRS)	5,677	5,677	Accelerated from 2004 (name change from Zachary)
2002	F Phoenix (GP Beauregard)	LA	Readiness Center	8,392	5,392	Accelerated from 2005
2002	F Framingham	MA	Organizational Maintenance Shop	8,347	8,347	Accelerated from 2005
2002	F Salisbury	MD	Organizational Maintenance Shop Add/Alt	2,314	2,314	Accelerated from Infrastructure Requirements Plan
2002	F Bangor	ME	Army Aviation Support Facility (PH I)	11,618	11,618	Accelerated from Infrastructure Requirements Plan
2002	F Lansing	MI	Combined Support Maintenance Shop (PH II)	5,809	5,809	Accelerated from Infrastructure Requirements Plan
2002	F Camp Shelby	MS	Regional Military Education Center (PH II)	14,145	14,145	Accelerated from Infrastructure Requirements Plan
2002	F Gulfport	MS	Readiness Center	8,222	8,222	New mission
2002	F Killebrew	MT	Readiness Center Add/Alt (ADRS)	1,865	1,865	Accelerated from Infrastructure Requirements Plan
2002	F Concord	NY	Readiness Center	27,185	27,185	Accelerated from 2005
2002	F Fort Drum	NY	Maneuver Area Training & Equipment Site (PH I)	17,000	17,000	Accelerated from Infrastructure Requirements Plan
2002	F Cincinnati	OH	Readiness Center	9,780	9,780	Accelerated from IRP
2002	F Sand Springs	OK	Armed Forces Reserve Center	(12,782)	(12,782)	Appropriated 2001
2002	F Alcoa	SD	Combined Support Maintenance Shop	14,228	14,228	Accelerated from 2003
2002	F Henderson	TN	Readiness Center	8,203	8,203	Accelerated from 2004
2002	F Austin	TX	Organizational Maintenance Shop	2,012	2,012	Accelerated from 2004
2002	F OshKosh	WI	Army Aviation Support Facility	28,959	28,959	Accelerated from 2004
2002	F Various	WI	Organizational Maintenance Shop	4,674	5,274	Accelerated from Infrastructure Requirements Plan
2002	F Various	ZU	Unspecified Infor Construction	165	165	Less funds for UMI
2002	F Various	ZU	Planning and Design	26,784	21,484	More funds to PAD (ADRS)
<b>TOTAL FUNDED 2002</b>				<b>267,359</b>	<b>201,026</b>	

Military Construction Army National Guard, Future Years Defense Plan  
FY2002 - 2007

Fiscal Year	Installation	Location	Project Title	Change from	
				Budgeted Amount	Previous Submission
2003 F	Azuza	CA	Readiness Center (ADRS)	14,909	14,909
2003 F	March AFB	CA	Readiness Center (ADRS)	11,909	11,909
2003 F	San Diego	CA	Organizational Maintenance Shop (ADRS)	6,909	6,909
2003 F	Visalia	CA	Organizational Maint Shop Add/Alt (ADRS)	-	(1,507) State cancelled project
2003 F	Smyrna	DE	Readiness Center	-	(4,664) State cancelled project
2003 F	Elberon	GA	Readiness Center	18,998	18,998
2003 F	Blaffer's Point	IL	Military Center (M1)	-	(664) State cancelled project
2003 F	Council Grove	KS	Organizational Maint Shop add/alt (ADRS)	685	685
2003 F	Hickman	KS	Organizational Maintenance Shop Add/Alt (ADRS)	686	686
2003 F	Hickman	KS	Organizational Maint Shop add/alt (ADRS)	3,576	3,576
2003 F	Kansas City II	KS	Organizational Maintenance Shop Add/Alt (ADRS)	686	686
2003 F	Jackson	MI	Readiness Center, Add/Alt (ADRS)	746	746
2003 F	Waphton	ND	Armed Forces Reserve Center	3,666	3,666
2003 F	Lynch	NE	Readiness Center, Add/Alt (ADRS)	-	(8,798) Appropriated 2001
2003 F	Neofolk	NE	Readiness Center, Add/Alt (ADRS)	-	3,696 New mission
2003 F	Eslovler, (Leesburg)	SC	Infrastructure Upgrade	-	(5,293) Appropriated 2001
2003 F	Michell	SD	Military Support and Maintenance Shop	-	(11,898) Accelerated to 2002
2003 F	Henderson	TN	Organizational Maintenance Shop	15,476	(2,097) Accelerated to 2002
2003 F	Camp Williams	VA	Organizational Maintenance Shop	6,550	15,476 Accelerated from Infrastructure Requirements Plan
2003 F	Walters	VA	United States Property and Fiscal Office	1,121	6,550 Accelerated from Infrastructure Requirements Plan
2003 F	Various	ZU	Unspecified Minor Construction	8,273	(628) Less funds to projects
2003 F	Various	ZU	Planning and Design	3,198	3,198 More funds to PSD
<b>TOTAL FUNDED 2003</b>				<b>93,504</b>	<b>46,034</b>

Military Construction Army National Guard, Future Years Defense Plan  
FY2002 - 2007

Fiscal Year	Installation	Location	Project Title	Budgeted Amount	Change from Previous Submission		Explanation
					Amount	Submission	
2004	F Centerville	AL	Readiness Center, Additl (ADRS)	1,590	1,590	1,590	New mission
2004	F Fort McCheslan	AL	Fire Station (ADRS)	1,200	1,200	1,200	New mission
2004	F Backus	AL	Readiness Center, Additl (ADRS)	1,782	1,782	1,782	New mission
2004	F Los Banos	CA	Readiness Center (ADRS)	5,387	5,387	5,387	New mission
2004	F Puname, Maui	HI	Readiness Center	-	(6,000)	(6,000)	Appropriated 2001
2004	F Elkhart	IN	Readiness Center, Additl (ADRS)	1,728	1,728	1,728	New mission
2004	F Kokomo (Peru)	IN	Readiness Center, Additl (ADRS)	2,782	2,782	2,782	New mission
2004	F Logansport	IN	Readiness Center, Additl (ADRS)	1,368	1,368	1,368	New mission
2004	F Plymouth	IN	Readiness Center, Additl (ADRS)	1,368	1,368	1,368	New mission
2004	F South Bond	IN	Readiness Center, Additl (ADRS)	3,022	3,022	3,022	New mission
2004	F Kansas City	KS	Armed Forces Reserve Center	14,407	14,407	14,407	Accelerated from Infrastructure Requirements Plan
2004	F Baton Rouge	LA	Readiness Center	-	(4,155)	(4,155)	Accelerated to 2002
2004	F Billings	MT	Organizational Maintenance Shop Additl (ADRS)	1,180	1,180	1,180	New mission
2004	F Chinook	MT	Organizational Maint Shop additl (ADRS)	-	(654)	(654)	State cancelled project
2004	F Harve	MT	Organizational Maint Shop additl (ADRS)	889	(1,200)	(1,200)	State cancelled project
2004	F Kalspell	MT	Organizational Maintenance Shop Additl (ADRS)	727	689	689	New mission
2004	F Edenton	NC	Readiness Center, Additl (ADRS)	244	244	244	New mission
2004	F Edenton	NC	Motor Vehicle Storage Compound (ADRS)	268	268	268	New mission
2004	F Elizabeth City	NC	Motor Vehicle Storage Compound (ADRS)	244	244	244	New mission
2004	F Screven	NC	Organizational Maint Shop additl (ADRS)	1,180	1,180	1,180	New mission
2004	F Windsor	NC	Organizational Maint Shop additl (ADRS)	5,588	5,588	5,588	New mission
2004	F Omaha	NE	Armed Forces Reserve Center (ADRS)	-	(776)	(776)	State cancelled project
2004	F Alcoa	TN	Organizational Maint Shop additl (ADRS)	-	(21,499)	(21,499)	Accelerated to 2002
2004	F Aurlin	TX	Readiness Center	-	(6,573)	(6,573)	Accelerated to 2002
2004	F Aurlin	TX	Army Aviation Support Facility	23,827	23,827	23,827	Accelerated from Infrastructure Requirements Plan
2004	F South Burlington	VT	Army Aviation Support Facility	3,682	3,682	3,682	More funds to Unit (ADRS)
2004	F Various	ZU	Unspecified Minor Construction	7,973	2,895	2,895	More funds to Unit (ADRS)
2004	F Various	ZU	Planning and Design	-	-	-	More funds to Unit (ADRS)
			<b>TOTAL FUNDED 2004</b>	<b>83,041</b>	<b>34,381</b>	<b>34,381</b>	



Military Construction Army National Guard, Future Years Defense Plan  
FY2002 - 2007

Fiscal Year	Installation	Location	Project Title	Budgeted Amount	Change from Previous Submission	Explanation
2005	F Marana	AZ	Maintenance Hangar - Western Army Aviation		(13,151)	Accelerated to 2002
2005	F Camp Parks	CA	Training Site	11,318	11,318	New mission
2005	F Los Angeles	CA	Readiness Center (ADRS)	20,419	20,419	Accelerated from Infrastructure Requirements Plan
2005	F Van Nuys	CA	Readiness Center	2,165	(2,917)	State cancelled
2005	F Camp Hartell	CA	Organizational Maint Shop add/alt (ADRS)	2,165	2,165	New mission
2005	F Erifield	CT	Readiness Center, Add/Alt (ADRS)	1,700	1,700	New mission
2005	F Southington	CT	Readiness Center, Add/Alt (ADRS)	1,700	1,700	New mission
2005	F Barber's Point	HI	Readiness Center, Add/Alt (ADRS)	4,947	(5,957)	Accelerated to 2003
2005	F Camp Allenbury	IN	Readiness Center, Add/Alt (ADRS)	1,306	1,306	New mission
2005	F Camp Ripley	IN	Readiness Center, Add/Alt (ADRS)	2,455	2,455	New mission
2005	F Fort Belknap	MT	Readiness Center, Add/Alt (ADRS)	4,734	4,734	New mission
2005	F Wichita (Seneca St)	KS	Readiness Center, Add/Alt (ADRS)	2,455	(3,690)	Appropriated 2001
2005	F Fort Knox	KY	Maneuver Area Training Equip Site (PH II)	1,942	(3,817)	Accelerated to 2002
2005	F Camp Beauregard	LA	Readiness Center, Add/Alt (ADRS)	1,942	1,942	New mission
2005	F Camp Edwards	MA	Readiness Center, Add/Alt (ADRS)	506	410	New mission
2005	F Detroit (Light Guard)	MI	Readiness Center, Add/Alt (ADRS)	36	36	Revised
2005	F Lansing	MI	Organizational Maint Shop add/alt (ADRS)	1,695	(1,695)	Appropriated in 2001
2005	F Camp Ripley	MS	Organizational Maint Shop (PH I)	1,695	(1,695)	Appropriated in 2001
2005	F Camp Shelby	MS	Organizational Maint Shop (PH II)	1,695	(1,695)	Appropriated in 2001
2005	F Camp Ripley	MS	Regional Military Education Center (PH II)	906	906	New mission
2005	F Huroc	MT	Readiness Center, Add/Alt (ADRS)	1,165	1,165	New mission
2005	F Fort Bragg	NC	Readiness Center, Add/Alt (ADRS)	8,290	8,290	Accelerated from Infrastructure Requirements Plan
2005	F Fort Bragg	NC	Regional Training Institute (PH II)	6,319	6,319	Accelerated from Infrastructure Requirements Plan
2005	F Nashville	NC	Regional Training Institute (PH II)	1,195	1,195	New mission
2005	F Falls City	NE	Readiness Center, Add/Alt (ADRS)	770	(8,423)	Accelerated to 2002
2005	F Concord	NH	Readiness Center, Add/Alt (ADRS)	1,855	1,855	New mission
2005	F Albuquerque	NM	Readiness Center, Add/Alt (ADRS)	1,855	(3,437)	Appropriated in 2001
2005	F Carson City	NV	Readiness Center, Add/Alt (ADRS)	3,261	3,261	New mission
2005	F Fort Belknap	MT	Organizational Maint Shop add/alt (ADRS)	17,250	8,877	Revised/rescoped
2005	F Fort Pickett	VA	Readiness Center	2,567	2,567	Accelerated from Infrastructure Requirements Plan
2005	F Various	ZU	Maneuver Area Training & Equipment Site PH I	4,376	4,376	Funds for projects
2005	F Various	ZU	Unspecified Minor Construction	10,416	7,192	More funds to projects
2005	F Various	ZU	Planning and Design	112,232	40,177	
<b>TOTAL FUNDED 2005</b>				<b>112,232</b>	<b>40,177</b>	

Military Construction Army National Guard Future Years Defense Plan  
FY2002 - 2007

Fiscal Year	Installation	Location	Project Title	Budgeted Amount	Change from Previous Submission	Explanation
2006	F Roseville	CA	Readiness Center, Add/Alt (ADRS)	2,314	2,314	New mission
2006	F Savannah	GA	Army Aviation Support Facility	14,993	14,993	Accelerated from Infrastructure Requirements Plan
2006	F Pittsburg	IN	Fire Station (ADRS)	1,216	1,216	New mission
2006	F Camp Bearegard	KS	Motor Vehicle Storage Compound (ADRS)	616	616	New mission
2006	F Ft. Campbell	MA	Readiness Center, Add/Alt (ADRS)	14,169	14,169	Accelerated from Infrastructure Requirements Plan
2006	F Ft. Campbell	MA	Readiness Center, Add/Alt (ADRS)	1,953	1,953	New mission
2006	F Ft. Campbell	MA	Readiness Center, Add/Alt (ADRS)	15,369	15,369	Accelerated from Infrastructure Requirements Plan
2006	F East Greenwich	OH	Readiness Center	3,000	3,000	Accelerated from Infrastructure Requirements Plan
2006	F East Greenwich	OH	Readiness Center	13,041	13,041	Accelerated from Infrastructure Requirements Plan
2006	F Glen Jean	WV	Combined Support Maintenance Shop	1,125	1,125	Accelerated from Infrastructure Requirements Plan
2006	F Various	ZU	Military Complex, PH I	2,973	2,973	Accelerated from Infrastructure Requirements Plan
2006	F Various	ZU	Unspecified Minor Construction	7,130	7,130	Accelerated from Infrastructure Requirements Plan
			Planning & Design			
			<b>TOTAL FUNDED 2006</b>	<b>77,823</b>	<b>77,823</b>	
2007	F Lunenburg	AK	Readiness Center (PH I)	564	564	Accelerated from Infrastructure Requirements Plan
2007	F Fresno	CA	Aviation Classification And Repair Depot (PH I)	13,819	13,819	Accelerated from Infrastructure Requirements Plan
2007	F Camp Rowland	CT	Readiness Center, Add/Alt (ADRS)	1,700	1,700	New mission
2007	F Camp Bearegard	LA	Combined Support Maint Shop (PH I)	6,200	6,200	Accelerated from Infrastructure Requirements Plan
2007	F Battle Creek	MI	Training Facility, Barracks, Dining Facility	13,318	13,318	Accelerated from Infrastructure Requirements Plan
2007	F Camp Shelby	MS	Military Education Facility (PH II)	9,145	9,145	Phased Project
2007	F Columbus	OH	Readiness Center, Add/Alt (ADRS)	752	752	New mission
2007	F Newton Falls	OH	Readiness Center, Add/Alt (ADRS)	6,100	6,100	New mission
2007	F Toledo	OH	Readiness Center, Add/Alt (ADRS)	292	292	New mission
2007	F Eugene	OR	Readiness Center, Add/Alt (ADRS)	3,150	3,150	Accelerated from Infrastructure Requirements Plan
2007	F Eugene	OR	Readiness Center, Add/Alt (ADRS)	3,150	3,150	Accelerated from Infrastructure Requirements Plan
2007	F Camp Bearegard	SD	Training Facility, Barracks, Dining Facility	13,956	13,956	Accelerated from Infrastructure Requirements Plan
2007	F Washdaps	SD	Readiness Center	2,822	2,822	Accelerated from Infrastructure Requirements Plan
2007	F Wichita Falls	TX	Readiness Center, Add/Alt (ADRS)	3,497	3,497	New mission
2007	F Camp Dawson	WV	Readiness Center (ADRS)	3,288	3,288	New mission
2007	F Various	ZU	Unspecified Minor Construction	5,464	1,000	New mission
2007	F Various	ZU	Planning & Design	6,427	6,427	
			<b>TOTAL FUNDED 2007</b>	<b>93,664</b>	<b>89,401</b>	

**FY02 Army Shortfalls  
Maintenance and Repair Backlog UFR**

MACOM	Installation	Form Number	Project/Description/Title	Program Amount (\$000)
	Planning and Design		5% of FY02 UFR List	36,768
TRADOC	Fort Jackson	51935	Basic Combat Trainee Complex, Ph 1	36,000
MEDCOM	Walter Reed AMC	21660	Medical Center Parking Garage	8,000
AMC	Anniston AD	50499	Powertrain Component Maintenance Facility	21,000
USARPAC	Fort Shafter	53762	Command & Control Center, Ph 1	35,000
USAREUR	Aviano	53881	Joint Deployment Facility Ph 1	10,400
USARPAC	Schofield Brks	54094	Water Storage Tanks	6,400
ATEC	Redstone Arsenal	16443	Vibration Dynamic Test Facility	5,300
USAREC	Fort Gillem	53321	Special Purpose Building	4,250
AMC	Aberdeen Proving Ground	54112	Computational Analysis Facility	14,800
MDW	Fort Hamilton	52224	Military Police Station	3,250
USAREUR	Rhine Ordnance Bks	53878	Deployment Processing Center, Phase I	8,300
MEDCOM	Fort Detrick	55837	Community Support Center	2,800
FORSCOM	Fort Bragg	51233	Soldier Support Center	17,500
FORSCOM	Fort Hood	19367	Command and Control Facility	17,500
FORSCOM	Fort Meade	47370	Operations Facility	5,400
FORSCOM	Fort Riley	56216	Force Readiness Training Facilities	5,300
USARPAC	Fort Wainwright	14453	Education Center	9,500
AMC	Bluegrass AD	8984	Consolidated Shipment Facility	5,900
USAREUR	Schweinfurt	45099	Central Vehicle Wash Facility	1,650
USAREUR	Warner Barracks	44249	Child Development Center	6,500
USARPAC	Fort Wainwright	53401	Multi-purpose Training Range Complex	26,000
FORSCOM	Fort Carson	52183	Deployment Staging Complex	24,000
FORSCOM	Fort Carson	12365	Fire Station	3,450
ATEC	White Sands Msl Rg	30680	General Instruction Building	7,600
USARPAC	Fort Richardson	54356	Modified MOUT and Ranges	18,000
EUSA	Camp Henry	54087	Water Distribution System	6,200
MTMC	Sunny Point MOT	53595	Center Wharf	2,800
TRADIC	Fort Huachuca	11708	Ammunition Supply Point	7,200
MEDCOM	Fort Sam Houston	18166	Vehicle Maintenance Facility	4,600
FORSCOM	Fort Sill	16004	Consolidated Maintenance Facility	35,000
FORSCOM	Fort Irwin	27775	Vehicle Maintenance Facility	23,000
FORSCOM	Fort Bliss	33967	Tactical Equipment Shop	17,000
FORSCOM	Fort Bragg	20807	Vehicle Maintenance Facility	13,200
USARPAC	Fort Shafter	56024	Vehicle Maintenance Facility	8,300
TRADOC	Fort Benning	19636	Physical Fitness Training Facility	13,600
TRADOC	Fort Sill	44258	Vehicle Maintenance Facility	26,000
FORSCOM	Hunter Army Airfield	39451	Physical Fitness Training Center	10,800
USAREUR	Hohenfels	46815	Physical Fitness Training Center	10,200
AMC	Sierra AD	23484	Hazardous Material Storage Facility	2,000
INSCOM	Fort Meade	56706	Brigade Operations Complex	30,000
TRADOC	Fort Benning	2293	Ammunition Storage Igloos	16,000
TRADOC	Fort Benning	13532	Consolidated Maintenance Facility	28,000
TRADOC	Fort Leonard Wood	19604	Chapel/Family Life Center	7,100
USAREUR	Babenhausen	22123	Child Development Center	3,750
TRADOC	Fort Benning	40525	Multi-purpose Training Range Complex	30,000
TRADOC	Fort Rucker	55033	UH-60 Aircraft Parking Apron	2,800
MDW	Fort Meade	52733	Dining Facility	8,400
EUSA	Camp Casey	56072	Vehicle Maintenance Facility	13,200
FORSCOM	Fort Campbell	858	Vehicle Maintenance Facility	38,000
MDW	Fort Myer	52295	Vehicle Maintenance Facility	8,300
USAREUR	Mannheim	50469	Vehicle Maintenance Shop	10,800

**FY02 Army Shortfalls  
Maintenance and Repair Backlog UFR**

MACOM	Installation	Form Number	Project/Description/Title	Program Amount (\$000)
FORSCOM	Fort Stewart	42039	Command and Control Facility	10,200
FORSCOM	Fort Campbell	18696	Command and Control Facility	25,000
TRADOC	Fort Eustis	2348	Training Support Center	18,500
AMC	Picatinny Arsenal	51229	Pyrotechnics Laboratory Facility	7,500
USAREUR	Fliegerhorst	54656	Regional Railhead	6,600
USAREUR	Grafenwohr	54661	Regional Railhead	6,800
EUSA	Camp Jackson	52980	Dining Facility	7,100
MDW	Fort AP Hill	13265	Emergency Service Center	3,100
FORSCOM	Fort Drum	50370	Training Area Access Road	18,500
AMC	Rock Island	55669	Child Development Center	3,500
AMC	Pine Bluff	55994	Ammunition Facility	3,000
ATEC	Yuma Proving Grounds	58054	Aircraft Armament Engineering Ctr	1,600
ATEC	Yuma Proving Grounds	56426	Range Improvements	3,100
AMC	Letterkenny AD	55446	Igloo Upgrade	4,200
AMC	Picatinny Arsenal	12293	HE Prop Formulation Facility	7,200
			<b>Total Projects</b>	<b>805,950</b>
			<b>Total UFR</b>	<b>842,718</b>

FY02 ARMY SHORTFALLS

Title				
Maintenance and Repair Backlog				
Critical UFR	\$M	\$M	\$M	UFR \$M
Appropriation(s)	MCA			842.7
	MCAR			328.6
	MCNG			541.1
	OMA			618.8
	OMAR			165.7
	OMNG			281.9
	TOTAL			2,778.8
Description:	<p>Years of underfunding SRM (formerly RPM) and MILCON have produced a C3 (impaired mission performance) infrastructure trying to support a C1 readiness posture for Army forces. The only significant improvements have been focused programs for barracks, central heating plants, and strategic mobility. Current SRM and MILCON funding does not take care of what we have nor reduce the facilities backlog. Funding will accelerate repair and construction of critical facilities. Fully funding SRM Sustainment is required to complement Military Construction funding and successfully maintain our infrastructure, prevent additional deterioration, and improve the condition of our facilities. If SRM sustainment is fully funded then a \$2.779B annual increase for Maintenance and Repair backlog would significantly improve the condition of Army facilities for our soldiers. The MILCON piece is by project and thus covers many MDEPs (including: E301, E302, E303, E304, E306, E308, E3C7, E3H7, E3H8, E314, DA3G, VCHM, RJT9, VSCW and various PEs).</p>			

**FY 2002 Navy Unfunded Project List**

Priority	Program Area	Appropriation	CWE (\$M)	Description	Cumulative Total
1	MILCON	MCN	6.2	Environmental Compliance	\$6.2
2	BRAC #1	BRAC	92.9	Must Fund Legal Requirements	\$99.1
3	Bachelor Housing	MCN & MCNR	164.4	BQ - Homeport Ashore by 2007	\$263.5
4	Family Housing	FHN	365.1	Eliminate Inadequate Homes by FY05 (FY02 increment only)	\$628.6
5	MILCON - O&T 2	MCN	24.8	C3/4 corrections - Operational/Training - MCON Band 2	\$653.4
6	MILCON	MCNR	25.5	Reserve MILCON Ops and Training	\$678.9
7	BRAC #2	BRAC	72.3	Property Transfer	\$751.2
8	Bachelor Housing	MCN & MCNR	143.2	Bachelor Housing Habitability	\$894.4
9	MILCON - O&T 3	MCN	98.6	C3/4 corrections - Operational/Training - MCON Band 3	\$993.0
10	MILCON	MCN & MCNR	54.0	Additional Community Support Investments	\$1,047.0
11	MILCON	MCN	69.3	C3/4 corrections - RDT&E	\$1,116.3
12	MILCON	MCN	12.2	Environmental Compliance	\$1,128.5
				<b>Total</b>	<b>\$1,128.5</b>

Marine Corps FY02 Unfunded Requirements

The list provides the Marine Corps' unfunded priority list as requested by Senator Feinstein, Chairman, SAC Military Construction Subcommittee. It is an integrated list that includes Military Construction and Family Housing.

1. FH projects provide replacement housing at bases that have some of the worst housing units in the MC.
2. Investment in FH will enable MC to move towards PPV sooner.
3. BQ moves MC closer to getting all Marines housed in 2 man rooms.
4. MILCON reduces recapitalization rate from 11.1 years in FY03 to 8.9 years.
5. MILCON project P-807, MAGTFIC 29 Palms, Airport Surveillance Radar, project supports the overall Radar Modernization Project by enhancing radar coverage and

Pa	LOCATION/ACTIVITY	ST	PROJECT NUMBER	APPN	PROJECT TITLE	Requirement \$000	Cumulative Total
1	MCB QUANTICO	VA	H-557	FHCON	REPLACE THOMASON PARK (PH 1)	\$20,000	\$20,000
2	VARIOUS	NA		FHCON	FH O&M REAL PROPERTY MAINT	\$6,500	\$26,500
3	MCB CAMP LEJEUNE	NC	H-617	FHCON	REPLACE TAKAWA TERRACE	\$14,300	\$40,800
4	MAGTFIC 29 PALMS	CA	P-807	MCN	AIRPORT SURVEILLANCE RADAR	\$15,150	\$55,950
5	MAGTFIC 29 PALMS	CA		MCN	PLANNING & DESIGN	\$610	\$56,560
6	MAGTFIC 29 PALMS	CA		O&M/MC	COLLATERAL EQUIPMENT	\$30	\$56,590
7	MCAGCC TWENTYNINE PALMS	CA	H-547	FHCON	REPLACE MARINE PALMS (PH 4)	\$16,100	\$72,690
8	MCB HAWAII	HI	H-571+	FHCON	REPLACE PV63/64 HOMES	\$8,200	\$80,890
9	MCAS CHERRY POINT	NC	H-608	FHCON	REPLACE SLOCUM VILLAGE (PH 2)	\$13,900	\$94,790
10	MCAS YUMA	AZ	P-442	MCN	AIRCRAFT MAINTENANCE HANGAR	\$13,440	\$108,230
11	MCAS YUMA	AZ		MCN	PLANNING & DESIGN	\$540	\$108,770
12	MCAS YUMA	AZ		O&M/MC	COLLATERAL EQUIPMENT	\$170	\$108,940
13	WESTOVER ARB, CHICOPEE	MA	CH-H-0001-R2	FHCON	REVTALIZE CAPEHART	\$6,940	\$115,880
14	MCB CAMP LEJEUNE	NC	H-613	FHCON	REPLACE TARAWA TERRACE (PH 2)	\$20,000	\$135,880
15	BRAC - ENVIRONMENTAL		VARIOUS	BRAC	IR - EL TORO & TUSTIN	\$19,694	\$155,574
16	MCB CAMP LEJEUNE	NC	H-614	FHCON	REPLACE TARAWA TERRACE (PH 3)	\$50,300	\$205,874
17	MCAS YUMA	AZ	YU-H-0122-M2	FHCON	RENOVATE FV 68 HOUSING (PH 1)	\$10,600	\$216,474
18	QUANTICO, VA	VA	P-518	MCN,R	RESERVE TRAINING CENTER	\$10,000	\$226,474
19	QUANTICO, VA	VA		MCN,R	PLANNING & DESIGN	\$400	\$226,874
20	QUANTICO, VA	VA		O&M/MCR	COLLATERAL EQUIPMENT	\$30	\$226,904
21	MCAS BEAUFORT	SC	P-414	MCN	PA-18 SUPPORT FACILITIES	\$7,830	\$234,734
22	MCAS BEAUFORT	SC		MCN	PLANNING & DESIGN	\$310	\$235,044
23	MCAS BEAUFORT	SC		O&M/MC	COLLATERAL EQUIPMENT	\$60	\$235,104
24	MCB HAWAII	HI	H-563	FHCON	REPLACE FAMILY HOUSING	\$21,900	\$257,004
25	MCAS CHERRY POINT	NC	H-609	FHCON	REPLACE SLOCUM VILLAGE (PH 3)	\$17,400	\$274,404
26	VARIOUS	NA		FHCON	FH O&M PPV SUPPORT	\$2,300	\$276,704
27	MCDC QUANTICO	VA	P-454	MCN	ARMORY/FLJET WEAPONS SUPPORT	\$3,990	\$280,694
28	MCDC QUANTICO	VA		MCN	PLANNING & DESIGN	\$200	\$280,894
29	MCDC QUANTICO	VA		O&M/MC	COLLATERAL EQUIPMENT	\$40	\$280,934
30	VARIOUS	NA		FHCON	FH PLANNING & DESIGN	\$150	\$281,084
31	MCAS IWAKUNI	JA	IW-H-0302-R2	FHCON	INSTALL FIRE SPRINKLERS MR 589	\$1,731	\$282,815
32	MCB CAMP PENDLETON	CA		FHCON	FH O&M MANAGEMENT HIS	\$1,000	\$283,815
33	MCLB BARSTOW	CA	P-929	MCN	CONSOLIDATED WELDING SHOP	\$1,720	\$285,535
34	MCLB BARSTOW	CA		MCN	PLANNING & DESIGN	\$150	\$285,685
35	MCLB BARSTOW	CA		O&M/MC	COLLATERAL EQUIPMENT	\$20	\$285,705
36	MCAS CHERRY POINT	NC	H-612	FHCON	REPLACE SLOCUM VILLAGE (PH 4)	\$14,100	\$300,805
37	MCB CAMP LEJEUNE	NC	H-615	FHCON	REPLACE TAKAWA TERRACE (PH 4)	\$31,800	\$332,605
38	MCB CAMP LEJEUNE	NC	H-616	FHCON	REPLACE TAKAWA TERRACE (PH 5)	\$69,600	\$402,205
39	MCLB ALBANY	GA	P-924	MCN	FITNESS CENTER EXPANSION	\$900	\$403,105
40	MCLB ALBANY	GA		MCN	PLANNING & DESIGN	\$40	\$403,145
41	MCLB ALBANY	GA		O&M/MC	COLLATERAL EQUIPMENT	\$70	\$403,215
42	MCSA KANSAS CITY	MO	H-652	FHCON	REPLACE CAPEHART (PH 1)	\$22,117	\$425,332
43	MCLB BARSTOW	CA	H-654	FHCON	REPLACE DEBBY VIEW & DEMO 260	\$45,280	\$470,612
44	MCAS IWAKUNI	JA	IW-H-0302-R2	FHCON	INSTALL FIRE SPRINKLERS MR 1200	\$1,684	\$472,296
45	MCAS MIRAMAR	CA		FHCON	MIRAMAR PPV (NEW CONST)	\$32,266	\$504,562
46	MCB HAWAII	HI		FHCON	HAWAII PPV	\$140,900	\$645,462
47	MCB CAMP LEJEUNE	NC	P-1011	MCN	BACHELOR ENLISTED QUARTERS	\$22,220	\$667,682
48	MCB CAMP LEJEUNE	NC		MCN	PLANNING & DESIGN	\$890	\$668,572
49	MCB CAMP LEJEUNE	NC		O&M/MC	COLLATERAL EQUIPMENT	\$1,300	\$669,872
<b>TOTAL REQUEST:</b>						<b>\$707,584</b>	

Total MCN (including P&D):		\$70,070
Other MCN:	\$44,590	
Batchelor Housing Portion:	\$22,220	
Planning and Design Portion:	\$3,260	
Total Family Housing:	\$606,300	
Total O&M/MC:	\$1,690	
Total MCN,R:	\$10,400	
Total O&M/MCR:	\$30	
Total BRAC - Environmental:	\$19,694	
Total Request:	\$707,584	

**MFH Investment Projects - Air Force FY02 Unfunded Priority List**

<u>Base</u>	<u>State</u>	<u>Title</u>	<u># Units</u>	<u>Programmed Amount</u>
Keesler AFB	MS	Replace Family Housing	129	\$16.3M
Randolph AFB	TX	Replace Family Housing	121	\$14.1M
Mountain Home AFB	ID	Replace Family Housing	110	\$24.2M
Seymour Johnson AFB	NC	Replace Family Housing	140	\$18.4M
Wright Patterson AFB	OH	Improve Family Housing	232	\$13.2M
Minot AFB	ND	Replace Family Housing	110	\$19.7M
Dyess AFB	TX	Replace Family Housing	89	\$14.7M
Malmstrom AFB	MT	Improve Family Housing	160	\$11.5M
Planning and Design				<u>\$5.9M</u>
		Total		\$138.0M

The following strategy was used to build the priority list:

- Used the 2000 Family Housing Master Plan
- Moved projects forward from the FY03 APOM list
- Does not add another project at a base already in the FY02 program

## SUBCOMMITTEE RECESS

Senator FEINSTEIN. Thank you very much. There being no further business, this meeting is recessed and we will reconvene tomorrow. Thank you very much.

[Whereupon, at 4:48 p.m. Tuesday, July 31, the subcommittee was recessed, to reconvene at 2:30 p.m., Wednesday August 1.]



# **MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 2002**

**WEDNESDAY, AUGUST 1, 2001**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 2:30 p.m., in room SD-138, Dirksen Senate Office Buildings, Hon. Dianne Feinstein (chairman) presiding.

Present: Senators Feinstein, Hutchison, Landrieu, and Craig.

**DEPARTMENT OF DEFENSE**

**DEPARTMENT OF THE NAVY**

**STATEMENT OF DUNCAN HOLADAY, SENIOR CIVILIAN OFFICIAL, OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY, (INSTALLATION AND ENVIRONMENT)**

**ACCOMPANIED BY:**

**ADMIRAL MICHAEL JOHNSON, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND**

**GENERAL GARY McKISSOCK, INSTALLATION AND LOGISTICS, MARINE CORPS**

**REAR ADMIRAL NOEL PRESTON, DEPUTY DIRECTOR, NAVAL RESERVE**

**OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN**

Senator FEINSTEIN. Good afternoon gentlemen. I am very pleased to call to order this second hearing in 2 days of the Subcommittee of Military Construction of the Senate Appropriations Committee. Senator Hutchison, the ranking member, is on her way and will be here shortly. But, so that we can begin on time, I would like to begin with my opening remarks.

First of all, I would like to welcome the witnesses and today we are going to hear from representatives of the Navy and the Air Force on their respective fiscal year 2002 military construction programs. At yesterday's hearing, I noted the emphasis this budget places on funding for military construction. In other words, the budget is up, and particularly quality of life items, such as improved housing and dormitories. So, I look forward to hearing how those programs are being handled by both the Navy and the Air Force.

While the fiscal year 2002 budget submitted to Congress is mostly a good news story, I am troubled by the lack of funding, which is cut back from last year's almost by 50 percent cutback in the

Navy's BRAC program. So, I look forward to hearing the details of that issue from the Navy today, as well as recommendations on how this shortfall can be overcome. And I am very interested in how the Air Force is fairing on completing its BRAC program.

The supplemental funding bill recently passed by Congress included \$9 million for BRAC environmental compliance work at McClellan Air Force base in California. That is a base that I am very familiar with and I am glad that we were able to provide that funding so that work at McClellan can proceed. However, I am very much concerned about the environmental remediation on the closed bases, and particularly McClellan among others. I know there is radioactive material and I guess that has raised the price, but I understand the overall cost—and I will ask you to comment on this—it is in the vicinity of \$450 million to clean up that base. I understand the Air Force has requested funding for several other BRAC projects in the supplemental and I am looking forward to hearing more details on those, and whether the Air Force is facing a similar shortfall as is the Navy, in 2002.

While on the topic of the supplemental, I would like to point out that the bill included \$9.4 million for a ship repair facility for the Navy on Guam. And I was very happy to try on this side to be helpful to Admiral Blair. I know that was a very high priority of his, and so if the Navy could possibly comment on how you are going to use that \$9.4 million, I would appreciate that as well.

Senator Hutchison is not here yet, but I will tell you what we will do. If she wishes, we will stop and receive her opening statement when she comes. But in the meantime, I am going to proceed and introduce the panel. I am very pleased to welcome Mr. Duncan Holaday, a Senior Civilian Officer for Navy Installations and Environment; Admiral Michael Johnson, the Navy's chief civil engineering; Lieutenant General Gary McKissock who is in charge of installations and logistics for the Marine Corps; and Admiral Noel Preston, Deputy Director of the Naval Reserve.

Mr. Secretary, because of the limited time, I would like to ask that all of you submit your written statements for the record and just verbally summarize those and perhaps be responsive to some of these issues of my opening statement. Mr. Secretary, would you like to proceed?

#### STATEMENT OF DUNCAN HOLADAY

Mr. HOLADAY. Yes, good day Madam. It is a pleasure to be here before you to be able to discuss the Navy's shore infrastructure budget. I would like to submit my prepared statement as we discussed and just summarize it, and my oral statement will cover the entire panel.

The Department has to maintain balance between current readiness, recapitalization, and research and development to meet our future defense needs. Infrastructure programs have in general fared well in these balancing efforts. With the exception of our recent focus on fixing our inadequate family housing, our installations and facilities have continued to deteriorate due to age and neglect. So, it is particularly encouraging to see this administration focus on sustaining and modernizing our infrastructure.

In his confirmation statement to the Senate Armed Services Committee, Secretary England said "I will emphasize quality of service, achieving higher quality of workplace as well as higher quality of life for our sailors and marines." The fiscal year 2002 amended budget submission includes significant funds above the previous baseline to help achieve these goals. Our fiscal year 2002 appropriation request of \$1.1 billion for military construction is the largest submission in well over a decade. It includes 50 projects totaling \$692 million for the Navy and 33 projects totaling \$339 million for the marines.

Most of the projects are for the operational maintenance and training facilities, barracks and environmental projects. The biggest challenge we face is improving the living conditions for our single sailors and marines. The Department of Defense's goal is to eliminate central heads and permanent party barracks by fiscal year 2008. While the Marine Corps will exceed that goal by eliminating central heads in barracks by 2005, it will not be able to achieve the 2+0 construction standards for another 30 years. The Navy, while meeting the DOD goal for eliminating central heads, will not achieve the 1+1 standards for another decade.

The Navy also needs to provide facilities for sailors who now live aboard ship while at home port. The Navy is committed to the Homeport Ashore program to provide living programs ashore for these sailors. While a final plan is still in the works, the Navy has already used changes in assignment policy in Hawaii and Guam to bring shipboard sailors ashore. This budget includes \$105 million to build 516 barracks bases in San Diego, 260 at Mayport, and 1,000 at Pearl Harbor to speed the process. We are also continuing to explore the feasibility of applying PPV authorities—privatization authorities—to our barracks. I have challenged the Navy and Marine Corps to develop bachelor housing privatization projects that we can bring forward to Congress.

Our 2002 family housing request totals \$1.2 billion. Though slightly smaller than last year's enacted level, it retains a focus on replacement construction and improvements, and also includes funds to continue public-private venture projects. For the last several years we have remained on course to achieve DOD's goal of eliminating by fiscal year 2010, the inadequate military family housing that we own. I am pleased to report that the new Family Housing Master Plan to be submitted to the Congress shortly will show that we will meet that goal sooner than expected. The Navy will eliminate its inadequate homes by 2009 and the Marine Corps by 2008. I am hopeful that we can do even better than that.

With regards to the early four rounds of base closure, we have completed 178 closures and realignments. Our major focus now is on finishing environmental clean up and property disposal. We have already transferred over 65,000 acres to economic development conveyances, negotiated sales, public sales and public benefit transfers. Of the 96,000 acres remaining to be transferred, over 74,000 are associated with the formal Naval Air Station at Adak, Alaska.

By the end of 2001, we expect to have completed clean up of 79 percent of our BRAC sites. Unfortunately because of competing budget requirements, our BRAC requests declines from \$443 mil-

lion in 2001 to \$131 million in 2002. This level of funding is insufficient to meet our requirements and limits our ability to take advantage of any promising early transfer opportunity that would both the Navy and local redevelopment authorities. We are working with OSD to resolve this issue and keep the Congress, regulators and affected communities apprised.

PREPARED STATEMENT

In conclusion, I believe the DON infrastructure program is in a strong position as we begin the new millennium. I appreciate the support of this committee and its staff has given us in the past and I look forward to your continued support of our Navy and Marine Corps programs.

[The statement follows:]

PREPARED STATEMENT OF DUNCAN HOLADAY

Good day, Mr. Chairman and members of the Committee, I am Duncan Holaday, Deputy Assistant Secretary of the Navy (Installations and Facilities). During the transition period of the Bush Administration, I also serve as the Senior Civilian Official in the Office of the Assistant Secretary of the Navy (Installations and Environment). I appreciate the opportunity to speak to you today on the Department of the Navy's shore infrastructure.

My statement today will cover these areas:

- The Fiscal Year 2002 Amended Budget Submission for infrastructure;
- Program highlights for family housing, military construction, sustainment, restoration and modernization, and Base Realignment and Closure (BRAC);
- Energy issues;
- Legislative proposals.

THE INFRASTRUCTURE BUDGET

As a long-serving member of the Department of Defense, I have watched with mounting concern efforts to maintain the delicate balance between current readiness, recapitalization, and research and development to meet future defense needs. As members of this Committee recognize, the infrastructure budget was often the bill-payer during budget formulation to meet higher priority Department needs. Promises of improved funding levels in the Future Years Defense Plan to fix demonstrated facilities shortfalls did not materialize, as the competition for scarce resources became ever more difficult in each subsequent budget. During program execution, base support and real property maintenance funds were often tapped to pay for unexpected operating expenses.

With the exception of recent gains to fix persistent housing shortfalls, our installations and facilities have deteriorated due to age and neglect. Last year's Installations Readiness Report showed 67 percent of Navy's and 53 percent of Marine Corps facilities rated C-3 (have serious deficiencies) or C-4 (do not support mission requirements). With limited funding levels, we could expect to wait about 170 years before being able to program to replace new construction, over two and a half times that of the private sector. The results are predictable: facilities performance declines, readiness and mission support suffers, service life is lost, and total costs rise. Our Sailors, Marines, and civilian employees must try to do their job using modern technology tools and techniques in buildings originally designed and constructed before most of them were born.

So it is particularly encouraging to see the President, the Secretary of Defense, the Secretary of the Navy, the Chief of Naval Operations, and the Commandant of the Marine Corps recognize and advocate the need to modernize our shore infrastructure. In his confirmation statement to the Senate Armed Services Committee, Secretary England, stated that "I will emphasize 'Quality of Service'—achieving a higher quality of work place as well as a higher quality of life for our Sailors, Marines, active duty and reserves, and civilians and all of their families" as one aspect of his four major goals.

The Fiscal Year 2002 Amended Budget Submission before you includes significant additional resources above the previous baseline to improve and modernize our infrastructure. The Department of the Navy received \$413 million of the \$2.0 billion added by the Secretary of Defense for facilities, and \$162 million of the \$400 million

added for housing. We received an additional \$229 million for base operating support, \$47 million for utilities cost growth, \$87 million for force protection initiative in the Operations and Maintenance accounts, and \$7 million for energy savings initiatives.

Let me describe our budget highlights in more detail.

*Compared with Overall DON Fiscal Year 2002 Budget*

The Department of the Navy installation budget includes these appropriations: Military Construction, Navy (MCON); Military Construction, Naval Reserve (MCNR); Family Housing, Navy and Marine Corps (FHN); Base Realignment and Closure (BRAC); and Environmental Restoration, Navy (ERN). Base operations support and real property maintenance functions are included in the Operation and Maintenance accounts. Our fiscal year 2002 installation program totals \$9.0 billion, or about 9 percent of the \$99 billion fiscal year 2002 Department of the Navy budget request.

*Compared with Fiscal Year 2001*

I believe you will agree that we are presenting a strong overall fiscal year 2002 military construction program.

Our fiscal year 2002 authorization and appropriation request of \$1.1 billion for Military Construction, Navy is the largest submission in well over a decade. It includes 50 projects totaling \$692 million for the Navy, and 33 projects totaling \$339 million for the Marine Corps. It also includes \$11 million in unspecified minor construction, and \$30 million in planning and design. Most of the projects are for operational, maintenance and training facilities, barracks, and other quality of life projects. The Military Construction, Naval Reserve request comprises 11 Navy projects totaling \$22 million and three Marine Corps projects totaling \$11 million. It also includes \$1 million in planning and design funds.

Our fiscal year 2002 family housing request totals \$1.2 billion. Though slightly smaller than last year's enacted level, it maintains a focus on replacement construction and improvements, and also includes funds to continue public/private venture (PPV) projects. Family housing operations and maintenance is funded at about the same level as fiscal year 2001.

Our BRAC request for fiscal year 2002 is of great concern, declining from \$443 million in fiscal year 2001 to \$131 million in fiscal year 2002. This level of funding is, I believe, insufficient to meet our mandated funding requirements, and precludes our ability to take advantage of any promising early transfer opportunities that may arise that would benefit the Navy and local redevelopment authorities. I will discuss this issue in more detail later.

Our Fiscal Year 2002 Real Property Maintenance request of \$1.8 billion is \$83 million above the fiscal year 2001 appropriated level. These funds in the Operation and Maintenance accounts are for repairs, preventive and recurring maintenance, minor construction, and centrally managed demolition. The Department of Defense is transitioning to a new methodology and nomenclature—Sustainment, Restoration and Modernization (SRM). “Sustainment” is the amount of funding required for scheduled maintenance and repairs over the service life of the facility. It does not improve the condition or readiness of the facility. It is calculated using a DOD Facilities Sustainment Model (FSM), that multiplies, facilities quantity data (most often square feet) times, unit cost factors (most often dollars per square foot) derived from private industry. “Restoration and Modernization” is the portion of the SRM program that goes beyond sustainment and improves the condition and readiness of the facility using O&M and MILCON funds. The Department of the Navy initiated the transition to the new methodology in the fiscal year 2002 budget, and will fully implement this new approach in the fiscal year 2003 budget.

*Construction Contingency*

Construction projects typically include an amount of money set aside to fund unexpected problems that arise during the final design of the project, or more commonly during actual construction, e.g., when encountering unexpected site conditions. Last year, the Department of Defense submitted its budget request with no contingency funding for military construction and family housing construction projects, and although no contingency funding was authorized or appropriated, report language directed the Department of Defense to fund contingency in its fiscal year 2002 budget request. We have seen early indications that the absence of contingency funding is compromising our ability to maintain essential quality aspects of fiscal year 2001 projects. Project managers are being forced to choose lower quality products that will result in higher future life cycle costs to stay within budget. I am pleased to report that the fiscal year 2002 budget includes a five percent con-

tingency for all construction projects, consistent with the direction in the Fiscal Year 2001 Defense Appropriations Act. I urge your support for funding contingency.

#### FAMILY HOUSING

##### *Family Housing Overview*

Our family housing strategy consists of a triad:

- access to housing in communities surrounding our bases;
- use of traditional military construction and leasing funds to improve or acquire housing either on base or in the community; and
- developing public/private ventures to leverage private sector capital to provide housing that is available on a priority basis to our members.

We traditionally rely first on the private sector to provide housing for our Sailors, Marines and their families. Our bases have housing referral offices to help newly arriving families find suitable homes in the community. Approximately 73 percent of Navy families and 63 percent of Marine Corps families worldwide lived in a home they owned or rented in the community.

##### *Family Housing Master Plans*

The Department remains committed to improving living conditions for Sailors, Marines, and their families. Our Sailors and Marines perform their duties admirably, in often difficult and dangerous conditions. While deployed forward, our forces represent sovereign combat power overseas in regions of U.S. interest, providing timely response in crises as well as capabilities to project both offensive and defensive power ashore to assure access for the Joint force. Ensuring that they and their families have quality housing when at home is one of our most important tasks.

For the last several years, we have remained on course to eliminate the inadequate units in our military family housing inventory by fiscal year 2010. I am pleased to report that the new Family Housing Master Plans to be submitted to the Congress shortly will show that we will meet that goal sooner than expected. As a result of projects added by the Congress and further reliance on public/private ventures, the new Master Plans will show elimination of inadequate family housing units by fiscal year 2009 for the Navy and fiscal year 2008 for the Marine Corps. I am optimistic that with the support of the new administration, we can do even better by making maximum use of the potential to leverage our resources through the family housing privatization authorities.

##### *Family Housing Investment Strategy*

Our budget request continues our approach to repair and modernize our family housing inventory. Our budget request includes \$115 million for the replacement of 377 units at Pearl Harbor, HI; Sigonella, IT; Yuma, AZ; Twentynine Palms, CA; and Kaneohe Bay, HI, and construction of 160 homes at Naval Station, Pascagoula, MS where there is a projected shortage of affordable, suitable housing. Our request also includes \$183 million for revitalization of another 1,293 units at a total of 13 Navy and 4 Marine Corps installations. The improvements sub-account also includes \$16 million at Naval Base San Diego and \$14.7M at Marine Corps Base Camp Pendleton for phase II public/private ventures.

##### *Operations, Maintenance, and Leasing*

At the end of fiscal year 2000, the Department of the Navy owned about 84,000 homes, worldwide, and leased another 6,862 homes, worldwide, for occupancy by Navy and Marine Corps families.

The Department is requesting \$918 million for the operations, maintenance, and leasing, of family housing. The request would cover costs associated with the management and maintenance of housing and the provision of services, utilities, and furnishings.

I appreciate the Congress' support of the Administration's fiscal year 2001 supplemental request for an additional \$20.3 million to fund unexpected increases in utility costs at Navy and Marine Corps locations across the country. We have reflected these increased costs in our request for fiscal year 2002.

The budget request also includes funding for the leasing program: 3,974 units for domestic (short-term, "Section 801," and recruiter) leases in the United States and 2,552 leases at foreign locations.

##### *Family Housing Privatization Initiative*

The power of PPV is embodied in the ability to leverage resources, as provided by the authorities enacted by Congress as part of the Fiscal Year 1996 Defense Au-

thorization Act<sup>1</sup> This leverage allows us to combine private sector capital and expertise with our investment contribution to construct, renovate, manage, and maintain housing, rather than rely on financing the entire amount with government resources as we have done in the past.

The Department has taken a deliberate, measured approach in evaluating which blend of authorities would provide the desired leverage with sufficient protection of the Government's resources and interests over the long-term. We are now bringing projects to fruition.

I am pleased to report that in November and December 2000, we awarded three PPV projects totaling 1,150 units. These projects are at the Marine Corps Base, Camp Pendleton, CA; Naval Air Station, Kingsville, TX; and Naval Station, Everett, WA. The DON has been able to leverage \$43 million of its resources to stimulate the investment of over \$140 million in constructing, replacing, and renovating housing for our Sailors, Marines, and their families. As a result, 512 existing homes will be renovated or replaced and an additional 638 homes will be constructed. Construction work has already begun on all three projects. The first units will be ready for occupancy later this year.

In addition to these projects, we are planning to award another four Navy and Marine Corps projects this fiscal year. These are at San Diego, New Orleans, South Texas, and, finally, a project combining Albany, GA and Camp Lejeune, NC. These projects total almost 5,000 homes in scope.

There are another four planned projects totaling 2,235 homes that we expect to award after fiscal year 2001. These are at Hampton Roads, VA; Stewart Army Subpost, NY; Beaufort/Parris Island, SC; and a regional project involving three Navy installations in the Philadelphia/Harrisburg, PA area. The Hampton Roads project would involve a joint partnership with the Virginia Housing Development Authority (VHDA).

Earlier in my statement, I referred to the power of leverage that privatization provides us. We have undertaken our efforts in this area as a pilot approach to testing the feasibility of these authorities. If we are to improve housing for our families as quickly as possible, we need to make maximum use of these authorities. We continue to explore and develop opportunities for future PPV projects consistent with the family housing master plan. I firmly believe we have a sound approach that ensures that the Government's interests are protected while providing flexibility over the long-term. I ask for your continued support as we aggressively seek out opportunities to provide better housing now rather than later.

#### BACHELOR HOUSING

One of the biggest challenges we face is improving the living conditions for our single Sailors and Marines. We are making progress in certain areas. For example, the Department is on track to meet the Department of Defense's goal of eliminating central heads in permanent party barracks by fiscal year 2008. In fact, the Marine Corps predicts they will achieve that goal by fiscal year 2005. However, I am disappointed in our overall progress in ensuring that single Sailors and Marines have decent barracks with a level of privacy that they desire. As with family housing, this is an area where we must aggressively pursue solutions, such as privatization, to do more for our personnel quicker.

#### *"Homeport Ashore"*

A major way in which we can improve the quality of life of our Sailors is to provide ashore accommodations for the more than 25,000 E-1 through E-4 enlisted unaccompanied Sailors who now live aboard ship when in homeport.<sup>2</sup> These young Sailors have the worst accommodations in the Department of Defense. When deployed, they sleep in bunk beds in cramped spaces amid dozens of their shipmates, with little more than a small locker to store their personal belongings. When the ship returns to homeport, they must continue to live aboard ship. In contrast, their shore-based or married counterparts live aboard ship when deployed, but merit Bachelor Enlisted Quarters (BEQs) spaces or military family housing, or can draw Basic Allowance for Housing (BAH) when the ship is in homeport.

The Navy continues to explore policy options to address this challenge. Key questions still to be resolved include exploration of a range of solutions, the use of dif-

<sup>1</sup> The Fiscal Year 1995 Defense Authorization Act authorized the Department of the Navy to enter into limited partnerships for the construction of housing for military families. The Fiscal Year 1996 Defense Authorization Act significantly expanded the scope and breadth of the initial limited partnership authority.

<sup>2</sup> Another 15,000 shipboard E-1 through E-4 personnel are deployed with their ships at any given time.

ferent standards, as an interim, with an intent of achieving an end state of "1+1" or better; and other factors, such as housing allowances and assignment policy, that can promote this objective. We are, however, making progress. Pilot efforts in Hawaii and Guam have brought shipboard Sailors into barracks through the use of assignment policy. These efforts have been successful, but may be of limited use at other locations by factors such as overall barracks capacity. Our fiscal year 2002 budget includes two barracks construction projects to house shipboard sailors: \$47.2 million to construct 516 spaces at Naval Station San Diego, CA and \$16.4 million to construct 260 spaces at Naval Station Mayport, FL. Two other barracks projects in the fiscal year 2002 budget at Pearl Harbor, HI will help alleviate overcrowded conditions due to the pilot efforts there to move shipboard sailors into barracks.

Pending receipt of the Navy's Homeport Ashore implementation plan, and with the exception of a waiver granted for Naval Air Station Lemoore, CA, all Navy permanent party enlisted barracks built on US territory are being built to the 1 + 1 configuration in the fiscal year 2002 budget. The Marine Corps has a permanent waiver to construct its permanent party enlisted barracks to the 2 + configuration.

#### *Bachelor Housing Privatization*

We also are continuing to explore the feasibility of applying PPV authorities to our barracks needs. There are unique considerations associated with bachelor housing, such as team building and unit cohesion that must influence how we go about barracks privatization. I have challenged the Navy and Marine Corps to develop bachelor housing privatization projects that we can bring forward to Congress.

#### IMPACT OF THE BAH INITIATIVE

Although the BAH is outside of the infrastructure budget, it directly affects our ability to adequately house our Sailors, Marines and their families. As you know, BAH is a housing stipend paid to the military member. I strongly support the Secretary of Defense's initiative to increase BAH and eliminate median out-of-pocket expenses by fiscal year 2005. The fiscal year 2002 budget reduces this out-of-pocket expense from 15 percent to 11.3 percent. The BAH increases will make housing more affordable for our members and their families, and reduce the inequity between those living in government quarters (no out-of-pocket expenses) and those living in the private sector. I also applaud Congress' action in granting eligibility to receive BAH while on sea duty, and extending the authorization to receive BAH to E-4 members who are without dependents and assigned to sea duty. We have funded this extension of BAH in this budget submission.

The Secretary of Defense's BAH initiative represents a major turning point in our efforts to improve living conditions for our single and married Sailors, Marines, and their families. It will directly affect almost three-quarters of Navy and Marine Corps families and approximately 27 percent of our single Sailors and Marines who live in private sector housing.

In the short-term, the BAH increase will influence the dynamics of rental income streams for PPV projects, while also making private sector housing more affordable. Because this will eliminate the median out-of-pocket costs of private sector housing, we expect a reduction in the demand for military housing. We are working with the Office of the Secretary of Defense to develop new methodology and criteria to determine family housing requirements that reflect the impact of the BAH initiative. Our objective is to strike the appropriate balance between reliance on the private sector and, where necessary, the provision of government quarters.

#### MILITARY CONSTRUCTION

Our military construction program continues our approach of budgeting for those projects that meet the highest priority of readiness and quality of life needs of the Fleet and Fleet Marine Force, and their Reserve Components. The Navy convenes a Shore Installations Programming Board and the Marine Corps convenes a MILCON Program Evaluation Group each year to consider, evaluate, and prioritize military construction projects. Projects are selected based on a number of different criteria, including fleet priorities and the most critical readiness, quality of life, and compliance needs.

Military Construction policy, like Family Housing, focuses on first fixing what we own. To this end, 74 percent of the active and reserve military construction program for the Navy and 68 percent for the Marine Corps is dedicated to replacement and modernization projects.

#### *Phased Funded Projects*

I should point out that four projects in our fiscal year 2002 program have a total cost above \$50 million, and under existing Department of Defense criteria, are



phased funded over two or more years. We ask for full authorization for each project in the first year, and request appropriations in annual increments. We commonly resort to phase funding pier replacement projects because they are very expensive, and require a lengthy construction period. Many of our piers and wharves were built in the 1940s, and cannot support the deep draft, power intensive ships in the Fleet today. We must rebuild them to meet the needs of today and tomorrow. The fiscal year 2002 program includes:

- \$17.5 million for the final increment of a two-phased \$53.2 million repair pier at Naval Station San Diego, CA. Phase one was funded in the fiscal year 2001 budget;
- \$24.5 million for the final increment of a two-phased \$62.5 million pier replacement at Naval Ship Yard Bremerton, Puget Sound, WA. Phase one was funded in the fiscal year 2001 budget;
- \$37.6 million for the final increments of a three-phased \$89 million Commander in Chief, U.S. Pacific Command, CINCPAC, headquarters at Camp HM Smith, HI. Phase one was funded in the fiscal year 2000 budget. Phase two was funded in the fiscal year 2001 budget. This project includes a request for an additional authorization for \$3 million for emergent force protection and other costs;
- \$28.1 million for the first of two increments for a \$61.5 million repair pier at Naval Station Norfolk, VA.

**Operational and Training Facilities** Our construction program funds 18<sup>3</sup> (14 Navy, 4 Marine Corps) operational facilities totaling \$202 million. Examples include:

- Operations Building/Control Tower at Naval Air Station Key West, FL. This \$11.4 million project replaces a severely deteriorated 1950s vintage operations building and it's connected control tower that is operating under an aviation safety waiver because it is located too close to the runway.
- Helo Outlying Landing Field at Marine Corps Base Camp Pendleton, CA. This \$3.9 million project provides a reinforced concrete runway and support facilities that will relieve severe overcrowding conditions and facilitate training evolutions.

There are four (1 Navy, 3 Marine Corps) training projects totaling \$49 million. Examples include:

- Surface Warfare Officer School Applied Instruction Building at Naval Station Newport, RI. This \$15.3 million project will provide a 3-story instruction building with expanded networking capability, relieving an antiquated, overcrowded facility.
- Academic Instruction Facility at Marine Corps Air-Ground Combat Center, Twentynine Palms, CA. This \$9.9 million project will provide modern computer science and communications training, replacing overcrowded and poorly configured facilities.

#### *Maintenance, Storage, and Compliance Facilities*

There are 23 (12 Navy, 11 Marine Corps) maintenance and storage projects totaling \$185 million. Examples include:

- Aircraft Maintenance Hangar at Naval Station, Norfolk VA. This \$11.3 million project, along with a similar \$14.1 million Aircraft Maintenance Hangar (Chambers Field), are the third and the fourth of seven projects planned to replace nine old WW II maintenance hangars designed for aircraft no longer used by the Navy. The existing hangers have numerous electrical, fire, and safety code violations and are very expensive to maintain.
- Engineer Equipment Maintenance Shop at Camp Lejeune, NC. This \$7.0 million project provides maintenance bays, wash racks, storage space, and administrative space, replacing 4 existing but inadequate facilities.

There are three (1 Navy, 2 Marine Corps) environmental compliance projects totaling \$22.3 million. One example is:

- Raw Water Transmission Pipeline and Iron/Manganese Plant Modification at Marine Corps Base Camp Pendleton, CA. This \$11.2 million project is the first step towards eliminating "brown" (iron/manganese) water being delivered in part of the base's potable water distribution system. Camp Pendleton has received compliance orders from the State of California to correct the problem by 2006.

#### *Utilities and Real Estate*

There are 10 (9 Navy, 1 Marine Corps) utility and real estate projects totaling \$86 million. Examples include:

<sup>3</sup>Includes the phased funded projects.

- Waterfront Electrical Upgrade at Naval Station Norfolk, VA. This \$15.6 million project provides a 50 percent increase in pier side electrical power consistent with a long-range regional waterfront plan.
- Land Acquisition at Marine Corps Air Station, AZ. This \$8.7 million project purchases 625 acres from numerous adjacent property owners to eliminate two waivers for explosive safety violations and minimize the impact of continued encroachment.

#### *Quality of Life*

There are 22 (14 Navy, 8 Marine Corps) enlisted barracks projects totaling \$449 million and 3 other Marine Corps quality of life projects totaling 31 million. Examples include:

- BEQs at Naval Air Station, Lemoore, CA. This \$10.0 million project will provide 104 spaces to house E1–E4 personnel assigned to the F/A–18E/F aircraft being introduced to Lemoore.
- BEQs at Marine Corps Combat Development Command, Quantico, VA. This \$9.4 million project will provide 200 spaces for Marines attending the Staff Non-Commissioned Officer Academy. Personnel are currently housed in 1943 vintage buildings that are in extreme disrepair, laden with asbestos, poorly heated, without air-conditioning.
- Indoor Physical Fitness Facility at Marine Corps Base Camp Pendleton, CA. This \$13.4 million project replaces two 1940's era converted facilities that are undersized, overcrowded, seismically deficient, poorly located, and functionally inadequate.

#### *Reserve Military Construction Projects*

The reserve military construction program includes 13 projects (1 Navy, 2 Marine Corps) projects totaling \$34 million. There are 4 operational, 4 training, and 5 maintenance/storage projects. Examples include:

- Hanger Fire Protection Upgrades at Naval Air Station Joint Reserve Base, Willow Grove, PA. This \$3.7 million project upgrades fire protection systems in four existing buildings, in compliance with the Clean Water Act.
- Renovation and Site Improvement, Marine Corps Reserve Center Great Lakes, IL. This \$4.4 million project will renovate two existing buildings, consolidating training, maintenance and storage requirements.

#### BASE REALIGNMENT AND CLOSURE

While I want to highlight our accomplishments in this program, I also want to put these past successes into context for the future. Funding for our base closure account has become a limiting factor on property conveyance and is impeding communities from turning these bases into economic engines for local redevelopment and job creation.

#### *Realignment and Closure Status*

We are implementing four rounds of BRAC, 1988 under Public Law 100–526 and 1991, 1993, and 1995 under Public Law 101–510. As a result of these decisions, we are implementing a total of 178 actions consisting of 46 major closures, 89 minor closures, and 43 realignments.

We will complete closure and realignment of all bases by July 2001 except two moves from leased space to government owned space. One remaining activity is the Naval Management Systems Support Office (NAVMASSO) Chesapeake, VA. The primary actions were completed in October 1997 when NAVMASSO was disestablished and reestablished as the Space and Naval Warfare Systems (SPAWAR) Center Chesapeake, an Echelon III command under SPAWAR. Relocation of this activity has been deferred until January 2002 due to construction and equipment installation delays of the joint use facility they will be moving into. The other remaining BRAC action will move the Assistant Secretary of the Navy (Research, Development, and Acquisition) and Chief of Naval Operations, Environmental Readiness Directorate offices from leased space in Crystal City into the Pentagon in April 2003.

#### *BRAC 2002 budget*

The BRAC account has been buffeted by budget reductions from the Department of Defense to the Congress in the last few years, primarily due to the expectations that prior year unexpended balances could be used to fund current requirements. The Naval Audit Service has been reviewing task order documents across all commands with BRAC prior year unexpended funds, and will conclude their analysis in a few months.

We have in the last 6 months undertaken a thorough examination of fiscal year 2002 BRAC total funding requirements by base, parcel, and site. We distinguished between “must-fund” and “discretionary” requirements. “Must-funds” requirements included:

- Continuation of remedial action operation or long-term monitoring for cleanup actions already underway;
- Projects with specific regulatory milestones for work to be done in fiscal year 2002;
- Specific senior level commitments made to local redevelopment authorities concerning property transfer;
- Requirements to clean up imminent threats to human health or the environment.

Discretionary requirements included projects under regulatory agreements with milestones which we believed could be renegotiated, or which could be deferred, or were without specific cleanup milestones.

I regret to report that because of competing budget needs, we were unable to fully fund our mandated BRAC funding requirement in the fiscal year 2002 budget and are not likely to find sufficient unexpended balances to make up the difference. I cannot predict if we will be able to substantially reduce, through negotiations with regulators, the amount of work specified in State and Federal cleanup agreements. We have, however, severely limited our flexibility to make good business decisions or take advantage of opportunities for early transfer of property. For example, the Mayor of Vallejo, CA recently asked us to fund an early transfer of a 3,000-acre parcel including dredge ponds at the former Mare Island Naval Shipyard. The timing is right for this early transfer. The city needs the area for its own dredge spoil and to support the greater Bay Area dredging needs. We will work with the Congress, environmental regulators, and affected communities regarding this issue.

#### *Environmental Cleanup*

Our focus is finishing environmental cleanup and completing property disposal. This is no easy task. We have already spent more than \$1 billion through fiscal year 2000 on environmental work at our BRAC bases.

One measure of our progress in cleanup of contaminated property is the number of acres that have become suitable for transfer under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Community Environmental Response Facilitation Act (CERFA). Today, 90 percent of the original BRAC acres are environmentally suitable for transfer or have already been transferred.

There are about 1,000 contaminated sites at 53 BRAC installations. A contaminated site crosses the “cleanup finish line” when it achieves Remedy-in-Place/Response Complete (RIP/RC) and the environmental regulator subsequently concurs. As of the end of fiscal year 2000, we had achieved RIP/RC status at 64 percent of all BRAC sites. By the end of fiscal year 2001, we expect to have completed cleanup at 79 percent of all BRAC sites. Cleanup at the remaining sites will extend through fiscal year 2011, primarily due to lack of funding.

We are using promising cleanup technologies and as studies reach completion, are finding that for a number of sites, monitored natural processes can control and reduce the contaminants to safe levels. We continue to work with regulators and communities to tie cleanup standards to realistic reuse needs. We use a BRAC Cost-to-Complete (CTC) index as a measure of our efforts to reduce cleanup costs. At the beginning of fiscal year 1996, our BRAC CTC estimate was \$2.8 billion. At the end of fiscal year 2000, it was \$1.16 billion. The CTC reduction of \$1.64 billion is the result of execution of \$1.24 billion in appropriated funds and \$400 million in cost avoidance, such as changes in risk based approaches to cleanup, new information on the nature and extent of contamination, and use of new technologies for study or cleanup.

#### *Section 334 Early Transfer*

Section 334 of the fiscal year 1997 Defense Authorization Act established a framework for the DOD to initiate an early transfer of contaminated property to the community. This authority allows DOD to defer the CERCLA requirement that all remediation actions have been taken before the date of property transfer. It does not, however, relieve us from full compliance with CERCLA.

We had previously completed two such transfers: the former Fleet Industrial and Supply Center Oakland, CA was conveyed to the Port of Oakland in June 1999; the former Naval Air Station Memphis, TN was conveyed to the Municipality of Millington in December 1999. The FISC Oakland transfer was unique in that the Port Authority incorporated the cleanup with its own new construction and accepted

the property at the same time. This strategy is one we hope all communities consider. We have completed four additional early transfers.

- The former Fleet Industrial Supply Center Alameda Annex, CA was conveyed to the City of Alameda in July 2000, twenty months earlier than planned. This conveyance transferred 147 acres that will be used for new housing.
- Fifty-one acres of the former Naval Training Center San Diego, CA was conveyed to the San Diego Unified Port District in February for support of airport operations. This conveyance included an Environmental Services Cooperative Agreement for \$3.7 million, which requires the Port Authority to conduct the required environmental remediation. This work will be done concurrent with airport projects at a savings of \$3.4 million and four months ahead of schedule.
- The former Naval Air Station, Guam, consisting of approximately 1,800 acres, was transferred to the Guam Aviation Authority in September 2000, twelve months earlier than planned. This conveyance also included an Environmental Services Cooperative Agreement for \$10 million. This agreement allows the Government of Guam to improve the Island's water distribution system while satisfying Navy's requirements for remediation of the ground water.
- The fourth early transfer consisted of several parcels of property, approximately 1,500 acres, located on Guam to the local government. This transfer occurred in April 2001 six months earlier than planned.

#### *Property Disposal*

The Navy must dispose of 583 parcels of land covering 163 thousand acres at 90 BRAC bases. Each BRAC base has a disposal strategy tailored to Local Redevelopment Authorities (LRAs) reuse plans, environmental cleanup timetables, National Environmental Policy Act (NEPA) documentation, conveyance plans, and schedules.

Through the end of fiscal year 2000, we had conveyed through economic development conveyances, negotiated sales, public sales, or Public Benefit Transfer over 62,500 acres and the total is over 67,000 today.

#### ENERGY

This year has been a challenge for the Navy as far as energy supply and costs. Due to limited supply of electricity and natural gas in the Western United States, many installations have faced increased costs to operate the base. The average price has increased 8 percent per megawatt hour of electricity and 18 percent for cubic foot of natural gas between fiscal years 1999 to 2000. The Department has taken aggressive actions to reduce usage, invest in energy saving projects, and procure electricity on long-term contracts. These actions will assist in providing energy price stability over the next several years. So far the supply problems in California have not adversely effected military operations.

—*Energy Efficiency.*—Executive Order 13123 requires federal agencies to reduce energy consumption 30 percent by fiscal year 2005 and 35 percent by fiscal year 2010, using fiscal year 1985 as the baseline. To meet the fiscal year 2005 goal, we must cut consumption at a rate of 1.5 percent per year, and then at a rate of 1 percent per year from fiscal year 2006 through fiscal year 2010. I am pleased to report that we have exceeded that benchmark with a cumulative reduction of 25.8 percent through fiscal year 2000. We are using a variety of efficiency technologies and energy awareness programs, combined with internal and third party financing available through Demand-side Management and Energy Savings Performance Contracts to reduce energy consumption to meet these goals.

—*Privatization of Utilities.*—Defense Reform Initiative Directive 49 directed the Services to privatize all their natural gas, water, wastewater and electrical systems except where uneconomical or where the systems are needed for unique security reasons. This is expected to reduce costs while providing quality utility services. The Department of the Navy has a total of 908 systems at 122 activities worldwide. There are three key Department of Defense milestones: a determination by 30 September 2000 of which utility systems to try to privatize; issue all Requests for Proposals by 30 September 2001; and award all contracts by 30 September 2003. We are making good progress on this effort. The first to be privatized was Refuse Derived Fuel Power Plant at Naval Shipyard Norfolk, VA in July 1999.

#### FISCAL YEAR 2002 LEGISLATIVE PROPOSALS

There are a number of legislative proposals accompanying the budget. I would like to highlight a few of them and ask your support.

- Use of gift funds.*—This proposal would enable the Department of Defense to use gift funds, as well as family housing operations and maintenance funds, to support the maintenance and repair of family housing.
- Increase the minor construction threshold.*—Increase the threshold from \$500,000 to \$750,000 for general projects and from \$1,000,000 to \$1,500,000 for life safety projects. This would allow the execution of construction projects that would otherwise have to await MILCON funds and possibly incur a two or three year delay.
- Reimburse EPA for certain costs in connection with Hooper Sands site in South Berwick, Maine.*—This proposal would reimburse \$1.0 million to EPA for final costs they incurred for cleanup of contamination in accordance with a recent agreement between EPA and the Department of the Navy.
- Increase Davis-Bacon and Service Contract Acts Threshold.*—This proposal would increase the threshold from \$2,000/\$2,500 to the “simplified acquisition threshold,” which is currently \$100,000. This would provide greater flexibility in purchasing small, short-term construction and service requirements.

#### CONCLUSION

In conclusion, I believe the DON infrastructure program is in a strong position as we begin the new millennium. We have robust military construction and family housing construction programs that are focused on fixing what we own. We are showing real progress on PPV housing projects. We are proceeding with numerous promising initiatives to make our infrastructure more responsive and less costly. Although we are making progress in cleanup and property disposal from previous rounds of BRAC, current funding levels are inadequate to fund our legal requirements or take advantage of promising early transfer opportunities.

That concludes my statement. I appreciate the support that this Committee and its Staff has given us in the past, and I look forward to continued close cooperation through the remainder of the Administration.

Senator FEINSTEIN. Thank you. I would like to acknowledge the presence of the ranking member, the Senator from Texas, Senator Hutchison. Welcome. Do you have a statement?

Senator HUTCHISON. I don't. I have read the testimony and I want to listen and ask questions.

Senator FEINSTEIN. All right. And I would also like to acknowledge the presence of the senator from Louisiana, Senator Landrieu.

Senator LANDRIEU. Thank you, Madam Chair. I do not have an opening statement, and because I am interested in the representations of the panel I do have a couple of questions at the appropriate time.

Senator FEINSTEIN. Fine. I thought what we would do, if it is agreeable with both members, is just proceed and give all the testimony at one time and then we can be relaxed and ask some questions. Admiral Johnson, perhaps we will go to you next.

Admiral JOHNSON. Madam Chairman, I have no statement, no verbal statement.

Senator FEINSTEIN. All right. Then perhaps I will begin with my questions. Yesterday, Dr. Zackheim testified before this committee that the Navy's BRAC must-pay shortfall in fiscal year 2002 has been revised and that the revised total is \$63.3 million instead of \$92 million. Do you agree with that recalculation? And if not, what is your estimate of the shortfall?

Mr. HOLADAY. We believe that the base number is \$92 million, as we have said in our testimony. We are continuing to take a hard look at that number to see if there are projects that could be deferred or delayed until fiscal year 2003. That \$92 million includes projects that are legal requirements that involve life, health and safety issues and involve commitments that we have made to communities.

In my view, the commitments that we have made to the communities are just as important as requirements laid on us by the regulators. So, we are using that \$92 million as our baseline figure. Although we continue to look at it and examine it to see if we can lower it, that is our starting point.

Senator FEINSTEIN. Is it true that you've identified \$30 million in prior year unexpended BRAC monies that you intend to apply to this shortfall?

Mr. HOLADAY. Yes, we have identified \$30 million in prior year BRAC savings, some of that money we have already used to meet a commitment we have made to the community of Vallejo-Mare-Island to help fund an early transfer agreement there.

Senator FEINSTEIN. That's \$11 million immediately?

Mr. HOLADAY. Yes, Madam. The balance of money will be available immediately to help us meet the shortfall.

Senator FEINSTEIN. So, that is \$73 million.

Mr. HOLADAY. \$11 million would have been on top of the \$92 million.

Senator FEINSTEIN. Oh, \$11 million on top of the \$92 million. But you stand by the 92-must-pay figure.

Mr. HOLADAY. Yes, ma'am. At this time, as I have said, we are beginning to look at it to see if we can make adjustments in it.

Senator FEINSTEIN. So, this then does not affect the \$46 million must-pay bill for Hunter's Point.

Mr. HOLADAY. The \$46 million is included in the \$92 million as part of the shortfall.

Senator FEINSTEIN. So, you still consider that a must-pay bill.

Mr. HOLADAY. Yes ma'am. We are looking at that. There may be an opportunity for us to defer some of those costs. Our commitment at Hunter's Point is to fully meet the regulatory requirements and do the clean up as we have agreed to with the community.

Senator FEINSTEIN. As I spoke with Dr. Zackheim yesterday, would the Navy put out an RFP for bids for Hunter's Point? I think they allocated \$110 million, \$120 million on that bid and they got no bids back? Do I understand that you are prepared to put that RFP out again?

Mr. HOLADAY. The RFP that we put on the street had no cost cap in it. It was a fixed price contract. We had two proposers that came back and submitted their technical qualifications to us. It was a two-step bid. They submitted an original proposal. When we asked them for price quotes, both proposers decided to withdraw from the process. They said that the proposal to do a fixed price contract was not proper given the uncertainties of the clean up that needed to be done. The Department already has a contractor in place that is working to clean up the property. We tend to keep on pace with the contractor we have in place.

Senator FEINSTEIN. So, you are not putting out another RFP?

Mr. HOLADAY. No ma'am. We are not. Admiral Johnson is responsible for executing that contract. He may have something to add.

Senator FEINSTEIN. How are you going to execute the contract?

Admiral JOHNSON. The contract that Secretary Holaday referred to has no proposers on it. We do have a contract in place that is a cost-plus award feature that we have utilized in a number of

other areas has a lot of capacity in your area and we are using that contract vehicle to maintain pace and continue cleaning up the parcels at Hunter's Point.

Senator FEINSTEIN. But would it be possible for us to get in writing your commitment to this base in terms of clean up and the amount of funds that you will expend to accomplish that clean up?

Mr. HOLADAY. Certainly.

Senator FEINSTEIN. I appreciate that very much.

[The information follows:]

The Department of the Navy would like to assure the Chairman of the Subcommittee on Military Construction that Navy is committed to complying with the terms and conditions of the Memorandum of Agreement concerning the conveyance and cleanup of Hunters Point Naval Shipyard, executed between the Navy and the City of San Francisco on November 2, 2000. The Navy is committed to securing the funds necessary to accomplish the work currently identified. Should additional assessment or remediation be required due to new discoveries of contamination, Navy will seek additional funding in the next budget cycle.

Senator FEINSTEIN. What do you anticipate your BRAC funding needs to be in 2003, and what steps are you taking now to ensure that you will not face another shortfall next year? And part of that question is also, do you think you can accommodate the shortfall in the 2002 budget?

Mr. HOLADAY. Let me answer the last part of that question if I may. We are doing our best to identify first, the actual nature of the shortfall in 2002 whether it is \$92 million or a little bit more or less. We are also taking a hard look to see if we can find other unexpended balances other than the \$30 million that we have already discussed to help us meet the shortfall of 2002. And we are also examining other opportunities that might be available to us to be able to meet the shortfall.

As regards to 2003, it is too early for me to be able to say what our requirements are for 2003. We are right in the middle of the budget process—the beginning of the budget process for fiscal year 2003. We have not identified a hard number yet. Rather than give you a wrong number or guess, I would prefer to defer that question if I may. The one commitment that I can make to you is that we are going to make sure in fiscal year 2003 and in future years that we fully meet all of our commitments, all of our requirements, so we don't have this same problem again.

Senator FEINSTEIN. Thank you very much. I would like to ask a question about Vieques and the impact of the departure of the Navy from Vieques in 2003, as yesterday we learned would be the case, and how that would impact on associated naval facilities in the area of Puerto Rico? Has the Navy developed a plan to address the operational changes that will occur in Puerto Rico? Will facilities there be reduced? And how has the military construction plan for Puerto Rico changed because of this relocation to take place in 2003?

Mr. HOLADAY. The Department has not yet made a determination on what additional facilities—excuse me, what facilities might remain after we withdraw from Vieques. Both the Commandant, the CNO and the Secretary have said that we are going to take a hard look at our requirements within Puerto Rico for military facilities after we leave Vieques. But we have not yet done that. We have a study that is just beginning with the Center for Naval Anal-

ysis that is looking for alternative training sites so that we are going to be able to properly train our Marines and sailors and be sure that they are able to go on deployment at the readiness state that is necessary for them to meet that commitment. That study is just begun and it is too early for me to comment.

Senator FEINSTEIN. Before I turn to the ranking member, Mr. Secretary, as I said to the Army yesterday, could you provide to the committee the list of the unfunded priorities for the Navy and the Marine Corps ranked in priority order?

Mr. HOLADAY. Yes, ma'am.

[The information follows:]

The list of unfunded priorities for the Navy and Marine Corps ranked in priority order are provided in the attached spreadsheets.

FY 2002 Navy Unfunded Project List					
Priority	Program Area	Appropriation	CWE (\$M)	Description	Cumulative Total
1	MILCON	MCN	6.2	Environmental Compliance	\$6.2
2	BRAC #1	BRAC	92.9	Must Fund Legal Requirements	\$99.1
3	Bachelor Housing	MCN & MCNR	184.4	BQ - Homeport Ashore by 2007	\$263.5
4	Family Housing	FHN	385.1	Eliminate Inadequate Homes by FY05 (FY02 increment only)	\$628.6
5	MILCON - O&T 2	MCN	24.8	C3/4 corrections - Operational/Training - MCON Band 2	\$653.4
6	MILCON	MCNR	25.5	Reserve MILCON Ops and Training	\$678.9
7	BRAC #2	BRAC	72.3	Property Transfer	\$751.2
8	Bachelor Housing	MCN & MCNR	143.2	Bachelor Housing Habitability	\$894.4
9	MILCON - O&T 3	MCN	98.6	C3/4 corrections - Operational/Training - MCON Band 3	\$993.0
10	MILCON	MCN & MCNR	54.0	Additional Community Support Investments	\$1,047.0
11	MILCON	MCN	69.3	C3/4 corrections - RDT&E	\$1,116.3
12	MILCON	MCN	12.2	Environmental Compliance	\$1,128.5
<b>Total</b>					<b>\$1,128.5</b>



Marine Corps FY02 Unfunded Requirements

The list provides the Marine Corps' unfunded priority list as requested by Senator Feinstein, Chairman, SAC Military Construction Subcommittee. It is an integrated list that includes Military Construction and Family Housing.

1. FH projects provide replacement housing at bases that have some of the worst housing units in the MC.
2. Investment in FH will enable MC to move towards PPV sooner.
3. BQ moves MC closer to getting all Marines housed in 2 man rooms.
4. MILCON reduces recapitalization rate from 111 years in FY03 to 88 years.
5. MILCON project P-807, MAGTFC 29 Palms, Airport Surveillance Radar, project supports the overall Radar Regionalization Project by enhancing radar coverage and

Prj	LOCATION/ACTIVITY	ST	PROJECT NUMBER	APPN	PROJECT TITLE	Requirement \$990	Cumulative Total
1	MCB QUANTICO	VA	H-557	FHCON	REPLACE THOMASON PARK (PH 1)	\$20,000	\$20,000
2	VARIOUS	N/A		FHNO&M	FH O&M REAL PROPERTY MAINT	\$6,500	\$26,500
3	MCB CAMP LEJEUNE	NC	H-617	FHCON	REPLACE TARAWA TERRACE	\$14,300	\$40,800
4	MAGTFC 29 PALMS	CA	P-807	MCN	AIRPORT SURVEILLANCE RADAR	\$15,150	\$55,950
5	MAGTFC 29 PALMS	CA		MCN	PLANNING & DESIGN	\$610	\$56,560
6	MAGTFC 29 PALMS	CA		O&M,MC	COLLATERAL EQUIPMENT	\$30	\$56,590
7	MCAGCC TWENTYNINE PALMS	CA	H-547	FHCON	REPLACE MARINE PALMS (PH 4)	\$16,100	\$72,690
8	MCB HAWAII	HI	H-571-	FHCON	REPLACE FY63-64 HOMES	\$8,200	\$80,890
9	MCAS CHERRY POINT	NC	H-608	FHCON	REPLACE SLOCUM VILLAGE (PH 2)	\$13,900	\$94,790
10	MCAS YUMA	AZ	P-442	MCN	AIRCRAFT MAINTENANCE HANGAR	\$13,440	\$108,230
11	MCAS YUMA	AZ		MCN	PLANNING & DESIGN	\$540	\$108,770
12	MCAS YUMA	AZ		O&M,MC	COLLATERAL EQUIPMENT	\$170	\$108,940
13	WESTOVER ARB, CHICOPEE	MA	CH-H-0001-R2	FHCON	REVITALIZE CAPEHART	\$6,940	\$115,880
14	MCB CAMP LEJEUNE	NC	H-613	FHCON	REPLACE TARAWA TERRACE (PH 2)	\$20,000	\$135,880
15	BRAC - ENVIRONMENTAL		VARIOUS	BRAC	RE - IL TORO & TUSTIN	\$19,094	\$154,974
16	MCB CAMP LEJEUNE	NC	H-614	FHCON	REPLACE TARAWA TERRACE (PH 3)	\$50,300	\$205,274
17	MCAS YUMA	AZ	YU-H-0122-M2	FHCON	RENOVATE FY 68 HOUSING (PH 1)	\$10,600	\$215,874
18	QUANTICO, VA	VA	P-518	MCN,R	RESERVE TRAINING CENTER	\$10,000	\$225,874
19	QUANTICO, VA	VA		MCN,R	PLANNING & DESIGN	\$400	\$226,274
20	QUANTICO, VA	VA		O&M,MCR	COLLATERAL EQUIPMENT	\$30	\$226,304
21	MCAS BEAUFORT	SC	P-414	MCN	F/A-18 SUPPORT FACILITIES	\$7,830	\$234,134
22	MCAS BEAUFORT	SC		MCN	PLANNING & DESIGN	\$310	\$234,444
23	MCAS BEAUFORT	SC		O&M,MC	COLLATERAL EQUIPMENT	\$60	\$234,504
24	MCB HAWAII	HI	H-563	FHCON	REPLACE FAMILY HOUSING	\$21,900	\$256,404
25	MCAS CHERRY POINT	NC	H-609	FHCON	REPLACE SLOCUM VILLAGE (PH 3)	\$12,400	\$268,804
26	VARIOUS	N/A		FHCON	FH O&M PPV SUPPORT	\$2,300	\$271,104
27	MCCDC QUANTICO	VA	P-454	MCN	ARMORY/FLEET WEAPONS SUPPORT	\$3,950	\$275,054
28	MCCDC QUANTICO	VA		MCN	PLANNING & DESIGN	\$320	\$275,374
29	MCCDC QUANTICO	VA		O&M,MC	COLLATERAL EQUIPMENT	\$40	\$275,414
30	VARIOUS	N/A		FHCON	FH PLANNING & DESIGN	\$2,374	\$277,788
31	MCAS IWAKUNI	JA	IW-H-0302-R2	FHCON	INSTALL FIRE SPRINKLERS MR 589	\$1,731	\$279,519
32	MCB CAMP PENDLETON	CA		FHCON	FH O&M MANAGEMENT EIS	\$1,050	\$280,519
33	MCLB BARSTOW	CA	P-929	MCN	CONSOLIDATED WELDING SHOP	\$3,720	\$284,239
34	MCLB BARSTOW	CA		MCN	PLANNING & DESIGN	\$150	\$284,389
35	MCLB BARSTOW	CA		O&M,MC	COLLATERAL EQUIPMENT	\$20	\$284,409
36	MCAS CHERRY POINT	NC	H-612	FHCON	REPLACE SLOCUM VILLAGE (PH 4)	\$34,100	\$318,509
37	MCB CAMP LEJEUNE	NC	H-615	FHCON	REPLACE TARAWA TERRACE (PH 4)	\$31,800	\$350,309
38	MCB CAMP LEJEUNE	NC	H-616	FHCON	REPLACE TARAWA TERRACE (PH 5)	\$69,600	\$419,909
39	MCLB ALBANY	GA	P-924	MCN	FITNESS CENTER EXPANSION	\$900	\$440,809
40	MCLB ALBANY	GA		MCN	PLANNING & DESIGN	\$40	\$440,849
41	MCLB ALBANY	GA		O&M,MC	COLLATERAL EQUIPMENT	\$70	\$440,919
42	MCSA KANSAS CITY	MO	H-652	FHCON	REPLACE CAPEHART (PH 1)	\$22,117	\$463,036
43	MCLB BARSTOW	CA	H-654	FHCON	REPLACE DESERT VIEW & DEMO 200	\$45,288	\$508,324
44	MCAS IWAKUNI	JA	IW-H-0302-R2	FHCON	INSTALL FIRE SPRINKLERS MR 1260	\$1,684	\$510,008
45	MCAS MIRAMAR	CA		FHCON	MIRAMAR PPV (NEW CONST)	\$32,266	\$542,274
46	MCB HAWAII	HI		FHCON	HAWAII PPV	\$140,900	\$683,174
47	MCB CAMP LEJEUNE	NC	P-1011	MCN	BACHELOR ENLISTED QUARTERS	\$22,220	\$705,394
48	MCB CAMP LEJEUNE	NC		MCN	PLANNING & DESIGN	\$890	\$706,284
49	MCB CAMP LEJEUNE	NC		O&M,MC	COLLATERAL EQUIPMENT	\$1,300	\$707,584
TOTAL REQUEST:						\$707,584	

Total MCN (including P&D):	\$70,070
Other MCN:	\$44,590
Bachelor Housing Portion:	\$22,220
Planning and Design Portion:	\$3,260
Total Family Housing:	\$606,300
Total O&M,MC:	\$1,690
Total MCN,R:	\$10,400
Total O&M,MCR:	\$30
Total BRAC - Environmental:	\$19,094
Total Request:	\$707,584

Senator FEINSTEIN. Thank you very much. Senator Hutchison.

Senator HUTCHISON. Thank you Madam Chairman. In talking about the BRAC expenditures and the shortfalls, I didn't see in your testimony anything about the BRAC savings. And we are still in the process of trying to close bases from four BRACs. We are being asked to consider another one, but I am still skeptical about the savings that might be derived from a BRAC. And I would like to know if you can quantify the savings that we are reaping from any of the BRACs from the Navy or Marine standpoint.

Mr. HOLADAY. The numbers as I recall them are that we have spent approximately \$10 billion to execute the first four rounds of BRAC—BRAC 1988, 1991, 1993 and 1995. By about the year 2000, we have begun accruing savings, and we had saved that \$10 billion

roughly by that time by the year 2000. And now we are accruing savings at about the rate of \$2.5 billion a year as a result of those first four rounds of BRAC. Those savings are a combination of real dollar savings and cost avoidances—money that we don't have to spend on facilities that we no longer have.

It is very hard. None of those savings have a serial number or barcode on them so I can't tell you where exactly the money went within in the Defense budget but I do know that those are the figures that we calculated and that have been verified by GAO audit.

Senator HUTCHISON. In your accounting, do you not account for BRAC savings and BRAC expenditures in one place so that there wouldn't be a shortfall in the expenses, so that they could be offset with savings.

Mr. HOLADAY. No, ma'am, we did not.

Senator FEINSTEIN. I beg your pardon. I didn't hear your answer.

Mr. HOLADAY. No, ma'am, we did not account for them in a single place.

Senator HUTCHISON. So, the BRAC savings go wherever you think that there is another priority? Or does it just go into the general Navy?

Mr. HOLADAY. Yes ma'am. It goes into the general Navy accounts and is used within those accounts.

Senator HUTCHISON. Within general accounts?

Mr. HOLADAY. Yes, to pay for things like shipbuilding or aviation or operations and maintenance. Again, as I say, there has been no specific attempt to identify exactly what funds were saved and exactly when those savings were expended.

Senator HUTCHISON. It seems that if we do another BRAC, which I am not convinced the timing is right, but it seems that if we start getting savings, that taking the expenditures out of those savings might be a better accounting procedure. But we can look at that if we ever do another BRAC proposal.

Senator FEINSTEIN. I'm glad you said "if".

Senator HUTCHISON. I visited one of the earliest private housing projects that the Navy did down in South Texas. And the apartments that were being built were wonderful, just a whole lot better than the on-base housing frankly. But there were questions about whether they would be built to last and whether they would take the wear and tear as well as on-base construction. I haven't been back since that visit a couple of years ago, and would just ask if you have another evidence to know yet if they are standing up well, and if they still are better than the on-base housing turns out to be.

Mr. HOLADAY. I confess that it has been 2 years since I have been down to that particular project also, Senator.

Senator HUTCHISON. Well, it could be any. You have several now. That was one of the first, but you do have several. Do you have any general Navy view?

Mr. HOLADAY. Admiral, would you like to comment on that?

Admiral JOHNSON. I knew that was coming my way.

Senator HUTCHISON. Hopefully, you've been more current than we.

Admiral JOHNSON. I have not been there for about 2 years myself. I was there on the Atlantic Fleet staff. However, the first two

projects were under the 95 authorities, if I am not mistaken, which were limited partnerships both in Everett, Washington and Kingsville-Ingleside. Those were 10 year arrangements and they are on private property. So, you would probably have a different level of construction, like an apartment in town. With the 1996 authorities, six of our public-private ventures that we are now awarding, it is a totally different relationship. It is a 50 year arrangement. There is provisions within the project to create an operating escrow-like account. And you have the ability with the property management group to maintain it on an annual basis, as well as periodically do the restoration and modernization required at different pieces of time—roofs, major heating and ventilation and air conditioning systems and that sort of thing. So, we have provided provisions within the limited liability company and public-private ventures to ensure that the facilities are in fact maintained over those 50 years. And when they are turned back to the Department of Defense in fifty years, we in fact get an asset back that is in good shape.

Senator HUTCHISON. That sounds like a good plan. I would like to know as you go, if there is evidence that that is working; to make sure that it is, does take the wear and tear.

Mr. HOLADAY. I might add that in those two early projects, the provision was made to start selling off some of those condominiums and townhomes at the 5 year point, up in Everett. And the priority to first buy the homes are the sailors that happen to be living in those homes. So, there is some standard there if you go and think about home ownership and that sort of thing. That same provision is not in public-private ventures because of the longer term.

Senator HUTCHISON. I asked this yesterday for the Army but I will ask you as well. Are you able to focus as much on schools where there are bases that have schools? And if you are doing off-base housing the impact aid that is necessary to keep our military impacted school districts sort of on an even keel so that they can offer that quality public education?

Mr. HOLADAY. Yes ma'am. We look at the school requirements that are associated with these projects when we do our analysis of the needs in the community. Two locations that I know that we have made some accommodation are in San Diego and a proposal we have coming forward in New Orleans very shortly, where we have actually made land available to the community so that can build a school on the same property as the housing is going into. With regard to impact aid, as we reduce our deficit and build housing for members who are housed today on military bases, then what we see is an increase in aid that is going to the school because they get paid at a higher Federal rate rather than the lower rate.

Senator HUTCHISON. Are you going to make sure that you do keep that part of your priority spending so that it doesn't get shifted to a less priority?

Mr. HOLADAY. Yes ma'am. Of course the impact aid comes primarily from the Department of Education and what we seem to see is that in general the communities are either kept whole or in some cases—depending on how much housing is built that is new—receive higher levels of impact aid than they have in the past.

Senator HUTCHISON. I think it is very important that you maintain the interest and that you stay in the driver's seat on where the impact aid should go.

Mr. HOLADAY. Yes ma'am.

Senator FEINSTEIN. Senator Landrieu.

Senator LANDRIEU. Thank you Madam Chair. This is, I think, my first meeting of the subcommittee, so let me say please I am to be a part of this and much I look forward to working with you. Thank you.

Senator FEINSTEIN. I am delighted to have you as well.

Senator LANDRIEU. And the ranking member and the other members because I think frankly in some ways this is really where the rubber hits the road in terms of our whole focus on trying to improve the readiness, the morale of our forces. And sometimes we concentrate, of course, on our long-range weapon systems and research and technology, which is of course very exciting and a very important part of our overall strategic development for the Nation. But some of just this bread and butter—these bread and butter issues—are kind of plain but absolutely necessary infrastructure in terms of housing and quality of life issues is really where I think more of our focus should be.

And having worked with each individual member of this subcommittee in various different ways, I really think we all share this idea that as much as we can within the constraints of this budget recognizing that money doesn't grow on trees and we don't have ever as much as we usually need, but to try to allocate Madam Chair as much as possible to this area. Because I think sometimes it really is overlooked in the larger scheme of things but it is critically important. For instance, I think Mr. Holaday you said in your opening statement that with just the Air Force and the Navy that—I think your statement says—is 67 percent of Navy and 53 percent of Marine Corps facilities were evaluated to have serious deficiencies. That is a very high percentage, I think, of facilities just there with the Marine Corps and the Navy. Now assuming that that is a broad variety of facilities but housing would be included in that, the lack of daycare, the lack of adequate transportation or infrastructure requirements.

We have often said that we might recruit soldiers and sailors, but retain families. And when we talk about resigning people up and keeping them in for more than a few years, it really gets down to the quality of life in terms of their housing, like the Senator from Texas said—educational opportunities, appropriate health care and the general quality of life of these bases. Now I maybe, Madam Chair, do not have the exact figures, but I think the MILCON budget has gone up 5 or 6 percent. Is that correct? With inflation figured in? Or is it that much? And operations and maintenance is flat? Could we just get for the record what it is so that we know?

Mr. HOLADAY. Yes, ma'am, we can give you the changes in the Department of the Navy's Military Construction and Operations and Maintenance programs.

[The information follows:]

The fiscal year 2002 MILCON Budget is 11 percent higher than the fiscal year 2001 MILCON Enacted Budget. The fiscal year 2002 Real Property Maintenance Budget is 5 percent higher than the fiscal year 2001 Enacted Budget.

Senator LANDRIEU. And just for the record, I think it would be helpful for us to know the percentages of increase because (a) we have these BRAC savings that will hopefully be coming back in this way to upgrade across the board many of the things we are talking about. And we need to be able to see it relative to increases in other parts of the budget so that we can tell if we really are making the kind of progress we need.

My second point or question—and I am glad it was brought up about the school opportunity in Bellechase—is two things. One, to thank you all for pushing forward on the pilot housing program in Bellechase, which I think is one of the first pilots, Madam Chair, in the Nation for housing, and it is indeed a tremendous improvement. And from what I am able to tell by visiting local officials there, families themselves, the developers who in this case happen to be Louisiana contractors which is terrific because I kind of think in all of our States our local contractors are very able to do a lot of this work. And they of course won this bid that it is a so much of an improvement over what was there. And in addition, the new sort of creative way that you all have entered into a partnership to create what is essentially going to be a charter school—basically a military charter school and partnership between the base and the local school system. I think it is not only a benefit to the men and women serving there but in the general community, so it really is a win-win situation. I want to commend you on that.

But let me ask, if I could finally because I don't want to exceed my time, can anybody give me an update in terms of the area of daycare and childcare, in terms of facilities and what percentage of the budget is either made available? Because as these young families get started off and our men and women are sent, deployed more frequently and sometimes for longer periods of time, I think the issue of quality child care is essential. And I just don't hear enough of that, and I didn't see anything in the testimony but maybe I missed it.

Mr. HOLADAY. I would like to get back to you with a full response on that healthcare issue. I do know that we have at least one construction project—I believe it's in the Marine Corps this year—for a childcare center. I don't believe there are any Navy construction projects this year for childcare centers, but we do take it seriously. We like to make sure that family members are able to take care of their children and if you would give me the opportunity, I would like to come back.

Senator LANDRIEU. I would be very interested and I think the other members of the committee would be too to see what percentage of our construction budget and our maintenance budget goes to provide opportunities for childcare. Because in the general population it is a great need, and I would have no doubt the same factors are present within our military families. And in some ways, you could almost argue more stressful situations when one parent is away for a long period of time. So, not only having regular daycare, but emergency daycare and sometimes 24 hour emergency operations are important for families struggling. One parent, they

are alone for much of the time. So, those would be some of my concerns.

But finally I want to work with you in every way I can because we do need to improve the quality of life for many reasons and this budget can do a lot of that. And I for one would like to work with you very closely.

Mr. HOLADAY. Yes, ma'am, we will get that information back to you. I would also like to say that we have a very active and very successful program of providing childcare within homes, where one service member will be able to provide childcare within their home for families that are away.

[The information follows:]

In the fiscal year 2002 MILCON Budget we propose a new Child Development Center at Marine Corps Air Station, Beaufort, South Carolina (\$6,060K). This is 0.5 percent of the fiscal year 2002 MILCON Budget submission.

Senator LANDRIEU. Yes, I am aware of that and I think that is a very creative approach also.

Mr. HOLADAY. That has to be kept in context of how we take care of this problem within our services.

Senator FEINSTEIN. Thank you, Senator. Senator Craig.

#### STATEMENT OF SENATOR LARRY CRAIG

Senator CRAIG. Madam Chairman, I have a statement I would like put in the record.

Senator FEINSTEIN. As so ordered.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR LARRY E. CRAIG

Mr Chairman, it is indeed a pleasure to be here for the Navy panel which includes Duncan Holaday, Senior Civilian Official, Office of the Asst. Sec. of the Navy and representatives from the Navy's active duty and reserve component, and the Air Force panel which includes Jimmie Dishner, Deputy Asst. Sec. of the Air Force (installations), and representatives from the Air Forces active duty, reserve and Air National Guard.

I'm glad to see that the fiscal year 2002 DOD amended budget puts people first by including strong measures to improve morale, recruiting, and retention. A key element of that commitment is to upgrade DOD's aging infrastructure. As we are all aware, the infrastructure of our nations military installations has deteriorated to the point of concern for our military's operational readiness. It is important that we reverse the trend of infrastructure deterioration and work hard to provide a quality work environment that improves our service members efficiency and effectiveness, eliminates impediments to mission accomplishment, and fosters recruitment and retention.

But, it's not just the work environment which is essential to retention and readiness. I also believe that while we recruit individuals our goal should be to retain families. I was very pleased to see that the President's amended budget includes \$4.1 billion for military family housing (MFH)—up from \$3.6 billion in fiscal year 2001. It intensifies efforts to improve the quality of military housing and accelerate the elimination of substandard housing.

In addition to this, the budget includes the President's \$400 million blueprint initiative to improve housing for military people and their families: \$107 million in military construction for barracks and \$293 million for family housing. Implementation of the initiative emphasizes privatization in order to deliver better housing more quickly. I understand that recent OSD policy dictated that 80 percent of these funds be used for "privatization".

But, not all military installations qualify for MFH privatization, and quite often it is at these installations that there is no acceptable alternative housing in the local area for lower ranking enlisted personnel. This places a tremendous burden on military members and their families, especially enlisted personnel who have very limited resources. For example, at Mountain Home AFB, ID it was determined that pri-

vatization was not economically feasible. The majority of housing on base is substandard. The housing in the community of Mountain Home is limited. The only other alternative is to commute from Boise, ID which is almost two hours away.

To address the issue of replacing or improving substandard MFH, the military services have put together master plans that prioritize MFH by putting the worst housing first. This is a balanced approach that treats conventional and privatized MFH equally. In making policy decisions on MFH, we must ensure that the privatization initiative does not take out of priority order conventional on base housing and leave installations that don't qualify for privatization, have substandard on base MFH, and limited alternative housing off base without funding to make improvements. We must make sure that the worst gets taken care of first and not simply give projects priority that get more housing for less money. The good news is that the overall military construction budget includes a total of \$5.9 billion—up from \$5.3 billion in fiscal year 2001. It was especially important that this included funding increases for the National Guard and Reserve in recognition of the vital role the reserve components plays in the U.S. Defense posture.

The budget also puts a priority on the construction or renovation of barracks, medical treatment facilities, schools, and physical fitness centers. Unfortunately, because of the reduced support facility requirements of the National Guard and Reserve installations, they don't necessarily benefit from these kinds of quality of life initiatives. I recommend that in future prioritization, that greater emphasis be given to the fact that for the guard and reserve a quality workplace improves their quality of life.

I applaud the DOD's efforts to increase funding in order to meet current needs, and for beginning a long-range plan to streamline, restructure, and upgrade DOD facilities. I understand that the administration hopes the "efficient facilities initiative (EFI)" will achieve a 25 percent reduction in DOD facilities, and ultimately save \$3.5 billion annually. As a Member of Congress, I look forward to reviewing the proposed EFI and providing input.

I am grateful that the proposed increase in the military construction fiscal year 2002 budget demonstrates a commitment to our nations military members and their families. I look forward to your testimony as we develop a budget that recognizes the immeasurable contributions our military members have made to this great country.

As a fiscal conservative, I believe it's critical to have a balanced federal budget. In the long run, a balanced budget will serve all Americans, including our military. But, I also know that along with this commitment to a balanced budget, comes the responsibility to ensure our government provides a quality work and living environment for our military members and their families.

In closing, Mr. Chairman, there is no way to over emphasize the honor and respect this nation owes the military men and women who sacrifice so much. I look forward to working with the Office of the Secretary of Defense (OSD) and service chiefs who continue to contribute to the long-range vision for the DOD.

Senator CRAIG. I am pleased to see these gentleman here. I am pleased to see these increases in budget and on the human side of a very important defense equation. With that I have no questions of these gentlemen.

Senator FEINSTEIN. Just for the record, the MILCON budget is increased from \$8.8 billion to \$10 billion. That is a 14 percent increase over fiscal year 2001.

Senator LANDRIEU. Thank you.

Senator FEINSTEIN. Thank you. I would just like to recap, this \$92 million must-pay for the Navy. And just for the record, that includes Hunter's Point—\$46.1 million, Marine Corps Air Station El Toro—\$12.3 million, Naval Air Station Alameda—\$12.2 million, Naval Shipyard Long Beach—\$2.6 million, Naval Air Station Moffitt—\$4.8 million, and Naval Station Treasure Island—\$4.8 million. And then on top of that, on top of the \$92 million, there is \$11 million for Mare Island. Is that correct?

Mr. HOLADAY. Ma'am, I believe there is another \$5.8 million project for Barber's Point. That is part of that \$92 million.

Senator FEINSTEIN. Good for you. Thank you.

Mr. HOLADAY. And I believe that the \$11 million for Mare Island is above that. But as I said earlier, we already agreed to go ahead and proceed with that.

Senator FEINSTEIN. I would like to ask about the Guam facility, Admiral Blair's number one priority if I might. And that is the \$9.4 million for the repair facility of Guam. My understanding is that it is for the advanced placement of nuclear submarines and their repair. Is that correct?

Admiral JOHNSON. Yes, Madam Chairman, there is a submarine tender that is in Guam not all the time. As they look at positioning additional submarines, this would provide some additional waterfront maintenance shops, some storage and utilities and essentially some facilities that when the tender is not there, those facilities would substitute for the tender to a degree, to take care of the submarines that might be in homeport at that time.

Senator FEINSTEIN. Somehow that number three or four submarines, nuclear subs, can be ported there. Is that correct?

Admiral JOHNSON. I am not exactly sure if the decision has been made on the total number. I would like to take that for the record. Three is the number that sticks in my mind as well, but being civil engineer as opposed to a submarine engineer, I would like to take that for the record.

Senator FEINSTEIN. Because the amount was based on that, was my understanding. Anyone like to add to that?

Mr. HOLADAY. If we could come back to you on that. I think three is right, but we would just like to verify that.

[The information follows:]

Three submarines are planned.

Senator FEINSTEIN. Could you accelerate the clean up at Hunter's Point in 2002 with additional funding in the budget, Secretary Holaday? Or do you believe you have enough, as much as you can use?

Mr. HOLADAY. If we count the unfunded requirement also, I think we have about \$9 million in the funded portion in the budget for Hunter's Point. We could certainly spend an additional \$25 to \$30 million there without any problem, if we were to receive it.

Senator FEINSTEIN. And you could do it in the fiscal year.

Mr. HOLADAY. Fiscal year 2002, yes.

Senator FEINSTEIN. \$29 or 30 million.

Mr. HOLADAY. \$25 million to \$30 million.

Senator FEINSTEIN. \$25 million to \$30 million. Okay. Senator Hutchison, did you have any additional questions?

Senator HUTCHISON. I did. I just had one more question. Has the Navy made an estimate of what its excess facilities are that would be part of a BRAC realignment.

Mr. HOLADAY. No, ma'am, we have not. Neither the Navy nor the Marine Corps.

Senator FEINSTEIN. Could I just clear this up? Are you saying that of the \$46 million for Hunter's Point, you can only spend \$25 million or \$30 million?

Mr. HOLADAY. We know that we can spend in the neighborhood—over and above the \$9 million that is in the base budget—we know we can spend, because I asked an execution question just the other



day, we can spend around \$30 million more than the \$9 million which is in the budget. I am taking a hard look at the \$46 million figure, which another \$16 million on top of that \$30 million I just mentioned, to see if it is required in 2002 or if we can defer part of that to 2003 and still meet the commitment that we have to do the clean up standards, and to the commitment we made to the community.

Senator FEINSTEIN. As you understand, you have not met the clean up standards.

Mr. HOLADAY. Yes ma'am.

Senator FEINSTEIN. And I want you to know, I am very concerned about it.

Mr. HOLADAY. Yes ma'am, so are we.

Senator FEINSTEIN. I will trust that you will make this a priority, so the untoward things that have happened out there will cease.

Mr. HOLADAY. Yes, ma'am.

Senator FEINSTEIN. Thank you very much. I appreciate that. I take you at your word.

Mr. HOLADAY. You asked me to give that to you in writing earlier, so I believe you.

Senator FEINSTEIN. Thank you. If no further questions—if any of the panel has a comment they would like to make, if not then we will proceed with the next panel. Thank you very much gentlemen.



DEPARTMENT OF THE AIR FORCE

STATEMENT OF JIMMY G. DISHNER, DEPUTY ASSISTANT SECRETARY  
OF THE AIR FORCE FOR INSTALLATIONS

ACCOMPANIED BY:

**MAJOR GENERAL EARNEST O. ROBBINS, II, HQ USAF, CIVIL ENGINEER, DEPUTY CHIEF OF STAFF, INSTALLATIONS AND LOGISTICS**

**BRIGADIER GENERAL PAUL S. KIMMEL, CHIEF OPERATING OFFICER, AIR NATIONAL GUARD**

**BRIGADIER GENERAL ROBERT E. DUIGNAN, DEPUTY TO THE CHIEF, AIR FORCE RESERVE**

Senator FEINSTEIN. The Subcommittee on Military Construction will now continue with testimony of representatives from the Air Force, the Air National Guard and the Air Force Reserve. I am very pleased to welcome Mr. Jimmy Dishner, Deputy Assistant Secretary of the Air Force for Installations; Major General Earnest Robbins, the Air Force Civil Engineer; Brigadier General Paul Kimmel of the Air National Guard; and Brigadier General Robert E. Duignan from the Air Force Reserve. I would also note that General Weaver of the Air National Guard had planned to attend the hearing, but had a last minute meeting with the Secretary of the Air Force. But we are very pleased to welcome General Kimmel in his stead.

Mr. Secretary, once again, because of the time, I understand you are the only one that is going to be making a statement, so feel free if you wish to give it or put it in the record and summarize your comments, however you wish to proceed.

Mr. DISHNER. I will summarize my comments if I may, Madam Chairman.

Senator FEINSTEIN. Fine.

STATEMENT OF JIMMY G. DISHNER

Mr. DISHNER. I appreciate the opportunity as all the generals with me to appear before you and present the Department of the Air Force fiscal year 2002 Military Construction (MILCON) Program. Our Total Force MILCON and Military Family Housing programs play a vital role supporting the Air Force operational needs, work place productivity and quality of life. Two of the top four issues, improving the workplace environment and providing better housing, rely on the success of our MILCON and Military Family Housing programs. For several years reduced funding for our facilities has led to a steady deterioration in Air Force infrastructure. The good news is that our fiscal year 2002 Total Force MILCON budget request is double what it was last year and stands at over \$1.2 billion. With this fiscal year 2002 budget and the investment levels projected through the Future Years Defense Program, we will reduce our recapitalization rate in fiscal year 2002, still far

below our desired rate of 57 to 67 years, but this is clearly a step in the right direction.

We must continue to balance funding among the priorities of people, readiness, modernization, and infrastructure. Increases in the overall defense budget this year will help meet the most pressing Air Force needs. Although we continue to operate and support the world's premier aerospace force, we cannot correct overnight the negative impact reduced funding has had on our infrastructure.

For fiscal year 2002, we are requesting a program of \$2.7 billion for our Total Force MILCON, Military Family Housing and Efficient Facilities Initiative (EFI). This request is comprised of \$1.1 billion for traditional Active MILCON, \$1.4 billion for Military Family Housing, \$149.1 million for Air National Guard traditional MILCON and \$53.7 million for Air Force Reserve traditional MILCON. These Air Force programs were developed using a facility investment strategy with the following objectives: (1) accommodate new missions, (2) invest in quality of life improvements, (3) continue environmental leadership, (4) sustain, restore and modernize our infrastructure, (5) optimize use of public and private resources, and (6) Continue our demolition programs.

Madam Chairman, the Air Force clearly could not maintain the quality of our facilities and the advantages they provide without the strong support we have always received from this committee and for that we are most grateful. Madam Chairman, I would like to thank this committee for your support of Air Force and DOD former BRACs that we now refer to as EFI programs. Your help on legislation and funding has been instrumental in allowing communities such as the former Lowry Air Force Base in Colorado to expedite their redevelopment efforts. This is a win-win for the local communities and the Department of Defense.

The Air Force completed its final closure and realignment actions on July 13th, 2001, as required by the statute and is requesting the funding that is required to fulfill its environmental clean up responsibilities, protect and care for the properties until their eventual transfer to other owners. The Air Force remains committed to timely environmental restoration that is protective of human health at our closure bases and is asking for the funds necessary to continue that process to a successful conclusion.

Madam Chairman, I would like to make one final comment on base closure. We cannot overemphasize how the reduction in Air Force manpower and force structure have outpaced those in infrastructure. Only additional base closure rounds can correct this imbalance. We cannot afford to continue spending our scarce resources on unneeded infrastructure.

#### PREPARED STATEMENT

In conclusion, Madam Chairman, I thank the committee for its strong support of Air Force Military Construction and Family Housing. With your help, we will make sure to meet the most urgent needs of commanders in the field while providing quality facilities for the men and women who serve in and are the backbone of the most respected aerospace force in the world. We stand ready to answer any questions you may have. We are very happy to be here, ma'am.

[The statement follows:]

PREPARED STATEMENT OF JIMMY G. DISHNER

INTRODUCTION

Madame Chairman and members of the committee, good morning. I appreciate the opportunity to appear before you and present the Department of the Air Force fiscal year 2002 military construction program. Today, I will share with the committee our investment strategies for facilities, housing, utility systems, and environmental programs.

OVERVIEW

Our Total Force MILCON and Military Family Housing programs play a vital role supporting Air Force operational needs, work place productivity and Quality of Life. Admiral David Jeremiah (U.S. Navy, retired) acknowledged this fact in the recent Special Department of Defense report on Morale and Quality of Life. Two of the top four issues, improving the workplace environment and providing better housing, rely on the success of our MILCON and Military Family Housing programs.

For several years reduced funding for our facilities has led to a steady deterioration in Air Force infrastructure. The good news is that our fiscal year 2002 Total Force MILCON budget request is double what it was last year and stands at over \$1.2 billion. With this fiscal year 2002 budget and the investment levels projected through the Future Years Defense Program, we will reduce our recapitalization rate from its present 250-plus years to about a 165-year recapitalization rate in fiscal year 2002, still far below our desired rate of recapitalization, but this is clearly a step in the right direction.

However, even with additional MILCON funding in fiscal year 2002, the Air Force infrastructure challenges remain the same. We must continue to balance funding among the priorities of people, readiness, modernization, and infrastructure. Increases in the overall defense budget this year will help meet the most pressing Air Force needs. However, previous underfunding of military construction and operation and maintenance required us to develop "work-arounds," which impacted the Air Force's combat capability, operational efficiency, and quality of workplace environment. Although we continue to operate and support the world's premier aerospace force, we cannot correct overnight the negative impact reduced funding has had on our infrastructure.

For fiscal year 2002, we are requesting a program of \$2.7 billion for our total force MILCON, Military Family Housing and BRAC. This request is comprised of \$1.1 billion for traditional Active MILCON, \$1.4 billion for Military Family Housing, \$149.1 million for Air National Guard traditional MILCON and \$53.7 million for Air Force Reserve traditional MILCON. These Air Force programs were developed using a facility investment strategy with the following objectives:

- Accommodate new missions
- Invest in Quality of Life improvements
- Continue environmental leadership
- Sustain, Restore and Modernize our Infrastructure
- Optimize use of public and private resources, and
- Continue our demolition programs

Madame Chairman, the Air Force clearly could not maintain the quality of our facilities and the advantages they provide without the strong support we have always received from this committee and for that we are most grateful. With this background, I would like to discuss our military construction budget request for fiscal year 2002.

ACCOMMODATE NEW MISSIONS

New weapon systems will provide the rapid, precise, global capability that enables our combat commanders to respond quickly to conflicts in support of national security objectives. Our fiscal year 2002 new mission MILCON program consists of 32 projects, totaling \$283 million. We have made assumptions about the shape of our force in the future; if the upcoming QDR makes significant shifts in million we will adjust our construction program accordingly.

These projects support a number of weapon system beddowns; two worthy of mention are the F-22 fighter, and the C-17 airlifter. The F-22 Raptor is the Air Force's next generation air superiority fighter. The location for the F-22 flight-training program is Tyndall Air Force Base, Florida with Langley Air Force Base, Virginia serving as the first operational base. The fiscal year 2002 MILCON includes two F-22

projects at Tyndall totaling \$15 million and three F-22 projects at Langley totaling \$39 million.

The C-17 Globemaster III aircraft is replacing our fleet of C-141 Starlifters. The C-17 provides rapid global mobility by combining the C-141 air speed and long-range transport capabilities; the C-5 capability to carry outsized cargo, and the C-130 capability to land directly on short, forward-located airstrips. To support this program, our request includes a \$5 million facility at McCord Air Force Base, Washington, two Air National Guard projects for \$22.2M at Jackson International Airport, Mississippi, and five projects for \$36.5M at McGuire AFB, New Jersey.

Other new mission requirements in fiscal year 2002 include three C-130J projects at: Little Rock Air Force Base, Arkansas, Keesler AFB Mississippi (RES) and Quonset, Rhode Island (ANG); the Space Based Infrared Radar System (SBIRS) at Schriever Air Force Base, Colorado; and a Telescopic/Atmosphere Compensation Lab at Kirtland Air Force Base, New Mexico.

#### INVEST IN QUALITY OF LIFE

The Air Force is committed to taking care of our people and their families. Quality of life initiatives acknowledge the increasing sacrifices our airmen make in support of the nation and are pivotal to recruiting and retaining our best. When our members deploy, they want to know that their families are stable, safe and secure. Their welfare is a critical factor to our overall combat readiness, and our family housing program, dormitory program, and other quality of life initiatives reflect our commitment to provide them the facilities they deserve.

Our Air Force Family Housing Master Plan provides the road map for our Housing MILCON, O&M, and privatization efforts to meet the Department of Defense goal of providing safe, affordable and adequate housing for our members by 2010. In this regard, I would like to express my appreciation to the President for his support of our efforts to improve the quality of our housing and the additional funding he has provided.

The \$518 million fiscal year 2002 MFH replacement and improvement program will replace more than 700 worn-out units at 8 separate locations, improve more than 2,100 units at 15 locations, and supports privatization of more than 10,000 units at 12 locations. I'll discuss our housing privatization program in more detail in a few minutes. Our fiscal year 2002 housing operations & maintenance program totals \$869 million.

Just as we are committed to provide adequate housing for families, we have an ambitious program to house our single junior enlisted personnel. The Air Force Dormitory Master Plan is a comprehensive, requirements-based plan, which identifies the projected unaccompanied enlisted housing requirement and prioritizes MILCON project requirements. The plan includes a three-phased dormitory investment strategy. The three phases are: (1) Fund the replacement or conversion of all permanent party central latrine dormitories; (2) construct new facilities to eliminate the deficit of dormitory rooms; and (3) convert or replace existing dormitories at the end of their useful life using the Department of Defense 1+1 room standard. Phase 1 is complete, and we are now concentrating on the final two phases of the investment strategy. Our total requirement is 75,200 Air Force dormitory rooms. We currently have a deficit of 11,400 rooms and the existing inventory includes 5,300 inadequate rooms. The remaining cost to execute the Air Force Dormitory Master Plan and achieve the fiscal year 2009 Air Force goal to buy out our deficit and replace our worst existing dormitories is just over \$1 billion.

The fiscal year 2002 dormitory program consists of 13 enlisted dormitory projects, with 8 projects at 7 CONUS installations, and 5 projects overseas, for a total of \$157 million. On behalf of all the airmen affected by this important quality of life initiative, I want to thank the committee. We could never have made it this far without your tremendous support of our Dormitory modernization program.

Other traditional quality of life investments include community facilities such as fitness centers and child development centers, vital in our efforts to attract and retain high quality people and their families. A strong sense of community is an important element of the Air Force way of life, and these facilities are important to that sense of community as well as to the physical and psychological well being of our airmen. The fiscal year 2002 MILCON program includes fitness centers at F.E. Warren AFB, Wyoming, Laughlin AFB, Texas, Kunsan AB, Korea, Mildenhall AB, United Kingdom, and Buckley AFB, CO.

Overseas quality of life continues to be a priority to us. Even though the majority of our Air Force personnel are assigned in the United States, 21 percent of our forces are serving overseas. The Air Force overseas base structure has stabilized after years of closures and force structure realignments. Now, old and progressively

deteriorating infrastructure at these bases requires increased investment. Our fiscal year 2002 MILCON program for our European and Pacific installations totals \$273 million totaling 26 projects. The program consists of a variety of quality of life and infrastructure projects in Korea, the United Kingdom, Germany, Italy, and Turkey as well as critical facilities on Guam, Wake Island, and Greenland. We ask for your support of these operational and quality of life projects.

Rounding out the MILCON fiscal year 2002 request are the planning & design and unspecified minor construction requirements. Our request for fiscal year 2002 planning and design is \$87 million. These funds are required to accomplish the design for current mission projects added as a result of the amended budget for the fiscal year 2002 program, complete design of the fiscal year 2003 construction program, and to start design of our fiscal year 2004 projects. We have requested \$21 million in fiscal year 2002 for our total force unspecified minor construction program, which is our primary means of funding small, unforeseen projects that cannot wait for normal MILCON.

#### CONTINUE ENVIRONMENTAL LEADERSHIP

The Air Force continues to enhance mission capability and sustain the public trust through prudent environmental stewardship. We are meeting our environmental cleanup commitments and Department of Defense Planning Guidance goals through effective outreach and partnering with Federal and State regulators and team building with stakeholders and communities. Meeting our legal obligations remains a primary objective of the Air Force Environmental Quality program. Our record of environmental stewardship illustrates our environmental ethic, both here in the United States and overseas. In addition to ensuring our operations comply with all environmental regulations and laws, we are dedicated to enhancing our already open relationships with both the regulatory community and the neighborhoods around our installations. We continue to seek partnerships with local regulatory and commercial sector counterparts to share ideas and create an atmosphere of better understanding and trust. By focusing on our principles of enhancing operational readiness, being a good neighbor, and leveraging our resources, we remain a leader in environmental compliance, cleanup, and pollution prevention. We have reduced our open enforcement actions from 263 in fiscal year 1992 to just 10 at the end of fiscal year 2000.

Our environmental compliance MILCON program in fiscal year 2002 includes three projects totaling \$10.2 million in support of the Clean Water Act. Our program includes restoring the environment, and constructing or modifying two fire-training facilities to meet environmental requirements. These fire-training facilities are located at Robins AFB, Georgia and Andrews AFB, Maryland. In addition, we are upgrading the wastewater system at Eareckson AS, Alaska. All of these projects satisfy DOD Class-1 requirements, which refer to conditions or facilities currently out of compliance with environmental laws or regulations, including those subject to a compliance agreement, or refer to projects and activities which, if not corrected, will result in an out of compliance situation in the current program year.

#### SUSTAIN, RESTORE AND MODERNIZE OUR INFRASTRUCTURE

To sustain, restore and modernize what we own we need to achieve a balance between our military construction and operation and maintenance programs. Military construction allows us to restore and recapitalize our antiquated facilities while operation and maintenance (O&M) funding allows us to perform needed sustainment, restoration and modernization throughout the life cycle of a facility. Since the early nineties, constrained defense budgets resulted in reduced MILCON funding. For a few years adequate O&M funding partially offset this MILCON decline. However, since fiscal year 1997, competing priorities have forced the Air Force to cut sharply into both MILCON and O&M funding. Our effort to sustain and operate what we own is further strained by minimally funded O&M, which forces us to defer much-needed sustainment and restoration requirements. Currently, our sustainment, restoration and modernization (SRM) share of the Air Force O&M funding is only at \$1.6 billion. This is short of the \$1.7 billion sustainment level, which is the minimum funding required to provide only the day-to-day maintenance and life cycle repairs necessary during the planned life of a facility. There is no funding for any Restoration and Modernization work, to fix things such as deteriorated water lines or failed airfield pavements. Our O&M funded restoration and modernization backlog now exceeds \$5.6 billion. We appreciate Congressional support in this area which has helped us recently in improving many of those facilities where we eat, sleep, play, and pray—fixing numerous dining halls, dormitories, fitness centers,

and chapels. Without that congressional support, those facility enhancements could not have occurred.

#### OPTIMIZE USE OF PUBLIC AND PRIVATE RESOURCES

In order for the Air Force to accelerate the rate at which we revitalize our inadequate housing inventory, we have taken a measured approach to housing privatization. We started with a few select projects, looking for some successes and "lessons learned" to guide our follow-on initiatives. Since awarding our first housing privatization project, at Lackland AFB, Texas in August of 1998, 321 of the 420 housing units are constructed and occupied by military families. The remaining 99 units are scheduled for completion this November. We have awarded three more projects that will result in 670 privatized housing units at Robins AFB, Georgia, 402 units at Dyess AFB, Texas and 828 units at Elmendorf AFB, Alaska. We are working with the City of San Angelo on an unsolicited proposal to privatize 298 housing units at Goodfellow AFB, Texas. Kirtland AFB, New Mexico, is in the middle of its housing privatization solicitation process, which potentially will privatize 1,164 housing units. Additionally, we have two more projects that will be out for solicitation shortly at Wright-Patterson AFB, Ohio and Patrick AFB, Florida. Our fiscal year 2002 Military Family Housing Construction program includes 12 privatization projects for over 10,000 units at a cost of \$135M vice \$868M had we relied on traditional housing MILCON. This year's privatization projects are at Beale (1,444 units), Nellis (1,313), Andrews (115), McGuire (1,882), Lackland (564), Altus (978), Hickam (1,356), Hurlburt (330), Buckley (201), Langley (1,268), Elmendorf (624), and Barksdale (432). We're realizing, on average, a five to one leverage on our MILCON investment for housing privatization and we see this kind of favorable ratio holding steady or perhaps even increasing on other projects in the out-years.

Our housing privatization initiatives are making great strides in the right direction. We firmly believe that through housing privatization we can provide improved housing to more airmen in less time than using the standard military construction process.

We continue to aggressively pursue privatization of utility systems at Air Force installations. Our goal is to privatize utility systems where it makes economic sense and does not unduly impact national security. The Air Force has identified 434 of our 645 systems as potential privatization candidates. We have released requests for proposals for 178 systems and have completed the process on 75 systems. The Air Force is working diligently to ensure we meet the goals established by the Department of Defense to privatize eligible utility systems by 2003.

#### CONTINUE DEMOLITION PROGRAMS

In an effort to reduce infrastructure, the Air Force plans to demolish or dispose of, non-housing building space that is no longer economical to sustain or restore. From fiscal year 1996 through fiscal year 2000, we demolished 14 million-square feet of non-housing building space. This is equivalent to demolishing six Air Force bases equal to the combined square footage of Whiteman, Goodfellow, Moody, Brooks, Vance, and Pope Air Force Bases. Air Force demolition efforts continue to be a success story enabling us to reduce the strain on our infrastructure funding by getting rid of facilities we don't need. We support OSD's request for authority to conduct additional rounds of base closure, which would allow us to realign our forces for better efficiency and accelerate the disposal of unneeded infrastructure and facilities.

#### BASE CLOSURE ACCOUNT

First, let me thank this committee for your support of the Air Force and DOD BRAC programs. Your help on legislation and funding has been instrumental in allowing communities, such as the former Lowry AFB, Colorado, to expedite their redevelopment efforts. This is a win-win for the local communities and the Department of Defense.

The Air Force completed its final closure and realignment actions by July 13th, 2001, as required by the statute and is requesting the funding required to fulfill its environmental cleanup responsibilities, protect and care for the properties until their eventual transfer to other owners. The Air Force remains committed to timely environmental restoration that is protective of human health at our closure bases and is asking for the funds necessary to continue that process to a successful conclusion.

We intend to apply our many lessons learned to future base conversions should the Congress authorize additional rounds of closures.



Madame Chairman, I would like to make one final comment on BRAC. We cannot overemphasize how the reductions in Air Force manpower and force structure have outpaced those in infrastructure. We have reduced force structure by 36 percent, but even with four rounds of BRAC, infrastructure continues to exceed our requirements. Only additional base closures rounds can correct this imbalance. We cannot afford to continue spending our scarce resources on unneeded infrastructure.

Additional base closure authority will provide a vehicle for properly sizing our infrastructure to our force structure and allow us to reallocate critical funds to force modernization, readiness and quality of life issues. To support this effort, the Secretary of Defense has requested, and the Air Force supports, additional base closures authority. Madame Chairman, we would appreciate this committee's consideration and support for the additional infrastructure reduction authority.

In conclusion, Madame Chairman, I thank the committee for its strong support of Air Force military construction and family housing. With your help, we will ensure we meet the most urgent needs of commanders in the field while providing quality facilities for the men and women who serve in and are the backbone of the most respected aerospace force in the world. I will be happy to address any questions.

#### WARREN AIR FORCE BASE

Senator FEINSTEIN. Thank you very much, Mr. Dishner. I understand you are the only one who is making a statement. I have two specific questions before I get to my usual remediation questions, one on the Peacekeeper missile base closure and the implications, and the other on Global Hawk. Let me begin with Peacekeeper. The Defense Department is seeking permission from Congress to scrap its inventory of Peacekeeper missiles. Those are stationed at Warren Air Force Base in Wyoming. And my question is, what impact would the retirement of these missiles have on the future? The reason I ask this is because the President's 2002 budget includes two MILCON projects for Warren: \$10.2 million for a fitness center and \$2.7 million for a medical clinic alteration. So, my question, should those projects go forward in view of the retirement of the Peacekeeper?

Mr. DISHNER. Yes, I think the answer is positive, but General Robbins?

#### FITNESS CENTER

General ROBBINS. The fitness center is the only one I can address because the medical MILCON is separate apportionment issue now. The fitness center projects are sized based on the number of enlisted personnel at a given installation.

Senator FEINSTEIN. And what will that number be when Peacekeeper is retired?

General ROBBINS. And they are in a range. The number I was given, that if in fact they were to eliminate the Peacekeeper or retire it, over time it will reduce the enlisted population at F.E. Warren by around 600 people, could impact by about 600. If we take that number out of the baseline that is already stationed at F.E. Warren, the size of the fitness center remains the same as the one we got in the program. So, the fitness center would stay the same.

Senator FEINSTEIN. And how many people are stationed at Warren?

General ROBBINS. Let me get the number, ma'am. Let's see. Right now there are almost 3200.

Senator FEINSTEIN. Minus 600.

General ROBBINS. Minus 600 will take it down to about 2600.

Senator FEINSTEIN. And you need \$10.2 million for a fitness center?

General ROBBINS. Yes.

VANDENBERG AIR FORCE BASE

Senator FEINSTEIN. Pretty good fitness center. The budget also includes \$11.8 million for Vandenberg to construct a missile transport bridge. According to the project description, the bridge is used for transporting Minuteman and Peacekeeper missile. Again, would a decision to retire the Peacekeeper have any impact on the need for this project?

General ROBBINS. That also would remain a requirement. That road is the only road between the north and south portions of the base. As you noted, it transports both Peacekeeper and Minuteman missiles for test firing, and so the elimination of one of those systems would not matter.

Senator FEINSTEIN. Is this an improvement of the existing road?

General ROBBINS. It is replacement of an existing bridge.

Senator FEINSTEIN. So it's a new road.

General ROBBINS. Bridge.

Senator FEINSTEIN. Bridge. I beg your pardon. As a replacement for an existing bridge?

General ROBBINS. That's correct.

Senator FEINSTEIN. And the existing bridge cannot be fixed?

General ROBBINS. Correct.

Senator FEINSTEIN. Why?

General ROBBINS. I'll have to get you the engineering assessment on it.

Senator FEINSTEIN. Would you please? I would appreciate that very much.

[The information follows:]

VANDENBERG AFB

The existing bridge is sound; however, the length and the height of the bridge are insufficient to span the water when it routinely rises to flood levels. Every rainy season, the creek rises and covers the existing bridge and road in this particular low-lying area of land. The flood-waters remain high for months after a flood thus closing the road and impeding direct access to the missile sites. (see attached photo)

San Antonio Creek is actively adjusting its profile and geometry and its channel flow has changed considerably since the bridge was originally constructed, thus reducing the height of the bridge above the channel bed. A feasibility study for this project was jointly prepared in 1998 by Aspen Environmental Group, Agoura Hills, California and Simons, Li & Associates, Costa Mesa, California. The engineering analysis concluded that a new bridge, spanning the entire flood area, would be the best long-term solution to reduce environmental effects and maintain missile transport access without using public roads.

The attached photograph clearly shows the "lay of the land", condition of the road (bridge included) and the need to have a new bridge built that will span this entire area at an elevation similar to that depicted from camera level.



## GLOBAL HAWK

Senator FEINSTEIN. On Global Hawk, if I may, the Air Force announced last week that Beale will be the first Global Hawk operating base. As a result, eighteen Global Hawks will be phased at Beale. I understand that first aircraft and personnel will arrive in 2002 and 2003. I see the administration has requested no funding for Beale in the 2002 budget. Can you tell me what the overall MILCON impact at Beale will be as a result? And what the impact will be in 2003?

General ROBBINS. I know in the 2002, the initial bed down of Global Hawk has no MILCON requirement with it. I will have to look at it.

Senator FEINSTEIN. So, despite the fact that you are putting Global Hawk there, you need no additional funds.

General ROBBINS. Correct. For 2002, Madam Chairman.

Senator FEINSTEIN. I see. And for 2003?

General ROBBINS. We are looking at that right now to see if anything in the 2003 in the remainder of the out years if we wouldn't require something.

Senator FEINSTEIN. So, there is no plus-up for air craft of personnel?

General ROBBINS. Not in MILCON.

Mr. DISHNER. Not in the Military Construction account. No, ma'am.

## MCCLELLAN AIR FORCE BASE

Senator FEINSTEIN. And now if I could quickly go to the most difficult issue which is the BRAC issue. And Congress provided \$9 million in the recently enacted supplemental bill for BRAC compli-

ance at McClellan. I realize that the plutonium clean up at McClellan could last several years and at a high cost. The figure we have for clean up is indeed very high. I believe it is something like \$450 million for total clean up.

Mr. DISHNER. \$498 million, but that is more than just the plutonium. That's the entire clean up.

Senator FEINSTEIN. That's the entire projected over how many years, sir?

Mr. DISHNER. That is until fiscal year 2034.

Senator FEINSTEIN. Fiscal year 2034?

Mr. DISHNER. Yes ma'am.

Senator FEINSTEIN. The base will not be cleaned up until 2034.

Mr. DISHNER. Yes ma'am. That's correct. That is the projection so far.

Senator FEINSTEIN. Thirty-four years?

Mr. DISHNER. It's a National Priorities Listing (NPL) site. It is the only one that we have. It takes a great deal. You just can't do it all in 1 year. There is just no way you could go in and do it. And the plutonium only added to that. Although we've taken as you know the plutonium—I know Madam Chair, you know—that we took the plutonium away and shipped that off, just vials, to MIT. But it was the earth that the plutonium vials were in that we need \$38.4 million just to clean that up.

Senator FEINSTEIN. Well, Mr. Dishner, if I might just say this. Thirty-four years is probably 30 years too long. There is a very active base closure and reuse committee as you know. It is one of the really sterling efforts, and not to complete the clean up of environmental degradation for another 34 years is really unacceptable.

Senator HUTCHISON. Is that because of the life of the elements?

Mr. DISHNER. Well, again, it is not all the plutonium. But a lot of the treatments that we put in are, as an example, are pump and treat, where we come in there and pump out the bad liquids that are in the ground waters, treat those and put them back in. Physically you get to a point where you just can't pump that much at one time and have those going on. It would look like, if the Navy were here, San Diego with all their oil pumpers going up and down. It would take the very use of the land away. The Local Redevelopment Authority (LRA) concurred totally with your observation of that LRA is able to use and work the property even while we are cleaning it up. So, the properties that we are——

Senator FEINSTEIN. Some tainted.

Mr. DISHNER. Yes ma'am. Some tainted, but absolutely not all of it. But they are able to use that, even while we are cleaning it up.

Senator FEINSTEIN. I would like to ask you to tell us what it would take to half that number. Now the Air Force is a can-do operation. What would it take to half that number from 1934 to, say, 2016?

Mr. DISHNER. I will provide that to you, Madam Chairman.

[The information follows:]

#### McCLELLAN AFB

All cleanup remedies at the former McClellan AFB are scheduled to be in place by 2015. The 2034 date is the projected regulatory approval for site close out of the ground water cleanup. We have accelerated the cleanup schedule based on finding

a technical solution to cleaning up hot spots (areas with contamination greater than 100 times the permissible Federal Maximum Contaminant Level).

These activities do not prevent the reuse of McClellan, and reuse is progressing at an impressive rate. In fact, at this point approximately 2,600 acres of the base are in reuse through leases in furtherance of conveyance or interim leases to Sacramento County, the Local Redevelopment Authority (LRA). The current work force at McClellan now includes over 4,000 people.

#### BASE REALIGNMENT AND CLOSURE

Senator FEINSTEIN. I understand that McClellan funding was another BRAC request that the Air Force submitted in the supplemental and that about \$33 million for five other BRAC projects was not included in the President's supplemental funding. Let me tell you those five are Lowry Air Force Base in Denver—\$5 million, Homestead in Florida—\$3.5 million, Chanute, Illinois—\$9 million, Griffith, New York—\$10.2 million and Plattsburg, New York—\$5.5 million. Are those projects fully funded in your fiscal year 2002 budget request?

Mr. DISHNER. The majority of them are but we are still short, Madam Chairman, some \$42 million, the total request we had made against which we also requested \$9 million.

Senator FEINSTEIN. You said you are still short \$42 million. Does that cover those five projects that I just read off?

Mr. DISHNER. It covers those five and some others.

Senator FEINSTEIN. And what would those others be?

Mr. DISHNER. I don't have that right with me.

Senator FEINSTEIN. Will you get us that? In other words, what the \$42 million package would be.

Mr. DISHNER. Yes, ma'am.

[The information follows:]

#### BASE REALIGNMENT AND CLOSURE

In my statement I approximated a \$42 million shortfall in fiscal year 2002. The Air Force Base Conversion Agency has determined the program has an actual fiscal year 2002 shortfall of \$55 million as provided to the Office of Management and Budget (OMB). This shortfall consists of the following projects:

##### *California—\$28.6 million*

*McClellan AFB—\$23.6 million.*—Required to complete time critical actions for the CS-10 plutonium site in accordance with a signed action memorandum. Additionally, funds are required to support groundwater characterizations for protection of drinking water supplies.

*Mather AFB—\$2.6 million.*—Required to complete installation of groundwater cleanup system in accordance with signed Record Of Decision (ROD). Signed ROD is a legal commitment on behalf of the Air Force in order to mitigate known risks to human health and the environment.

*Norton AFB—\$2.4 million.*—Required to initiate dioxin contaminated soil cleanup. Air Force contaminated soil has been detected on adjacent property. Cleanup is required for protection of sensitive ecological environments to meet cleanup standards and allow deed transfer of property.

##### *Colorado—\$6.0 million*

*Lowry AFB—\$6.0 million.*—Required to maintain pace with LRA (Local Redevelopment Authority) reuse. Interim actions are needed to contain and cleanup contaminated groundwater.

##### *Florida—\$1.0 million*

*Homestead AFB—\$1.0 million.*—Required to mitigate potential resource injury and meet legal requirements associated with signed ROD which addresses contamination that flows into Biscayne Bay. EPA signature is pending additional negotiations. If natural resource injury is assessed, AF will be subject to paying damages. Additional funds are required to accomplish design and complete remedy.

*New York—\$15.4 million*

*Griffiss AFB—\$15.4 million.*—Required to meet outstanding legal requirement associated with a signed ROD. Further, the Ocuto protest over local contracting preference was resolved and therefore funding is required to meet legal obligations. Funds will support landfill caps and soil treatment.

*Texas—\$4.0 million*

*Kelly AFB—\$4.0 million.*—Required to implement cleanup remedies in accordance with State approved corrective measure studies. These actions are required within 180 days of approval and will implement soil and groundwater treatments necessary for reuse and mitigation of known risks.

CASTLE AIR FORCE BASE

Senator FEINSTEIN. May I ask about one other base? And then I would like to go to Senator Hutchison. And that is Castle Air Force Base where the cost is estimated at \$110 million. What is the timeline on that? And what is the budgeting on it?

Mr. DISHNER. The budgeting for 2002 is \$11 million and that is included totally in the 2002 budget, Madam Chairman. Beyond 2002, I would have to get that for you for the record.

Senator FEINSTEIN. If you would

Mr. DISHNER. That is fully funded in this request that we have. [The information follows:]

CASTLE AFB

The environmental cost-to-complete estimate for the former Castle Air Force Base is \$110 million through fiscal year 2044. For the current budget cycle, we have budgeted the following:

<i>Fiscal year</i>	<i>Million</i>
2002 .....	\$11.028
2003 .....	2.490

The remainder of the cost to complete will be spread across fiscal year 2004-fiscal year 2044 to support system operation and long term monitoring for an average cost of about \$2.4 million per year.

Senator FEINSTEIN. Thank you. Senator Hutchison.

OVERSEAS BASES

Senator HUTCHISON. Thank you Madam Chairman. I have been concerned about the BRAC, looking at the American bases before we know what our troop strength is, what our new strategy is going to be. And I am very concerned that we are not looking at what we are doing on our foreign bases and determining where we have training constraints and whether it is necessary for us to be at the strength now in every place that we are located overseas.

So your budget has an increase of almost \$100 million for overseas basis and MILCON, one-quarter of your active duty construction program. Are you looking at what can be done to make your overseas bases most efficient? What would be the long-term needs for your deployments overseas? And do you think you have enough information to be adding this much MILCON before we have the QDR back from Secretary Rumsfeld?

Mr. DISHNER. I will let General Robbins, but let me start out with it. We certainly need to continue to look at forces worldwide to reduce those in concert with what are the number of bases and bed down of those forces if they were to return to the continental United States. And the Quadrennial Defense Review (QDR) and

other studies would address that. The needs that we have submitted in the 2002, continues—and thank you for the laudatory comment about the Air Force. Not that the Navy and Army doesn't do that, but the people who need to take care of and worry about a little bit more than everyone else are the people on the tip of the spear. Those are the people in Pacific Air Forces (PACAF) and United States Air Forces in Europe (USAFE) that need the facilities, etcetera, to not only fight the war but to live the quality of life. So, that is why you are seeing those in there.

If there are adjustments to be made in that, those things will come out. But I don't think the Air Force would ever be in a position where pending a subsequent study we would hold back and not go out for request to be able to put in for those items that are just solely for men and women, especially in USAFE.

General ROBBINS. I echo what Mr. Dishner said. I would also suggest, as he said in his opening statement, the MILCON priorities are based on an integrated priority list. And as you have acknowledged in previous years, our MILCON budget has woefully deficient when we sent it over here. Those minimal MILCON budgets did not allow us to reach out and fix many of things that needed to be addressed overseas, in particular. So, the amended budget did add, basically doubled our program and allowed us to do things we had to defer in the past because we had insufficient funding in the budget.

I believe that Secretary DuBois testified yesterday regarding how we have in fact looked at our program. Certainly QDR is not done, but in the case of the projects we have in here for Korea for example—they are at Osan and Kunsan—both of which fit the bill of enduring installations on the Korean peninsula since they were the only two Air Force bases remaining in Korea. Similarly in USAFE in Europe, the projects that we've got in there predominately at Ramstein and Spangdahlem are the only two bases we have left in Germany. So, we feel that any investment there is certainly going to fall in line with the strategic basing studies that Unified Command (UCOM) is putting together.

#### CONSOLIDATING BASES OVERSEAS

Senator HUTCHISON. Can you say that with regard to all of the foreign MILCON that you are requesting that you can be sure—or as sure as you can be in a changing world—but it is where the long term commitments are going to be? And even where you are consolidating bases overseas, would these be the ones that are enduring in this request?

General ROBBINS. Yes, ma'am, you are right. With as much confidence as I can muster, which is a lot, and an example would Ramstein and Spangdahlem represent that kind of consolidation of forces in Germany. As you know, in the United Kingdom, we are down to just Lakenheath and Mildenhall. And so, we have housing projects, for example, at those two bases.

So, one is a U.S. territory in Wake Island. You'll see a line in the budget for Wake Island where Admiral Blair and PACOM has come to the Air Force and said Wake Island fits very prominently in our long range plan for the Pacific. So, the Air Force is the proud owner of Wake Island and so we have incorporated a project

to try to restore it because we invested nothing in Wake Island for the last 10 years. In this case, it is an airfield payments project.

#### AVIANO AIR FORCE BASE

Senator HUTCHISON. When you do a military construction project, such as Aviano, and then you are reimbursed by NATO, where does the money go that was put in by the United States for the military construction project when it is reimbursed?

General ROBBINS. I think I know the answer, but we will have to answer it for the record. I think it goes into the Treasury, but I am not positive.

Mr. DISHNER. It does not come back to the Air Force. It does go back to the Treasury.

Senator HUTCHISON. It doesn't even come back to DOD? It's just general treasury?

Mr. DISHNER. Yes.

Senator HUTCHISON. I would like to know that because if that is the case, it would seem that perhaps it should come back into the same fund to be used for other things.

Mr. DISHNER. It would be very helpful if it did that, ma'am.

#### GERMAN BASES

Senator HUTCHISON. Just a last question. You mentioned, of course, Ramstein and Spangahlem being the two in Germany and you are closing down Rhein Main at Frankfurt. It is my understanding that Germany is paying \$425 billion for relocation, military construction. Is that going to be a break even? Or is that going to be helpful in establishing new things in the two bases that are going to be remaining?

General ROBBINS. In fact, break even is probably a good term for it in terms of what the negotiations result in with the terms. The agreement was the German government would pay to relocate functions in kind, if you will, from Rhein Main to either Ramstein or Spangahlem. They would not pay for any increase in footprint or increased capacity. So, there were some facilities where we knew we actually needed more space at Ramstein than we had at Rhein Main. So, we may pick up a share of the cost. But in fact it was a good exchange in terms of what the Germans were funding because a lot of things they were funding were old facilities—or that we left behind old and we are getting new at our two bases.

Senator HUTCHISON. Okay, thank you Madam Chairman.

#### HOUSING PRIVATIZATION

Senator FEINSTEIN. Thank you Senator. Senator Craig.

Senator CRAIG. Thank you Madam Chairman. Secretary Dishner, because of the OSD's mandate at 80 percent of the blueprint initiative to improve housing for privatization, what part of military family housing projects were passed over in the Air Force Family Housing Master Plan?

Mr. DISHNER. I'll let General Robbins give specifics, but let me make sure the Air Force is clear on the 80 percent. That was a guide that was given because of the administration's push to say to make sure you are doing, are you putting 80 percent of the dol-



lars that are being supplementally requested into the privatized housing. The project, the percentage you have—and do we have that General? The projects that would have been deferred—

Senator CRAIG. As it relates to the 80 percent, what gets left out or substantially deferred?

General ROBBINS. What gets substantially deferred would be three projects—not substantially deferred but deferred probably until 2003. We don't know yet. For about 360 units across the Air Force, in return we pick up 2525 units to be privatized.

Senator CRAIG. Where would those 360 show up?

General ROBBINS. They would show up at Keesler, Randolph and Mountain Home.

Senator CRAIG. Well, you understand the direction of my questioning. I think since privatization is just beginning to be implemented, what are some of the lessons learned that are being considered when expanding the privatization initiative? We have tried this before, Mr. Secretary.

Mr. DISHNER. Let me start and General Robbins can chime in. As we gone through this, as you know in 1996 is when we began this. This effort that the Air Force really was behind promulgated during those days, and Congress was good enough to give us five years as a test. In the year 2000, we were able to convince Congress to extend that and they gave us another four years to continue—and they don't call it a test any longer, but it is just to continue because the returns have been quite substantial for the tax payer. On average for the projects we have done to date for the four signed there is something like an 8-to-1 return. For every dollar from the taxpayer, we get seven from the private sector. That's not bad.

Some of the things we have looked at is where those should be. And we have been given a QDR year to try to meet of 2010, and other help—and I really mean it that way. Other help to say take advantage of where we have the opportunities to privatize houses. And Air Force Civil Engineering has been extremely adept at going in and evaluating where those bases we should privatize versus those that we can't. In those areas where they don't have enough houses on the market, etc., tends to sway that more for funding by the normal traditional method as compared to privatization.

The four that I have signed—Lackland Air Force Base, San Antonio, Texas, Robins Air Force Base in Georgia, Dyess Air Force Base, Texas, Elmendorf Air Force Base, Alaska—the high built of areas that really have a market there that draws and I think help the numbers. It is a simple cash flow calculation that is done. So, from all the things that privatization has done, the Air Force continues to look at it. In fact, we are now looking at the 2001 Master Family Housing Plan to see how we can continue to meet that.

General ROBBINS. I have nothing to add.

Senator CRAIG. I guess, what has been the Air Force's experience with respect to whether an installation is eligible for the Military Family Housing Privatization? I think you started into that, Mr. Secretary.

Mr. DISHNER. What is done, and it is in a way convoluted but in a way very simple calculation as to look at what is the values as you know in privatized housing. Privatized housing is the way

the rest of us, normally those that are not of large means have to do, and they mortgage their houses. Not too many of us can afford to buy those for cash nor is that method using your money wisely. What privatization gives us then is, and what it is we look at, is what is the BAH stream of the people assigned. BAH is the Base Allowance for Housing. And that is based upon a geographical area and the rank that you have. That is putting against what are the houses there at the base today that are in probably two types of condition: recently reconfigured, which means their value would be higher, and those that need to be altered, need to be repaired.

The Air Force, as you know, had some 85,000 houses when we first started this to try to get into that, and we have done quite well. We are heading toward 27, 200 to be exact through 2004. So, you take the value of the houses that have been repaired, you look at the value and ask the local developers if they have land, or if we have land on the base that then has a value to it. But it is based upon the cash flow—a simplistic statement here—but the cash flow as based upon an essence of mortgage that would be obtained by the developer. She will borrow the money to build the houses, the number that we need based upon the requirements that we have given them, and then balance that and say does that make economic sense for us to do that.

I know that in the ones that I have read that contractors have been privy to give me information on how well we are doing, is that it has been very financially well for them to do. I don't think to excess because they have been able to use when we transferred houses to them, which were already in good shape. They had a value and we added to that the Basic Allowance for Housing over a period—in the case of the four we did—50 years. That created a cash flow that made them go ahead and convince a lender to provide the funds to build new houses and/or to alter existing houses.

So, it is a value calculation that is done every day in the private sector by the developers and we have land and we have existing homes to put into the equation, and then we have a cash flow that is added in from the individuals that would be assigned. And they take and in fact determine if that area or home or wherever it may be is qualified to have—would be able to handle privatized housing. It would be a developer that would be interested in providing that.

Senator CRAIG. Well, you know philosophy says that the worst gets taken care of first and not simply prioritized projects based on more housing for less money. I guess the question is, not all installations qualify for privatization, and if some of their housing is 1950, needing a bit of remodeling, what happens?

Mr. DISHNER. We have scheduled projects both by MILCON and by O&M to repair those houses and we do repair. Per your comment there, that is exactly what we do as a guide. The worst houses we need to take care of first, sir, whether by MILCON, O&M or by privatization.

Senator CRAIG. Well, obviously I am going to review this very closely. Privatization works in certain areas and doesn't work in others. I happened to have a base the Air Force keeps telling me is one of their premier bases that it doesn't work. And I don't necessarily want my people living in substandard housing. And right

now it isn't working in this budget. It has gotten reprioritized based on the 80 percent factor and that is not satisfactory.

I have toured that base on a regular basis. I have been in some of that housing, and it is substandard. And if we are talking about quality of life and retention, and we are. And we know the kind of investment we have put in the men and women who serve us in the Air Force, and what we expect from them and what they should expect from us. So, then if the formula doesn't fix, then maybe we ought to fix it and I may have to try to work with you to do so because it doesn't seem to be fitting at this moment. I think that is unacceptable. And I know that Mountain Home doesn't probably stand alone.

But one of the problems we get into, if you are seeking quality air space and the kinds of circumstances that allow people to fly unrestricted or relatively unrestricted on your own schedules, and then the urbanized side of the equation that fits the privatization doesn't fit that because urbanized air space is in itself by definition a restricted air space in most instances. And I find that we are almost putting ourselves in a contradictory situation. We like those bases that have that unrestricted character to them, obviously optimizing flying time and the efficiencies of all we are trying to achieve. Yet the housing formula that talks about the quality of life by definition doesn't seem to fit in some of those instances because there is an absence of organization. And we will want to work to see if we can't resolve that sort of thing.

#### MILITARY CONSTRUCTION FOR BALLISTIC MISSILE DEFENSE

Mr. Secretary, what portion of the MILCON design funds is the Air Force getting for ballistic missile defense.

General ROBBINS. Sir, as far as I know, none because BMDO has their own design and construction line in the budget.

Senator CRAIG. The Air Force is not a player in that?

Mr. DISHNER. No, sir.

Senator CRAIG. Well, gentleman, thank you very much, and Chairman I may have some additional questions for the record, but I do thank you.

#### MOUNTAIN HOME AIR FORCE BASE

Mr. DISHNER. Mr. Craig, may I say this, I was just at Mountain Home Monday and Tuesday of this week and viewed the houses there and the rest of the base and concur with your observations of unobstructive air space. It is wonderful, wonderful location. We will work with you.

Senator CRAIG. I appreciate that, Mr. Secretary.

Senator FEINSTEIN. Mr. Secretary, I would like to ask you if you would do this for the committee. If you would rank the Air Force projects in the 2002 budget in order of priority for you and if you would give us the total of the Air Force's unfunded priorities and also rank those, and I would really like the military input in this rather than the civilian input.

Mr. DISHNER. Yes ma'am.

## AIR NATIONAL GUARD MILITARY CONSTRUCTION

Senator FEINSTEIN. Thank you. General Kimmel, I have been told that the Air National Guard military construction backlog is \$1.8 billion and your largest request in recent years is only \$149 million. How are you ever going to reconcile that?

General KIMMEL. That is a great question. Facilities are the face of the Guard.

Senator FEINSTEIN. Could you pull the mike closer?

General KIMMEL. Sorry, facilities at the Guard unlike our active duty component, all of our facilities consist of where we work, given that our people live out in the economy. Our standard allotment, historical allotment is about \$220 million. While it was our best PB, it is still well below standard. We have an RPM.

Senator FEINSTEIN. If I understand this, the budget from the President is \$149 million but normally you go at about \$220 million.

General KIMMEL. The congressional adds and so on and so forth are normally at about \$220 million, historically or the last 10 or 15 years. So, this would be less for us. If we were to correct our problems both in MILCON and RPM, we would have to execute upwards of about \$250 million to \$300 million a year in MILCON, and in the area of \$150 million to \$250 million a year in RPM to match the standard of the Air Force to reconfigure our bases and so on and so forth over a 6 to 7 year period.

## UNFUNDED PRIORITIES

Senator FEINSTEIN. Well, would you also give me a list of your unfunded priorities please ranked.

General KIMMEL. Yes ma'am.

[The information follows:]

## UNFUNDED PRIORITIES LIST

The list below is the 10 USC 10543 report provided to Congress each year when our annual President's Budget funding is less than 90 percent of the average authorization for the preceding two years. This list shows unfunded requirements in addition to those shown in the Future Years Defense Program (FYDP) and can all be executed in fiscal year 2002 if funds are made available.

[In thousands of dollars]

<i>Base / State / Project title</i>	<i>Cost</i>
Reno, NV: Replace Communications and Security Forces Facility .....	8,400
Barnes, MA: Upgrade Support Facility .....	5,200
Tucson, AZ: Composite Support Complex .....	8,400
McGhee Tyson, TN: Replace Fire Station and Security Forces Complex .....	6,000
Fort Wayne, IN: Upgrade Aircraft Parking Ramp and Taxiway .....	8,500
Des Moines, IA: Joint ANG/FAA Upgrade Airfield Facilities .....	9,200
Schenectady, NY: Replace Base Supply Complex .....	5,200
Hancock, NY: Civil Engineer Pavements and Grounds Facility .....	1,450
Gulfport, MS: Replace Medical Training Facility .....	1,500
Rickenbacker, OH: Joint ANG/RPA Instrument Landing System .....	1,500
Selfridge, MI: Replace Joint Dining Facility (w/AFRC) .....	8,500
McEntire, SC: Replace Operations and Training .....	10,200
Smoky Hill, KS: MUTES Support Facility .....	1,000
Gulfport, MS: Upgrade Civil Engineer Maintenance Facility .....	1,500
Bangor, ME: Repair Joint Use Airfield Pavements (Ph I) .....	5,000
Little Rock AFB, AR: Operations and Training Facility .....	5,100
Fiscal year 2002 Prioritized Requirements .....	86,650

The following list represents the unfunded requirements carried in the Air Force Unfunded Priority List and include projects contained in the FYDP and some that are not contained in the FYDP. There is some overlap with the 10543 report shown above, but the lists are not identical because the rules governing each are different. All requirements on the list below are executable in fiscal year 2002 if funds are made available.

[In thousands of dollars]	
<i>Base / State / Project title</i>	<i>Cost</i>
Jackson, MS: C-17 Construct Maintenance Training Facility .....	4,100
Dothan, AL: Replace 280th Combat Communications Complex .....	11,000
Sepulveda, CA: Replace Communications and Electronics Training Facility .....	5,000
Fort Smith, AR: Replace Operations and Training Facility .....	6,000
Key Field, MS: Replace Comm-Electronics Training Complex .....	6,400
Pittsburgh, PA: Add/Alter Squadron Operations and Support Facilities ...	12,000
New Castle, DE: Upgrade C-130 Parking Apron and Taxiway .....	9,500
WK Kellogg, MI: Replace Munitions Maintenance and Storage Complex .....	9,500
Duluth, MN: Replace Composite Aircraft Maintenance Complex .....	10,000
Niagara Falls, NY: Add/Alter Fuel Cell and Corrosion Control Hangar ....	2,800
Nashville, TN: Replace Composite Aircraft Maint Complex (Phase I) .....	11,000
Cheyenne, WY: Replace Aerial Port and Air Traffic Control Complex .....	6,000
Capital, IL: Replace Composite Support Facility Complex .....	10,000
Eielson AFB, AK: Replace Security Forces Operations Facility .....	5,000
Forbes Field, KS: Replace Operations and Training Facility .....	11,200
Fort Bliss, TX: Replace Base Defense Training Center Complex .....	8,400
Fairchild, WA: Replace Logistics Support Complex .....	8,200
Springfield, OH: Aircraft Parking Apron, Taxiway and Arm/Disarm .....	10,600
Savannah, GA: Replace Medical Tng, Security Forces & Assembly Hall .....	6,300
Buckley AFB, CO: Replace Control Tower .....	5,800
Volk Field, WI: Replace Control Tower .....	5,700
Hector, ND: Replace Weapons Release Shop Complex .....	4,500
Yeager, WV: Replace Base Civil Engineer Maintenance Complex .....	4,100
Portland IAP, OR: Replace Joint Dining Facility (w/AFRC) .....	6,000
Burlington, VT: Replace Vehicle Maintenance Complex .....	5,600
Toledo, OH: Replace Logistics Complex .....	6,900
Charlotte, NC: Replace Vehicle Maintenance Complex .....	7,200
Mansfield, OH: Replace Vehicle Maintenance Complex .....	3,500
New Orleans, LA: Replace Vehicle Maintenance and ASE Complex .....	5,500
Barnes, MA: Upgrade Support Facility .....	5,200
Tucson, AZ: Replace Composite Support Complex .....	5,400
McGheeTyson, TN: Replace Fire Station and Security Forces Complex ...	6,000
Fort Wayne, IN: Upgrade Aircraft Parking Ramp and Taxiway .....	8,500
Boise, ID: Add/Alter Base Supply Complex .....	3,000
Des Moines, IA: Joint ANG/FAA Upgrade Airfield Facilities .....	4,200
Joe Foss Field, SD: Joint ANG/FAA Airfield Improvements .....	2,500
Hensley, TX: Upgrade Communications Complex .....	1,500
Hancock, NY: Composite Readiness Support .....	2,500
Gulfport, MS: Replace Medical Training Facility .....	1,500
<hr/>	
Fiscal year 2002 Prioritized Requirements .....	248,100

Senator FEINSTEIN. I appreciate that very much. General Duignan, I would like to ask the question of you for the Air Force Reserve. And your request on this present budget is \$53 million this year.

General DUIGNAN. That's correct. We have about \$53 million this year, which is about three times what we have had in the last few years.

#### MILITARY CONSTRUCTION BACKLOG

Senator FEINSTEIN. So, you are happy campers.

General DUGNAN. Well, we are happier than we have been. We have a \$683 million MILCON backlog, and we can provide you that list. We have much the same issues as the Guard. Our facilities are not where our people live but where they work, so our MILCON backlog is somewhat different than the active duty, but we can provide you that list.

Senator FEINSTEIN. Yes, that would be helpful; the unfunded priorities and if you also prioritize what is funded. Everybody, I think that is helpful.

[The information follows:]

MILCON BACKLOG

[In thousands of dollars]

Priority	Base	Project number	Milcon project title	Cost
1	Keesler AFB, MS	MAHG 96-3006	C-130J Maintenance Hangar	12,000
2	Robins AFB, GA	UHHZ95-9210P2	Add/Alter AFRC Headquarters, Phase 2	2,000
3	Maxwell AFB, AL	PNQS02-9010	Fuel Cell Maintenance Hangar	7,300
4	Maxwell AFB, AL	PNQS95-9004	Aircraft Maintenance Hangar	9,900
5	Grissom AFB, IN	CTGC01-9001P3	Consolidated Lodging Phase 3	13,200
<b>FUNDED PROJECT TOTAL</b>				<b>44,400</b>
AFRC Unfunded MILCON Projects:				
1	Keesler AFB, MS	MAHG 04-3005	Fuel Cell Maintenance Hangar	7,500
2	Hickam AFB, HI	KNMD 97-9604	Consolidated and Medical Training Facility	6,100
3	March AFB, CA	PDPG 98-0729	Fire Station	7,200
4	McGuire AFB, NJ	PTLF 90-9677	Reserve Medical Training Facility (Joint w/ANG)	5,100
5	Minn-St Paul ARS, MN	QJKL 99-0011P3	Consolidated Lodging Phase 3	13,000
6	Seymour Johnson AFB, NC	VKAG 97-9002	Security Forces Facility	1,650
7	Peterson AFB, CO	TDKA 98-9002	Fuel Systems Maintenance Hangar	6,500
8	Westover AFB, MA	YTPM 94-0004	Base Operation	5,300
9	Schriever AFB, CO	GLEN 04-3003	Consolidated Space Group Operations	9,800
10	Tinker AFB, OK	WYVK 97-9043A	Squadron Operations Facility	3,900
11	Grissom AFB, IN	CTGC 98-9003	Add/Alter Aircraft Maintenance Hangar	5,700
12	Kelly AFB, TX	MBPB 99-0016	Consolidated Maintenance Facility	9,000
13	Youngstown ARS, OH	ZQEL 02-9001	Phase 1 Joint Services Lodging Facility	9,950
14	Whiteman AFB, MO	YWHG 97-9501	A-10 Squadron Operations Building	3,500
15	Dobbins AFB, GA	FGWB 01-9001	Visiting Quarters	6,700
16	Barksdale AFB, LA	AWUB 97-9501	RED HORSE Veh Maint	3,200
17	Dover AFB, DE	FIXT 98-3001	Aerial Port Training Facility	1,850
18	Barksdale AFB, LA	AWUB 04-9801	B52 Squadron Operations/AMU Facility	5,000
19	Westover AFB, MA	YTPM 02-9001	Security Police Operations	4,100
20	Worming Valley ARC, PA	XPRF 00-9001	Aerial Port Training Facility	2,100
21	Dobbins AFB, GA	FGWB 01-9011	Upgrade Maint Bays (in Wing HQ Facility)	9,400

MILCON BACKLOG—Continued  
[In thousands of dollars]

Priority	Base	Project number	Milcon project title	Cost
22	Willow Grove ARS, PA	ZAWA 98-9001	Joint ANG/AFRC Wing Headquarters	17,500
23	Gen Mitchell ARS, WI	HTUX 96-9003	ADAL Consolidated Training Facility	5,300
24	Eglin AFB (Duke Field), FL	FIFA 96-3044	Civil Engineering Training Facility	3,000
25	Patrick AFB, FL	SXHT 97-3008	920 RQG Headquarters Facility	7,000
26	McGuire AFB, NJ	PTFL 99-9003	Civil Engineering Training Facility	3,350
27	Gen Mitchell ARS, WI	HTUX 06-9001	Fire Station	6,500
28	Minn-St Paul ARS, MN	QJKL 99-0013	Hangar Complex	17,800
29	Westover ARB, MA	YTPM 02-9002	Construct New Lodging Facility	15,600
30	Peterson AFB, CO	TDKA 95-9006	Aerial Port/Airlift Facility	5,500
31	Scott AFB, IL	VDYD 02-3001	Support Group Training Facility	7,000
32	Hill AFB, UT	KRSM 00-3010	Training Complex (Small Arms)	5,500
33	Homestead ARS, FL	KYJM 99-9026	Visiting Quarters	3,800
34	Carswell ARS, TX	DDPM 00-0035	Operations Group Facility	2,000
35	Barksdale AFB, LA	AWUB 04-9802	B52 Fuel Cell Maintenance Dock	8,600
36	Hanscom AFB, MA		Aerial Port Training Facility	4,000
37	Hill AFB, UT	KRSM 02-3005	Upgrade Hangar Bldg 590	6,800
38	Minn-St Paul ARS, MN	QJKL 98-0001	Consolidated Training Facility	5,100
39	Seymour Johnson AFB, NC	VKAF 99-9001	Civil Engineering Training Facility	1,950
40	Travis AFB, CA	XDAT 97-9162	New Training Facility, C5 Sqd Ops/AGS	10,230
41	Niagara Falls ARS, NY	RVKQ 00-9011	Visiting Quarters	13,500
42	New Orleans JRB, LA	RQLB 02-3005	Command Post (-design)	6,000
43	Pittsburgh ARS, PA	JLSS 99-9002 R3	Consolidated Lodging	19,000
44	Selfridge ANGB, MI	VGLZ 00-0008	Support & Training Complex	10,700
45	New Orleans JRB, LA	RQLB 00-3007	Munitions Trailer Maintenance Facility (-design)	1,500
46	Portland IAP ANGB, OR	TQKD 98-0443A	Consolidated Wing Training Facility, Phase 2	2,850
47	Wright-Patterson AFB, OH	ZHTV 03-9001	Alter General Training Facility	4,500
48	Gen Mitchell ARS, WI	HTUX 96-9001	Security Forces Complex	4,400
49	Youngstown ARS, OH	ZQEL 99-9009	Phase 2 Joint Services Lodging/Training Facility	9,600
50	Homestead ARS, FL	KYJM 01-9001	ADAL Communications Facility (Bldg 354)	2,000
51	March ARB, CA	PDPG 96-0108	Alter Taxiway & Runway 30	1,500



52	Minn-St Paul ARS, MN	QJKL 99-0012	Aircraft Maintenance Shop Complex	6,800
53	Carswell ARS, TX	DDPM 00-0034	Sortie Generation Facility	1,650
54	Pittsburgh ARS, PA	JLSS 98-9003 R4	Combat Communications Training	3,300
55	Eglin AFB (Duke Field), FL	FTFA 94-9901P1	Visiting Quarters	7,400
56	Pittsburgh ARS, PA	JLSS 97-9001 R3	Wing Headquarters	7,800
57	McGuire AFB, NJ	PTFL 00-9001	Add/Alter Wing Headquarters Building (Bldg 2217)	4,200
58	Peterson AFB, CO	TDKA 00-9001	Consolidated Training Facility (ASTS, SF, Comm)	3,950
59	Dobbins ARB, GA	FGWB 94-9007	North Side Overpass	3,200
60	New Orleans JRB, LA	RQLB 00-3008	Small Arms Range Facility (-design)	2,300
61	Homestead ARS, FL	KYJM 99-9025	Services Training Complex	6,000
62	Homestead ARS, FL	KYJM 01-9004	ADAL Aerial Port Facility	2,500
63	Robins AFB, GA	UHHZ 01-9010	Combat Logistics Support Facility	1,670
64	Scott AFB, IL	VDYD 04-3004	Wing Head Quarter Facility	9,500
65	Beale AFB, CA	BAEY 02-0033	Renovate Operations Group Facility	2,800
66	Youngstown ARS, OH	ZQEL 99-9007	Consolidated Mission Support Complex	9,850
67	Willow Grove ARS, PA	Not assigned yet	Joint ANG/AFRC Supply Facility	7,700
68	Dover AFB, DE	FIXT 00-3005	Wing Headquarters	2,500
69	Gen Mitchell ARS, WI	HTUX 07-9001	Maintenance Hangar	18,000
70	Minn-St Paul ARS, MN	QJKL 00-0028	Fire Training Facility	2,100
71	Dover AFB, DE	FIXT 02-3002	Logistics Group Facility	1,500
72	Hill AFB, UT	KFSM 02-3004	CLSS Maintenance & Training Complex	5,500
73	Maxwell AFB, AL	PNQS 95-9001	Logistics Complex	13,650
74	Eglin AFB (Duke Field), FL	FTFA 96-3044	Replace Aircraft Parking RAMP	6,300
75	Niagara Falls ARS, NY	RVKQ 00-9012	Dining Hall	5,400
76	New Orleans JRB, LA	RQLB 01-3000	Armed Forces Reserve Center(design/build) AFRC-Veh Maint and Combat Arms.	24,440
77	March ARB, CA	PDPG 97-0102	Repair/Replace Marine Deployment Ramp Asphalt	1,650
78	Maxwell AFB, AL	PNQS 02-9012	Construct Aircraft Parking Apron	12,000
79	Maxwell AFB, AL	PNQS 04-9013	Squadron Ops/OG/OSF Facility	5,500
80	Grisson ARB, IN	CTGB 98-9001	Control Tower	6,500
81	Westover ARB, MA	YTPM 96-9001	Vehicle Maintenance Facility	4,750
82	Westover ARB, MA	YTPM 97-9001	Squadron Operation Facility	5,900
83	Travis AFB, CA	XOAT 99-3005	Reserve EOD to Active EOD Facility, add to AD project	580
84	Hill AFB, UT	KFSM 02-3007	Fighter Squadron Maintenance Training	5,400
85	Westover ARB, MA	YTPM 98-9002	Munitions Storage Complex	5,000
86	Grisson ARB, IN	CTGC 97-9004	Base Supply Complex	9,500

MILCON BACKLOG—Continued  
[In thousands of dollars]

Priority	Base	Project number	Milcon project title	Cost
87	Pittsburgh ARS, PA	JLSS 99-9004 R2	Repair Admin Office Bldg 218, 219	3,800
88	Youngstown ARS, OH	ZOEL 01-9004	Phase 3 Joint Services Lodging/Dining Hall	15,300
89	Dobbins ARB, GA	FGWB 00-9003	Fitness Center Renovation	2,500
90	Travis AFB, CA	XDAT 04-9001	New Airlift Control Flight General Training Facility	2,220
91	Travis AFB, CA	XDAT 03-9001	Reserve Fire Fighters to Main Fire Station, add to ADproject	490
92	McGuire AFB, NJ	PTFL 99-9005	Airlift Control Flight Facility	2,200
93	Pittsburgh ARS, PA	JLSS 96-9002 R2	West Apron	7,100
94	Pittsburgh ARS, PA	JLSS 99-9003 R2	Repair Visiting Airman Quarters Bldg 216, 217	3,900
95	Westover ARB, MA	YTPM 00-9001	Consolidated AeroMedical Facility	5,600
96	Travis AFB, CA	XDAT 04-9002	New Communication Squadron General Training Fac	2,130
97	Youngstown ARS, OH	ZOEL 98-9040	Medical Training & Administration	2,200
98	Dobbins ARB, GA	FGWB 95-9002	Regional Training Center	4,000
99	Hill AFB, UT	KRSM 02-3006	Aerial Port Squadron Training	3,000
100	Youngstown ARS, OH	ZOEL 04-9001	General Warehouse Facility	1,900
101	Grissom ARB, IN	ZOEL 04-9001	Taxiway	7,600
102	Youngstown ARS, OH	ZOEL 03-9001	Phase 4 Joint Services Lodging Facility	8,100
103	Maxwell AFB, AL	PNQS 96-9003	Aerial Port Training Facility	3,000
104	March ARB, CA	PDPG 01-0107	Improve Taxiway Drainage	1,700
105	Pittsburgh ARS, PA	JLSS 01-9018	ADAL Fitness Center B-120	4,300
106	Westover ARB, MA	YTPM 94-0003	Base Pavements & Grounds Complex	2,760
107	Gen Mitchell ARS, WI	HTUX 07-9002	Parking Garage	8,500
108	Youngstown ARS, OH	ZOEL 02-9002	ADAL Physical Fitness Center	3,600
109	Maxwell AFB, AL	PNQS 02-9011	Short Field Runway	11,100
110	Youngstown ARS, OH	ZOEL 01-9005	Joint Readiness Training & Deployment Center	10,000
111	Youngstown ARS, OH	ZOEL 98-9001	Combat Arms & Security Squadron Facility	3,100
112	Youngstown ARS, OH	ZOEL 98-9041	Visitors Center	2,150
113	Eglin AFB (Duke Field), FL	FFA 97-3002	Jet Fuel Storage (DFSC project)	2,900
114	Youngstown ARS, OH	ZOEL 04-9002	Aerial Spray Maintenance Facility (requirement gone)	2,650
FUNDED PROJECT TOTAL				683,220

CONCLUSION OF HEARINGS

Senator FEINSTEIN. That completes my questions, and Secretary thank you very much Generals, thank you very much. And this hearing is recessed.

[Whereupon, at 3:55 p.m., Wednesday, August 1, the subcommittee was recessed, to reconvene subject to the call of the Chair.]



## LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

	Page
Bergson, Major General Paul C., Military Deputy [Reserve Components], Deputy Under Secretary of the Army for International Affairs, U.S. Army Reserve, Department of the Army, Department of Defense .....	51
Craig, Hon. Larry E., U.S. Senator from Idaho:	
Prepared statements .....	49, 106
Statements of .....	48, 106
Dishner, Jimmy G., Deputy Assistant Secretary of the Air Force for Installa- tions, Department of the Air Force, Department of Defense .....	111
Prepared statement .....	113
Statement of .....	111
DuBois, Raymond F., Jr., Deputy Under Secretary of Defense for Installation and Environment, Office of the Secretary of Defense, Department of De- fense .....	1
Prepared statement .....	11
Statement of .....	9
Duignan, Brigadier General Robert E., Deputy to the Chief, Air Force Re- serve, Department of the Air Force, Department of Defense .....	111
Feinstein, Hon. Dianne, U.S. Senator from California, opening state- ments .....	1, 85
Holiday, Duncan, Senior Civilian Official, Office of the Assistant Secretary of the Navy, (Installation and Environment), Department of the Navy, Department of Defense .....	85
Prepared statement .....	88
Statement of .....	86
Hutchison, Hon. Kay Bailey, U.S. Senator from Texas, statement of .....	2
Johnson, Admiral Michael, USN, Commander, Naval Facilities Engineering Command, Department of the Navy, Department of Defense .....	85
Johnson, Paul W., Deputy Assistant Secretary of the Army for Installation and Housing, Department of the Army, Department of Defense .....	51
Prepared statement .....	52
Statement of .....	51
Kimmel, Brigadier General Paul S., Chief Operating Officer, Air National Guard, Department of the Air Force, Department of Defense .....	111
McKissock, General Gary, Installation and Logistics, Marine Corps, Depart- ment of the Navy, Department of Defense .....	85
Molino, John, Deputy Assistant Secretary of Defense, Military Community and Family Policy, Defense Agencies, Department of Defense .....	27
Prepared statement .....	28
Statement of .....	27
Preston, Rear Admiral Noel, Deputy Director, Naval Reserve, Department of the Navy, Department of Defense .....	85
Randolph, Major General Leonard M., Jr., Deputy Executive Director, Tricare Management Activity, Defense Agencies, Department of Defense .....	27
Prepared statement .....	40
Statement of .....	39

	Page
Robbins, Major General Earnest O., II, HQ USAF, Civil Engineer, Deputy Chief of Staff, Installations and Logistics, Department of the Air Force, Department of Defense .....	111
Sanders, Dr. Patricia, Deputy Director for Test, Simulation and Evaluation, Ballistic Missile Defense Organization, Defense Agencies, Department of Defense .....	27
Prepared statement .....	32
Statement of .....	31
Squier, Brigadier General Michael J., Deputy Director, Army National Guard, Department of the Army, Department of Defense .....	51
Tangney, Lieutenant General William P., Deputy Commander in Chief, Special Operations Command, Defense Agencies, Department of Defense .....	27
Prepared statement .....	36
Statement of .....	35
Van Antwerp, Major General Robert L., Jr., Assistant Chief of Staff for Installation Management, Department of the Army, Department of Defense .....	51
Zakheim, Hon. Dov S., Under Secretary of Defense (Comptroller), Office of the Secretary of Defense, Department of Defense .....	1
Prepared statement .....	5
Statement of .....	3

# SUBJECT INDEX

## DEPARTMENT OF DEFENSE

### DEFENSE AGENCIES

#### BALLISTIC MISSILE DEFENSE ORGANIZATION

	Page
Military construction:	
Appropriation, fiscal year 2001 .....	35
Funding (MILCON) .....	32
Missile defense system test bed .....	33
Space based laser test facility .....	35

#### SPECIAL OPERATIONS COMMAND

Milcon program .....	37
----------------------	----

#### TRICARE MANAGEMENT ACTIVITY

Access to care/quality of life .....	42
Projects seeking re-appropriation .....	43
Readiness projects .....	41

#### DEPARTMENT OF THE AIR FORCE

Accommodate new missions .....	113
Air National Guard military construction .....	128
Aviano Air Force Base .....	124
Base:	
Closure account .....	116
Realignment and closure .....	121
Castle Air Force Base .....	122
Consolidating bases overseas .....	123
Demolition programs, continue .....	116
Environmental leadership, continue .....	116
Fitness center .....	117
German bases .....	124
Global Hawk .....	119
Housing privatization .....	124
McClellan Air Force Base .....	119, 120
Military construction:	
Backlog .....	119
Ballistic missile defense .....	127
Mountain Home Air Force Base .....	127
Public and private resources, optimize use of .....	116
Overseas bases .....	122
Quality of life, invest in .....	114
Sustain, restore and modernize our infrastructure .....	115
Unfunded priorities .....	128
List .....	128
Vandenberg Air Force Base .....	118
Warren Air force Base .....	117

#### DEPARTMENT OF THE ARMY

Ammunition demilitarization .....	56
-----------------------------------	----

	Page
Army:	
Family housing .....	58
National Guard .....	66
Reserve .....	67
Base realignment and closure (BRAC) .....	64
Budget request analysis.....	57, 60
Facilities strategy .....	53
Family housing:	
Construction .....	59
Leasing .....	59
Operations and maintenance .....	60
Fiscal year 2002 summary .....	65
Homeowners Assistance Fund, Defense .....	62
Housing privatization .....	71
Installation support programs .....	56
Military construction:	
Army (MCA) .....	53
Army National Guard (MCNG) .....	60
Army Reserve (MCAR) .....	61
Mission facilities.....	54, 61, 62
National Training Center .....	69
Operations facilities .....	54
Planning and design .....	56
Sustainment, restoration and modernization (SRM) .....	63
Transformation .....	55
Unspecified minor construction .....	68
Well being projects .....	55
DEPARTMENT OF THE NAVY	
Bachelor housing .....	91
BAH, impact of the initiative .....	92
Base realignment and closure .....	94
Energy .....	96
Family housing .....	90
Fiscal year 2002 legislative proposals .....	96
Military construction .....	92
The infrastructure budget .....	88
OFFICE OF THE SECRETARY OF DEFENSE	
Base closure .....	7
Budget overview, fiscal year 2002 .....	5
Family housing .....	8
Framework for action .....	15
Homeowners assistance .....	9
Military construction .....	6
And family housing request .....	12
NATO Security Investment Program .....	8
Operations and maintenance request .....	13
Possible enabling legislation .....	13
Renewing the installations framework .....	11
Installations' Vision .....	14