

HEARING TO RECEIVE TESTIMONY ON MILITARY CONSTRUCTION, ENVIRONMENTAL, AND BASE CLOSURE PROGRAMS IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2012 AND THE FUTURE YEARS DEFENSE PROGRAM

THURSDAY, MARCH 17, 2011

U.S. SENATE,
SUBCOMMITTEE ON READINESS AND
MANAGEMENT SUPPORT,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

**MILITARY CONSTRUCTION, ENVIRONMENTAL, AND
BASE CLOSURE PROGRAMS**

The subcommittee met, pursuant to notice, at 2:33 p.m. in room SR-232A, Russell Senate Office Building, Senator Claire McCaskill (chairman of the subcommittee) presiding.

Committee members present: Senators McCaskill, Webb, Udall, Shaheen, and Ayotte.

Majority staff members present: Peter K. Levine, general counsel; Jason W. Maroney, counsel; and Russell L. Shaffer, counsel.

Minority staff members present: Lucian L. Niemeyer, professional staff member; and Diana G. Tabler, professional staff member.

Staff assistants present: Kathleen A. Kulenkampff and Breon N. Wells.

Committee members' assistants present: Ann Premer, assistant to Senator Ben Nelson; Gordon Peterson, assistant to Senator Webb; Tressa Guenov, assistant to Senator McCaskill; Joanne McLaughlin, assistant to Senator Manchin; Clyde Taylor IV, assistant to Senator Chambliss; and Brad Bowman, assistant to Senator Ayotte.

**OPENING STATEMENT OF SENATOR CLAIRE McCASKILL,
CHAIRMAN**

Senator McCASKILL. Thank you for being here.

I apologize. I am usually pretty prompt. Unfortunately, the wrong room number got on my schedule, so I was a over in Dirksen going, "Where is everybody?" So, I had to hustle to get here.

I'd like to take just a moment to acknowledge a moment of history here. There is something happening today that has never hap-

pened before in the history of the United States Senate. What we have today is, we have a woman chairman of a Subcommittee on Armed Services and a woman ranking member—as a—on a Committee in Armed Services, and that has never happened before in our country.

So, with that, I want to welcome Senator Ayotte to the Armed Services Committee, and this subcommittee in particular. She and I are taking on this responsibility with, I think, enthusiasm and the fact that this is a huge responsibility, and I'm honored to have the opportunity to try to do whatever I can to support the military.

And I will give a very brief opening statement and then turn it over to Senator Ayotte for her opening statement. And then we'll look forward to your testimony today.

We—the Subcommittee on Readiness and Management Support meets this afternoon to hear testimony on fiscal year 2012 budget request for Department of Defense Installations and Environment. At today's hearing, we will hear from our witnesses on the request for military construction environmental programs for fiscal year 2012.

This is our first subcommittee hearing in the 112th Congress, and I want to welcome all of the members of the subcommittee and say how much I look forward to working with everyone this year.

I'd also like to thank our witnesses for rearranging their schedules to appear today on such short notice. It is very important for us to have this hearing as early in the congressional budget process as possible so we can have a full and frank discussion of the President's request that informs this year's Defense authorization bill, and we appreciate your help in enabling us to do that.

The subcommittee has scheduled a hearing on the Secretary's efficiencies initiatives for later this month. As far as I'm concerned, however, every hearing that we hold will be about efficiencies.

Earlier this week, the Congressional Budget Office reported that the DOD budget has grown by 75 percent over the last decade. And that is the base budget, not including the cost of overseas contingency operations. I do not believe there is anything the Department is doing that we cannot do better. And I do not believe that there is any part of the budget that can be off limits as we look for potential savings. I will be looking at every area of this subcommittee's jurisdiction as we attempt to cut duplicated projects and programs, increase management efficiencies, and reduce waste while we stay very focused on maintaining the finest military in the world.

Overall, the President's budget request for military construction and family housing is 14.7 billion in fiscal year 2012, as compared to a 19.3 billion authorized in last year's National Defense Authorization bill. That sounds like a huge drop, and it is. But, it is worth noting that more than half of the decrease is attributable to a drop of requests for BRAC construction as we near the completion of the 2005 BRAC recommendations, and a drop of 1.2 billion in requests for military construction in the budget for overseas contingencies operations.

This budget arrives at a time when the Department has embarked on a number of large force posture adjustments that should have significant impacts on our military construction programs,

such as the realignment of the U.S. forces on Okinawa and Guam, and the 2005 BRAC round scheduled to be completed this year.

Indeed, I'm told that the Department plans to announce another significant decision today, the number of brigade combat teams it expects to retain in Europe. I'm assuming that announcement has not been made yet—or has it? Was it made today?

Dr. ROBYN. It was delayed.

Senator McCASKILL. It was delayed. Okay. I'm on the edge of my seat. I just wanted to make sure I hadn't missed it. [Laughter.]

I really am. I'm very curious to see what happens there.

Force posture decisions like these come with associated costs, and those costs are often first apparent in the military construction accounts, as infrastructure and facilities are either—as facilities are either prepared or closed. Making sure those initial expenditures are the result of well thought out and planned decision-making should result in more effective and efficient results. As chairman, I plan to be very aggressive in my oversight to make sure these large, costly, force-posture actions are accompanied by careful, rigorous planning and analysis. Too often, when we look back on failed projects and programs, we see that the analysis and decisionmaking on the front end were deficient.

In this regard, I have concerns about the Department's plan to move 8,000 marines and their dependents from Okinawa to Guam by the agreed-upon date of 2014. Successful execution of this program will require the coordination of over \$10 billion in construction projects on Guam and the construction of a new airfield at Camp Schwab in Okinawa. The Congress has asked the Department repeatedly for a master plan laying out the costs and schedule for the various projects necessary to effect this large realignment. To date, we have not received such a master plan, which makes it difficult to determine when certain projects must be funded.

For instance, the fiscal year 2012 budget again includes a request for 181 million for two projects on Guam that Congress cut from last year's budget because they were clearly ahead of need. The Navy claims that if, for some reason, the Marine squadron scheduled to use the utility project at Anderson Air Force Base does not arrive as planned, then the Air Force would use it. However, the Air Force has its utilities requirements for Anderson Air Force Base on Guam planned as a part of the planned fiscal year 2013 budget, and states that the Air Force would have no need for the Navy's planned project. This is one example, but there are others.

And obviously, we have to talk about, today, what the impact of this decision is now that we know the situation in Japan, where clearly they are going to have huge needs in their budget for rebuilding their country, regaining their manufacturing, and all—everything that's associated with that disaster. And as we all know, a huge part of our decision to move that force to Guam had to do with Japan's willingness to foot a large part of the bill. The question is, Are they still going to be in a position to foot a large part of the bill, and what impact does that have on our decision? I certainly don't want to spend a lot of money on preparing to move this force, knowing that, at the end of the day, all of the predicates that

we made the decision on are no longer valid. And I think it's time for a real pause and a look at the whole decision to move the marines from Okinawa to Guam.

There are other areas in which we can, and should, do better. For example, the budget request includes funding for a new medical center near Ramstein Airbase in Germany, at an expected cost of \$1.2 billion. That is as much as the entire DOD budget for family housing this year, for one single hospital. I recognize that the medical facility at Ramstein has been the first stop for our wounded warriors returning from Iraq and Afghanistan. But, we will be out of Iraq, and maybe out of Afghanistan, before this facility is ever built.

The budget request includes four new fitness centers, with a cost of over 100 million, including a single fitness center that will cost almost 50 million to build. I understand that fitness is a requirement of the job. And we will always need fitness centers for our military. But, at a time when our Nation is facing fiscal cuts, I have trouble seeing how we can justify spending \$50 million on a single fitness center. And I want to examine that more fully in the questions that will follow our statements.

The budget also includes funding for working dog facilities at \$3.5 and \$4.9 million each. Those are expensive working dog facilities.

Simply put, the era when no cost—when cost was no object for DOD construction projects must come to an end. Critics of the DOD acquisition system have long complained about our tendency to build so-called gold-plated weapon systems, what the Secretary of Defense has referred to as, quote, “Exquisite,” end of quote, designs.

Unfortunately, this problem is not limited to weapon systems. I believe we have a similar problem in the area of military construction. And I'll be asking today's witnesses how they intend to address that issue.

We have a great deal to discuss today. I look forward to your testimony and a lively discussion that will follow, not only today, but throughout the year.

I now turn to Senator Ayotte for any opening remarks she may have.

[The prepared statement of Senator McCaskill follows:]
[COMMITTEE INSERT]

STATEMENT OF SENATOR KELLY AYOTTE

Senator AYOTTE. Thank you so much, Madam Chairman. It is an honor to be able to work on this committee with you. And I had not appreciated the historic nature of today's hearing, so thank you so much for raising that.

I thank all of you, first of all, for coming—the witnesses—before us today. This is our first hearing together, and I look forward to working with you in the years to come to address the critical programs under the oversight of this committee.

And as the wife of the member of an Air National Guardman who has served in the Iraq war as an A-10 pilot, I share your concerns and commitment to ensure that the resources we provide to our men and women in uniform are used wisely and effectively to

sustain the readiness of our forces as well as the quality of life of our military.

I want to thank our witnesses for their dedicated public service. I know that the issues you deal with are not easy.

As we consider the overall DOD budget, as well as military construction, environmental, and BRAC funding issues, more specifically, I believe the dire fiscal condition of our country must guide our efforts. In our current fiscal crisis, as Chairman McCaskill also identified, we cannot afford to waste even one dollar on a program that does not address a valid military need or shortfall. As Admiral Mullen has said, the national debt is a threat to our National security. In the midst of this fiscal crisis, the spending of every department of the Federal Government requires scrutiny, including the Department of Defense. At the same time, I believe we have a sacred obligation to our servicemembers and veterans. As we go forward, we must fulfill our moral obligation to our troops while reviewing every program to eliminate duplication and waste.

The Department of Defense has proposed, for 2012, a budget that includes 14.8 billion for military construction, BRAC, and housing programs, as well as 10.6 billion for facility sustainment. Many aspects of this request for 2012 certainly deserve praise and recognition, based on prior history of the work done on this committee. I commend the Department's commitment to invest in new K-through-12 schools run by the Department, and a full range of facilities to support our special operations forces who've we asked so much of in Afghanistan and in Iraq, as well.

I note that the Department of Defense has abandoned a former set of goals for facility recapitalization. While some deferrals may be necessary in light of the current fiscal crisis, we must scrutinize these deferrals to ensure that none of them endanger our mission. I look forward to working with the Department to scrutinize these deferrals and to reinstate standards, which I think is very important that we have standards that will serve as benchmarks to assess future funding requests.

As you know, in the midst of the 10th year of war, the Guard and Reserve components have shouldered an increasing share of the burden. For example, the New Hampshire National Guard is currently undergoing its largest deployment since World War II. The Guard and Reserve is now a critical component of our operational force, not an infrequently used strategic Reserve, as it was historically. Yet, in some important areas, DOD budget levels and prioritization have not evolved to reflect this reality. For example, I'm concerned about the levels of investment for proposed facilities for our Guard and Reserve. We certainly owe it to our Guard and Reserve, given the multiple deployments that they are now undertaking, to make sure that we review this carefully.

In response in the past, Members of Congress have used earmarks to provide the Guard and Reserve the facility funding that their operational tempo requires. Utilizing earmarks to meet these essential Guard and Reserve needs is not the proper way to provide adequate resources for our citizen soldiers. The Department of Defense cannot continue to rely on Congress to direct additional spending for the programs that are actual needs. And I ask each

of you to review your service's priorities for your Reserve components.

I look forward to hearing from the witnesses their views on the conclusion of the 2005 round of base realignments and closures, which has a statutory deadline to be completed by September 15th of this year. For the local communities that faithfully support our military bases, I know how important it is to have certainty regarding schedules for base closures and realignments.

It is also important to control the cost growth in every aspect of BRAC. We cannot afford to spend even one dollar more than is absolutely necessary to complete the moves directed by BRAC.

I, as the Chair—as The Honorable Chairman has mentioned, look forward to discussing the complex issue of the realignment of the U.S. Marines on Okinawa and the relocation of 8,000 marines and their families to Guam. Again, I think the issues in Japan further complicate this decision, and we should not make this investment if it is going to be one that we cannot afford and we're not going to be able to get the support from the Japanese government, given the current events in Japan.

In the environmental area, the President's budget request for fiscal year 2012 proposes an investment of nearly \$4.25 billion for the Department's environmental program, a level that is consistent with funding provided in past years. While the Department continues to make steady progress in achieving its cleanup goals, which includes having a cleanup remedy in place, or completed cleanup, at all Active-Duty military installations by 2014, I certainly would like our witnesses to address the actions of the EPA at Tyndall Air Force Base. The EPA is threatening to take enforcement action which could impact military training and readiness activities there and in the adjoining airspace over the Gulf of Mexico. I would like both Dr. Robyn and Mr. Yonkers to address the situation with the EPA and overall cleanup at Tyndall.

Finally, Madam Chairman, I hope we will look into the Department's position on the use of Defense funds to support grants and other initiatives for nonmilitary requirements. Given our Nation's fiscal crisis, I fully support the Secretary of Defense's initiatives to spend each Defense dollar wisely and only on critical military priorities. Therefore, I believe this committee must lead the way in stopping the use of Defense funds to support special interests for medical research, local roads, and other public infrastructure. While these projects may be worthwhile, non-Defense projects should be funded by other Federal, State, or local agencies, and should go through the proper committees of jurisdiction in the Senate.

I would like to conclude by thanking you again, Madam Chairman. I look forward to serving alongside you on this important subcommittee to sustain the readiness of our military forces, eliminate wasteful DOD spending, and improve the quality of life for our military members and their families.

Thank you again. Senator MCCASKILL. We have just had a vote called on the Senate floor, and so what—and there are two of them—and so, I don't know what the preference is of the committee, if we should begin testimony and go for a few minutes and

then adjourn and all three of us come back or try—since there's two votes, if we try to rotate, it might get a little tricky. Okay.

So, why don't we begin, Dr. Robyn, with you. And approximately how long is your testimony?

Dr. ROBYN. Just a few minutes.

Senator McCASKILL. Okay.

Dr. ROBYN. Just a couple of minutes.

Senator McCASKILL. Why don't we do your testimony—

Dr. ROBYN. Okay. Great.

Senator McCASKILL.—and then the three of us will go vote.

Dr. ROBYN. Okay.

Senator McCASKILL. And then—by then we'll be at the end of the first vote and near the beginning of the second vote and we can be more efficient—since this is about efficiencies—[Laughter.]

—we'll be more efficient, in terms of getting over there and getting back, and not keep all of you waiting any longer than absolutely necessary.

Dr. ROBYN. Terrific.

Senator McCASKILL. Thank you, Dr. Robyn.

Dr. ROBYN. Thank you.

[The prepared statement of Senator Ayotte follows:]

[COMMITTEE INSERT]

STATEMENT OF DR. DOROTHY ROBYN, DEPUTY UNDER SECRETARY OF DEFENSE, INSTALLATIONS AND ENVIRONMENT

Dr. ROBYN. Madam Chairman, Senator Ayotte—

Senator McCASKILL. Oh, I'm sorry. "Robine."

Dr. ROBYN. That's okay.

Senator McCASKILL. I'm sorry.

Dr. ROBYN. I answer to—I'm from the—

Senator McCASKILL. It's "Robine," it's "Robine." So sorry.

Dr. ROBYN. That's all right.

Senator McCASKILL. Got it? [Laughter.]

Dr. ROBYN. Senator Udall. Thank you for the opportunity to testify on the President's fiscal year 2012 budget request.

I will submit my written statement for the record, and it includes details on the numbers that you all have been citing—14.8 billion for military construction, family housing, and BRAC, 17.9 billion for sustaining, restoring, and upgrading the condition of our existing facilities, and 4.3 billion for environmental programs. The 14.8 billion for military construction, as you said, Madam Chairwoman, is down about 4 billion from last year, largely due to the fact that we're completing BRAC. Conversely, a request for sustainment and recapitalization is up by about the same amount, primarily reflecting efforts by the Army and the Air Force to upgrade their existing facilities. And finally, the environmental program is fairly level, reflecting maturity and stability of our efforts in this area.

My service colleagues will detail parts of the budget—of the request within their individual budgets. I want to use my time to highlight two key priorities, both of which I think drive your major interest in efficiency.

The first is energy. Energy is important to the Department of Defense for two reasons. The first is mission assurance. Our installations support combat operations more directly than ever before.

From domestic bases, we pilot unmanned aerial vehicles, perform intelligence analysis, and even deploy long-range bombers. These bases rely, in turn, on a fragile and vulnerable commercial electricity grid.

The second reason energy is important to the Department is cost. We have 300,000 buildings, 2.2 billion square feet of space. That's three times as much as Walmart, 10 times as much as GSA. We have an energy bill that matches that: 4 billion dollars a year. That's fully a quarter of DOD's total energy bill.

With an eye toward lowering those energy bills and improving the energy security of our installations, we've adopted a multifaceted strategy. We're using our MILCON and sustainment budgets to drive the effort to make our buildings more energy efficient. We're installing renewable and alternative sources of energy on our installations, primarily using third-party financing. And we're taking steps to make our installations more secure, in the event of a major disruption to the electric grid, such as what is happening now in Japan. And—I should say that renewable energy is helpful in this regard.

These efforts to green the Department of Defense are good for the environment, to be sure. But, that's not the main reason we're pursuing them. The main reason is cost savings and mission assurance. They're smart investments for the Department, and they will pay for themselves many times over.

The second theme I want to hit is technology. One of the great opportunities we have to improve our performance and lower cost is to leverage technology. This has been DOD's great advantage when it comes to combat operations, and the same is true when it comes to running installations.

And let me just give you one example from the environmental area. We have a major program to clean up unexploded ordnance. The bill is—the estimated bill is \$17 billion. The cost is high because current cleanup methods can't distinguish between UXO and harmless scrap metal—beer cans, barbed wire, horseshoes. As result, contractors have to dig up literally hundreds of thousands of items. And they—each one is remotely exploded in order to retrieve just a handful of UXO—pieces of harmful UXO.

A program that I help oversee has developed technology that can reliably distinguish UXO from scrap metal. Over the next 4 years, we will validate and test this technology. We think it can save up to \$12 billion in cleanup costs.

Let me mention—let me just give one other quick example. We are using our installations as a testbed for next-generation energy technology. This emerging energy technology has the potential to produce dramatic savings in our energy bill. But, there are huge impediments to the commercialization of this technology. And a lot has been written about it. It's the nature of the building sector.

It is in our direct self-interest, as the owner of 300,000 buildings, to help overcome these impediments. And we're doing that by demonstrating these technologies at our installations, using our installations as a virtual testbed. For those technologies that prove effective, we'll go on to serve as an early customer, creating a market, just as we did with aircraft, with electronics and the Internet. We

have about 40 projects underway, and we expect to have results later this year.

Let me thank you for the opportunity to testify. I look forward to your questions. And I look forward to working with you on your agenda.

[The prepared statement of Dr. Robyn follows:]

Senator MCCASKILL. Thank you, Dr. Robyn. I will—we will go vote now, and return. And I want to especially apologize for mispronouncing your name, because I know you're from St. Louis, which is particularly painful that I didn't get it right. [Laughter.]

So, we will return in just a few minutes, after we've completed both votes. Thank you for your patience. [Recess.]

Thank you very much for allowing us to run and vote. I'm sure the other members will return quickly.

Secretary Hammack, why don't we begin with you at this point. Thank you.

STATEMENT OF HON. KATHERINE G. HAMMACK, ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS AND ENVIRONMENT

Ms. HAMMACK. Thank you, Chairwoman McCaskill and—there's no other member here.

But, I want to tell you we appreciate your support for the Army programs, our soldiers, and our families, over the years. As you know, we're fighting two wars. At the same time, we're relocating, building, and closing with BRAC. We have one-third of our force that is going to be moving as part of the BRAC closure this summer and fall. We are realigning with global defense posture realignment. We have Grow the Army, which has grown our force by 50,000. We're transforming to a modular force to face the current wars that we're in. We have housing, barracks, and lodging, and infrastructure modernization programs to compensate for some of the infrastructure that has been neglected over the last 30 years. We are working to reduce our energy boot print. But, at the same time, we lead the Federal Government and water conservation and reduction. And we're energy and environmental stewardship. So, we've got a lot of programs that we are working on, and I'm going to talk a little bit about each.

But, first, we want to thank you for the fiscal '11 NDAA, but want to talk a little bit about the CR and the challenges that it's posing to us.

We have the inability to proceed with many programs. Right now, we have 1.6 billion in MILCON projects. They're on hold, waiting for authorization to proceed or new start authority. They are in, as Secretary McHugh said this morning, 18 different States, and they do affect all of us. These are projects that have already been bid, that are ready to award. And as the bids get old, they are at risk for being repriced at a slightly higher amount. Matter of fact, there's 23 projects in States represented by members of this subcommittee. So, support, as U.S. Senators, to enact appropriate legislation is something we look forward to.

On a MILCON basis, the energy—or, the budget request for the Army is 5.3 billion. And this is 3.6 percent of the Army's total obligation authorization. It is a 33-percent reduction, or a \$2.6 billion

reduction, from the President's budget fiscal year 2011. And although there was a mention that some of the budget reduction was due to BRAC, that is not true for the Army, in that in fiscal year 2011 we did not have any BRAC construction projects budgeted. So, these represent—or, this reduction represents a reevaluation of our facility strategy and investments required to support other programs.

In Grow the Army, we have four projects which are necessary, regardless of end-strength reductions, even though it's under the Grow the Army Program. They are correcting condition, not capacity. But, we are working on an analysis of how the end-strength change in 2015 will affect our investments, and feel confident it's primarily going to impact future budget requests.

We are focusing to complete our barracks buyout program, transformation to a modular force, and accommodating stationing decisions, such as a combat aviation brigade.

In Europe, the investments that we require are not impacted by any force-structure decisions in fiscal year 2012, and the fiscal year 2011 requirements are necessary to support missions, units, and locations that are known to be enduring. These are validated requirements, and we look forward to your support of them.

Just to let you know, over the last 5 years, we have reduced the sites that we occupy in Germany by 91 and returned 23,000 acres of land to the German government. Over the next 5 years, we plan to close 29 additional sites and return an additional 7,000 acres to the German Government.

BRAC 2005 is certainly an issue that we are focused on. That program is three times larger for the Army than the last four previous rounds, combined. It is an \$18 billion program, of which 13.5 billion are construction programs. There's 330 projects in our construction program. We are closing 12 Active-component installations, one Reserve installation, and 387 Reserve-component installations. At the same time, we are opening four centers of excellence through collocation, relocating five major headquarter commands, constructing 125 Armed Forces Reserve Centers and restationing, as I said, one-third of the active force. The Reserve and the Guard will both say this has been a tremendous boost to their infrastructure and is very well received by all of our Reserve component.

We are making progress, and are on target, with all 102 of the BRAC actions that have been tasked to the Army. There are six actions that are on our close watch list with critical milestones. We have not yet missed any of the critical deadlines, but we are watching them closely, because the deadlines are very close, and we will keep the committee informed if we see any change in that.

Also, just to let you know, we have moved out, on a fairly expeditious basis, to transfer some of the excess land freed up from the BRAC program to the local community. And currently we've transferred 19,000 of the 70,000 acres that will be deemed excess.

In energy, as Dr. Robyn mentioned, it is a key focus, especially energy security, to reduce our vulnerability. We need to retain access to energy in order to operate when there is a catastrophe or supplies are disrupted through acts of nature, accident, or acts of threat. The Army spends 3.9 billion on energy, of which 2.7 billion is spent in theater and 1.2 billion is spent on our bases. We know

that, to remain operationally relevant and viable, we have to reduce our dependency on foreign oil, increase efficiencies, and implement renewable and alternate sources of energy strategies.

We have launched a Net-Zero Initiative to focus our installations on reductions in energy, water, and waste. It's a holistic approach. It's an integrated process, which we believe will afford us quite a few efficiencies.

We have made progress on our energy goals with investments in many parts of the budget. In MILCON, we have adopted ASHRAE standard 189.1 as an environmental sustainability standard. It is the most stringent energy efficiency and sustainability strategy in the Federal Government.

We are also implementing renewable energy in both our base operations and in theater. At the end of this month, we have a wind energy project at Fort Huachuca that comes online. And I was just over in Iraq and Afghanistan and saw that we—our perimeter security systems—the sensors are solar powered. We have solar-powered announcement systems. We have solar-powered lighting. We are really working on reducing operational energy so that energy can be focused where it's most critical, and that is in our missions.

We do want to invest in science and technology, as Dr. Robyn mentioned, to research more efficient—energy efficient strategies; and for the Army, one of the strategies is more efficient helicopter engines so we can reduce the amount of fuel so that our helicopters can fly further and utilize less fuel. We're also working to leverage commercial, off-the-shelf technologies in both base and theater.

One of the things that did help our energy efficiency program in fiscal year 2010 was ARRA funding, which we leveraged quite a few energy efficiencies, whether they were renewable energy or improving the insulation in many of our buildings. We understand that investments in energy are operationally necessary, fiscally prudent, and mission essential.

On the environmental standpoint, the Army is investing 1.4 billion in fiscal year 2012 in environmental programs, which is a slight decrease from fiscal year 2011. This enables us to sustain compliance with State and Federal mandates, support conservation programs. We have over 200 endangered species, which we must monitor. We have over 64,000 archaeological sites. And we have 29 sites with compatible-use buffers.

We invest in science and technology, as Dr. Robyn mentioned, in the unexploded ordnance area. We also have investments in chemical demil and other test and evaluation programs. We have required investments in BRAC restoration to enable us to transfer some of the property that is deemed excess to the local community. And we also have responsibility for all formerly used Defense sites by the military to implement a remedy-in-place response complete strategy.

On the efficiencies standpoint, we are working on our facility investment strategy. We are reviewing our standards and our criteria to ensure that they are appropriate to the task. We're also looking at modernization and facility restoration as an alternative to MILCON. And you will see changes and, hopefully, those strategies enacted as we go forward.

I would close Ma'am. I appreciate it's a historic moment. I find it very interesting that most of the witnesses here are female, as well, although—Senator MCCASKILL. We're taking over, aren't we?

Ms. HAMMACK. Absolutely. Terry, God bless you, you're the minority here. [Laughter.]

But, we look forward to working with you and the committee to ensure that our soldiers, civilians, and families have energy efficient facilities and the needed services they have to perform the many missions in defense of our Nation.

So, thank you, and I look forward to your questions.

[The prepared statement of Ms. Hammack follows:]

Senator MCCASKILL. Thank you, Secretary.

Secretary Pfannenstiel.

STATEMENT OF HON. JACKALYNE PFANNENSTIEL, ASSISTANT SECRETARY OF THE NAVY, ENERGY, INSTALLATIONS, AND ENVIRONMENT

Ms. PFANNENSTIEL. Chairman McCaskill, Senator Ayotte, Senator Shaheen, I'm pleased to appear before you today to provide an overview of the Department of Navy's investment in our shore facilities.

The Department's fiscal year '12 budget request includes 13.3 billion for installations, which includes military construction, facility sustainment, restoration, and modernization, BRAC, family housing, environmental programs, energy initiatives, and base operating support.

Military construction request of 2½ billion is significantly less than our 2011 request of 3.9 billion, primarily due to the completion of the Marine Corps barracks initiatives and the Grow the Force initiative. The military construction request contains further, though limited, investments to relocate marines from Okinawa to Guam. Marine Corps relocation, along with other Department of Defense efforts to realign forces and capabilities to Guam, represents a unique opportunity to improve the U.S. force posture in the Pacific. This is a major effort, and one we must get right for both our military families and for the people of Guam.

I'm pleased to share with you that we're making progress in this effort. This week, we achieved an important milestone in the realignment, the finalization of a programmatic agreement, which, after 3 years of consultation, concludes the National Historic Preservation Act section 106 process. We may now move forward, executing construction associated with the realignment and with preparing a record of decision for the training ranges on Guam.

This is an important year for the Guam realignment program. The start of construction is imminent and additional contracts will be awarded over the next several weeks and months at a sustainable pace that Guam can support. Building on fiscal year 2010 and fiscal year 2011 projects, the projects we are requesting in fiscal year 2012 will enable future vertical construction, support the introduction of off-island workers, and support future operations.

Similarly, the Government of Japan's fiscal year '11 request includes financing for critical utilities projects that will support the Marines in the long run and the boost in construction in the near term.

As for BRAC 2005 realignments and closures, we are on track to meet the statutory deadline of September 15th, 2011. Our fiscal year 2012 budget request of \$26 million enables ongoing environmental restoration, stewardship, and property disposal efforts. The Department has made significant progress during the past year, and, to date, we have completed 328 of the 485 realignment and closure actions, as specified in our established business plans.

The last program I'd like to touch on is our increased investment to support the Secretary of the Navy's ambitious energy goals. The Department has requested \$1.2 billion for fiscal year 2012 and \$4.4 billion across the fiscal year DP for shore and operational energy efficiencies. This supports our capacity to increase energy reliability and security, and to reduce our dependence on fossil fuels.

In closing, your support of the Department's fiscal year 2012 budget request will enable us to build and maintain the facilities our sailors and marines need to succeed in their defense, capacity-building, and humanitarian missions.

Thank you for the opportunity to testify before you today. I look forward to your questions.

[The prepared statement of Ms. Pfannenstiel follows:]

Senator McCASKILL. Thank you.

Secretary Yonkers.

STATEMENT OF HON. TERRY A. YONKERS, ASSISTANT SECRETARY OF THE AIR FORCE, INSTALLATIONS, ENVIRONMENT, AND LOGISTICS

Mr. YONKERS. Good afternoon, Chairwoman McCaskill, Senator Ayotte, Senator Udall, and Senator Sheehan. I want to thank you for inviting me here today and—to be able to talk to you about our wonderful Air Force.

And I'd be remiss if I did not say thank you very much for the strong support that this committee has given the United States Air Force in all of these years. So, thank you very much for doing that.

I would also be remiss if I didn't say I didn't like A-10s, as well. [Laughter.]

So, we're all in, as far as the Air Force is concerned.

A right-sized and efficient infrastructure is essential in enabling our total-force airmen to perform their duties while ensuring responsible stewardship of our fiscal resources. Our fiscal year 2012 budget request contains 2 billion for military construction, military family housing, and base realignment and closure; 1.4 billion of this is for new military construction to ensure alignment with our new weapons system deliveries and strategic basing initiatives. And it keeps us on track to eliminate the inadequate dormitories for our unaccompanied airmen by the year 2017. Our efforts to provide quality housing for airmen and their families also includes nearly \$500 million to sustain and modernize primarily overseas housing and support housing privatization in the United States continental.

Moreover, the Air Force is on track to fully implement all assigned BRAC recommendations by September 2011. We had on the order of 400 of those assignments. To this end, we are requesting 125, for \$4 million, to continue completing our legacy BRAC programs; in particular, the environmental cleanups.

We have all been challenged by the Secretary to find efficiencies in our program areas. We have done this, and we are going to continue to do this. Earlier this year, I issued a policy that refocuses our environmental cleanup program. This policy moves us towards completing cleanup and closure of contaminated sites by leveraging innovative technologies and business acumen. Our new goals are to achieve completion of 75 percent of all our active base sites by the end of 2015, and 90 percent of all our BRAC sites by the same timeframe.

As importantly, our cleanup decisions, going forward, are going to be better informed by a lifecycle cost analysis. To meet our aggressive goals, we're refocusing the program on a—fixed-price performance-based contracts with clear performance standards and endpoints. Starting in fiscal year 2014, we expect to achieve initial reductions in our program cost, eventually leading to at least a 30-percent program efficiency.

On our Air Force installations, we continue to focus on reducing energy demand through greater energy efficiency and by increasing supply through renewable energy projects. In fiscal year 2010, the Air Force funded 100 percent of our eligible military construction projects to meet LEED silver standards. All new buildings designed since 2007 are 30-percent efficient or more.

On the supply side, the Air Force is a leader among Federal agencies in renewable energy use, with 6.4 percent of electricity coming from renewable. As of last year, the Air Force had 85 renewable projects on its bases, producing over 70 megawatts of power. And these numbers are truly growing fast. Within the next few years, we expect to add 100—or, excuse me, 1,000 megawatts of power from solar, wind, waste-to-energy, and biomassed energy. And, as Dr. Robyn said, we are engaging with the private sector to use their dollars and the authorities that you've granted us to fund these projects.

The budget request in efficiencies described here represent only a small sample of our efforts to meet our environmental and energy security responsibilities and to increase the quality of life for our airmen.

While there are certainly challenging times for everyone, the Air Force remains committed to fulfilling its obligation to fly, fight, and win like never before.

Madam Chairman, Senator Ayotte, distinguished members of the committee, it's been an honor to be here before you today and to be able to represent our wonderful airmen and their families.

And again, I want to thank you for your continued support. I am really looking forward to working with you. And I'm ready to answer any questions you may have.

[The prepared statement of Mr. Yonkers follows:]

Senator McCASKILL. Thank you.

I want to welcome all the committee members here today. I'm so pleased that we have a great turnout. I think this is terrific. I hope we keep it up, because we're going to have some great hearings in this committee.

I want to start with the move from Okinawa to Guam, especially in light of what the situation is in Japan. Correct me if I'm wrong, but this decision was predicated on Japan being willing to spend

billions and billions of dollars to make this work for our military. Don't you think it would be wise, at this moment, to do a timeout? And—since we have not been able to get even—certainly nothing that I would call tangible progress on the new airfield replacement facility in Okinawa that was supposed to be part of the deal, it seems to me, as I review all the documents, that we're getting ahead of ourselves here.

Ms. PFANNENSTIEL. Thank you, Chairman McCaskill. There are—as you pointed out, and I think as both Dr. Robyn and I were saying, there are a lot of moving parts here. Certainly the replacement facility—the FRF facility, the replacement for the Futenma facility—is, in fact, something we've been watching and waiting for as an indication of commitment on the part of the Japanese before we went much farther in Guam.

On the other hand, there are other signs of commitment. Right now, the U.S. Treasury has \$834 million of Japanese money that they have invested, that they have given us to be used on Guam. There is another 415 million that has been proposed in their—this year's budget for utilities on Guam. So, there really has been, I think, a showing of commitment from the Government of Japan.

Clearly, the events of the past week put everything in some kind of different place, in terms of being able to come up with the money. But, what we're looking at now is not getting ahead of where the agreement was—the international agreement—but, rather, allowing the construction to begin as it starts. The amount that we have put in the fiscal year '12 request, the \$181 million, is intended to begin to allow us to get started on some projects that, in the one case, the case of Anderson Air Force Base, will have an enduring value. Now, the value will depend on whether we end up putting the Marine air wing there, whether it's used for operations that are not now planned. It gives—clearly gives the Air Force some flexibility if we don't use it for the Marines.

The other major project is a—water projects and water facilities that will be needed to support the workers that will come. And so, we're trying to stage, gradually and without moving too fast, the investments that will need to be made.

Senator McCASKILL. Well, I—do you think it's reasonable that this committee, and the full committee, should see a master plan before we start funding?

Ms. PFANNENSTIEL. I do. And in fact, we are putting that together. There have been so many moving parts that, frankly, we have been—it's moved faster than we've been able to put pen to paper on it. But, we will bring in a plan of expenditures and timing and projects before this goes to bed.

Senator McCASKILL. Okay. Well, I think we're going to be looking for that, and especially looking to see the posture of the Japanese government in the aftermath of this disaster, whether or not this, in fact, makes sense.

Let me talk a little bit about military construction requirements. And I'm just going to do this question, and then I want to move one so everyone has a chance to question. And then I'll come back to my other questions.

I looked at some of the projects, and—let me preface this by saying, I certainly will be the very first person to stand up and say our military deserves the best—but, we are searching everywhere in Federal spending to find ways to bring down the footprint of the Federal Government. So, when I saw that there was a \$50 million

fitness center, I thought, “Well, this must be in a very, very difficult part of the world. This must be a fitness center someplace where there is no other access to easy and affordable and accessible PT activities.” When I find out that it’s in Coronado, in San Diego, and that it includes a \$7.5 million swimming pool and a \$4 million recreational center for single sailors and a gym facility that is very—you know, I think it’s 20 million—close to 20 million just for the gym facility—I’ve got to say, you know, first of all, I’m anxious to hear what we’re replacing. And certainly I want our men and women to have the best. But, this is the most beautiful place in the world. And certainly, the outdoors lends itself for exercise almost every day there. So, I’m trying to figure out, in these budget times, why that kind of expenditure is one that we can justify to the American taxpayer.

Ms. PFANNENSTIEL. I do agree with you that San Diego is one of the most beautiful places in the world and that people do spend a lot of time outdoors. The reason that this facility is at the price that it is, is that it will have something like 80,000 patrons. That area of San Diego, the north island of San Diego, is, as you know, a major hub of—for the Navy and the Marines. And so, it is expected that this will be a very—it will be the central facility for that entire area.

Senator McCASKILL. Well, I just want, you know, to let the word go out that we’re going to look really carefully at all of this, and—because we want our men and women to have the best, particularly in terms of their safety and their ability to achieve mission and a quality of life for them and their families, but we’ve got to be really careful about the expenditures, and justifying them.

Senator Ayotte.

Senator AYOTTE. Thank you, Madam Chairman.

I wanted to ask you, as a followup to my opening statement, Secretary Robyn, in recent years, a proliferation of earmark grants have been appropriated to the Department of Defense through the Office of Economic Adjustment for vague general requirements. And in part, I think that was to technically avoid being called an earmark. An example, \$300 million for medical transportation infrastructure in the National Capital Region, \$45 million for reimbursement to local towns, and \$250 million for repairs to local community schools. None of these amounts were included in the DOD budget requests and nor are they considered firm DOD requirements. And all of them are added as a result of decreases to other DOD accounts where you might need those funds for the priorities of the military. So, it would seem logical, given the challenges that we face on a fiscal basis, where the Department of Defense is making these difficult decisions that we’re going to have, to make sure we support our troops while reducing costs. This is of concern.

I guess I would ask you, Should the Office of Economic Adjustment be in the business of serving as a passthrough, almost, for—to improve public infrastructure off military bases?

Dr. ROBYN. Two of the three examples you mentioned are issues where there are—I think Congress will resolve them. The—Senator Webb can speak to the transportation issues around—we have—I will say that the Department of Defense has added enormously to the already horrible congestion in the National Capital Region. And Senator Webb, Congressman Moran, Senator Warner—understandably concerned about that.

I could speak to the school issue. These are—but, these are issues within Congress. OEA is a wonderful office. It was created by Robert McNamara in the 1960s to work with communities. Pease Air Force Base, the success of reuse at Pease, has a lot to do with OEA. It's a wonderful office. It—I don't know how to answer the, you know—when we are asked to carry out something like that, we do it, and we do it well.

Senator AYOTTE. Well, I guess I would ask you, just on a big-picture basis, what do you think the implications of doing things that way, as opposed to—for example, in transportation funding—I also have the privilege of serving on the Commerce Committee that oversees transportation funding, and so—so, for—I'm concerned that it's going to be a drain on your priorities, to feel that you have to serve this purpose, when there are other oversight committees that really should be the ones deciding, on a budgetary basis, where those funds, for example, would come from. I'm just using roads as an example.

Dr. ROBYN. And we will implement that in a way that takes into account competition and creates criteria so it is not—we don't view it as, quote, "an earmark." But, we will implement it responsibly.

Senator AYOTTE. But, you know, when you're given the legal language for—or the language in the bill itself, you know, it seems like it is a way to circumvent what has been actually a decision of Congress, right now, on earmarks. So, I guess I would ask you to consider the overall priorities of making sure—we want to make sure that the proper committees oversee these issues, and also that the funds that you're given are used for your priorities, based on what this committee decides and what the overall Armed Services Committee decides.

Thank you for your answer.

The other question, I wanted to ask Secretary Hammack. I noticed, in your opening statement—we've talked quite a bit about the September 2011 deadline for BRAC. And as you and I talked in advance of the hearing, there is an outstanding issue with regard to the Paul Dobell Army Reserve Center in Portsmouth, New Hampshire, where we have a situation where, as I understand it, we'll probably be unlikely to meet the September 15th deadline. Could you just elaborate on where the status of that is at this moment?

Ms. HAMMACK. Certainly. In section 2712 of the 2010 NDAA, it authorized us some more latitude in selection of the site, because the original language in the BRAC law said that it had to be directly adjacent to Pease, and the NDAA language allows us to find a location in the locality of Pease. So, with that legislation in the 2010 NDAA, it removed the timeline requirement of BRAC. So, it gave us the flexibility to evaluate all alternatives and find an appropriate site that helps us do it in an economic manner.

Senator AYOTTE. And in conjunction with finding that new site, is the plan to actually construct a new Reserve Center in an alternative site?

Ms. HAMMACK. Yes. The plan is to construct a Reserve Center and, if there is an increase in cost, to work with OSD on reprogramming.

Senator AYOTTE. Thank you very much.

And, Secretary Yonkers, I wanted to ask you about the—I know that you're in the process of coming up with the criteria for strategic basing of where the KC-46A will be stationed. And I'm sure you're aware that, obviously, Pease National Guard has a KC-46A there, and certainly, in my view, is a great location. But, more importantly, I wanted to ask you where that issue was right now, in terms of criteria, and how you anticipate the Guard and Active-Duty decisionmaking to go forward, of where that refueler will be located, and what type of criteria you anticipate will—you're looking at to come forward once you do announce the criteria.

Mr. YONKERS. Thank you for the question, Madam. You know that this award was just made in February, and it's a big program for the Air Force—billions of dollars. You also know that we have a strategic basing process in place. It's been in place about 2 years now. And it was designed specifically to be open and transparent and to have a number

of touchstones with the United States Congress as we went through it. So, we haven't veered from that. We intend to continue to have a transparent and an open process so that you can see, as we move down these strategic basing decisions, such things as the criteria, preferred locations, and the other kinds of parts to the process.

I will tell you that, as we look at this, we're going to look at every installation in the Air Force. So, all bases, everything thing's on the table, including the Guard and the Reserve units and bases, as well.

The first bird is expected to arrive, right now, in the 2015 time-frame. So, we don't have a lot of time. If you look at the military construction program that we're going to have to put into place in order to support the bed-down of these initial aircraft, it's—that's a 2-year lead time. If you back that up another year and look at the National Environmental Policy Act requirements, that's at last 12 months, if not 18 months.

So, I would say, within the next year, year and a half or so, we're going to have to sort through the criteria. We're going to have to start making some judgment on preferred alternatives and start looking at where we're actually going to be bedding down the aircraft. And, so far, ma'am, we have—Air Mobility Command is working through those criteria, so I don't have much definition for you other than that.

Senator AYOTTE. Thank you very much. And we also had the opportunity to question the Secretary this morning in Armed Services about the issue. And I would just ask that this clearly become the—as I know it will be—a merit-based decisionmaking that really looks at, strategically, what makes sense and is going to be the most cost-efficient use, because we think, certainly on the merits, that would be the way to make the decision. So, I appreciate that.

And my time is expired.

And I want to thank all the witnesses who are here for your service to our country.

Senator MCCASKILL. Senator Shaheen.

Senator SHAHEEN. Thank you, Madam Chair.

Since Senator Ayotte and I are both from New Hampshire, we get to double-team you all on these concerns we have locally. And

I would just like to follow up, Secretary Hammack, on the concerns raised by Senator Ayotte, relative to the Reserve Center that's currently planned for Portsmouth. And I'm aware that we have an alternate site and that the project is actually ready to go.

What we have heard is that there are some concerns that, because the projected cost is going to be higher than the original amount authorized, that there has been some questioning about whether that project is going to go forward. So, can you assure us that you've looked at that and you're comfortable with what's being proposed, and that it is going to go forward?

Ms. HAMMACK. As mentioned before, we are examining all costs. We want to be prudent stewards of taxpayer resources, so we want to ensure that those incremental costs are appropriate. So, we are near the end of an analysis to determine whether—or, what the amount of the cost is that we need to ask for reprogramming on. So, we will be working with OSD on that. But, our intent is to move forward with a new Reserve Center.

Senator SHAHEEN. Thank you. That's very good to hear. I know there's a great interest in the potential for the new facility to provide training for those medical personnel that will be so needed. So, we appreciate that.

Secretary Pfannenstiel, we had the opportunity to have Secretary Mabus before us a week or so ago. And one of the concerns that we raised with him at the time was the new GAO report that has come out that talks about the backlog in needed investments in our public shipyards. And again, Senator Ayotte and I both represent, along with the Maine Senators, the Portsmouth Naval Shipyard. And the backlog there is projected to be over \$500 million. So, can you talk a little bit about what priorities the Navy is going to use as you're looking at the backlog of investments that are needed, and how you'll make those decisions?

Ms. PFANNENSTIEL. Yes, I'd be glad to. We recognize that this backlog needs to be addressed. And we have been putting into the shipyards, on average in the last few years, much more than the minimum requirement—in some years, double the minimum requirement.

In terms of Portsmouth, in particular, we do have some projects right now, some 47 million underway as we speak, another 49 million in the fiscal yearDP. So, those are headed towards Portsmouth. We have a \$17 million repair that is supposed to be done, but now is being held up for the—because of the CR, but it would be in '11. And then another 100 million in an energy project—

Senator SHAHEEN. Right, we were very excited to hear about that.

Ms. PFANNENSTIEL. And so, I guess what I'm saying is that we have recognized that there has been this backlog, and we're trying to address it through a number of quite ambitious projects, going forward.

Senator SHAHEEN. But, as you look at the backlog, not just at Portsmouth, but across the other three public shipyards, how do you prioritize those projects? Is it based on impact on national security? Is it based on competitiveness? How do you determine what gets moved forward in the queue?

Ms. PFANNENSTIEL. I—that's an excellent question, and I think it goes across the entire range of the Department budget, when we're looking across at any one of our projects that come up. And, you know, as we—we have a minimum that we need to be addressing, and where we go above that is—it's a decision that is programmed each year.

Ms. PFANNENSTIEL. Thank you.

You've all mentioned the investment in energy to try and make each branch of the military more—less dependent on foreign sources of fuel and more energy efficient.

Secretary—or, Dr. Robyn, can you speak to how you're integrating the various work that's being done by each branch? I was impressed to hear the Navy talking about their goal of 50-percent reduction by 2020. This morning we had representatives from the Air Force talking about what you're planning, Secretary Yonkers. But, how is that being integrated across all of the branches of the military, and how are we sharing what we've learned?

Dr. ROBYN. Thank you. Well, first off, we talk continually. I think, for most of us, energy is our highest priority. It's a moment when we can do a lot. So, a lot of it is informal.

My office sets policy, primarily. So, we are—I will give you an example—we're currently developing guidance that will require the services—the Navy is already doing this—but, to meter a higher fraction of their buildings than—the energy consumption—more of their buildings than they're currently doing.

We are very data-starved. This is an area where you need to know how much you're consuming in order to make progress. We don't know that. Most of our buildings are not metered. So, I can set guidance. So, I can, through policy, create guidance.

We are also leading the effort to create an energy information management system that cuts across the services.

Where there are programs—I believe, before you got here, in my opening statement, I talked about an energy test bed initiative. This is, I think, a tremendously important effort, because no individual service has the incentive to make these investments. We believe that industry is coming up with technology, that they can't get commercialized, that can radically improve our energy performance. And these are—all the services have the same infrastructure, they have the same energy challenges. So, we've taken that on through this testbed.

We do the same in the environmental area; where there are crosscutting issues that are common across the services, we make the investment. But, most of the execution is done through the services.

So, it's a combination of policy and coordination. I'm sure there are areas where we're guilty of duplication, but I think we actually—our staffs and our teams work very, very closely together in the energy area, because it's such a high priority, number one, and because resources are so scarce, and we're trying to figure it out together. Using private money is a key thing, figuring out how to do that is something we're doing collectively.

Senator SHAHEEN. Thank you very much. I hope you will share with other agencies within government what you have learned.

Senator MCCASKILL. Senator Webb.

Senator WEBB. Thank you, Madam Chairman, and congratulations on your newly assumed position, and as well as Senator Ayotte.

There are a lot of things that I would like to discuss as the year goes forward. And particularly, I know you—we just had some discussion on the BRAC implementation difficulties. We've got a number of similar funding situations in Virginia, because we have so many military installations.

But, what I wanted to convey today is how strongly I believe we need to move forward in a time-sensitive way with the situation on Okinawa and Guam. This has been something of a hot potato from one administration to another. I know, Secretary Pfannenstiel, you're talking about how you're inundated with information right now, you're behind the information flow. But, the first deal—and this was made in 1996—it's 15 years—and we have, you know, a very tumultuous situation in Japan right now, which may impact the decisionmaking.

But, when we talk about the \$6 billion, I mean, we have to put it in the context of how the Japanese have been such a cooperative partner since the end of World War II. This is an issue that is extremely important to our relationship with Japan, as well as to the future of our presence in the Pacific. They have—this is sort of a full-faith issue with the Japanese. People—a lot of people don't realize how much they have put into our infrastructure on Okinawa, as well. They pay administrative costs. I was in Okinawa, as a marine in 1969, and, you know, there were nothing but Quonset huts out there. But, they—the Japanese have paid for the types of facilities where our people have lived, hosted our bases. I mean, it's just—it's not conceivable to me, given the strength of our alliance, but, in international legal terms, they could turn around and say, "We don't want you here." So, they have stepped forward, and the administrative costs for relocating from Okinawa to Guam are a part of that.

But, let's put that into the context of what's just happened over there, which—at a minimum, this is probably a \$180 billion tragedy that hit Japan, with the combinations of the earthquake, the tsunami, and the situation they have in their nuclear power program.

But, the questions that I have, and the concerns that I have on Okinawa and Guam, go more to whether or not we have properly planned the relocation itself, in terms of structure—military force structure and those sorts of things.

As I think some of you know, I worked as a military planner out there in the 1970s. I either walked or drove every square inch of Guam, Tinian, Saipan, and went up to the training bases in Okinawa. I did a facilities analysis there. Force-structure changes, the nature of our military changes, but in islands—the—you know, the area of an island doesn't change. And the percentage of Guam, particularly that's in military holding, really hasn't changed—military retention areas.

And I was surprised—I went back, last February, in Okinawa and to Guam—I was surprised at the plans that they were putting into place on Guam. And I came back and—we had some good meetings. I noticed, in your testimony, there—I think there was

some good response to some of those meetings. We're going back again next month. Chairman Levin and I are planning to go back and meet with people out there again and have this discussion.

So, point number one would be, I hope we could do a—and this may go to your comment, Senator McCaskill, about a timeout. I don't think we need a timeout, but I think we need to make sure that we are moving into the right structure before we put this forward. And I don't think the 2014 goal was doable, either on Okinawa or Guam. I said that last year, when I came back.

If nothing else, I think the last 2 weeks has again reinforced the importance of our military bases in Japan to the Japanese people. Our military people are up there right now assisting with the horrendous circumstances up in northern Japan.

But, I really believe that we need to sit down and take a hard look at the planning that has been done for Guam, and, potentially, to look at a different way to leave the Futenma base on Okinawa, instead of building this mammoth structure, which I went out and visited last year. So, that's not going back to square one. It's—hopefully, it's—we could—with some real energy, maybe we could sit down and make sure we're doing it the right way.

One particular point, and then I'll—I would like to hear some response—is, when I was doing the planning, all those years ago, no one was thinking that the people who would be on Guam and Tinian would—that the marines who would be on Guam and Tinian, would, by and large, be a permanent change-of-station force. In other words, they—this would not have been 3-year tours. It would have been rotational tours. And what's the difference in that? Well, the difference is, we're saying we're going to put 8,000 marines on Guam. If you put 8,000 marines, rotating from Hawaii or some other place, that's 8,000 marines on a—on short tours. But, if you put 8,000 marines PCS'd down there, you're talking probably 23,000 people—totally different infrastructure—schools, hospitals, roads, et cetera.

So, where are we on this? I asked Secretary Mabus, a couple of weeks ago. But, where—what are your thoughts here?

Ms. PFANNENSTIEL. Senator, what you said is exactly what we have been struggling with—is that there are changes of circumstance. The 2014 date, that was originally put out as the completion date, does—looks harder and harder to achieve, when we have made the commitment to the people in Guam that we will not overwhelm their infrastructure. And so, to try to bring in the work crews and to make the—do the work that needs to be done by 2014, seems hard to picture. We have agreed that we will slow down the process, as necessary, to avoid overwhelming the infrastructure.

But, back to your point about, Are we bringing in 8,000 permanent marines with families? That was the original agreement. And you're correct, that's an enormous number of people, given the population of Guam is 170,000. So, we need to be—we need to work with the people of Guam. And we are doing that. So, all of this has given us a lot to think about, a lot of changes to the way we have originally—we were originally thinking.

And, you know, when we've been asked for a master plan, or a plan of when and where and how much and what projects, we've been putting that together. We are doing the full sum assessment

of what makes sense on Guam, what makes sense in the Pacific. And this is part of it. And we believe that the projects that we now are looking at will work, either way, but we're still building to move the marines that we need to have on Guam. We're building the facilities for them to be there. The timing and the structure is what we are struggling with now.

Senator WEBB. Okay. Well, I—I'm looking forward to going back next month. I think our trip is still going to be on.

Just a couple of things I hope you would put into the formula when you're thinking about this is, I was surprised, last year, at how little Tinian was being planned on—the use of Tinian is—29 square miles, most of it's uninhabited. You know, there would be ways to make better use of Tinian, particularly with ranges. But, I don't want to, you know, get into details that—the marines would have much better recommendations than I would. But, there are ways to use Tinian that really weren't being thought about or considered last year.

And the other is how important it is to resolve the issues on Okinawa in a timely way. And to do so, I think, with a respect for the—for what the Japanese have contributed. I don't see a lot of that up here. It's—kind of surprises me.

Thank you, Madam Chairman.

Ms. PFANNENSTIEL. Thank you.

Senator MCCASKILL. Thank you, Senator Webb.

I certainly—there's many things I can say about Senator Webb. I'm going to miss his friendship in the Senate. But, this committee is really going to miss Senator Webb, because of his experiences, expertise, particularly in the part of the world we're talking about.

And I think what we're both saying, maybe in different ways, is, there needs to be a plan. And we need to make sure the plan makes sense and it's clear to everyone before we begin investing serious amounts of money, so that we know exactly what the way forward is. And I'll look forward to visiting with Senator Webb when he gets back from his trip so that, together, we can try to do the best job possible.

And certainly, I don't—I think we, especially at this time, need to remember the special relationship we have with the Japanese people and what they have done for our country over the last decades.

I want to talk about BRAC bid savings and where that money goes. There clearly is some bid savings in BRAC. And frankly, I want to know if there's bid savings other places, over the last 2 years, in the MILCON budget. And do we need to talk about whether or not that money goes back to the Treasury to reduce our deficit or whether that's found money that can be spent other places?

Dr. Robyn?

Dr. ROBYN. Let me say two things. And one of them I was tempted to say earlier, when you were talking about the health center. I think—you know, we can argue—I think the current issue over bid savings has to do with \$20 million that we would like to reprogram from BRAC bid savings to begin to carry out some short- and medium-term transportation improvements at the Mark Center, where we are going to have a horrendous impact on transportation,

not just on our own employees, but on tens of thousands of innocent commuters. That falls—we believe that falls within our discretion in implementing BRAC.

BRAC is one of those big-savings things. Four—we are going to realize \$4 billion a year in savings from BRAC. That's the biggest BRAC, in terms of savings. If you take all the BRACs together, it's, I think, 11 billion. So, that's big. The money that we spend on the Office of Economic Adjustment is peanuts by comparison. The money that we spend on facilities and traffic improvements to better implement BRAC, that's small.

I agree, every project should be justified. And we believe it is. We have an internal process for doing that. There will be savings at the end—at the end of the day. But, I want to just, you know, keep our eye on the ball of the huge, multibillion-dollar savings that BRAC is going to bring about. And—

Senator MCCASKILL. Although it was not as large as projected.

Ms. PFANNENSTIEL. The savings. Well—

Senator MCCASKILL. We have a \$20 billion—

Ms. PFANNENSTIEL. Right.

Senator MCCASKILL.—shortfall in projected savings that have not been realized over what was originally set out, in terms of BRAC savings.

Ms. PFANNENSTIEL. Well, I think it's—I think the—I think what you're referring to is that we originally said BRAC would cost \$21 billion to implement. It—you spend money up front in order to save it later on, with BRAC. We estimated, for purposes of internal analysis, using something called the COBRA model, that the costs would be 21 billion. At the end of the day, it will be 35 billion, which, yeah, that means that your savings are fewer. And I'll—you know, I could go into the COBRA model and why that's not accurate. But, I think the major—most of that gap, that \$14 billion gap, was a result of decisions by the Department to meet needs that they felt were not being met. So, rather than do a renovation, do new constructions, do new—do a more fundamental renovation to better serve the mission, this BRAC was not about getting rid of excess capacity, it was about better—having our facilities better suit our mission. And there was a decision—and, granted, it was in a different fiscal climate—but, to spend this money in order to have our facilities be better suited to meet the mission.

Senator MCCASKILL. Well, let me get back to what my original question was—is, when we have bid savings, I think we had a—recisions in the FAA bill that was 340 million from the Army on BRAC bid savings, 110 million from the Navy, 50 million from the Air Force. And I know there probably have been bid savings in MILCON over the last couple of years. The question is, Should bid savings be allowed to be reprogrammed, or should bid savings go back to the taxpayers to reduce the overall pricetag, since the savings belong to taxpayers?

Dr. ROBYN. I can—let me speak to BRAC, because I don't—honestly, I don't know how it works on MILCON.

Senator MCCASKILL. Well, just assume, hypothetically—

Dr. ROBYN. Maybe it's—

Senator MCCASKILL. Let's just assume, hypothetically

Dr. ROBYN. Yeah. No. I know.

Senator MCCASKILL. If you planned—

Dr. ROBYN. The fact that you've got bid savings doesn't mean you spend them.

Senator MCCASKILL. Okay.

Dr. ROBYN. That's not our—

Senator MCCASKILL. Okay.

Dr. ROBYN. No, that's—

Senator MCCASKILL. Good.

Dr. ROBYN.—definitely not our policy.

Senator MCCASKILL. Good.

Dr. ROBYN. We've gone in a—I mean, keep in mind, with respect to BRAC, the construction climate—the first—up until 2008, we were experiencing unexpected increases in construction prices. To make Fort Belvoir and Bethesda world class, which is what Congress asked us to do, midway through, we took bid savings and applied to that. We had to come up with an additional money when the construction industry was bad. Now we are seeing bid savings, because—one of the silver linings. So—

But, no, it is not our policy to spend bid savings merely because they are there.

Senator MCCASKILL. I would just—I mean, you don't have to answer this today, because I don't mean to put you too much on the spot, especially at your first hearing—but, I think that I would like to hear back from the Secretary about whether or not we should include in the defense authorization language that bid savings are returned to the Treasury. And obviously, if you need more money, then you come back to us and ask for it. And, generally speaking, I think you've been given it when there's been shortfalls. I don't think we've ever left the military hanging when a project has been more expensive than anticipated. In fact, we could have a hearing that lasted a long, long time talking about how many times we've come back and added more money when the estimates were too low.

Dr. ROBYN. Right.

Senator MCCASKILL. I just would like us—the taxpayers to get the benefit when the estimates are too high, as opposed to it being reprogrammed. And I won't put any of you on the spot in that regard, but you should—fair warning that it's coming down the pike.

Let me also talk about data centers and high-performance computing centers at Fort Meade—860 million. My understanding, the Department is building a similar facility in Utah, at a cost of more than 1.5 billion, Secretary Hammack, in the budget request; 246 million, this year, for a facility; and next year's request is supposed to be 175 million. I think we have to have computing power and data centers. And obviously, they have to be done right, because it's incredibly—a critical component of our National defense. But, are we confident that we are building these facilities at a comparable cost that they might be built in the civilian sector? Are we confident that these aren't more expensive than we need or more duplicative than we need? And have we done some lessons learned from data centers that we've built? And are those being incorporated in the new versions of those same types of facilities?

Ms. HAMMACK. A lot of questions there. Let me address, first of all, that we do have a data center consolidation plan, where we in-

tend to reduce the number of data centers we have by over 50 percent; could be as much as 75 percent. And part of that is leveraging new technology. The new technology enables us to do more in a smaller square footage that uses less energy. And that—those are the key objectives of our data center program.

Senator MCCASKILL. Well, then I hope that you can provide the committee some guidance as to what the plan is in that regard. Because, I don't want to build new ones if we're getting ready to consolidate, unless we have already identified that we're consolidating existing ones into the new ones we're building.

And I have one related question, if you all will bear with me, and then we'll—for the Navy—excuse me, no—for Secretary Pfannenstiel. Once again, moving a data center—we have a data center in Kansas City for the Marine Corps. And we learned, very recently, frankly, not exactly from the Marine Corps, that there was potential plans to move that center, and that it would involve building a new building in a different location. I am trying to figure out what the rationale is for that move, if it is something that is needs-based. Because, you can't make a move—and even if another location is offering to bill the money, they're doing that with public dollars. And it's—it all comes from taxpayers somewhere. And—

Ms. PFANNENSTIEL. I understand. Madam Chairman, I will have to take that for the record and get back to you.

[INFORMATION]

Senator MCCASKILL. Okay.

Senator Ayotte.

Senator AYOTTE. Just a brief followup to a question that Secretary—excuse me—Senator Shaheen had asked, which is having to do, Secretary Pfannenstiel, on the Portsmouth Naval Shipyard. Secretary Mabus had testified before the Armed Services Committee about the Navy looking at moving up the P266 project for—to improve maintenance for critical Navy readiness. But also, he identified that we might be able to save \$8 billion to do that sooner, in fiscal year 2012. And right now it's in fiscal year 2015. So, I guess I would say to you, you know, obviously, to ask your thought on that. But, the Secretary seemed very open to that. And I think that makes sense, if we can—assuming we move—once we move forward with the full appropriation for this fiscal year—please know that we're very concerned about that, as well—but, that you would consider moving that up.

Ms. PFANNENSTIEL. I did hear that exchange, and, as I remember, the conclusion was that he would go back and look at that and see if that makes sense. And so, I'll certainly do that, Senator.

Senator AYOTTE. Thank you very much.

And one other issue I just was hoping—in the fiscal year-2012 budget, you've got \$100 million for military construction in Bahrain. And one of the issues I just hope you will address is, given the unrest there, whether it makes sense to invest that money right now, until we know what the outcome is going to be.

Ms. PFANNENSTIEL. Well, clearly, there are a lot of events in the world that we're waiting for the outcome. But, Bahrain is a very important base for us. It is, as you know, the home of the 5th Fleet, and remains a place that, for the foreseeable future certainly, will be important to us.

Senator AYOTTE. Oh.

Ms. PFANNENSTIEL. So, the dollars that we have in the fiscal year 2012 proposal, I would strongly support, still.

Senator AYOTTE. Okay. I just wanted to check on that, given the current world situation.

Thank you very much.

Senator MCCASKILL. Senator Shaheen.

Senator SHAHEEN. Yes, thank you. I just have one other question for Secretary Hammack, actually.

I understand the Army is soon going to announce its plans for Europe, whether it will leave four brigade combat teams in Europe, as proposed by the Quadrennial Defense Review, or scaled down, or do something in between. Can you give us any insights on what that new force structure in Europe is going to look like? Obviously, the decision is going to have a large impact on installations, not only in Europe, but here in the United States.

Ms. HAMMACK. That decision has not been made yet. It is under consideration, and we expect an announcement to be made by the end of this month. At least, that is the current intent. But, our strategy—our investment strategy in Germany is one of consolidation. So, in my opening statement, I mentioned that we have closed 91 sites over the last 5 years, and returned 28,000 acres to the German government. In the next 5 years, we plan to close another 29 sites and return 7,000 acres to the German government. The sites in which we have MILCON dollars requested are those that we have determined to be enduring missions, regardless of the stationing decisions. They are locations where we will continue to have a presence. And we desperately need the money to—for that infrastructure and to support our servicemen.

Senator SHAHEEN. And have we heard any concerns, either from the Germans or our other European allies, about what's being discussed?

Ms. HAMMACK. Any stationing decision, especially when we are leaving a country, we have to consider the Status of Forces Agreement. So, we are complying with any required disclosures in the Status of Forces Agreement.

Senator SHAHEEN. So, have we heard any concerns, as a result of those Status of Forces Agreement, from any of our allies?

Ms. HAMMACK. We have heard from them that, in some of the bases or sites that we are closing, they would wish we would stay, because we are an economic engine in the local area.

In other areas, I won't say they're glad we're leaving, but they have identified alternate uses for the facilities, one of which is to use as a university campus, because it has dormitories and it has classroom buildings.

And so, we are working with the local area and with the German government to determine what is appropriate on our stationing area.

Senator SHAHEEN. And to what extent will those concerns of our allies influence our decision? Or, how are they factored in?

Ms. HAMMACK. The stationing decision in Europe has been discussion of several NATO meetings. And so, it is something that is being discussed with all of our allies to ensure that we are adequately participating in the NATO alliances.

Senator SHAHEEN. Thank you.

Thank you, Madam Chair.

Senator MCCASKILL. Thank you.

I have a pet peeve about temporary structures. One of my very first lessons, when I came to the Senate in the Armed Services Committee, had to do with something that was called a temporary structure, that ended up being AMC, down at Fort Belvoir. And I took a trip down to see this temporary structure. And I can assure you, in Missouri, this would never be called a temporary structure. It looked like, to me, the temporary structure was used to avoid MILCON, that it was just an attempt to do an end-round around the long process, and difficult process, of obtaining the MILCON authorization. In fact, I'm confident that's what it was, that it was an end around MILCON.

Now, my first question is, Do any of you know of a relocatable that has been relocated?

Ms. HAMMACK. I guess I'll take that one, because I know we have a lot of relocatables. The relocatables have been used as flex space to compensate for restationing decisions when we are awaiting MILCON projects. And so, quite often they are called "swing space." I will venture to say that they haven't been relocated, but they have been auctioned off or disposed of, and the area in which they were located used for an alternate purpose. And the fact that they did not have dense infrastructure as part of it made it easier to construct on that site.

Because of our growth by 50,000 soldiers, we have had to use relocatable buildings, because we have not had the time or the ability to put together the required documents and requests for MILCON authorization. So, MILCON quite often follows a decision to utilize a relocatable building.

Senator MCCASKILL. As an auditor, I'm pretty confident that if I had the time and the staff, I could figure out the relocatables cost our military a lot of money that we didn't need to spend. And I understand what—your answer. But, what I'm most concerned about is fixing it and getting out of this very bad habit, that you can put up a great big building and somehow have a fantasy that it's temporary.

And even worse, the building that really, you know, kind of, you know, got my eyes wide open as to how this could possibly work, we were leasing it, and guess what we ended up doing after we leased it for 4 or 5 years? We bought it. So, let me see if I get this straight. It wasn't temporary. We got around MILCON. We put it up. We paid a really high amount for it, to lease it for a number of years, and then we turned around and bought it. I would have liked that deal on the other end.

And the GAO report came out and said there was not a proper means to collect and maintain consistent data on the number and cost of relocatables. And the year after that, they doubled. And we still don't have some kind of plan that can reassure this committee and—in our oversight function, that relocatables are a good value for the taxpayers.

If we've made MILCON too hard, then let's figure out a way to make MILCON easier. But, let's don't waste a lot of money because we are going to fill in the gap until we get the MILCON money.

It's almost like the bureaucracy has assured that we're going to pay twice as much, or a third more than we need to, for the space that we need to construct for our military services.

So, I will await, with interest, a report from all of you about relocatables that have been relocated and any analysis that you have ever done about what the real cost of relocatables have been and whether or not they have been leased and eventually purchased. I'm going to continue to stay on this. So, you just, like, got to know, when you're getting ready to do one of these, "Okay. She's going to yell about this." Because, I really do think that this is an area that we've wasted a lot of money.

Dr. ROBYN. Senator?

Senator MCCASKILL. Yes.

Dr. ROBYN. Could I just—

Senator MCCASKILL. Yes.

Dr. ROBYN.—to add to you list of negatives about relocatables, they're real energy hogs.

Senator MCCASKILL. Yes. There's another good one. Energy hogs.

And let me, finally—the last question I have is for Secretary Yonkers, about a phase IV of the dormitory complex in Qatar. You know, I—it's a rotational—it's my understanding that's rotational, and it's 4900 rooms billeted for 6200 folks, which means that it is—the majority of the people will be in rooms by themselves. Since we have a number of airmen living in inadequate housing on a permanent basis that are unaccompanied, I'm trying to—I need to hear from the Air Force about what the—is the one-plus standard the standard for rotational at this point, in the Air Force, or is this a change?

Mr. YONKERS. Madam Chairman, you are catching me really flat-footed on this one. So—

Senator MCCASKILL. Okay.

Mr. YONKERS.—I'll take it for the record.

[INFORMATION]

Senator MCCASKILL. That's great.

Mr. YONKERS. But, you know, one-plus-one is sort of the standard for the Air Force. I do not know how that works out over in Qatar. Senator MCCASKILL. Okay. Well, if you would get back to us on that, that would be terrific.

I have a lot of other questions here. We will make them for the record. I think the staff is—gave me a lot of choices here, and they all looked good to me. And I am—and along with some that I added myself.

I must admit that I am—the temporary-building thing has got my attention very early in my career on this committee, and it has kept my attention, because I think it's symbolic of some of the issues that we've got to address as we try to shrink the amount of money we spend, but not the quality of the military that we are putting on the field.

Are there—and I want to certainly give both Senators another opportunity to question, if you have anything else.

Senator AYOTTE. No, thank you, Madam Chairwoman.

And I would just add that I have a whole host of questions that I'm going to submit for the record, as well.

So, I appreciate what all of you are doing, and your responses.

Thank you.

Senator MCCASKILL. The final thing I will say is that, as you all probably know, I have never participated in the earmarking process. And as chairman of this committee, I know that the entire Congress has adopted that position, for now. I don't know how long it will last. Maybe we've turned a corner. I'm hopeful, but we might not have. So, just as—you know, there's all kinds of assumptions that are made, sometimes, that sometimes there have been budgets that have been submitted, knowing that there were going to be certain earmarks that were going to be added, and therefore, there was no reason for DOD to put it in the budget, because everyone was confident that that would get marked on as a plus-up or an add-on to the military's budget. And of course, we cut things to find room for earmarks in the Defense auth and other places in Congress.

So, we will be deciding—we're going to still try to do what we've done in the past, and that is, find savings. It's—will be my goal that those savings go back to the Treasury. But, I did want to at least notify everyone that, as long as I have been given the honor of chairing this committee, this committee will not be turned—be turning in an earmarked document to the full committee.

Dr. ROBYN. Could I say—first of all, this is—thank you very much. And we—I think all of us are really excited about trying to—about working with you in this new environment.

But, let me—I want to say something that hasn't come up. I think—you know, I think we all are also sometimes surprised at how expensive it is to do things, how much we have to spend to—on this—in this part of the Defense Department. But, this is—you know, we're—this is the part of the Defense Department that, in many parts of it, can run more like a business. And Jackie and I are economists; we are continually surprised at the Department's lack of use of the leverage of the broader commercial economy. The single most significant thing I think we've done in this area is to privatize family housing. The service is chronically underinvested in it. We had 200,000 units of inadequate private family housing. We privatized it, immediately changed the incentives, and it's a tremendous success story—\$3 billion of investment by DOD, \$30 billion worth of private housing, with the owners having the incentive to maintain it.

So, with your help, we want to do more of that kind of thing. We face—you know, when you do that—when you do competitive outsourcing, which we can no longer do, you create losers. And so, we—with your help, I think we can do this. But, I think it requires more competition, more outsourcing, more privatization. I think this is the climate in which to take advantage of that. But, it does require your help.

Thank you.

Senator MCCASKILL. I think maybe we could start with the data centers.

Thank you all for being here today. And we'll look forward to working with you throughout the year.

[Whereupon, at 4:36 p.m., the subcommittee adjourned.]