

MARKUP OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012

TUESDAY, JUNE 14, 2011

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

The subcommittee met, pursuant to notice, at 3:34 p.m. in room SR-228, Russell Senate Office Building, Senator Claire McCaskill (chairman of the subcommittee) presiding.

Committee members present: Senators McCaskill, Webb, Begich, Manchin, Shaheen, Inhofe, Chambliss, Portman, Ayotte, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Peter K. Levine, general counsel; Jason W. Maroney, counsel; William G.P. Monahan, counsel; John H. Quirk V, professional staff member; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff members present: David M. Morriss, minority staff director; Adam J. Barker, professional staff member; Pablo E. Carrillo, minority investigative counsel; John W. Heath, Jr., minority investigative counsel; Lucian L. Niemeyer, professional staff member; and Christopher J. Paul, professional staff member.

Staff assistants present: Jennifer R. Knowles, Hannah I. Lloyd, and Breon N. Wells.

Committee members' assistants present: Nick Ikeda, assistant to Senator Akaka; Ann Premer, assistant to Senator Ben Nelson; Gordon Peterson, assistant to Senator Webb; Tressa Guenov, assistant to Senator McCaskill; Lindsay Kavanaugh, assistant to Senator Begich; Joanne McLaughlin, assistant to Senator Manchin; Patrick Day and Chad Kreikemeier, assistants to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Anthony Lazarski, assistant to Senator Inhofe; Clyde Taylor IV, assistant to Senator Chambliss; Brent Bombach, assistant to Senator Portman; Brad Ryan Kaldahl, assistant to Senator Collins; Matthew Rimkunas, assistant to Senator Graham; and Dave Hanke, assistant to Senator Cornyn.

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

Senator McCASKILL. Good afternoon. The subcommittee will come to order. I am so particularly pleased to see everyone here today in many different days.

I am pleased that today's markup of the Readiness and Management Support Subcommittee will be held in open session. This is the first time in 15 years that any Armed Services subcommittee has marked up the National Defense Authorization bill in an open session. I continue to believe that Senate business should be conducted in public and that we should make the extra effort to remove ourselves from the public only under circumstances where there is a classified matter that needs to be discussed. We should always err on the side of openness and transparency.

It is my hope that we are leading the way on the Readiness and Management Support Subcommittee and that in future years, the rest of the subcommittees and the full committee will also hold open markups to discuss the business of one of our most important functions of the Federal Government; that is, authorizing the operations of the security of our Nation and our military.

I want to also let the public know that is here today and the news media that if there are any questions concerning any of the items that are discussed or any of the amendments that are added to the markup, please do not hesitate to ask those questions. Feel free to contact my office, and we will be glad to provide you any detail that you might wish to have concerning any of the items that are discussed or any of the amendments that may added to the markup today.

Traditionally, the subcommittee has used the chairman's mark, the package of legislative provisions and report language that the two staffs have worked on together and that I have reviewed and approved, as a markup vehicle. The chairman's mark has been fully briefed and made available to the staff of all of the subcommittee members.

Without objection, we will use the chairman's mark as a markup vehicle subject to amendments.

I want to welcome Senator Collins here also. I was just celebrating the fact that we are open today.

I want to start by saying what a pleasure it has been to work with Senator Ayotte and her staff this year. The Armed Services Committee has a longstanding tradition of working on a bipartisan basis for the National defense, and I think that our working relationship has captured that spirit. I am pleased that we have been able to reach agreement on a broad range of issues included in this markup.

This is the first time that women have served as both chairman and ranking member of an Armed Services subcommittee, and I think that Senator Ayotte and I have proven that we are more than up to the job. In fact, I believe that we are leading the way for the rest of the committee in helping to identify savings and efficiencies that can help the Department meet its vital national security objectives in a more constrained budget environment.

In particular, I am pleased that we have been able to identify almost \$3.5 billion in reductions to the President's budget request

without reducing our strong commitment to the readiness of our armed forces, the wellbeing of our men and women in uniform, and the efficient management of the Department of Defense.

The efficiencies that we have identified include: a reduction of \$1.1 billion to be achieved by freezing Defense Department spending on contract services at a fiscal year 2010 level; a reduction of \$1 billion to be achieved by eliminating unneeded military construction projects and managing cash flow on remaining large projects; a reduction of \$684 to be achieved by reducing unobligated balances based on GAO analysis; a rescission of \$388 million of unobligated prior year military construction funds; a reduction of \$269 million from unjustified growth in the Air Force ONM funding for administration and overhead activities; a reduction of \$230 million to be achieved by eliminating funding to maintain business systems that are obsolete and no longer needed; and a reduction of \$130 million to be achieved by a more aggressive review of potential efficiencies in the military intelligence program.

I am proud to say that not one dollar of the money that we have saved through these efficiencies will go to fund earmarks. In fact, the only funding we propose to add to the President's budget are \$43 for the Department of Defense Inspector General and \$32 million for our corrosion control initiative.

Our research indicates that we get a 22 to 1 return on investment in the DOD IG investment, and a 57 to 1 return on our investment in corrosion control. So, both of these items should save the taxpayers a substantial amount of money in the long run.

The Readiness Subcommittee mark includes a number of other provisions that should improve the management of the Department of Defense and help save taxpayer money. In the area of acquisition reform, for example, we would implement GAO recommendations to improve Defense Department management of operating and support costs, which constitutes 70 percent of the life cycle costs of major weapon systems; implement recommendations of a recently congressionally mandated report on the corrosion of the F-22 and F-35 programs to ensure the Department addresses corrosion issues that affect the affordability and suitability of major weapon systems; implement Defense Science Board recommendations to improve the management of the \$210 billion a year that the Department spends on contract services, and strengthen the management of the \$7 billion a year that DOD spends to acquire new or upgraded business systems, and to manage existing business systems in a more efficient way.

Finally, I am pleased we are able to include provisions arising out of the work of Senator Levin, Senator McCain, and Senator Webb to require sound planning and justification before we spend more money for Marine Corps realignment for Okinawa to Guam and on tour normalization in Korea.

With regard to Guam, our provision would address substantial increases in costs by requiring the commandant of the Marine Corps to certify his preferred force laydown in the Pacific, and then require the Secretary of Defense to provide to Congress with a master plan for implementation of the buildup before spending more money. This should provide the Congress with greater clarity

of the scope, schedule, and costs of this large and complex undertaking.

With regard to Korea, our provision would halt the expenditure of funds for tour normalization until the director of cost assessment and program evaluation completes an analysis of alternatives outlining the various ways to achieve our strategic goals in Korea, and also requires the Secretary of the Army to provide a master plan to implement the selected course of action.

You will see a theme here. This subcommittee will not authorize such multi-billion projects without showing the rigorous analysis behind why we are doing what we are doing and a well thought out and detailed master plan laying out how we are going to get it done at a set cost and at a set schedule. This is oversight at its most basic level.

As I have said many times in the past, I do not believe that 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 savings. With this mark, I believe the Readiness Subcommittee has met this standard.

Senator Ayotte, would you like to make your opening statement?

STATEMENT OF SENATOR KELLY AYOTTE

Senator AYOTTE. Thank you, Madam Chairman. It is an honor to have served on this subcommittee with you, and I note the historic nature of this open mark, a first for the committee in 15 years. And I commend you very much for making this an open process and have appreciated working with you.

I believe we have crafted a mark that addresses the wide range of critical needs for the Department of Defense. We have looked for ways to eliminate wasteful spending and have reduced some accounts that can afford to be reduced. Our committee has oversight for over \$162 billion of the \$553 billion requested by the President this year for the base budget.

We have cut \$3.3 billion from the budget request, and I share your commitment, Madam Chairman, to continue to look at every program in our jurisdiction to make sure that we are using taxpayer funds prudently and effectively.

I am very pleased that the mark also contains a provision that incorporates critical elements of the no contracting with the enemy legislation that Senator Brown and I introduced in February. As the Department of Defense is establishing better oversight of contracting and subcontracting networks in Afghanistan, it has become apparent that some contractors are working directly or indirectly with insurgents who are attacking our troops or power brokers who are undermining our interests. However, existing contracting law, which was designed for a peace time environment, does not provide the necessary authorities to DOD contracting officers to quickly end the flow of taxpayer funds to malign actors.

This provision would address this unacceptable status quo and help ensure that we are being responsible stewards of taxpayer money, and that our contracting policy fully supports our counterinsurgency mission in Afghanistan.

In a Senate Armed Services Committee hearing on March 15th, General Petraeus said legislation of this nature would "be very

helpful to us, and the sooner, the better.” General Petraeus said that debarring and suspending contractors and terminating contractors that benefit our enemies is a difficult and laborious process without the legislation that you have proposed, which is why we strongly support it.

I am also pleased that the mark includes provisions that I have worked on with Senator Shaheen and Senator Collins that will require the Navy to submit a plan for the modernization of our four public shipyards. Our public shipyards are a national asset critical to maintaining our Nation’s naval readiness and supremacy. This provision will require the Navy to submit a plan to address the modernization project backlog to our Nation’s public shipyards, including a backlog of over \$500 million at Portsmouth Naval Shipyard, which Senator Shaheen and I are very concerned about, as well as Senator Collins.

If we want to maintain top rate readiness levels for the U.S. Navy fleet, we have to make sure our four public shipyards have top rate facilities. These industrial facilities have been under funded for far too long. We need to set effective priorities to address critical deficiencies in the equipment and operations of these shipyards. Their efficiency has a direct impact on our military readiness, and I look forward to working with the Navy to address the modernization backlog at our four public shipyards.

Finally, I want to join you in expressing our appreciation to the members of our committee who we have worked with over the year, the professional staff, the staff assistants. I especially want to thank your staff, Peter, Jay, John, Ruses, and Tressa, for their support, as well as the minority staff, Lucian, for his support and cooperation.

This mark has truly been developed in a spirit of cooperation and comedy. I look forward to moving it quickly to the full committee for consideration.

Thank you, Madam Chairman.

Senator McCASKILL. Thank you.

We have a number of amendments that have been cleared, but it is my understanding that Senator Shaheen has a comment she would like to make on the record since she may not be able to stay for much longer because of another commitment. So, I will—why do you not go ahead, Senator Shaheen, and make whatever comments you like about your amendment before I review all of them?

Senator SHAHEEN. Thank the—thank you very much, Madam Chair. And I would just like to point out that I have to go to pre-side, which is the only reason that I am leaving this afternoon when I leave.

I appreciate the inclusion of my amendment which deals with energy efficiency in the mark. As many of us understanding, buildings account for about 40 percent of all energy consumed in the United States, and my amendment would simply expand the recommendation to two additional areas of emerging energy efficiency technology, namely distributive energy generation systems and high efficiency transformers. Modernizing DOD’s infrastructure improves both our security and reduces energy costs for the taxpayer.

So, I am pleased that the amendment was cleared by the subcommittee and appreciate everyone’s work in doing that.

Can I also address two other issues, Madam Chair?

I also want to thank the subcommittee chair and ranking member and all of the staff for including the proposal to extend the SBIR program in the draft bill. As we all know, small businesses are the driver of our economy, and particularly when it comes to DOD, much of the innovation that is important comes from small business. So, an extension of the SBIR program is critical. And also want to echo Senator Ayotte and I know Senator Collins' work on the shipyard modernization provision that has also been included in the mark.

Our public shipyards, including Portsmouth, continue to suffer from a lack of investment in critical infrastructure, causing both a decrease in efficiency and hazardous working conditions. And this amendment will require the Navy to begin to address critical improvements at not just Portsmouth, but all four public shipyards. So, that will ensure that our Navy can continue to maintain the ships that protect our shores.

Thank you very much, Madam Chair and Ranking Member Ayotte, for all of your work on putting together this draft mark.

Senator McCASKILL. Thank you, Senator Shaheen.

I would like to offer—I will go now and we will go through the amendments that have been cleared by both sides, and then open it up for any discussion on those amendments that anyone would like to have at this point.

The amendments are as follows—there are 12 of them that have been cleared by both sides: my amendment to clarify authority for a road construction project in Washington State as requested by the Department of Defense; an amendment from Senator Ayotte adding report language on force protection; an amendment from Senator Ayotte on behalf of Senator McCain modifying report language on Guam; an amendment from Senator Ayotte on the military readiness impact of reduced operating status for maritime prepositioning ships; two amendments from Senator Udall relating to the requirements for DOD land management policy under the Legacy program and the readiness and environmental protection initiative; an amendment from Senator Portman on insourcing of functions currently performed by contractors; an amendment I will offer on behalf of Senator Hagan since she is not on the subcommittee to address the need for increased competition in contracting for services; an amendment that I will offer on behalf of Senator Gillibrand and Senator Blumenthal since they are not on the subcommittee adding report language on Army efficiency—energy efficiency efforts; an amendment from Senator Shaheen on energy metering and other energy efficiency technologies; an amendment from Senator Inhofe on alternatives for fire resistant fiber; and an amendment from Senator McCain and myself adding report language on contracting with Alaska Native Corporation.

I would point out that the ANC amendment addresses issues that we looked at in an investigation conducted in the last Congress by the Subcommittee on Contracting Oversight on the Committee of Homeland Security and Government Affairs. The idea in this language is simply to get a report about the current status of contracting in the 8[a] program by the Department of Defense so

that we can more fully understand the extent where the ANC contracting may be impacting competition and price.

Now, I will open it up for any discussion on any of the amendments that have been offered.

Senator INHOFE. Madam Chairman.

Senator McCASKILL. Senator Inhofe?

Senator INHOFE. You had mentioned one of them that has been accepted, one that we had on fire fabrics. And I just want to comment that technology is moving very fast. Yesterday I was down in Mississippi where we have our 45th Oklahoma getting ready to deploy over 3,000 to Afghanistan and Kuwait. And we were going through the equipment there, and they were showing the fire equipment they had in gloves, and talking about the technology that is there. And we have been some—without this amendment, we were somewhat restricted on what we could do. And everything that we were buying was made overseas.

So, this will allow us to go and see what is on the market, what technology we really want to use, and it should be not just saving money, but having it made in America and in higher technology. So, I appreciate your accepting that one.

Senator McCASKILL. Any other—

Senator PORTMAN. Madam Chair.

Senator McCASKILL. Senator Portman.

Senator PORTMAN. Thank you so much for your willingness to work with us on this important issue of insourcing. The report language that we proposed helps ensure very simply that the Department's insourcing efforts are guided in the future by a full and accurate cost accounting. This is something that is consistent with what the Secretary has recently announced, that he was not satisfied with the savings being achieved through the insourcing.

It also reaffirms that the Department's hiring should be focused on acquisition workforce and building other inherently government capacities. So, I think it is a good balance, but I think it is a smart amendment. Over time it would save money at DOD and consistent with the Secretary's concerns.

Senator McCASKILL. Thank you, Senator Portman. Anyone else?

Senator WEBB. Madam Chair?

Senator McCASKILL. Senator Webb.

Senator WEBB. I would just like to make a comment about the third amendment on behalf of Senator McCain which modifies report language on Guam.

I do not have any objection to the amendment. I did not know it was going to be a part of your cleared package. But I would like to point out that this is reflective of a larger proposal that Senator Levin, Senator McCain, and myself brought into the markup with respect to basing issues in Korea, Japan, particularly Okinawa, and Guam. I am not quite sure why this is—it is separated out. But I, again, want to make the point that these other issues have been moved up to full committee. And, I guess, we will have to take a look at this language as it reflects the other pieces of this when we get to full committee.

I am not going to object at all to it passing today, but I just want to clearly make the point this is a part of a larger issue.

Senator McCASKILL. Senator, I—first of all, I think that your language is in the mark on Guam and Korea. We have incorporated it into the chairman's mark. So, the work that you—and I think that this committee owes you a debt in that I know that you have worked on this along—and taken the chairman to see firsthand some of the issues in terms of the future of our expenditures in Guam and Korea. And I think that if you check, I am certain that the language is in this mark, and then this is language that slightly modifies your language. Is that correct?

Senator WEBB. So, then my understanding would be that this is an essentially a clarification of the funding line?

Senator McCASKILL. Correct.

Senator WEBB. Which I think is a really good idea.

Senator McCASKILL. Yeah. I think this is just a clarification. And—but we—the reason yours was not an amendment is because we incorporated it into the mark.

Senator WEBB. Thank you, Madam Chairman.

Senator BEGICH. Madam Chair?

Senator McCASKILL. Senator Begich.

Senator BEGICH. Madam Chair, on amendment number 12, I want to voice my—

Senator McCASKILL. We need your microphone, Senator. I can hear you, but—

Senator BEGICH. There we go. Is that on?

Senator McCASKILL. Better.

Senator BEGICH. Okay. As long as it is on, that is good enough.

Senator McCASKILL. There you go.

Senator BEGICH. First, I want to show my objection to number 12, which is specifically on the Alaska Native Corporations. And I do not object to the intent of what you are trying to do, but if you go to the booklet that we have here and you go to Section I-99, you will see some language already in the—in here which talks about “the committee recommends a provision that require comptroller general review and evaluating non-competitive contracts and offer contracts awarded by the Department, fiscal year 2012, 2030.” It is actually going to the same intent that you have. And in some ways I see this as redundant.

But also, again, I do not disagree with your intent of what you are attempting here. I do disagree with some of the language here because it implies certain things. When I read \$615 a year in dividends, yes, that is correct in cash dividends, but these are not corporations like you trade on Wall Street. These are corporations that also pay out dividends through taking care of funeral expenses for their shareholders, educational scholarships. I could go through the shopping list.

So, I would—and I know we are this point, and I have actually taken Section I-99, incorporated what your intent is here. But I actually expand it a little bit because it is great to look at 8[a]s, but to be very frank with you, there are a lot of sole source contracts \$20 million or more. And why should we not request the exact same report for all of them? I mean, we have special provisions for many different subgroups.

And so, my—I reworded it, but actually taken a lot of your language and put it into the I-99, which is already in our book. It ac-

tually extends it now to two years as yours is, but to three years and looks at all the groups because we should get that report. And I am not objecting to that. When I was mayor, we always submitted every month a report that said, here are the sole source contracts we have given on any condition, because part of our job is to do oversight, and oversight should not be just on one group.

So, I am not afraid of the—of what it may show or may not show. But I do think we have a role of oversight. And I-99 tells us and gives us some language already. What I have suggested is modifying it, putting some of your language in there, and pushing that a little bit further because we are about oversight here. And I would like to know what some of the other subcategories are doing or not doing because a lot of them get some—you know, sole source contracts, too, but we do not get those reports.

I am happy to submit that, and I will be happy to do it at the full committee. But I would rather have a discussion here.

Senator McCASKILL. Right.

Senator COLLINS.

Senator COLLINS. Madam Chairman, it is my understanding that under current law, there is in fact a requirement for justification and approvals to be published for contracts—sole source contracts over that level. That the problem is it is only for this one category of sole source contracts, that there is not this public justification and approval.

Senator BEGICH. Madam Chair, if I can respond?

Senator COLLINS. If I could just finish the point.

Senator BEGICH. Go ahead.

Senator COLLINS. So, I think all that is being done here is to apply the same sort of reporting requirement that is currently on the books for other sole source contracts of that size.

Senator BEGICH. Yeah. Not—let me first say that all—under the current rule, especially under 811, it is all required now. So, it does not matter if you are an 8[a] or not, it is required. As—under the 811 provision, I think it was in last year or year before, I cannot remember which year we did that. So, it is required now.

What I am saying is, the justification process is great. They should justify it. But what I read into your amendment is report to us these sole source contracts, and there are six or seven provisions of what you require them to do. What I am saying is, okay, that is great, but there are also minority owned businesses, women owned businesses, veterans preferences. Contractors have been getting sole source contracts that are not in any of these categories for years. What I am saying is we should actually see a sole source report no matter who the category is. Not the justification only, but also how much, the length, so we have a better understanding of what the percentage of business.

For example, I bet you we cannot sit here and staff cannot sit here and tell us—and I will just an example. Minority owned businesses, women owned businesses, what percentage of those groups subcontract out to non-minority owned businesses, which is one of the prohibitions that Senator McCaskill has in here for ANCs, which I am okay with to report that. What I am saying is in all fairness, as an oversight group, we should look at all of it. I am not objecting to what is intended. I do object to some of the descrip-

tive language because of how dividends are perceived and what the average person perceives as dividends.

What I am saying is, let us do that, but let us make sure it is for everybody, because if we are going to review sole source contracts, I would like to know when I see a sole source contract, we give some contractor the contract and then they sub it all out. Well, I would like to know that. If we are going to ask ANCs to do it, why would we not want that for any other corporation?

Senator MCCASKILL. Let me just clarify something, and staff jump in here if I am incorrect. But my understanding of the language is it is requiring the number of sole source contracts in excess of \$20 million that have been awarded to each category of 8[a] participants, including ANCs. So, it is not just singling out ANCs. It is in fact asking for all.

Senator BEGICH. If I can, Madam Chair—

Senator MCCASKILL. Is that not correct, staff?

Mr. LEVINE. That is correct.

Senator MCCASKILL. Yeah. And, you know, I certainly understand that there may be some language in this amendment that we can work on together, Senator Begich, if you find it—

Senator BEGICH. I would be happy to.

Senator MCCASKILL.—too descriptive or not a fair description. Really, all we are trying to do here is to look at how many—where we do not get the information now, when are we not having competition and what is the justification, and what kind of fronting is going on across the board?

Now, ANCs are part of that, but I think if you look at the technical language of the amendment, it is including all of the 8[a] programs, not just ANCs. And I think that is important frankly for comparative purposes.

Senator BEGICH. I agree, but the way—Madam Chair, the way I read your language, especially the first paragraph, and I am happy to work with you as we move to maybe full committee. This first paragraph and a half is all about ANCs.

And the other thing in a broader sense, there should be no reason why we should not see—at least be aware through a report these six points you have made, which are good points, for any sole source contractor. Why would we think it should be okay if—and I will use contractor A, who is not part of this program, that they can get a contract and then sub it all out, and all they are is a broker. Why is that okay for a non-minority owned, women owned ANC, because we are not asking them, but—

Senator MCCASKILL. Peter—I am sorry.

Senator BEGICH. Well, that is why I am saying—and the way I have worded it is taking your language, which talks about 8[a] participants including ANC, and I also said any sole source contracts over \$20 million. Because we should—why should they be treated differently? That is all I am saying.

I am happy to work with you because I think we are on the same path because the more reporting, the better off we are going to know on everything.

Senator MCCASKILL. I think we are, too, and I am going to ask the staff to comment on this because I think the reason we are calling for this is we already have this information for others besides

these people in this program. I think it is public information now. But, Peter, is that correct?

Mr. LEVINE. I believe so. But, Senator—

Senator BEGICH. With these six conditions?

Mr. LEVINE. Not necessarily. Senator, let me go to—as you point out, there is a study at I-99 of the bill which is on competition generally, a GAO study. This is—this focuses on the 8[a] program, though, for a reason which is we have had a change in law as you know and a change in regulation with regard to the 8[a] program and with regard to ANCs. And I think that we did have a number of IG reports and GAO reports documenting problems with that program. And what we have asked DOD to do is to say, look, we have changed the law since then. Can you go now, since we have a new set of laws and a new set of requirements here, and make sure that they are working for us?

So, if we go to the whole world, we will not get the answer to the question, are these new laws and these new regulations that we have got here doing the job that they are supposed to do that we all want them to do, and I think you want them to do, Senator.

Mr. NIEMEYER. Just to underscore Peter's point, the focus of this language is on the implement of the new law, of Section 811. And as Senator Collins rightfully noted, that change in law was affected due to concerns that arose specific to the ANC context. So, all of this is doing is determining how effectively or to help you determine how effectively that law is being implemented. So, restricting it to the ANC context would not be appropriate in that context.

Senator MCCASKILL. Senator, we are more than happy if you would like to consider an alternative amendment today, that is absolutely within your prerogative. We are happy to do that. And I certainly will commit to you that we will work with you see if we can iron out any of these concerns between now and the full markup. But I think this is information that I feel strongly about that we should have as—to give us context as to how the program is operating. And so, we will—but we will certainly consider your amendment if you would like us to today.

Senator BEGICH. Madam Chair, what I will do, because I know staff goes crazy when I write amendments by hand here. They are like sweating bullets right now, as I have done before in many markups. I have done that. But I would be—I will put my objection on the record for number 12, but I would ask that you would be willing to work with me between now and the actual final markup in committee.

I think we can get to the same goal, but also as I just stated, putting this one aside, ANCs, it does not matter if it is an ANC or a regular corporation. We should have consistent reporting in order for us to determine, instead of if they have certain reporting measures that are non- 8[a]s, and there is different reporting for 8[a]s, and then there is a special one for ANCs.

All I am saying is let us be consistent so when I see a report, I can look at it and say, oh, that is an 8[a], that is women owned, that is not, but here is the information that I can determine, because that is how we do better oversight. If we have this selective, I guarantee you three years from now we will be sitting around here about some other category we are all mad at because they

abused the system. Then we will create a new law for that. What I am saying is let us think about the long term here, consistent policy on sole source contracting over \$20 million, what kind of reporting do we want as a committee to ensure that we are doing the best job, not just for 8[a]s, but across the board.

And that is—so I am happy to work with you. I do not want to hold up this process because I know we want to get to the full markup.

Senator McCASKILL. Senator Chambliss.

Senator CHAMBLISS. Madam Chairman, I have an amendment at the desk.

Mr. LEVINE. Madam Chairman, do you want to adopt the package of amendments before you move on?

Senator McCASKILL. Yeah. Why do we not go ahead—as they are distributing that, why do we not go ahead and consider the amendments that we have just discussed?

Okay. Can we adopt the 12 amendments that have been discussed and laid out for the committee at this point in time?

Senator BEGICH. With the noted objection on 12 for me, but—

Senator McCASKILL. There is a motion to adopt. Is there a second?

Senator BEGICH. Second.

Senator McCASKILL. All those in favor, say aye? [Chorus of ayes.] Opposed? [No response.]

Okay. Senator Chambliss, we are on your amendment.

Senator CHAMBLISS. Okay, great. Thank you.

My amendment is pretty simple, but I need to give you some background before I specifically tell you what it does.

The fiscal year '11 Army budget requested—including three facilities at Fort Benning, Fort Lee, and Fort Sill intended to support relocation of Army artifacts that were following TRADOC schools being relocated as a result of BRAC. These artifacts they use for training, which is they were moving with the schools.

In the fiscal year '11 budget request, these projects were titled, and I quote, “museum operation support facilities,” and that is where the confusion has come in.

Although the Army regulation makes clear that facilities with this title are not intended to be open to the public, SAS staff raised a concern that they would be or become public museums, and that was never the Army's intention.

General Chiarelli, vice chief of staff for the Army, sent a letter to Senator Levin in May of 2010, before last year's markup, making that clear. It was clear over a year ago that the Army would not be using appropriated funds to support museums, and, Madam Chair, I would like to make that letter a part of the record.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator CHAMBLISS. Nevertheless, SAS did not authorize the projects in the final fiscal year 2011, and NDAA did not authorize them either.

In the fiscal year 2011 authorization bill, the Army was encouraged to pursue options for these facilities that allowed for public access. That was this committee's recommendation. Because of that direction and because the SAS previously denied funding for these

projects, the Army has been pursuing off post leases. And I have another letter here dated June 9, 2011 from General Chiarelli that confirms that the committee had encouraged the Army to pursue that specific option. And, Madam Chair, I would ask that that be made a part of the record.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator CHAMBLISS. The Army has confirmed that off post leases could very well cost more than the long term. This is an issue, Madam Chair, that you have raised yourself. But let me make it clear: the Army is pursuing that option, not because they want to, but because this committee has encouraged them to do so. That will likely be more expensive and is the option the Army is pursuing at this point.

The Army is required by law to preserve these artifacts, which includes tanks, artillery, and other valuable artifacts, some of which are over a century old, and an important part of the Army and this Nation's history.

Today these artifacts are mostly sitting in unimproved buildings in many cases out in the open deteriorating.

General Chiarelli specifically stated in his letter to the committee last year that not providing proper storage could result in paying more in the long run. As an example, I would like to pass around a picture of Anzio Annie. This is a World War II rail gun, and there are only two of them in the world, one in France and one today at Fort Lee. Because there is no proper place at Fort Lee to store this artifact, it is out in the open deteriorating, and the Army is going to have to spend money to preserve it because they are required by law to do so.

What my amendment would do would be to address it by ensuring that the Army properly stores artifacts like this and ensures that they can pursue the options that make the most sense.

As much as anyone on this committee, I appreciate our need to use Federal taxpayer dollars wisely, and that is why I am offering this amendment. This amendment simply requires the Army to determine their requirements for storing artifacts at each specific post and to pursue the option that makes the most sense and is the most fiscally responsible.

The SAS denied funding for these projects last year, and because of that denial, the Army is pursuing options that very well may cost more in the long run. This amendment makes absolutely clear that the committee does not and will not support any use of taxpayer dollars for museums or to support museums. Senator Ayotte has raised that concern, and she is absolutely right. This is not a proper use of taxpayer funds, particularly in this fiscal environment. In fact, the reason I have revised my amendment is to make it specifically clear in the text of the amendment, and to eliminate any confusion that the amendment would allow or encourage use of appropriated funds for public museums.

The amendment does not preference any option, and the Army is free to recommend whatever course of action is most fiscally prudent. However, unless we want to relieve the Army of the requirements to properly preserve these artifacts, they will have to do so.

And this amendment tells them to do so in the best and proper way.

The Army supports this amendment, and I would encourage vote in support of it, Madam Chair.

Senator McCASKILL. Senator Inhofe?

Senator INHOFE. Yeah. Let me join in with Senator Chambliss. We have been very familiar with all three sites actually. And Fort Lee, I was stationed there for two years, so I know a little bit about that, Fort Sill. And we were obliged to look into how these storages would comply with the law. They hired an investment firm to—that looked into it, and they came out with the conclusion that it would be about \$4.5 million.

I think the great misunderstanding here is because those of who have been here for a while can remember the discussion and the debate in terms of museums. Well, it happens that at Fort Sill we do have a museum, but this is not—this does not address that, and I think erroneously people have thought that that what is what it was. So, I am in strong support of this. We need it in our state of Oklahoma as well as Senator Chambliss does.

Senator WEBB. Madam Chair?

Senator McCASKILL. Senator Webb.

Senator WEBB. I also support this amendment. I actually co-sponsored sort of an earlier version of it. I think the Senator has done a really good job in terms of bringing this issue up in a way that we can look at it without having appropriated funds to do so. I have actually visited Anzio Annie down at Fort Lee, and these systems are completely out in the open right now. And I think it is a smart thing for us to do.

Senator McCASKILL. Let me say that I oppose the amendment. I do not believe that this is something that we have public funds for at this point in time. There is these things—if we are not going to do a museum—there is that saying, if it looks like a duck and it walks like a duck and talks like a duck, it is a duck. And it appears to me that this is an attempt to get around the prohibition that I think many of us believe we should have about spending public money right now for something that maybe not today, maybe not tomorrow, but eventually the intention is for these to become museum items.

I think we got to work with General Chiarelli and others to try to find a place for these artifacts to go. I think there are many not-for-profits and many museums around the country that would love to welcome some of these artifacts into the existing museums that we have now throughout the country. We have got one we are very, very proud of, World War I museum in Kansas City that I know would be interested in finding out about some of these artifacts and potentially adopting them.

But I—and I will allow Senator Ayotte to speak at this point.

Senator INHOFE. Madam Chair—

Senator McCASKILL. Would you mind letting Senator Ayotte speak, and then you are welcome to.

Senator AYOTTE. I, too, share the chairman's concern about this amendment. And I appreciate that Senator Chambliss has expressed in the amendment that it will not be used to build or support a public museum. But I think that we should, rather than ad-

dress it this way, should work with the Army to find a place to put these artifacts, as the chairman has mentioned.

You know, we are in a very difficult fiscal climate, and we are having to make difficult decisions on how we address the many issues of the readiness of our forces. And I think that this is something that would be better off trying to find other appropriate places that already exist for these artifacts rather than going forward with this amendment.

I would also, with the latitude of the chairman, would like to ask the staff to comment on this. I know there is a history to it, and I would appreciate that.

Senator INHOFE. Can I ask the staff a question?

Senator McCASKILL. Sure.

Senator INHOFE. I was ask the staff a question. Is it not a requirement that these be located at the Centers of Excellence?

Mr. NIEMEYER. Yes, sir, it is.

Senator INHOFE. So, they do not have the option that the chairman is talking about.

Mr. NIEMEYER. They have the option if they want to to move the artifacts. I think the artifacts would be required or the Army believes are essential to conduct training activities probably would want to stay near the Centers of Excellence. But the rest of the collection would be free—the Army would be free to move that anywhere to include the National Museum of the United States Army.

Senator INHOFE. Well, I just know in our case, they are used for training, and so that would not be an option.

Mr. NIEMEYER. And that is the concern of staff that goes back to last year. These originally were submitted as museum support facilities, but it became clear that the Army did intend to have some type of training activities conducted. The concern we have had was the collections that are currently public and they are part of museum collections. So, we felt as staff that what the Army was going to do was going to seize these collections from the public domain, put them behind lock and key, and not allow the public to see them again. And that is why we asked last year for the Army to come back with a plan that kind of allows the public access to some degree, while also satisfying the training needs of the Army.

Senator CHAMBLISS. Madam Chair?

Senator McCASKILL. Senator Chambliss.

Senator CHAMBLISS. Let me just say that it is a matter of law that we have to maintain—the Army has to maintain these artifacts. So, the Army is going to spend the money to maintain them. The Army also is going to house them. They are going to house them either in leased facilities, which they have been looking at now for some time, or they are going to do a study and come back and say, we think it makes more sense to build a facility to house them. So, the Army is going to spend the money, not on a museum, but on a facility to house artifacts and equipment that is going to be used as training facilities.

And as Senator Inhofe and I think Lucius has accurately stated, they have to be housed at the Centers of Excellence. And in our case, the artifacts in question are associated with the armor school, which is moving to Fort Benning.

I do not know whether a museum will ever be built or not, and it really does not make any difference whether it is or it is not. The law now says that the Army has to house and maintain these artifacts.

So, the question becomes, what is the most fiscally responsible way to do it? And if the Army comes back after studying it and says leasing is the way to do it, so be it. But that is not where they are today because of the direction of this committee.

So, what my amendment does is tell them, look at the issue, look at Fort Lee, look at Fort Sill, look at Fort Carson where the issue is going to come up, and look at Fort Benning, and determine what is in the best interest of the Army, and how can we be most responsible in spending the money. Otherwise, they are just going to arbitrarily go out and lease facilities, and I think that is a huge mistake. We can use that money for other things, as Senator Ayotte says.

Senator MCCASKILL. Let me ask staff this question. The law that requires them to keep these artifacts, what is the purpose behind that law? Why are we requiring the Army to keep all of these artifacts if, in fact, some of them are unrealistic in terms of being used? They may be important for history lessons, but in terms of actual training, what is the genesis of that law, and is there any reason that we cannot provide some flexibility to that law? I think we could change that law, could we not?

Mr. LEVINE. Yes, ma'am, we certainly could. As far as the requirement to maintain, I believe that the requirement to maintain the artifacts is only ones that have a training requirement. So, if they are just of historical value, that would be outside of the purview of the law.

Senator MCCASKILL. Is there—has there been a delineation of these artifacts as to which are training required and which are historical? Has anybody done an analysis of that that you are aware of, staff?

Mr. NIEMEYER. Not that we know of, Senator.

Mr. LEVINE. No, ma'am.

Senator MCCASKILL. So, do we know even what percentage of these are something that are really being accessed for training or which ones are just merely important for historical purposes?

Mr. NIEMEYER. No, ma'am. And we actually tried to get that information last year. The Army has yet to provide that to us. What we were concerned with was not just delineation between training and what might be available for museum, but the order of the magnitude of the artifacts that are out there. I mean, what type of facility—storage facility were we going to have to build to be able to accommodate that? And was that the right size facility, and were we holding on too many artifacts? I mean, there was a lot of questions that came out of the last year's deliberations that we still are working with the Army to try to get resolved.

Senator MCCASKILL. Okay. So, we have a pending request to the Army about an inventory of the artifacts and justification as to whether or not they are actually utilized in real training right now or whether they have historical importance.

Mr. NIEMEYER. Yes, ma'am. That request goes back from last September/October when we were deliberating here.

Senator McCASKILL. And they have not answered that.

Mr. NIEMEYER. They are still assembling the information.

Mr. LEVINE. And, ma'am, last year's cut that should be noted was without prejudice, so there is nothing that prohibits the Army from making any requests going forward for how to—they choose to store or display or do anything for these artifacts. The Army can come through the budget request next for lease space, for MilCon space, for non-appropriated funds, for private donations. The Army really is unhindered by last year's committee report to do whatever they think is in the best interests of the Army.

Senator AYOTTE. Could I ask the staff, in light of Senator Chambliss' amendment, which puts certain reporting requirements on the Army, is—would it be possible to have that reporting requirement that he has proposed also include the request that you are making so that we would have a complete—perhaps there is a way to change the language.

Mr. NIEMEYER. Yes, ma'am. We can add any requirement listed that is the member's desire.

Mr. LEVINE. Senator, there has been about five versions floating around between staff in the last 72 hours. Some of those versions had a specific designation for looking for training—artifacts that would be related to training. And so, we have been actively working with the staffs of all three senators trying to come up with a common ground on some type of reporting requirement that would address the core concerns of the committee.

Senator McCASKILL. Senator Collins?

Senator COLLINS. Madam Chairman, I think it is really important for the members of this subcommittee to look at the May 21st letter from the vice chief of staff. He very specifically addresses and counters the issue that somehow these facilities are going to be converted into museums. He says that, "I would like to set the record straight and tell you that this is not the Army's intention. The Army will use these facilities to train soldiers and future leaders." It is unfortunate that there has been a misunderstanding in this regard.

And in response to the ranking member's comment, I would like to direct her attention to the next sentence that says, "Not funding these facilities in fiscal year 2011 will weaken soldier training and will result in avoidable and irreversible deterioration of the historical artifacts because they will be stored wherever we can find room for them, in some cases, outdoors."

So, I would urge my colleagues to take seriously the letter from the vice chief of staff, and the fact that he sees this as important to the training of our soldiers.

Senator McCASKILL. And I have thoroughly reviewed that letter and the new letter, and they are remarkably different, even though they are looking for the same thing. And I think if you look at what they call the budget request for museum operation support buildings.

I understand. And I guess the problem is here, we have asked for a delineation of these artifacts as to what is actually used for training. Some of these things are not used for training. They have museum quality properties in terms of people being interested in

them and maybe wanting to learn about them. But there is—we have not been able to get that delineation.

And perhaps, Senator Chambliss, I do not know if you are willing to do this, but certainly the ranking member and I would be happy to work with you. If we could get some clear information about whether or not these artifacts are actually used in training and what training they are used in, and determine the size and scope of those that are actually used for training. And I think we would be then in a much stronger position to authorize whatever funding might be necessary to house what is actually used for training.

But it feels to some of the staff, and frankly it feels to me that there may be bootstrapping going on here. And if that is not the case, then that is great. But at a minimum, we ought to at least be able to delineate what of these artifacts are historical and museum quality and for museums and what actually are for training, and then make our decision based on that kind of determination. And if you are willing to work with us to see if we could figure that out in this report language, we might be able to come to an agreement on an amendment and put it into the mark with the United Front.

Senator CHAMBLISS. Well, I hear what you are saying, and obviously if the Army does not need something for training purposes, that is one thing. But it is pretty clear, and General Chiarelli states in his letter, "The Army is required by law to preserve historical artifacts in our possession." So, it certainly would not make sense if they need some of them for training and some of them they do not use in training, to ship the others off to somewhere else if they are going to have a facility where they can keep them all if they apply to the armor school or the infantry school or whatever.

So, you know, I do not have a problem in getting a delineation from the Army as to what is used for training and what is not. And I would be happy to work with you on an amendment to do that specifically.

But I do think I would insist on my amendment as is because we have been working on this for a year now, and with the issues we got into last year on no authorization bill being done until the very last minute, it presented a problem. And the longer we wait, the more deterioration is going to set in.

Senator MCCASKILL. Is there any other discussion?

Senator BEGICH. Madam Chair, if I could just ask a question to make sure I clear with the staff? The report that is being done was requested last year for us to determine what is for training, what is for historical purposes. Is that correct?

Mr. NIEMEYER. The report request—the information for request from the Army was not done in any formal form. It was done through staff back to the Army to try to get a little more detail on that.

Senator BEGICH. Okay. But the report is in—there is something being done to show us the—

Mr. NIEMEYER. I believe the Army is still working on an understanding of the inventory and what they would actually need for training.

One point in here also is getting back to the underlying nature of the training requirement. One of the things that staff looked at

last year, because these three Centers of Excellence that Senator Inhofe brought up are being moved over to the new locations as part of a BRAC action, the question came up last year, and it was not really satisfactorily answered by the Army, if these were really a training requirement, why were these not covered under the BRAC move? In other words, why were facilities not built using BRAC dollars to support this training requirement if they were essential to the relocations of these Centers of Excellence.

The Army never came back to us, and that is kind of another indication to us that at least in their review of what they needed to transfer training functions to the new installations, they did not necessarily consider moving these artifacts to be part of that core decision.

Senator BEGICH. Okay. Let me ask one more question. I want to make sure—Senator Chambliss made a note on the requirement under the law that we are to preserve these items for historical purposes and otherwise. Do either one of you disagree with that?

Mr. NIEMEYER. I believe the law is ambiguous about what to what degree and extent that inventory of artifacts. In other words, the law does not necessarily say every howitzer or every gun or every tank. It leaves it to the discretion of the services on what do they believe to be historic and, therefore, what they need to preserve. So, I—there is definitely a law that requires preservation, but the extent for which that law is carried out is left to the discretion of the service.

Senator BEGICH. Okay, great. Thank you.

Senator McCASKILL. Yes?

Senator AYOTTE. One final follow-up. What is it in Senator Chambliss' amendment that you feel would be lacking in terms of information, because it is a report back to the committee?

Mr. NIEMEYER. As far as from staff perspective, it is not necessarily anything that is lacking. First of all, this is the first time we are seeing the revised version. Normally, we would have plenty of time to look it over with staff. We got it about an hour ago. But at first glance, there are some concerns that we are not necessarily concentrating on what the training requirements are and asking them to delineate between the two.

There is also a concern here that the line at the bottom which I do understand was put in to respond specifically to our concerns about using appropriated funds, disregards the fact that there are some O&M dollars, small dollar amounts, that are provided for historic preservation of the artifacts. And those artifacts sometimes are in museums. So, we are also concerned with Senator Chambliss' amendment that it may have an unintended consequence of completely undermining some of the work that is done by curators at military installations who are DOD civilians who are trying to work, and they do have access to O&M funds.

So, there are some concerns here with the way the report is written that we would want to continue to work with staff to try to get those cleared up.

Senator McCASKILL. Well, I think—

Senator CHAMBLISS. Madam Chair, can I just make one final response?

Senator McCASKILL. Yes.

Senator CHAMBLISS. And it will be short. We have drafted this in concert with the Army. The Army has given us a detailed report on what artifacts are to be transferred. Is this all three or just—

STAFF MEMBER. Yes. It came last year.

Senator CHAMBLISS. And it came last year. The committee got this in July of last year, August of last year. So, there is a detailed report that is out there showing exactly what is going to be transferred. And our amendment was redrafted to try to satisfy the staff, and obviously there is a position there that they just do not want to see anything other than a leased facility, which I think is foolish. I think if a leased facility is the right way to go, that is fine. But the Army is saying that they do not think that is the right way to go. And for us to be fiscally responsible at this point in the process I think makes all the sense in the world. And we are asking them to give a report back to us as to what they think is the proper way to go.

If we want to have another direction on what is to be used for training and what is to be just stored as an artifact, I do not have a problem with that. But I think that is all that is contained in this report that was sent last year. Thank you.

Senator MCCASKILL. I am going to do what Senator Begich said that he was loathe to do, and that is I am going to offer a second degree amendment to Senator Chambliss’—

Senator BEGICH. Because if you are doing that now, I may reconsider what I said earlier.

Senator MCCASKILL. I am going to offer a second degree amendment to Senator Chambliss’ adding it as number seven to his list as to what his report should contain at the minimum.

The language is as follows: Seven, a delineation and listing of all equipment to be stored with special emphasis on those that are used for training, in what context they are used for training, and those that merely have historical value as an artifact.

So, is there any other discussion? All right.

Senator CHAMBLISS. I will actually accept that. As a part of my amendment I would accept that—

Senator MCCASKILL. Okay.

Senator CHAMBLISS.—modification.

Senator MCCASKILL. Without objection, we—well, let us do the ayes and nays on the second degree amendment just to clean the record.

All those in favor of the second degree amendment, indicate by saying aye. [Chorus of ayes.]

All those opposed? [No response.]

And now, on the amendment. All those in favor of the amendment by Mr. Chambliss as modified by the second degree? [Chorus of ayes.]

Opposed? [No response.]

SAll right. Any other amendments for the committee?

Senator Begich.

Senator BEGICH. There is one, and I am assuming staff will pass this out in a second. It is on—amendment on red flag. And as this is being passed out, this amendment simply outlines the importance of the Air Force’s red flag exercise conducted at Nellis Training Range and Joint Pacific Alaska Range. It additionally express—

the idea of this amendment expresses the sense of Congress that red flag exercises are important to readiness. The Air Force should continue to use both ranges and exercises since they each provide a unique training environment, one obviously in the north and one in the south.

Red flag is one of the Air Force's largest and most realistic training exercises. Many of our foreign allies participate in the red flag exercise, especially as we move to a new type of training and a new partnership with foreign—with many foreign countries, especially our work that we are now doing with the air force in Libya. It seems logical to continue to increase these capacities or at least recognize that they are part of our effort.

The Joint Pacific Alaska Range Complex and Nellis Test and Training Range provide red flag participants with a very unique environment. Both are significant in size, and they are large in the sense of the environment they work in. They have incredible air space, uninterrupted air space, which is critical as more and more of our air space is getting limited around the country.

Also, the Air Force recognizes the importance of the red flag and its ranges and supports this amendment.

This amendment, I think, is important for us in the sense of continuing to make sure our military is ready, has the capacity. It is designed to be a sense of the Senate or a sense of Congress. And I have this in front of us now.

And I know the chair and the ranking member are not supportive, so I am not sure I will fully offer it. I have it on the table now, and I will just open it for any comments. And then I will see what I do next.

It does not direct the Air Force to take any action. It is just recognizing what they have been doing for years already. And the Air Force has recognized these areas as critical for their long-term development and planning for readiness.

Senator McCASKILL. Is there any discussion of Senator Begich's amendment? I would just merely say that I certainly understand and recognize the red flag exercises as something that is important. But I am sure that—and, by the way, let us hope that all future subcommittee meetings, it is not always Senator Begich versus Senator McCaskill. I do not want that to be the case. We are actually friends.

Senator BEGICH. I am here to help you. I am working on one—

Senator McCASKILL. We are really good friends. We are really good friends. But I think we have got to be careful singling out any exercises that are done in the military for special recognition in the defense authorization markup because I think we are treading on ground that could get very difficult for the military in terms of managing expectation, especially as we look forward when we are going to be asking them to do much more with less. For us to begin to try to pick winners and losers in terms of various training exercises, I think is a dangerous road to go down. And that is my concerns with the amendment.

It certainly is not that I have anything—I think everything you have said about these exercises is true, and I think they are important. But just to single out these two exercises in Nevada and Alaska I think is something that is just not the appropriate to go

through—go down in terms of directing the military to make their decisions.

Senator BEGICH. And again, Madam Chair, I would say this does not direct the Air Force, but also last year—it was a bill that we approved, this committee and the full committee, provision outlining the continued imports of the high altitude aviation training site in Colorado. So, it is not new. We noted that in last year's, very specific to a specific location.

So, I recognize your point. Again, we are not directing the Air Force to take action. We are recognizing these have been utilized, and the Air Force recognizes that these are critical. And I would just say that, you know, there is less and less ability for training—or air space for training that we are doing, especially with our foreign partners. And, you know, these are areas, and, again, we are not saying that they have to use these, but we think these are ones that they have used in the past, and we are recognizing that as a point of interest.

You know, I am a realist, and I know I cannot get here to there today. But I want to put on the record again that this is not to identify the Air Force or tell the Air Force what to do, but to recognize a pretty important component of their overall training or readiness and our foreign partner cooperation that we utilize.

So, I will not push it here in committee. I will pull this amendment for now. But I think we have to—if you want consistency, then we were not consistent last year. And—

Senator McCASKILL. I can—we can—

Senator BEGICH. Mine was very—that was very specific last year.

Senator McCASKILL. We can certainly strive to be consistent going forward. I can assure you in the subcommittee.

Senator BEGICH. Very good.

Senator McCASKILL. And hopefully this will be the first—this will not be the last time that we are consistent in regards to trying to single out certain projects like that.

Any other comment? Thank you, by the way, Senator Begich, very much. Thank you.

Senator COLLINS. Madam chairman, I know the hour is getting late and that I think we may have actually lost the quorum. And the Personnel Subcommittee is going to be meeting shortly. So, although I have an eloquent statement that praises both you and the ranking member on several—

Senator McCASKILL. Oh, we have time. No.

Senator BEGICH. I had one, too.

Senator COLLINS.—issues. I would ask that it be submitted for the record. And I would just make one quick point about the provision requiring the Navy to spell out the operations and support required at the four public naval shipyards, including the Portsmouth Naval Shipyard in Kittering, Maine.

This came about because I, along with former Senator Gregg, Senator Shaheen, and Senator Snowe, asked the GAO to do a study of the combined modernization backlog. And what the GAO found is there is a \$3 billion backlog. And unfortunately, the Navy for years has just relied on the combined efforts of delegations representing those states to plus up the accounts through earmarks frankly, rather than putting them in the budget. And now that,

particularly in this subcommittee, we are going to have a very strict no earmark policy, it is really important that the Navy start budgeting honestly for the maintenance backlog. And that is what the provisions in the bill would require.

And I have, as I said, a longer statement on this issue, which I would ask be submitted for the record. And I thank you.

[The prepared statement of Senator Collins follows:]

[SUBCOMMITTEE INSERT]

Senator AYOTTE. I just want to thank Senator Collins for important work on this, and would agree wholeheartedly that the importance of the GAO report really is what—and asking for it was a very important step in terms of what we are doing at our public shipyards. So, I think going forward, this is a key issue for this Readiness Subcommittee. Thank you.

Senator MCCASKILL. And I hate to use the words of my dear friend and colleague in any way against the proposition that she was supporting, but let me just say this. I think this is the one of the greatest side benefits of the end of earmarks is that we are going to now call upon the Defense Department and all of our military branches to budget honestly instead of relying on the earmarking process to add to what they have budgeted.

Honest budgeting, I think, is what the American people want right now, not the process of who has got the most muscle in terms of getting what they want for their projects. So, I think it is a great byproduct, and I agree with the provisions that we need to get some honest budgeting in terms of backlog. And that is terrific.

Without—is there—are there any other discussions on the mark or any of the amendments? Okay. Without objection, the recommendations of the subcommittee will be reported to the full committee. The staff will be authorized to draft bill and report language implementing agreements reached today in order to make the necessary technical and conforming changes.

Senator Ayotte, I would like to take this opportunity to thank you and your staff for all the hard work in supporting the Readiness and Management Support Subcommittee this year. Lucian Niemeyer, Pablo Carillo on the Republican staff have done a superb job as have our majority staff of Peter Levine, Jay Maroney, John Quirk, and Russ Schaffer. And my military staff, Tressa Guenov, who has done an absolutely fantastic job also and maybe had as little sleep as all of you this week.

Thank you very much, and the markup is adjourned.

[Whereupon, at 4:43 p.m., the subcommittee adjourned.]