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3 MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES

4 APPROPRIATIONS FOR 2015

5 Wednesday, March 12, 2014

6 INSTALLATIONS, ENVIRONMENT, ENERGY, AND BRAC

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8 APPROPRIATIONS FOR 2015

9 Wednesday, March 12, 2014

10 INSTALLATIONS, ENVIRONMENT, ENERGY, AND BRAC

11 WITNESSES

12 THE HON. JOHN CONGER, ACTING DEPUTY UNDER SECRETARY OF
13 DEFENSE FOR INSTALLATIONS AND ENVIRONMENT
14 THE HON. KATHERINE HAMMACK, ASSISTANT SECRETARY OF THE ARMY
15 FOR INSTALLATIONS, ENERGY, AND ENVIRONMENT
16 THE HON. DENNIS V. MCGINN, ASSISTANT SECRETARY OF THE NAVY
17 FOR ENERGY, INSTALLATIONS, AND ENVIRONMENT
18 THE HON. KATHLEEN I. FERGUSON, ACTING PRINCIPAL DEPUTY
19 ASSISTANT SECRETARY, PERFORMING DUTIES AS ASSISTANT SECRETARY
20 OF THE AIR FORCE FOR INSTALLATIONS, ENVIRONMENT, AND
21 LOGISTICS

22 Mr. CULBERSON. The committee will come to order.

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

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

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

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

41 [The information follows:]

42 ******** COMMITTEE INSERT ********

43 Mr. BISHOP. Thank you, Mr. Chairman.

44 I am glad that today we are going to have the
45 opportunity to talk about the President's 2015 budget
46 request, and we have the civilian leadership that can explain
47 the priorities for military construction in each of the
48 services. I look forward to hearing from our witnesses today
49 on how the current budget climate is affecting their military
50 construction projects, not only this year but in requests for
51 the next few years.

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

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

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

66 And I realize that these are very difficult issues for
67 all of the Members of Congress, and so I am glad for today's

68 hearing so that we can discuss them openly. And I look
69 forward to a very rigorous discussion.
70 Thank you, Mr. Chairman, and I yield back. And thank
71 you for the opportunity to share my concerns.
72 Mr. CULBERSON. Thank you, Sanford.
73 [The information follows:]

74 ******** COMMITTEE INSERT ********

75 Mr. CULBERSON. We will move right into the introduction
76 of our witnesses. And we are delighted to have with us the
77 Honorable John Conger, who is Deputy Under Secretary of
78 Defense for Installations and Environment; Katherine Hammack,
79 Assistant Secretary of the Army for Installations, Energy,
80 and Environment; the Honorable Dennis McGinn, Assistant
81 Secretary of the Navy for Energy, Installations, and
82 Environment; and delighted also to have with us Kathleen
83 Ferguson, who is the Acting Principal Deputy Assistant
84 Secretary, performing duties as Assistant Secretary of the
85 Air Force for Installations, Environment, and Logistics.
86 We deeply appreciate your service to the country and for
87 taking the time to be here.
88 And, if I could, without objection, I would like to
89 enter your statements in their entirety into the record and
90 ask you, if you could, to summarize your remarks to the
91 committee. And we look forward to your testimony.
92 And I am delighted to begin with you, Mr. Conger. Thank
93 you very much.
94 Mr. CONGER. Great. Thank you, Chairman Culberson,
95 Ranking Member Bishop, distinguished members of the
96 subcommittee. I appreciate the opportunity to appear before
97 you to discuss the Department's fiscal year 2015 budget
98 request for installations and environment.
99 I would like to touch on three items from my opening

100 statement: one, the top-level budget numbers; two, BRAC;
101 and, three, European infrastructure consolidation. I will be
102 brief because I want to get to your questions.
103 The testimony that I have submitted for the record
104 describes the $6.6 billion that we are requesting for
105 military construction, the $8 billion we are requesting for
106 sustaining and restoring our facilities, and the $3 1/2
107 billion we are seeking for environmental compliance and
108 cleanup.
109 And it is worth noting that the Opportunity, Growth, and
110 Security Initiative, which represents funding above the
111 budget caps, includes $26 billion for DOD, $2.9 billion of
112 which is for MILCON and $4.2 billion of which is for facility
113 sustainment and restoration. But because infrastructure
114 generally has a long, useful life and its associated
115 degradation is not as immediate, the DOD components are
116 taking more risk in the military construction program in
117 order to decrease risk in other operational and training
118 budgets.
119 In addition, reducing military construction reduces
120 investment risk, as we contemplate the uncertain allocation
121 of force structure cuts and the possibility of a new round of
122 BRAC. The MILCON request alone, as was alluded to earlier,
123 is a 40-percent reduction from what we requested last year.
124 The budget challenges facing the Department are deep,

125 and they extend for many years. We continue to believe that
126 an important way to ease this pressure is with base closure,
127 allowing us to avoid paying upkeep for unneeded
128 infrastructure and making those funds available for readiness
129 and modernization of our forces.
130 And I would like to quote Speaker Boehner. He was
131 speaking the other day to the Dayton Daily News, where he
132 said, and I quote, "There should be another round of BRAC.
133 We have bases that are unnecessary. They need to go." I
134 appreciate the Speaker's support for our request for a new
135 BRAC round, but, that said, I know that the high cost of 2005
136 has left a bad taste in many Members' mouths.
137 We have long talked about the emphasis in 2005 on
138 transformation rather than efficiency, but that answer didn't
139 satisfy Congress' concern about the $35-billion cost, and it
140 certainly didn't explain why we weren't going to end up with
141 more of the same if another round were authorized.
142 The key reason that perhaps 2005 cost so much was that
143 we were willing to accept recommendations that did not save
144 money, that did not pay back. So, in that context, I asked
145 my staff to review each of the recommendations from BRAC
146 2005, and what we found was that we actually ended up
147 conducting two parallel BRAC rounds.
148 The first one was about transformation. The
149 recommendations were expensive, and they didn't have payback.

150 But there are some actions you can only execute when you
151 have BRAC authority. Looking at the nearly half of last
152 round's recommendations that either didn't pay back at all or
153 paid back in more than 7 years, we found that this,
154 quote/unquote, "transformation BRAC" cost $29 billion out of
155 the $35 billion and only resulted in a billion dollars in
156 annual savings.
157 The other half of the recommendations, however, was
158 focused on saving money, focused on efficiency. These
159 recommendations had payback in less than 7 years. They ended
160 up costing a total of $6 billion and yielding recurring
161 savings of $3 billion a year. This, quote/unquote,
162 "efficiency BRAC" proves that when we are trying to save
163 money, we do. That is the kind of round we are seeking to
164 conduct now.
165 One last topic I am going to touch on is the European
166 infrastructure consolidation effort. Many Members have said
167 that we should close bases overseas before we do BRAC, so we
168 have embarked on a BRAC-like process in Europe. However, in
169 this effort, we are not looking at bringing forces back to
170 the United States. We hold forces constant, and we are
171 looking for efficiencies. So it will not take pressure away
172 from the need for a new BRAC round.
173 The analysis has taken longer than expected, and we are
174 nearing completion. We anticipate results this spring. We

175 have affirmed several recommendations already and have
176 offered classified briefings to committee staff and Members.
177 In fact, we are scheduled to brief this subcommittee's staff
178 tomorrow.
179 While most of the recommendations will take years to
180 execute and will require lengthy consultation, there are some
181 near-term activities. And there is one that I want to
182 highlight and ask for your support on, and that is the
183 consolidation of intelligence activities at RAF Croughton.
184 There is a $92-million construction request in this
185 budget, part of a 3-year effort that we expect to cost on the
186 order of $300 million, that will yield a billion dollars in
187 savings over the next 10 years. That is the kind of thing we
188 are trying to accomplish.
189 Thanks again for the opportunity to testify, and I look
190 forward to your questions.
191 Mr. CULBERSON. Thank you, Mr. Conger.
192 [The information follows:]

193 ******** INSERT 1-1 ********

194 Mr. CULBERSON. Madam Secretary, we are glad to have you
195 with us today, and we recognize you for your testimony.
196 Ms. HAMMACK. Thank you, Chairman Culberson and Ranking
197 Member Bishop, other members of the committee. I am glad to
198 be here today to talk on behalf of soldiers, families, and
199 civilians in the United States Army. And I thank you for the
200 opportunity to discuss the fiscal year 2015 military
201 construction budget proposal.
202 For fiscal year 2015, the Army is asking for $1.3
203 billion in military construction, Army family housing, and
204 the Army's share of the DOD base closure account. This
205 represents a 39-percent reduction from fiscal year 2014.
206 In addition to military construction, the Army is asking
207 for $13 billion for installation, energy, environmental
208 programs, facility sustainment, restoration, and
209 modernization, and base operations support.
210 Due to the fiscal reduction required by current law and
211 the end of combat operations in Afghanistan, the Army is
212 shrinking our Active component end strength to 490,000 by the
213 end of fiscal year 2015. The 2014 Quadrennial Defense Review
214 calls for the Army end strength to decline further, to
215 between 440,000 and 450,000.
216 As end-strength force structure declines, we must assess
217 and right-size supporting infrastructure to ensure that
218 training and readiness needs are met. This requires us to

219 achieve a difficult balance between the cost of maintaining
220 infrastructure and force readiness.
221 Last year, the committee asked when a capacity analysis
222 was last conducted. So we are conducting a facility capacity
223 analysis to determine the magnitude of excess capacity in the
224 United States from announced reductions. The analysis shows
225 to date that, inside the U.S., excess Army capacity ranges
226 between 12 and 28 percent, depending upon the facility
227 category group, with an average of 18-percent excess capacity
228 in the Army. Additional end-strength reductions below
229 490,000 will increase excess capacity.
230 In Europe, as part of the European infrastructure
231 consolidation review that Mr. Conger referenced, we are
232 addressing excess capacity. With a target completion date in
233 spring of 2014, the current analysis of Army facilities in
234 Europe reflects a 10- to 15-percent excess capacity in
235 Europe. We are on track to shrink overseas supporting
236 infrastructure, overhead, and operating budgets.
237 BRAC is a proven means to address excess capacity in the
238 United States. Prior BRAC rounds are producing $2 billion in
239 cumulative net savings to the Army every year. The
240 Government Accounting Office audited BRAC 2005 and found that
241 it is saving DOD as a whole a net $3.8 billion a year. BRAC
242 savings from DOD for all prior rounds cumulatively amount to
243 $12 billion a year.

244 As John stated, we have achieved the expected savings in
245 the 2005 round of BRAC and have a clear business case for our
246 2014 round. There is a clear path forward for Congress to
247 agree to a new round of BRAC.
248 As Mr. Conger stated, the BRAC 2005 round was comprised
249 of two parallel BRAC rounds: a transformation BRAC and an
250 efficiency BRAC. The efficiency BRAC round was a component
251 that produced savings. The next round of BRAC will only be
252 an efficiency BRAC and will likewise produce savings, real
253 savings, for the Army.
254 The Army and Congress have historically concluded that
255 using BRAC authorities is more transparent and economically
256 advantageous to local communities than other non-BRAC
257 authorities in addressing excess capacity. We fully support
258 the administration's request to authorize a single round of
259 BRAC in 2017 and look forward to working with Congress to
260 determine the criteria for a successful BRAC round.
261 Thank you for the opportunity to appear before you
262 today, and I look forward to your questions on our
263 recommended 2015 budget.
264 Mr. CULBERSON. Thank you, Madam Secretary.
265 [The information follows:]

266 ******** INSERT 1-2 ********

267 Mr. CULBERSON. We are pleased to recognize Secretary
268 McGinn. Thank you for your service to the country and for
269 being here today, sir.
270 Mr. MCGINN. Thank you, Mr. Chairman, Mr. Bishop,
271 members of the subcommittee. I am pleased to appear before
272 you today to provide an overview of the Department of the
273 Navy's investment in its shore infrastructure.
274 But before I begin, I would just like to thank the
275 committee for the absolutely wonderful, fast work on
276 reprogramming funds to get our Naval Air Systems Command team
277 back into their headquarters at the Washington Navy Yard. As
278 a result of your rapid action, a construction contract was
279 let in January, and we anticipate having that fine team back
280 in place in April of next year.
281 From our Nation's infancy, the United States Navy and
282 Marine Corps team has operated far from our shores to protect
283 vital security and economic interests. Forward presence is
284 no less important today than it was in 1902 when Congress
285 authorized President Thomas Jefferson to, quote, "employ such
286 of the armed vessels of the United States as may be judged
287 requisite for protecting effectually the commerce and seamen
288 thereof on the Atlantic Ocean, the Mediterranean, and
289 adjoining seas," unquote.
290 While the nature of today's threats has grown and is
291 more lethal and insidious than 200 years ago, we need to

292 compensate for that. Our Navy and Marine Corps team must be
293 manned, trained, and equipped to deter and respond to
294 belligerent actors wherever, whenever, and however they
295 strike.
296 Yet the fiscal imperative to reduce our Nation's debt
297 and control the deficit introduces additional complexity and
298 challenges as our department strives to strike the right
299 balance between resources, risks, and our strategy.
300 Our President's budget request for fiscal year 2015,
301 while supporting the 2014 Quadrennial Defense Review, comes
302 at a price to the shore establishment. Fortunately,
303 investments made in prior years will enable the Department of
304 the Navy to achieve forward presence without undermining the
305 shore establishment in the near term.
306 I look forward to working with you to sustain the
307 warfighting readiness and quality of life for the most
308 formidable expeditionary fighting force in the world.
309 Thank you for the opportunity to testify before you
310 today, and I welcome your questions.
311 Mr. CULBERSON. Thank you, Secretary McGinn. I am
312 always pleased to have Thomas Jefferson's wisdom as part of
313 the record here in Congress. Thank you, sir.
314 [The information follows:]

315 ******** INSERT 1-3 ********

316 Mr. CULBERSON. Secretary Ferguson, we are glad to have
317 you, and thank you for your service. And we look forward to
318 your testimony.
319 Ms. FERGUSON. Thank you, Chairman Culberson, Ranking
320 Member Bishop, and distinguished members of the subcommittee.
321 I appreciate the opportunity to appear before you today to
322 discuss the Air Force's military construction and military
323 family housing fiscal year 2015 budget request.
324 On behalf of Secretary James and General Welsh, I would
325 like to thank this subcommittee for its unwavering support of
326 the Air Force.
327 I know Members are eager to ask questions of this panel,
328 so I will keep my comments brief. To that end, details
329 regarding our fiscal year 2015 budget request are included in
330 my written statement. I would like, however, to highlight
331 two topics of interest: the challenges the Air Force faces
332 in the current fiscal environment and base realignment and
333 closure.
334 The current fiscal environment required the Air Force to
335 make some very tough choices. In order to best support
336 national defense requirements and comply with the Defense
337 Department's fiscal guidance and challenges, the Air Force
338 chose capability over capacity. Moving forward, the Air
339 Force seeks to maintain a force ready to meet the full range
340 of military operations while building an Air Force capable of

341 executing its core missions.

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

348 The Air Force believes that, funded at the fiscal year
349 2015 PB top-line level, it can continue a gradual path of
350 recovery to full-spectrum combat readiness and support its
351 military construction and housing programs.

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

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

365 Additionally, the Air Force has outlined plans in its

366 fiscal year 2015 PB submission to reduce force structure and
367 personnel even further. Even though we have not done an
368 updated capacity analysis, we intuitively know we still have
369 excess capacity.
370 One way we have, however, reduced our footprint is
371 through demolition of aging facilities and infrastructure.
372 Since 2006, we have demoed almost 50 million square feet of
373 aging facilities that were excess to our needs, and we
374 estimate the resultant savings at greater than $300 million.
375 Despite our best efforts and innovative programs, the
376 Air Force continues to spend money maintaining excess
377 infrastructure that would be better spent recapitalizing and
378 sustaining our weapons systems, training to improve
379 readiness, and investing in the quality-of-life needs of our
380 airmen and their families. Divestiture of excess property on
381 a grander scale is a must.
382 In conclusion, the Air Force made hard choices during
383 budget formulation. We attempted to strike the delicate
384 balance of a ready force today and a modern force tomorrow
385 while adjusting to budgetary reductions.
386 To help achieve that balance, the Air Force elected to
387 accept risk in installation support, military construction,
388 and facilities sustainment. We believe this risk is prudent
389 and manageable in the short term, but we must continue the
390 dialogue on right-sizing our installations' footprint for a

391 smaller, more capable force that sets the proper course for
392 addressing our most pressing national security requirements.
393 Members of the subcommittee, thank you for your strong
394 support of the men and women of the United States Air Force,
395 Active Guard, Reserve, and civilians. This concludes my
396 opening remarks, and I welcome your questions.
397 Mr. CULBERSON. Thank you, Madam Secretary. I
398 appreciate it.
399 [The information follows:]

400 ******** INSERT 1-4 ********

401 Mr. CULBERSON. Mr. McGinn, are you aware, does the Navy
402 have any analysis, current numbers that you can rely on in
403 terms of what your excess capacity may be?
404 Mr. MCGINN. We have not done an excess capacity
405 analysis in a number of years, but we, too, also support
406 having a BRAC. We find that that process is very, very
407 analytical; it relies on fact-based decisions and priorities.
408 And we would welcome the opportunity to conduct one.
409 Mr. CULBERSON. Sure.
410 Also, I think it is important to note for the record the
411 United States Marine Corps was the first and the Navy is next
412 in being able to adopt generally accepted accounting
413 procedures. And I believe the Marine Corps as of today can
414 be audited by an outside accounting firm, and the Navy is
415 next, right?
416 Mr. MCGINN. We are working very hard on that, yes, sir.
417 Mr. CULBERSON. Okay, great. I hope the Army and the
418 Air Force is going to be right there behind them so you can
419 actually do careful, honest analysis.
420 But in light of the fact, you know, the Army has got
421 numbers, you said, Madam Secretary, that indicate about an
422 18-percent average excess capacity currently--so in the
423 absence of, you know, current numbers from the Air Force or
424 the Navy, I share Mr. Bishop's deep concern and, frankly,
425 astonishment that you have asked for a 33-percent reduction

426 in your construction budget below what we enacted last year.
427 And you know how strongly this committee supports what
428 you do. And we want to make sure that the men and women in
429 uniform have everything they need in terms of creature
430 comforts and don't ever have to look over their shoulder or
431 worry one bit about their health care or their housing or
432 their families. And so that is a real, frankly, shocking
433 number, and I don't personally expect that that is one that
434 we are likely to go with.
435 But I would like to hear your explanation, if you could.
436 Talk to us about how the Department determined what projects
437 or accounts would be reduced. Where did you come up with
438 33.1 percent or $3.2 billion reduction? And if, we will just
439 say, the committee would ever approve that, what areas would
440 you see most at risk?
441 Mr. Conger?
442 Mr. CONGER. So, in order to answer your question, there
443 are multiple things that go into that. It wasn't a holistic,
444 "Here is what your MILCON number is." Each of the services
445 built their own budget, and they will be able to speak to how
446 they set their own priorities.
447 But I think, holistically, one can point to the fact
448 that, as we are looking at a constrained top line, the
449 priority has to be readiness. And so we had an allocation of
450 resources that attempted to ensure that readiness accounts

451 were more fully funded. And that meant that we had to decide
452 where to take risk as a department.
453 Mr. CULBERSON. OMB gave you X amount of money, and you
454 just had to work to try to make it fit within that? Or how
455 did you do that?
456 Mr. CONGER. So, the Bipartisan Budget Act that was
457 passed a few months ago set budget numbers for 2014 and 2015.
458 The number that we sent over adheres to that number.
459 Mr. CULBERSON. Right, that is the overall number. I
460 mean, but from your perspective, your piece on the military
461 construction portion--
462 Mr. CONGER. So the overall--
463 Mr. CULBERSON. --that is not in that overall budget
464 plan. That is just the one big number.
465 Mr. CONGER. Right. And so the Department has to try
466 and come up with a plan that meets that number.
467 Mr. CULBERSON. Well, right, right, for your piece of
468 it. But, I mean, basically, OMB comes in and says, here is
469 how much money we believe you need to get out of this
470 entire--
471 Mr. CONGER. As a department.
472 Mr. CULBERSON. Yeah.
473 Mr. CONGER. It doesn't bifurcate the MILCON from that.
474 Mr. CULBERSON. No, I understand, but, I mean, the
475 President and the White House obviously have other

476 priorities.

477 Mr. CONGER. So the direction was to build the budget

478 based on the Bipartisan Budget Act.

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

480 Mr. CONGER. Yes. And so the Department had that number

481 to work with. That said, we had priorities to weigh in

482 meeting that budget--

483 Mr. CULBERSON. Yeah.

484 Mr. CONGER. --and facilities were one of those areas

485 where the Department decided to take risk.

486 Mr. CULBERSON. But in the absence of excess capacity

487 numbers from either the Navy or the Air Force, I mean, you

488 don't even know--I mean, tell me, how did you determine what

489 projects or accounts are going to be reduced if you don't

490 even know what the excess capacity is? For example--

491 Mr. CONGER. It is less a matter of what is going to be

492 reduced and more a matter of what you are going to decide to

493 fund within the priorities that you have available funds for.

494 Mr. CULBERSON. And what areas do you see most at risk

495 with the numbers that you have given us, the 33-percent

496 reduction in military construction accounts, when--you know,

497 the committee has been very generous and supportive in the

498 past.

499 Mr. CONGER. Right.

500 Mr. CULBERSON. And I know that the committee has

501 scrubbed--we have superb staff. We are abundantly blessed to
502 have the--
503 Mr. CONGER. Indeed.
504 Mr. CULBERSON. --majority and minority staff work
505 together beautifully. I think you have flushed out every
506 little extra dollar you can out of these accounts.
507 Where did you come up with these--where does 33 percent
508 come from? And what areas are most at risk if we were to
509 just simply adopt what you have given us?
510 Mr. CONGER. So I think that the risk that we are
511 accepting--and there is no mistaking that we are accepting
512 risk in facilities. I think that the first place you have to
513 look is the facilities sustainment and restoration and
514 modernization accounts, which I know aren't part of this
515 committee's appropriation but are part of the equation as we
516 consider, you know, what affects our facilities. It is
517 cheaper to sustain a building than it is to repair it, and it
518 is cheaper to repair it than it is to replace it.
519 And so we have accepted risk. We have a facility model
520 to try and say how much money is required to sustain our
521 buildings. And we have, as a department and each of the
522 services, accepted varying degrees of risk as to what we are
523 going to do as far as preventative maintenance, et cetera.
524 That, I think, is probably the highest risk, because that
525 leads to repair requirements, and both those repair

526 requirements lead to requirements for new facilities.

527 Mr. CULBERSON. Yeah.

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

534 Ms. HAMMACK. Yes, sir.

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

538 Ms. HAMMACK. The focus is on life, health, and safety
539 in our sustainment accounts. In our MILCON accounts, we are
540 focused on fixing the failing; moving out of temporary
541 structures that we have been in too long, and they are also
542 at a failing level; and restationing what is coming back from
543 Afghanistan, some of our UAVs.

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

547 Mr. CULBERSON. Well, in the 2015 budget request, 79
548 projects were, I noticed, in the fiscal year 2014 FYDP for
549 2015, but the budget request also includes 37 new projects
550 that were not in the 2014 FYDP and 12 that were programmed in

551 the out-years beyond 2015.

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

555 Ms. HAMMACK. Absolutely. Some of the changes came
556 from--

557 Mr. CULBERSON. Each one of you all, since you know.
558 Excuse me, ma'am.

559 Ms. HAMMACK. Okay. Thank you, sir.

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

564 Some were accelerations from the commands as they
565 relooked at the restationing. As the Army downsizes to
566 490,000, we took a very hard look at our MILCON program and
567 determined what was the most critical.

568 As we are considering shrinking even further, to 440 or
569 450, some projects dropped out until we know exactly where
570 they are going to be so we can avoid building infrastructure
571 that might not be needed by a smaller force.

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

575 Ms. HAMMACK. Yes, sir.

576 Mr. CULBERSON. And that is it.

577 Ms. HAMMACK. Yes, sir.

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

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

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

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

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

599 Mr. CULBERSON. Okay.

600 And I thank my good friend, Mr. Bishop, who has been

601 very indulgent of me. I didn't mean to take so much time.
602 But Ms. Ferguson, then I want to pass to my good friend from
603 Georgia.
604 Ms. FERGUSON. I will try to be brief here. I just want
605 to hit just a couple things.
606 As the Air Force built the budget, we looked to build
607 the most capable Air Force ready for a high-end threat that
608 was affordable in 2023. And as we built the budget, we had
609 difficult choices as we attempted to strike that delicate
610 balance between a ready force today and a modern force
611 tomorrow, while also recovering from sequestration.
612 Really, what we did was two things. We continue to seek
613 efficiencies and cut overhead. We reduced management
614 headquarters, consolidated activities to achieve 20-percent
615 savings. We supported the military compensation
616 recommendations. And to prevent deeper cuts to readiness and
617 personnel, we did take risk in military construction,
618 facilities sustainment, and installation support.
619 We, further, also took capacity down. And I think you
620 are all aware, we had to look at divesting the A-10 and the
621 U-2 fleet to achieve savings to balance that budget.
622 Thank you.
623 Mr. CULBERSON. Thank you, ma'am. Thank you for your
624 testimony.
625 And thank you for your patience, Mr. Bishop.

626 Mr. BISHOP. Thank you very much, Mr. Chairman.

627 Let me go to Secretary Conger.

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

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

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

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

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

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

647 Right now, the Department is motivated to fit within the
648 budget constraints that it has. And the reason that we want
649 a BRAC so desperately today is that we don't want to be
650 wasting money on unneeded facilities that, therefore, means

651 that we have less money to spend on readiness and the
652 warfighter.
653 Mr. BISHOP. Basically, our military is our strategic
654 defense for domestic and foreign protection. And we don't
655 know what the exigencies are going to be, so it is kind of
656 difficult to plan without being strategically prepared.
657 And making the assumption--I guess all of this is making
658 the assumption that because we don't have the resources that
659 we have had budget-wise, that our strategic needs are not
660 going to be as great as they have been. Would you say that
661 is correct?
662 Mr. CONGER. Far be it from me to allude to a general
663 statement like that. I think, from a facilities perspective,
664 I can talk about the excess that we have and the
665 optimization. But I am not the appropriate person to be
666 answering questions about the overall strategic posture of
667 the Department.
668 Mr. BISHOP. The excess is a function of what our future
669 requirements are? Or is the excess a result of having
670 unneeded capacity for what we are now doing?
671 Mr. CONGER. Yes. And when you have a BRAC round, the
672 first thing you do is go to the Joint Staff and say, what is
673 your 20-year force structure plan? What are you projecting
674 for a force structure so that we can use that as an input?
675 It is also, by the way, what we did on the European

676 infrastructure consolidation effort. We went to the Joint
677 Staff first and said, what is the requirement? It is not our
678 job to decide whether we need fewer or more people in the
679 Armed Forces.
680 Mr. BISHOP. Thank you.
681 For Ms. Hammack, I just want to ask you if the Army's
682 PEA had an effect on the fiscal year 2015 program for the
683 Army.
684 Ms. HAMMACK. Yes, the PEA that we did last year had an
685 effect on our program. We had done a very close scrutiny of
686 our fiscal year 2014 MILCON program to try and avoid building
687 things that we thought could have been affected.
688 Right now, we have just started another round of PEA or
689 NEPA in order to look at what kind of infrastructure we would
690 need if we shrunk to 440 or even lower to 420. So we are
691 taking a look at our infrastructure again.
692 As you clearly stated in your opening statement, the
693 last round of BRAC identified an excess capacity of over 20
694 percent, yet only reduced by about 3 1/2. So there is
695 clearly excess capacity that has been there a while that we
696 have not addressed.
697 The Army's recent study has confirmed that we have
698 excess capacity currently in the Army, that we could do
699 further consolidations, we could do further closures because
700 we have excess capacity. And we could consolidate into our

701 most efficient structures, we could consolidate to increase
702 our efficiency of our operations, and we could save money for
703 the American taxpayer.
704 Mr. BISHOP. And so we should be reassured, then, that,
705 unlike in 2005, we won't end up with a net savings of very
706 little?
707 Ms. HAMMACK. Absolutely, sir. We are not asking for a
708 transformational BRAC. We are asking for an efficiency BRAC.
709 In 2005, we asked for, as Mr. Conger described, two parallel
710 BRACs. One was a transformational, one was an efficiency.
711 The efficiency portion looked like prior rounds of BRAC.
712 That is what we are asking for this time.
713 Mr. BISHOP. Okay.
714 Secretary Conger, changing gears for a moment, can you
715 give us an update on the Department's efforts to rebalance
716 the Asia-Pacific region in terms of facilities, specifically
717 in Guam and Japan? I know that the landfill permit from the
718 FRF was signed this past December, so what I would like to
719 know is, are we finally going to see some real movement on
720 that project?
721 Mr. CONGER. So, two things real quick.
722 One quick clarification on the BRAC savings. The 2005
723 round is saving $4 billion in recurring savings. So that is
724 not nothing. I just wanted to clarify it for the record.
725 The second thing is, as far as the shift to Guam, there

726 currently is ongoing an SEIS process, a supplemental
727 environmental impact statement process. The Navy is
728 projected to release the draft--and maybe I should turn to
729 Secretary McGinn to answer the details of this, but we expect
730 that to be coming out early next year.
731 Denny, did you want to--
732 Mr. MCGINN. It should be coming out in about a month or
733 so, Mr. Bishop.
734 Mr. BISHOP. That is the plan?
735 Mr. MCGINN. The supplemental, yes, the draft. And it
736 will provide what our preferred alternatives are for the
737 laydown of our U.S. Marines at Guam going forward.
738 Mr. BISHOP. All right. Because last year I asked your
739 predecessor if there was a plan showing what was needed on
740 the construction side for the new South Pacific strategy, and
741 there was not one then. So you are saying that there is not
742 one now but you are working on it?
743 Mr. MCGINN. We do have a plan that is being reviewed
744 within the Department that will be published in about 30 days
745 or so. And we will go through that whole process of taking
746 in inputs on that and then finally deciding on what the exact
747 laydown is. But I will tell you, the plan has come into much
748 sharper focus, and I think you will be able to see that when
749 this supplemental EIS is published.
750 Mr. BISHOP. So can you tell us, then, what types of

751 projects we can look to see in the Pacific and how lower
752 budgets will affect investments in that area?
753 Mr. MCGINN. Our focus on Guam is to be able to
754 accommodate 5,000 Marines and about 1,700 or so family
755 members. We want to make sure that the living environment,
756 the quality of life is adequate, and it will be. We want to
757 make sure that the ability to train those Marines, including
758 live-fire training, is evident there, so part of the plan
759 involves live-fire training ranges and mobility training
760 ranges.
761 We want to make sure that that strategic location
762 operated so far forward in areas of critical interest to the
763 United States has the right kind of infrastructure and base
764 laydown that will support those Marines and enable them to go
765 forward.
766 Mr. BISHOP. Is Japan in agreement with that?
767 Mr. MCGINN. Yes, sir, they are.
768 Mr. BISHOP. They have signed off?
769 Mr. MCGINN. We have made a lot of progress with them,
770 and they have signed off.
771 Mr. CULBERSON. Thank you.
772 I now recognize the gentleman from California, Mr.
773 Valadao.
774 I am going to catch everybody in the order in which they
775 came in. I am a little loose on the 5-minute rule, so I

776 would expect common courtesy and good sense.

777 Mr. VALADAO. Thank you, Mr. Chair.

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

784 Last week, I had the opportunity to sit down with the
785 commanding officer of the Naval Air Station in Lemoore, who
786 explained to me that the drought is actually increasing the
787 risk of bird strikes at the base. In short, the Navy works
788 with farmers around the base to ensure the land is cultivated
789 in such a way as to prevent birds from entering areas where
790 flight operations take place. Unfortunately, due to the lack
791 of available water as a result of the drought, farmers are
792 unable to cultivate the land, increasing the risks of bird
793 strikes.

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

799 The drought is not only a threat to our country's
800 agriculture supply but also an issue of national security due

801 to the danger it poses to our fighter pilots and warfighting
802 aircraft.
803 Assistant Secretary McGinn, I understand part of your
804 job is ensuring the safety of military and civilian personnel
805 at the Navy's various installations. As a former aviator,
806 will you elaborate on the risks of bird strikes, both to
807 aircraft and to personnel? Is the increasing risk of bird
808 strikes at a major airbase a serious concern of the Navy?
809 Mr. MCGINN. Yes, sir, it is. Some of the best days of
810 my time in uniform were spent flying out of Naval Air Station
811 Lemoore F-18s and A-7s.
812 And I will say for the record, bird strikes are bad.
813 And we see an increased threat for the reasons that you
814 outlined. When fields lie fallow, ground rodents
815 proliferate, raptors come in to get that ready supply of
816 food, and they produce a lot more danger of airplane-bird
817 collisions.
818 The base is doing a wonderful job at trying to mitigate
819 that, given the tremendous constraints on water. On a normal
820 year, back around 2009, the water allocation was about 40,000
821 acre-feet. For the past several years, they have been able
822 to get by with different types of crop rotation around 24,000
823 acre-feet. But, as you know, with the tight conditions on
824 drought, it is looking even less than that going forward in
825 the future.

826 But this is a definite concern related to aviation
827 safety in Naval Air Station Lemoore. I spoke to the
828 commanding officer this morning, in fact, about this, and he
829 assured me that they are trying to do everything they can,
830 but more water would certainly help.
831 Mr. VALADAO. Will you please elaborate on the costs
832 incurred by the Navy to mitigate against bird strikes because
833 of the drought? Aside from the bird-strike-related costs,
834 what other costs is the Navy incurring as a result of the
835 California drought?
836 Mr. MCGINN. We are trying to be and are succeeding at
837 being good citizens in the State of California, throughout
838 the State of California, wherever there are Navy and Marine
839 Corps installations. We have cut our water consumption just
840 in the past 3 years by up to 4 billion gallons, and we are
841 going to continue to drive that down even further.
842 In terms of costs, obviously there is the risk of bird
843 strikes that we just talked about. But we are modifying
844 flight patterns and, if there is a bird strike, having to
845 repair those aircraft. But the biggest thing is the risk of
846 catastrophic collision at some point in the future if we
847 can't continue to do something about this.
848 Mr. VALADAO. Thank you.
849 And I would also like to hear from other DOD and from
850 the other services represented here on how the California

851 drought is impacting their operations and other additional
852 costs that the services are incurring as a result of dealing
853 with the current drought conditions.
854 And I met with Ms. Hammack last week over this, so feel
855 free, if you have anything to add.
856 Ms. HAMMACK. What I would like to add to the
857 conversation is, with increased drought, there is increased
858 risk of forest fire. And that has been one of the biggest
859 challenges to the Army. We are watching that very closely.
860 Over the last 6 years, we have had a 27-percent
861 reduction in our overall consumption of water. We have a Net
862 Zero Initiative to reduce water consumption further. And it
863 is a concern, as we are watching water consumption, we are
864 also watching forest fire danger.
865 Ms. FERGUSON. The Air Force has six installations in
866 California, and they have been partnering with the local
867 governments to comply, to the maximum extent possible, with
868 the drought restrictions and also follow the Executive orders
869 and public law. We can get back to you if there are any
870 operational issues. I am unaware of those right now.
871 But, similar to the Army, we have had installations that
872 have reduced water consumption by as much as 40 percent since
873 2007 through a number of initiatives.
874 Mr. CONGER. I think they have said it all. The
875 services have done a really nice job of water conservation,

876 not just in California but throughout the country. We have
877 legislated goals set out for reducing our potable water
878 consumption, and the Department as a whole has blown through
879 those goals and has done an exemplary job of water reduction.
880 Mr. VALADAO. Thank you.
881 That is all I have, Mr. Chair.
882 Mr. CULBERSON. Thank you very much.
883 I recognize my good friend from California, Mr. Farr,
884 who has the dubious distinction, I understand, of having had
885 more BRAC than any other Member of the United States
886 Congress.
887 Mr. FARR. Thank you, Mr. Chairman. I got on this
888 committee because I am the most BRAC'ed Member of Congress.
889 And I never knew that 20 years later I would still be here
890 talking about BRAC.
891 I think that BRAC is all about promises made, promises
892 kept, and promises to the United States Congress that we will
893 go through this BRAC process and we have a role and
894 accomplishment and a goal for each one of these decisions to
895 reduce or eliminate a base.
896 And I just was looking at Fort Ord, which was the reason
897 that got me to Congress. And what you stated in California
898 in 1991 was to relocate the 1st Brigade, 7th Infantry
899 Division Light from Fort Ord, California, to Fort Lewis,
900 Washington. That was the reason you sold it. What happened

901 to the 7th Infantry?

902 Norm Dicks was on this committee, so excited about it
903 was leaving. And the then-Congressman Leon Panetta was so
904 sad about them losing it. And, as I understand, in the
905 process, both lost, that Fort Lewis never got the 7th
906 Division that you deactivated.

907 That is the point, is that was what was sold to
908 Congress, and it just never turned out that way. And I have
909 been left with, as you were talking about, the unloading of
910 these bases, whether the decision that they are excess or
911 they need to be realigned.

912 But I think what this committee deals with is that other
913 side, is the uploading, is the community that accepts the
914 responsibility for it. And just like we are seeing in
915 Afghanistan and Iraq, when we pull out, there is a
916 responsibility to build the capacity of those that are left
917 behind. And the way we build that capacity is in cleanup so
918 that they can use the land. Without cleaned-up land, it is
919 what we call mothballed. It just sits there; nobody can use
920 it. In fact, we just build fences around it if it has
921 unexploded ordnances. It becomes of no benefit to anybody.
922 It is actually an economic liability to the community.

923 And so I am kind of shocked, if not feel betrayed, by
924 this budget in what you bring to us in your ability to clean
925 up. And it is just not me and my instances with the

926 experience of BRAC in my district, but also the chairman has
927 bases in Texas with Brooks Air Force Base, the Port Authority
928 of San Antonio, the Lone Star Army Ammunition Plant in
929 Texarkana, the Ingleside Naval Station. And the ranking
930 member, Mr. Bishop, has the McPherson Army Base, Forest Park
931 and Fort Gillem, the Navy Air Station in Atlanta, the Navy
932 Supply Course School in Athens. All of those have been
933 BRAC'ed and are still needing assistance.
934 So my questions really go to your budget and feeling
935 that--and I have a lot of specific questions.
936 I want to ask Ms. Hammack first, because, first of all,
937 before I get into the other questions, I want to just thank
938 you, because you did make some promises to this committee
939 last year that you would take care of this small little acre
940 property that has become a bureaucratic nightmare to try to
941 transfer, the Tidball Store, to transferring it to Monterey
942 County at Fort Hunter Liggett, and I understand that the
943 final touches are in place and that ought to happen this
944 spring. And I want to thank you for your personal
945 involvement in that. Second, I want to thank you for
946 bringing the water to the veterans cemetery that the State is
947 going to build at former Fort Ord.
948 But I want to really get into the cleanup at Fort Ord.
949 We divided that into two categories. Essentially, the land
950 that the civilians were going to use for redevelopment went

951 through an ESCA, an environmental services contract, with the
952 Fort Ord Reuse Authority. And that, I think, has gotten
953 short shrift from the Pentagon in the success it has had. It
954 is actually ahead of schedule and, I think, under budget so
955 far. Great news.

956 But the other half of that is the land that is going to
957 stay in Federal jurisdiction, which the Army transferred to
958 the Bureau of Land Management and recently has been declared
959 a national monument. But there is a lot of that land, about
960 7,000 acres, that still have to be cleaned up. And I don't
961 know how you are going to get from here to there to get it
962 cleaned up with the budget you have. You are only budgeting
963 $1.3 million for the cleanup of Fort Ord. That is a
964 92-percent reduction.

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

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

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

972 What is interesting is that, in prior BRAC rounds, the
973 environmental burden of closure was high, and that is because
974 there was not a lot of focus on cleaning up the lands while
975 they were being stewarded by the military services. There is

976 now an effort to both clean up our active bases as well as
977 those that have been closed.
978 So what we found in the 2005 BRAC round is that the
979 environmental remediation costs were much, much lower than
980 those of the prior BRAC rounds.
981 And so what we are doing right now is we are focusing on
982 those BLM lands. One of the challenges is something that
983 Representative Valadao brought up, is the issue in regards to
984 clearing the land so that we can clean them up.
985 Mr. FARR. It is no different from the ESCA cleanup than
986 it is for the BLM. They are right next to each other.
987 Ms. HAMMACK. They are, except that we left the training
988 ranges, which have the heaviest amount of burden of cleanup,
989 to the last. And those are what takes the longest to clean
990 up because we have to clear the brush first prior to the
991 cleanup, and there are limitations put on us by the State and
992 that region as to the amount of controlled burns that we can
993 do in order to clean up the lands.
994 Mr. FARR. But even when you have a controlled burn that
995 gets out of control, burns a lot more than you intended, then
996 you have an opportunity to clean up, and then you wouldn't
997 use that opportunity. You just had to wait for the brush to
998 come back, go through the process, burn it all over--just a
999 total dum-dum way of handling a problem.
1000 Anyway, I just--there is an end sight in here for the

1001 BLM land then to get cleaned up, and there is enough money in
1002 the budget to do that?
1003 Ms. HAMMACK. That is something that we are looking at
1004 to see what we can accelerate at Fort Ord, because you are
1005 right, last summer a controlled burn did get out of control
1006 and we burned more land than we were authorized. It did not
1007 go off that land, but it is something that we are working to
1008 address right now.
1009 There is money in the budget that comes--we were able to
1010 combine the prior-year BRAC round closure budgets with the
1011 2005 closure budget. So as we sell off land from the 2005
1012 BRAC rounds, it goes into that environmental restoration
1013 budget and helps fund environmental restoration for all BRAC
1014 lands. So we are able to have an increased funding stream to
1015 address the issues as you mentioned.
1016 Mr. FARR. Well, I want to get into that, too, but I
1017 will maybe wait for another round on that. I want to just
1018 finish off a couple things.
1019 One is the Camp Roberts, which you visited here. I
1020 understand that Camp Roberts, which is run by the California
1021 National Guard, that the MILCON distribution to the States
1022 has a distribution to the Army National Guard. And the
1023 question is, is the National Guard and Reserve training
1024 bases, which are ideal places for the Army component to
1025 train, which you are doing at Camp Roberts--we were talking

1026 about that before the hearing, and the incredible facilities
1027 that often the Active Duty military uses.
1028 What I am concerned about is how the Army and the
1029 National Guard--how the Army distributes the money for the
1030 MILCON funds to the States.
1031 Ms. HAMMACK. When we look at our overall budget, we
1032 distribute the MILCON budget by a ratio of the amount of
1033 infrastructure the services have. So if you look at the
1034 plant replacement value for the Active Army, that is about 70
1035 percent of the total inventory of infrastructure. The
1036 National Guard is about 20 percent, and the Army Reserve is
1037 about 7 percent.
1038 Mr. FARR. Well, I am sure when you visited Camp
1039 Roberts--and I thank you for doing that--you saw that long
1040 bridge, the high-water bridge, which is falling apart and
1041 can't be used at all. It is a tank trail connecting with
1042 Fort Hunter Liggett. But the problem is that it is the only
1043 way, the only road that you get to the emergency services.
1044 So with that bridge out, you have to drive over an hour for
1045 in emergency situations to bring, you know, people to where
1046 they can get the care at Camp Roberts.
1047 And the bridge, as I understand it, was the TAG's
1048 number-one priority for MILCON in the last 2 years. However,
1049 no moneys have been funded to help restore that bridge. So
1050 how much weight does the State's top priority get in the

1051 criteria for MILCON funding?

1052 Ms. HAMMACK. The National Guard looks at the priorities
1053 from all of the States and puts them together. And earlier I
1054 explained that we prioritize on the basis of fixing the most
1055 failing, the most urgent needs. And sometimes a State's
1056 number-one priority may not be number one for the entire
1057 National Guard.

1058 Mr. FARR. Well, when is the high-water bridge at Camp
1059 Roberts going to be in a FYDP?

1060 Ms. HAMMACK. I am going to have to take a look at that
1061 and get back to you, sir.

1062 Mr. FARR. Okay.

1063 I will tell you, I have to say, one--because the other
1064 questions are going to be for the other witnesses. But I
1065 just want to say that I think I am very critical of this
1066 process and slowness and awkwardness in UXO cleanup, but I
1067 think you are doing a stellar job in conservation.

1068 And, you know, I am very proud that Fort Hunter Liggett
1069 was selected in 2011 as the pilot site for Net Zero Energy
1070 Initiative. And since then, two megawatts of solar arrays
1071 have been constructed, and a third megawatt is under design.
1072 This is really clever. What they did is they have been
1073 parking all their tanks and trucks in the direct sunlight,
1074 and the heat just, you know, does deterioration. What they
1075 did is built carports, and on top of those carports is

1076 nothing but solar array. I mean, it is huge. And they are
1077 able to generate enough electricity to sustain the whole
1078 base.
1079 And I don't know if these guys were pulling my leg, but
1080 they say these solar plates are so sensitive you can generate
1081 electrons with a full moon. It might be possible. Anyway--
1082 Ms. HAMMACK. Some. Just not that much. But you can
1083 generate some.
1084 Mr. FARR. So I want to praise you.
1085 And I would love to have you, Mr. Chairman, come out and
1086 see these places. Maybe we can get a CODEL. It is hard to
1087 visit Monterey County and all those beautiful places in
1088 California, but maybe we can do it. I like to brag about
1089 this Net Zero Initiative.
1090 Mr. CULBERSON.If there is any part of the country it
1091 would be worth seeing, it is your district. You have one of
1092 those beautiful parts of the United States and that coastline
1093 out there, Sam.
1094 Mr. FARR. Well, come on out.
1095 Mr. CULBERSON. I am not much of a traveler, but we do
1096 need to get out there.
1097 Mr. FARR. We have a lot of rocks--we have some rocks
1098 out there.
1099 Mr. CULBERSON. --it is also the anniversary of D-Day.
1100 Mr. FARR. Oh, yeah.

1101 Mr. CULBERSON. So we need to be thinking about that as
1102 a committee.
1103 Mr. FARR. Okay.
1104 Mr. CULBERSON. I am going to turn over a new leaf this
1105 year.
1106 I really appreciate you all's patience. Again, I want
1107 to try to give everybody time to answer questions, so I
1108 appreciate your indulgence.
1109 And we turn to Mr. Graves.

1110 RPTS BAKER

1111 DCMN SECKMAN

1112 Mr. GRAVES. To each of you, thanks for being here.

1113 And first, let me just say we, all on this panel, have
1114 the greatest respect for what you are trying to do with
1115 limited resources and difficult challenges, but you also hear
1116 maybe questions or concerns in a bipartisan fashion on this
1117 panel which I think is healthy. And I appreciate your
1118 transparency in trying to answer the questions.

1119 I just have a couple of questions. The first one to Mr.
1120 Conger, relating to what Secretary Hagel said a few days ago,
1121 I guess a few weeks ago. And you will recall, and I have the
1122 quote here, that as it relates to BRAC, he made the comment:
1123 "If Congress continues to block these requests, even as they
1124 slash the overall budget, we will consider every tool at our
1125 disposal to reduce infrastructure." So was he suggesting
1126 that he would move forward without Congress' approval?

1127 Mr. CONGER. Well, a couple of points. One, he used the
1128 word "consider." So the question is, do you look at all your
1129 options if we don't get a BRAC? And I think the answer is
1130 yes. He has--there exists authorities to close and realign
1131 bases that don't involve BRAC. And whether he considers
1132 those options, I think he made it clear. And I am not going
1133 to say anything different than the Secretary said in that
1134 context.

1135 Did he say that we were going to go ahead and take
1136 actions if Congress didn't pass a BRAC? No, he said that
1137 they were going to be considered.
1138 Mr. GRAVES. Which would mean that he is suggesting that
1139 he might consider moving forward without the approval of
1140 Congress or this panel here.
1141 Mr. CONGER. Well, those authorities came from Congress
1142 in the first place, and in all honesty, there is very little
1143 that can happen in the Department without the approval of
1144 Congress. Congress appropriates, as you well know, any money
1145 that we have to do anything. So it is a question of the
1146 authorities that Congress gives to act, and the specific
1147 actions are all going to have to come through here
1148 eventually.
1149 Mr. GRAVES. And I assume it is safe to say each of you
1150 would prefer Congress directing the path forward as opposed
1151 to the Department going around Congress?
1152 Mr. CONGER. Well, first of all, nobody is pretending
1153 that anybody is going to go around Congress, okay? The
1154 question is, is the path forward that Congress authorizes.
1155 The second thing is that BRAC is clearly the preferred way to
1156 close and realign bases. It is more analytical. It is more
1157 transparent. It is more objective. It affords benefits to
1158 communities when properties are disposed of. If there was,
1159 say, a section of a base that was declared excess today--and

1160 that happens from time to time--that simply gets sold without
1161 consultation with the local community. Under BRAC, when a
1162 base closes, the community gets to decide what happens to the
1163 base. And that means they can direct it toward economic
1164 job-generating activities. There are a lot of advantages to
1165 local communities from BRAC vis--vis other disposal
1166 mechanisms.

1167 Mr. GRAVES. So, as we look forward, and I respect the
1168 suggestions that you all are making, and you have made it
1169 clear, each of you, all four of you have said that you
1170 support and encourage BRAC moving forward. If, for whatever
1171 reason, this panel and the House of Representatives and the
1172 Senate does not agree with you, I would suggest and that the
1173 Secretary be very careful in considering going around
1174 Congress because I don't think that is the healthiest process
1175 moving forward.

1176 Just another question to each of you. If you have maybe
1177 a number in mind, each of you has spoken about efficiency as
1178 being the next BRAC. Is there an efficiency goal? Because I
1179 don't know that I heard that. Maybe you said it, and I
1180 missed it, but is there like a number, like a so many
1181 percent?

1182 Mr. CONGER. So the figure that Mr. Hale used when he
1183 was testifying with Secretary Hagel last week I think was
1184 that we have a projection based on a 5 percent reduction in

1185 plant replacement value, which is a fairly modest number
1186 that, based on previous BRAC rounds, that it would be
1187 approximately $6 billion worth of costs over the period of
1188 the BRAC and approximately, when it is all complete, a $2
1189 billion annual return. There would be savings during
1190 the--you know, if you take an action at the beginning of any
1191 BRAC round, the savings begin to accrue. So, during the
1192 period of BRAC, the estimate is that the cost would be a
1193 wash. So you would be saving roughly the same amount that
1194 you would be spending over the course of the 6 years, and
1195 then you would get approximately $2 billion a year recurring
1196 thereafter if you assume that 5 percent, modest 5 percent.
1197 Mr. GRAVES. And that is in total all the way across the
1198 Department?
1199 Mr. CONGER. Yes.
1200 Mr. GRAVES. Okay. And then I guess my last question
1201 for each of you, if you could think through this and maybe
1202 not through the lens of your position but through the lens of
1203 caring and loving your country, you know, as one who has
1204 families and such, when you really think about where we are
1205 as a Nation, I mean, we all know we have enemies. We have
1206 those around the world that do not like us and want to
1207 destroy us, and a lot of children all across our country that
1208 go to bed every night and they sleep well knowing that we are
1209 safe and we are secure. And I hear the conversation that we

1210 have had today. And I guess the question for me to each of
1211 you is when you think about where we are as a Nation and when
1212 you think about the assets we have, the property, the
1213 equipment, personnel and such, do we have too much or too
1214 little in defending our Nation and looking at it in the
1215 future?
1216 Mr. CONGER. Let me answer that question broadly. You
1217 are talking to the installations folks, and so it is other
1218 officials within the Department.
1219 Mr. GRAVES. I am just asking your personal opinion, not
1220 through MILCON itself, but just when you look at the concerns
1221 across the globe.
1222 Mr. CONGER. Absolutely. I think that it is important
1223 to, though, for us as witnesses for the Department keep that
1224 in mind, so as the installation folks, can we say that we
1225 have too much infrastructure? Yes. And, moreover, what is
1226 really important about this is that the resources that are
1227 going to extra infrastructure that you don't need could be
1228 going to warfighters that do need the money. The training
1229 reductions that have occurred over the last couple years and
1230 the shortfalls that they have encountered and the readiness
1231 shortfalls are critical and far more critical than funding
1232 excess infrastructure.
1233 Mr. GRAVES. Thank you.
1234 Ms. HAMMACK. On behalf of the Army, one of the

1235 challenges we have is reduced funding from Congress. And we
1236 simply do not have the money to operate buildings that are
1237 empty. And when we mothball them and when we shut off
1238 utilities, the building degrades. Then it becomes of no use
1239 to the Army. It becomes of no use to the private sector, so
1240 that is a lost opportunity for the private sector. Where it
1241 could be put to productive use by taxpayers, it is no longer
1242 of value to anyone. So BRAC is an advantage in that it puts
1243 a base in productive use in the community versus having it
1244 sit idle and empty.
1245 The challenge is we still need to maintain it. We still
1246 need to operate it, and under the other authorities Mr.
1247 Conger referred to, we cannot reduce our manning without
1248 notification to Congress. So you can't reduce your manpower
1249 and you can't reduce your square footage and you can't reduce
1250 your boundaries, so we are sort of tied up in knots because
1251 for the Army 50 percent of our budget is manpower. And we
1252 are reducing that as the budget has gone down, but it takes a
1253 while to get those savings because we have a responsibility
1254 to try and ensure that the soldiers who leave the Army and
1255 their families are taken care of and have jobs. So as the
1256 budget goes down for manning, what is left is looking at your
1257 training, your modernization, and your facilities. And each
1258 one of those budgets are taking deep cuts to try and preserve
1259 as much of the forces as we have.

1260 Mr. GRAVES. I understand. But if there weren't these
1261 cuts, would you suggest that we need more in defense related
1262 items? My general question is, do you feel we are spending
1263 too much overall or too little, and are we well equipped to
1264 defend this great Nation into the 21st century from the
1265 enemies around the globe? That is the general question.
1266 Ms. HAMMACK. Well, I would like echo the Secretary of
1267 Defense's comments for the Army, taking cuts below 490 is a
1268 concern, and it is a risk.
1269 Mr. GRAVES. Thank you. Thank you.
1270 Mr. MCGINN. We need more ships. One of the ways of
1271 getting those ships is to allocate budget dollars to them. I
1272 am an old Cold Warrior. I will go back to 1991, when we had
1273 the first round of BRAC. We have had five since then. In
1274 the Department of the Navy we have closed 186 installations
1275 or functions; 52 of them were major. If we had not been able
1276 to do that over the course of the ensuing 23 years in those
1277 five rounds of BRAC, our budget would be absolutely broken.
1278 I don't know how many ships we wouldn't have out there today.
1279 So do we need more dollars to do the things that
1280 Katherine just outlined? Yes. We always need to make that
1281 balance between the readiness of today and the capabilities
1282 of tomorrow or future readiness. And we need to pay for
1283 manpower. We need to pay for platforms. So, yes, my answer
1284 would be we could.

1285 But one of the ways, given a budget cap and the
1286 imperative to address budget challenges as a Nation, we need
1287 to make sure that every dollar that goes for defense goes to
1288 where it is going to do us the most national security good
1289 and keeping unused infrastructure, as painful as that process
1290 can be, is not the best use of those taxpayer dollars.
1291 Mr. GRAVES. Thank you.
1292 Yes, Ms. Ferguson?
1293 Ms. FERGUSON. Just, in short, as the Air Force built
1294 the budget, we had to make some very difficult choices. And
1295 I think you see that reflected in our budget. We reduced
1296 force structure. We reduced A-10s, U-2s. We took
1297 significant risk in military construction, installation, and
1298 support. I think it was the right risk as we go forward, but
1299 it is given where we are in the budgetary climate right now.
1300 Mr. GRAVES. Thank you.
1301 Thank you to each of you.
1302 Mr. CONGER. Sir, could I have one follow up? It is
1303 also the case, and I think this is more to your point, that
1304 the administration sent over a $26 billion additional fund
1305 for the Defense Department that was above the budget caps
1306 that included a variety of additional requirements, unfunded
1307 requirements the Secretary referred to them as, which
1308 includes $2.9 worth of MILCON and $4.2 billion worth of
1309 facilities sustainment, restoration, and modernization. That

1310 is $7 billion of facility money that was identified and sent
1311 over as additional needs beyond the budget.
1312 Mr. GRAVES. Thank you.
1313 Thank you to each of you.
1314 Thank you, Mr. Chairman.
1315 Mr. CULBERSON. Thank you, Mr. Graves.
1316 I want to be sure everybody gets time to ask questions.
1317 I am, as you have noticed, not real strict with the 5-minute
1318 rule, but I do want to make sure everybody knows that we have
1319 got votes between 3:30 and 4:00. So if I could turn to my
1320 good friend from Philadelphia, who I enjoy so much working
1321 with on the Commerce, Justice and Science Subcommittee on so
1322 many good causes, my friend from Philadelphia, Mr. Fattah.
1323 Mr. FATTAH. Thank you Mr. Chairman.
1324 Let me ask briefly, then, about installations and
1325 infrastructure around caring for injured soldiers. So I am
1326 particularly interested in traumatic brain injury and so on.
1327 So we have a lot of all-in costs when we have boots on the
1328 ground, say, for instance, in Afghanistan, in terms of being
1329 able to evacuate and treat soldiers quickly.
1330 Can anyone talk about whether or not in the sequester or
1331 in any of these other rollbacks any of these support services
1332 are going to be affected in terms of hospitals and in-theater
1333 help for soldiers who are injured.
1334 Ms. HAMMACK. In the Army, we are working to protect

1335 health care and those kind of services to our soldiers as
1336 much as possible. So that is why we are taking cuts in
1337 military construction. We are taking cuts in sustaining our
1338 facilities. We are taking cuts in modernization. But taking
1339 care of our soldiers is a priority.
1340 Mr. FATTAH. Anyone else want to comment?
1341 Mr. MCGINN. Navy and Marine Corps, same story. That is
1342 job one, to take care of those warriors, especially those who
1343 have suffered the injuries of war and their families. So our
1344 investment in the hospitals over the past years in
1345 particular, we just opened a brand new hospital at Camp
1346 Pendleton out in California for the Marine Corps. We have a
1347 world class facility right here in Bethesda, and so--
1348 Mr. FATTAH. What about in Germany, are we going to
1349 build a new hospital, or what are we doing?
1350 Mr. CONGER. Sure. Yes, we are going to build a new
1351 hospital. I was just out at the site a couple weeks ago.
1352 There are often environmental problems with cutting down
1353 trees in Germany. It is very, very difficult.
1354 Mr. FATTAH. This is the biggest challenge we have there
1355 is the tree issue, and we have--
1356 Mr. CONGER. And I can tell you, eyes on target, that
1357 trees have been cleared. It is an impressive sight to see
1358 this forest and this big empty clearing in the middle of the
1359 forest. The German Government has executed that.

1360 Mr. FATTAH. So can you talk to me, you were just there,
1361 can you give the committee some insight about the ensuing
1362 timeline?
1363 Mr. CONGER. The specific timeline, I know that it is
1364 an--
1365 Mr. FATTAH. At least give us a general picture of it.
1366 Mr. CONGER. Yeah. I mean, in general, the project is
1367 proceeding. There have been several increments funded
1368 already. There is another large increment that we are
1369 requesting this year. I can give you more details.
1370 Mr. FATTAH. Okay. Well, let me just drill down for one
1371 second, and I will leave at this, Chairman. I am very
1372 interested in the construction and architectural focus on the
1373 operating rooms relative to brain surgery and whether or not
1374 we are going to be at the edge, at the very cutting edge of
1375 making sure that as the hospital is constructed, that we are
1376 taking into account where the primary focus of injuries now
1377 in large measure happen to be.
1378 Mr. CONGER. In fairness, sir, I am not a brain surgeon,
1379 so I am not going to be in a position to provide that amount
1380 of detail right here at the desk, but we will get that for
1381 you for the record and let you know what the capabilities of
1382 the new hospital will be.
1383 Mr. FATTAH. Thank you. If you would get it to the
1384 chairman, he is in charge, and he will make sure that those

1385 of us who are further down the totem pole, it is shared with.
1386 Thank you very much, Mr. Chairman.
1387 Mr. CULBERSON. Thank you very, very much.
1388 And I would, when the VA comes to talk to us, we need to
1389 be sure that is a part of the discussion, is the work that
1390 the VA is doing to make sure that they are treating these
1391 young men and women with these traumatic--
1392 Mr. FATTAH. Mr. Chairman, as you know, in the first
1393 instance, when the soldier is harmed, they are in the DOD
1394 system, and then they are treated and then they are turned
1395 over to VA at some point after discharge. So we have got to
1396 make sure that the front end system provides the very best
1397 care.
1398 Mr. CULBERSON. There is remarkable things being done
1399 at, for example, the VA in Houston is working in conjunction
1400 with Baylor and University of Texas in this area, and that is
1401 why I bring it up.
1402 Mr. FATTAH. That is why I am going to work with you; we
1403 are going to do even more remarkable things.
1404 Mr. CULBERSON. Thank you very much.
1405 At this point, let me recognize Mrs. Roby.
1406 Mrs. ROBY. Thank you, Chairman.
1407 Thank you all for being here today. This is for
1408 Secretary Hammack and Secretary Ferguson. You know when you
1409 visit an active military installation, you very quickly

1410 become aware and, as you have mentioned, about equipment
1411 upgrades, as you have already talked about infrastructure.
1412 For example, Maxwell Air Force Base has the second oldest
1413 control tower in the Air Force. And at Fort Rucker, the
1414 Helicopter Overwater Survival Training Facility host is
1415 completely outdated and falling apart. And as a Member of
1416 Congress, and I have expressed this to you, I have become
1417 more and more frustrated with my inability to help resolve
1418 these issues. I know installations all over the country have
1419 needs like this. It has already been voiced by all of my
1420 colleagues here today, so I am interested to hear you talk
1421 about how you prioritize.
1422 I know you talked about readiness and if you need to
1423 expand on that, that is fine. But how does one get on the
1424 list, so to speak, and how is final priority determined? I
1425 shared with you a conversation that I had out at Maxwell when
1426 I am up in this tower that, by the way, it is so old, Mr.
1427 Chairman, that the escape route if there is a fire consists
1428 of a cable that runs to the roof of the building next to it,
1429 and you have to get in a net like contraption and slide down
1430 the cable to get out.
1431 So I am explaining to Colonel Edwards at Maxwell, you
1432 know, that you now have to lobby to the Pentagon to get this
1433 dealt with because of rules that we have here in Congress. I
1434 just want to know how you guys are going about prioritizing

1435 these really serious infrastructure needs, and if you two
1436 will comment on that based on the Army and Air Force, that
1437 would be great.
1438 Ms. HAMMACK. The way we prioritize, it does come up
1439 through the command, so they have to talk with their command
1440 first. Their command then prioritizes, and then it comes to
1441 the Pentagon. And our focus right now with reduced budgets
1442 is a focus on failing. So a facility might be adequate.
1443 They would like to do more there, and they think they should
1444 do more, but it is adequate to achieve the level of training
1445 they need, but it is not failing. So, therefore, it would
1446 not have as high a priority as a facility that is
1447 termite-ridden, that we are concerned about the structure,
1448 that one corner of the building is up on jacks and it
1449 desperately needs to be replaced because that is considered
1450 failing. So that is what our focus is on.
1451 Mr. CULBERSON. If I may, in support of what Ms. Roby is
1452 asking, and also Sam was asking about a bridge, it seems to
1453 me human safety and health ought to be a top priority. If
1454 they can't even get out of the building, they have to ride
1455 down a rope in the event of a fire, and they can't get to an
1456 emergency hospital room in Sam's district but for an hour
1457 drive because of a broken bridge, that ought to be top of the
1458 list, it seems to me, isn't it? And if not, why not?
1459 Ms. HAMMACK. If it is failing or if it is life, health

1460 and safety, then, yes, it goes to the top of the list.

1461 Mr. CULBERSON. She ought to be at the top of the list,

1462 and so should Sam and his bridge.

1463 Ms. HAMMACK. I will let the Air Force--

1464 Ms. FERGUSON. I can answer the air traffic control, I

1465 can't answer the bridge question, though.

1466 What I would like to offer is if we could come over and

1467 talk to you and walk through how the Air Force goes through

1468 and prioritizes, but very similar to how the Army does it;

1469 the requirements come up from the base to the major command.

1470 And we do look at life, safety, health as part of the

1471 equation, but if you go back and you look at our fiscal year

1472 2015 budget request, we have no current mission MILCON

1473 projects in there. Basically, with our funding level and our

1474 support to our combatant commanders, our combatant

1475 commanders' requirements are taking up--and they

1476 should--taking up over 50 percent of our MILCON budget for

1477 this cycle. Another third of the budget is toward supporting

1478 new mission, such as the KC-46 and F-35. And so there is no

1479 money really left over for any other current missions. So

1480 what we are doing is we are using our O&M money to keep those

1481 facilities going, keep them operating, and I have been out to

1482 Maxwell recently. They do have a lot of new facilities there

1483 and have had quite a bit over the last few years, but we were

1484 not able to get to that when we still had current mission.

1485 Mrs. ROBY. I just used it as an example for, you know,
1486 Air Force wide and Army wide. These are specific to my
1487 district, but I know I am not alone in those concerns about
1488 how are we making these decisions based on, you know, what
1489 the mission is at that particular installation but the
1490 mission overall. And so those are my concerns. I appreciate
1491 it.
1492 Ms. FERGUSON. And I would like to offer to you or any
1493 of the other, any of your MLAs, we can get a group over and
1494 walk through our whole process.
1495 Mrs. ROBY. We will take you up on that. Thank you.
1496 Also, in light of the limited budget, is the Air Force
1497 considering moving the National Guard and/or Reserve unit on
1498 to active installations to share facilities or services and
1499 especially those that already are adjacent to or near by
1500 installations?
1501 Ms. FERGUSON. We don't have a current ongoing
1502 initiative to look across the Air National Guard to look to
1503 move them on to the Active Duty installations. We look at
1504 them predominantly during a mission change to see if it would
1505 make sense to operate out of an Active Duty location and look
1506 at the business case analysis for that, so we do it on a
1507 case-by-case basis.
1508 Mrs. ROBY. To Secretary Hammack, we have already talked
1509 about the request for the 2017 BRAC, and I recognize that

1510 there is a need for all of the services to tighten belts and
1511 that there will be an excess of infrastructure with the
1512 drawdown. But as you indicated, the Army was conducting this
1513 facility capacity analysis. Can you elaborate for all of us
1514 on your preliminary results with regard to the utilization
1515 and excess infrastructure in the Army and especially in light
1516 of the restructuring plan and how the excess infrastructure
1517 impacts the readiness and modernization. This is something
1518 that I know you have put a lot of emphasis on.
1519 Ms. HAMMACK. Absolutely. And when we are able to
1520 consolidate, this wasn't just a look at Active Army but also
1521 at Guard and Reserve. Guard and Reserve are doing a very
1522 active study to look at consolidation at the request of
1523 Congress. I think phase three of the report is due in
1524 December of this year. In identifying places that they could
1525 consolidate into, many of those are in to Active Army bases.
1526 One of the projects that the National Guard put forward is
1527 consolidating--I can't remember--I think it was like 13
1528 individual buildings into one building at half the square
1529 footage, but in 13 individual buildings, there were quarters
1530 and places that weren't productive. Each of them has their
1531 own set of restrooms. Each of them has their own set of
1532 kitchenettes, yet when you merge it together in one building
1533 you merge some of those central core facilities together, you
1534 get a better square foot utilization. So it actually saves

1535 them money, reduces their square footage, reduces their
1536 operating costs and improves their operations. So those are
1537 the kinds of efficiencies that we are really looking at. So
1538 when we look at excess capacity, we say that each soldier
1539 needs X amount of square footage for sleeping quarters, X
1540 amount of square footage for administration, X amount of
1541 square footage for the various tasks that they do. So this
1542 was a macro capacity analysis looking at our real property
1543 inventory, looking at the size of our force and the roles of
1544 our force, and then looking at the requirements base. And
1545 when we put it all together, that is where we identified, on
1546 a macro basis, the 18 percent excess capacity.
1547 With authorization for another round of BRAC, one of the
1548 first steps is a capacity analysis that looks at each
1549 individual installation, just like we are doing in Europe,
1550 and identifies exactly where that square footage is, what
1551 kind of space it is and what could consolidate into it, where
1552 are those viable facilities so we can make the best use of
1553 the infrastructure we have. That is what we need in a 2017
1554 BRAC.
1555 Mrs. ROBY. Okay, thank you.
1556 Mr. Chairman, I have a couple more questions, but I can
1557 save them. I know there is others that need to ask
1558 questions. So thank you.
1559 Mr. CULBERSON. Votes are going to happen in about 10 or

1560 15 minutes. Thank you very much.

1561 Mrs. ROBY. Okay, thank you.

1562 Mr. CULBERSON. Mr. Nunnelee.

1563 Mr. NUNNELEE. Secretary Hammack, I want to thank you
1564 for taking time to visit Mississippi, the Corps of Engineers
1565 Research and Development Center there. It is not in my
1566 district, but it is an important part of our State. And I
1567 know that you realize, or you wouldn't have gone there, the
1568 important work they do in terms of supporting our Nation's
1569 Civil Works Water Resource Infrastructure and also the work
1570 they do in support of national security supporting Army
1571 installations. And so while I am pleased that these labs
1572 have the support in the minor MILCON process, I know there
1573 are times they take a back seat to other national priorities
1574 in the major MILCON programming and budget process over the
1575 years. It just seems to me if we are going to ask them to do
1576 a job and we recognize that the job they are doing is vital
1577 for both our civil works and our national security, we have
1578 got to make sure that they have the resources that are
1579 necessary, including infrastructure, to accomplish that job.

1580 So I just want to ask you to make sure you cooperate
1581 with Ms. Shue and her staff when you develop future MILCON
1582 budget requests so that the needs of this and other labs are
1583 not ignored. If I can just get you to respond to that
1584 briefly.

1585 Ms. HAMMACK. Absolutely, and it is something that we
1586 are looking at our industrial base and our labs to ensure
1587 that they are appropriately funded. The challenges are, and
1588 especially the challenge in our fiscal year 2015 budget, it
1589 is so low and the cuts are so deep, it is challenging us just
1590 to support the force that we have, so we are unable to fund
1591 some of the science and technology labs the way we would like
1592 to.

1593 Mr. NUNNELEE. Thank you.

1594 And Secretary Conger, you talked about reducing our
1595 footprint in Europe. And I don't think we have really talked
1596 about the impact of the situation in the Ukraine, in Crimea,
1597 and where we are going to be left if we do reduce our
1598 footprint and what impact the Ukraine and Russia will have on
1599 that.

1600 Mr. CONGER. Sure. It is important to recognize that
1601 the study that we are doing is not about reducing the amount
1602 of people we have over there or even the force structure, the
1603 number of planes or ships or whatever. What we are looking
1604 at is given the force structure that we have today, what is
1605 the most efficient lay down of infrastructure? And we have
1606 to take into account surge capacity there, too, and under
1607 various operational plans, how much additional capability
1608 would you need if you had to stress the system? And that has
1609 been supplied by European commands, and we have incorporated

1610 that into our analysis, so we have that flex.

1611 Given all of those requirements, do we still have extra

1612 space, and the answer is yes. So the question is one of how

1613 do you fit that force structure and that surge capacity into

1614 the smallest and most efficient footprint? And there will be

1615 some inefficiencies to be gained, but it shouldn't affect our

1616 ability to respond to any crisis.

1617 Mr. NUNNELEE. Thank you.

1618 Thank you, Mr. Chairman. I yield back.

1619 Mr. CULBERSON. Thank you very much, Mr. Nunnelee.

1620 And Mr. Fortenberry.

1621 Mr. FORTENBERRY. Thank you, Mr. Chairman.

1622 Within the last year, I was looking at one of our key

1623 pieces of military infrastructure with a four star general.

1624 And as we were speaking to some of the troops we stopped and

1625 there was a young airman, a young woman who was an airman--do

1626 we say airwoman?

1627 Ms. FERGUSON. Airman.

1628 Mr. FORTENBERRY. The general stopped and looked at her

1629 and asked her, where are you from? Now, she is probably 19,

1630 and this is a four star general, Congressman next to her,

1631 little bit of intimidating, out-of-the-blue set of

1632 circumstances, and so she hesitates and softly says, Do you

1633 mean where I was born or where I live now? And he said,

1634 Yeah, where are you from? Where were you born? And she very

1635 quietly and softly said, Russia. And the general looked at
1636 me and said, I can almost guarantee that the Russian generals
1637 reviewing his troops never hear that anyone was born in the
1638 United States there. And he went on to ask her, Why did you
1639 join the Air Force? She said, Well, this country took me in
1640 when I was in need, and I wanted to give something back.
1641 Now, I was in conversation with someone from a foreign
1642 country, a developing country recently, who pointed out to me
1643 that we forget how strong we are. Now, we are here talking
1644 about difficult budgetary times and how we are going to have
1645 to think creatively, and sometimes when things are under
1646 tension, you get rid of that which was old and no longer
1647 necessary and prioritize that which is needed based upon
1648 emerging trends and the constraints that we have.
1649 So budgets, as tough as they are, can be times in which
1650 they force us all to think creatively in how to reinstruct
1651 things, but I do feel your pain. And it is painful for us as
1652 well, but thank you for your professionalism in trying to get
1653 through this in a responsible manner. I do want to want to
1654 ask for an update from you on the progress of the strategic
1655 command new building, which is in my district. It is my
1656 understanding that strategic command accepts the President's
1657 budget level. I can assure you that the dirt movers were
1658 there digging that hole even deeper this winter, that that
1659 has progressed well.

1660 Can you give me any further insights on how the
1661 budgetary process is unfolding and any impacts on the new
1662 building?
1663 Ms. FERGUSON. In our fiscal year 2015 budget request,
1664 we have requested $180 million to fund the last phase, the
1665 last increment of the U.S. STRATCOM facility; 15 percent of
1666 the facility is complete right now. We awarded that project
1667 in September of 2012, and it is on track to complete the
1668 facility construction in 2016. And then there will be a
1669 period of time for about 2 years, where all the comm and the
1670 other equipment will go in. But right now, it is still on
1671 track. We have got a senior executive steering group that
1672 reviews it very closely and consistently, and they were just
1673 out there 2 weeks ago, so we are very comfortable with where
1674 we are.
1675 Mr. FORTENBERRY. Good. I hadn't heard anything
1676 otherwise, so that is just good confirmation. I appreciate
1677 that.
1678 Let me bring up a few points that have already been
1679 covered and we may be able to unpack them further. In any
1680 BRAC round, is there an associated economic redevelopment
1681 plan that goes along with that that works in conjunction with
1682 local communities? That was mentioned, I believe, by you,
1683 Secretary Hammack, but I assume the Federal Government plays
1684 some sort of transitional role in helping figure out the best

1685 and highest possible next use.

1686 Ms. HAMMACK. Well, what we do is coordinate with a
1687 local reuse authority that is usually stood up by the State
1688 and the community there, so the local reuse authority weighs
1689 in heavily as to type of reuse that they would like to see,
1690 and they work to market the facility as we work to transfer
1691 the property.

1692 Mr. FORTENBERRY. As a suggestion, in terms of marketing
1693 the concept of a BRAC, I think interweaving this type of
1694 commentary with the suggestion that we are going to have to
1695 reduce excess capacity and close things is a good first
1696 presentation to, particularly to many communities out there,
1697 that this is not going to leave you high and dry. I mean,
1698 obviously, it will cause a change, which may be difficult in
1699 some circumstances, but I would suggest that be an advertised
1700 component of the way in which we talk about this.

1701 Ms. HAMMACK. Absolutely. And there is a group called
1702 the Association of Defense Communities, which we have met
1703 with this year, and we had those kind of direct conversations
1704 and discussions. And we meet with many communities. Right
1705 now, there are three or four communities that come in a week
1706 to the Pentagon that we meet with and we talk about how we
1707 can increase the reuse, what kind of work we can do together
1708 to ensure it is of benefit to the community.

1709 Mr. FORTENBERRY. This is helpful to know. All of you

1710 have clearly wanted to emphasize your desire for a new BRAC
1711 round in your commentary, but I think that this is helpful to
1712 know that you are already doing this, but I think splashing
1713 that high on the wall would be a good idea.
1714 Ms. HAMMACK. Thank you.
1715 Mr. FORTENBERRY. The other question that I had, I think
1716 Congresswoman Roby mentioned it, but combining Guard and
1717 Reserve components, now once upon a time, we invented our
1718 current military. And you are living with legacy systems,
1719 legacy structures that maybe made optimal sense in a previous
1720 time. The discussion about, a high level discussion about
1721 the appropriateness of not only combining infrastructure but
1722 the concept, the very concept of Guard and Reserve components
1723 into one, where is that? Is this the front end of that kind
1724 of discussion in terms of building realignment?
1725 Ms. HAMMACK. There are synergies. There are synergies
1726 in training. But when we talk about facilities, we look at
1727 synergies in the facility itself. In the last round of BRAC,
1728 there was a lot of consolidation and joint use readiness
1729 facilities. One I visited in Oregon, they pulled in Fish and
1730 Wildlife Service, BLM, two Guard units and a Reserve unit all
1731 into the same building. And part of the people used the
1732 building on the weekends and part used it during the week.
1733 Mr. FORTENBERRY. Can I interject something? This seems
1734 to be happening on an ad hoc basis, though, based upon

1735 something that you said just a few moments ago. Rather than
1736 a coordinated initiative from the top down to continue to
1737 look at options--we have got the same thing. We have got a
1738 joint force headquarters in Lincoln, Nebraska, where we had
1739 Guard, State Patrol and emergency management personnel all
1740 housed. It works wonderfully. But I think, again, as we
1741 move forward, looking at smart ways to not only combine
1742 facility use but rethinking overlapping missions, what we
1743 don't want to do, and this is a little bit of an editorial
1744 comment a little perhaps beyond your purview, is lose the
1745 vast depth of knowledge and experience gained particularly by
1746 our Guard in this last 10 years of difficult warfighting. If
1747 we go back to just regular status, we are going to--and it
1748 will be all the harder if we have an incident where we have
1749 got to pull back into some crisis and we lose the continuity
1750 of that experience and expertise. That doesn't make much
1751 sense. So as we look at, you used the word "synergies,"
1752 options that are out there, and I know your primary concern
1753 is the effective use of infrastructure, but it is a related
1754 question about, again, forced realignment and forced
1755 structure to meet modern warfighting needs.
1756 Ms. HAMMACK. One of the challenges we are facing with
1757 the budget, as I said, our manpower is almost a fixed budget,
1758 and that is 50 percent. You have training, modernization and
1759 facilities. In order to ensure that our Guard and Reserve

1760 are well trained, we need to be able to fund training so that
1761 they can get the number of hours in that they need. And that
1762 has had to take a cut, as has modernization and facilities in
1763 order to meet the budget requirements, because it is
1764 difficult to take down your manpower at a rapid pace and
1765 ensure that they are cared for.
1766 Mr. FORTENBERRY. Is there talk about combining the
1767 Guard and Reserve.
1768 Ms. HAMMACK. Sir, I think that is for another group.
1769 Mr. FORTENBERRY. All right. We will save that for
1770 another day. One quick other question. Is Okinawa going to
1771 be completely closed?
1772 Mr. MCGINN. No, sir. There will be a continued
1773 presence in Okinawa, but it will be less than it is today.
1774 Mr. FORTENBERRY. So what percent reduction?
1775 Mr. MCGINN. I will take that for the record if you will
1776 allow me, and I will give you precise numbers.
1777 Mr. FORTENBERRY. You are talking about the troop
1778 reduction. I was just trying to get a sense of what the
1779 longer-term projection is here. It is not necessary that you
1780 go back and do--
1781 Mr. MCGINN. It is not greater than 50 percent.
1782 Ms. FERGUSON. And the Air Force presence remains there.
1783 Mr. FORTENBERRY. Thank you.
1784 Mr. CULBERSON. I am going to pass myself, and any other

1785 questions I will submit for the record so my colleagues will
1786 have a chance to ask questions.
1787 I know Mr. Bishop had a statement, and I am going to go
1788 to you.
1789 Mr. BISHOP. Yeah. I don't have any further questions.
1790 I just want to make the comment that I can fully appreciate
1791 the difficult position that you find yourselves in. I know
1792 that you have a responsibility to do what you do in the best
1793 way and the most efficient way that you can, and of course,
1794 we too have a responsibility to try to balance the overall
1795 strategic defense interests of our country. And so I
1796 appreciate your forthrightness, and I look forward to having
1797 further conversations with you. And I appreciate your
1798 willingness to talk about some of the nuances going forward,
1799 so thank you very much.
1800 And I yield back my time.
1801 Mr. CULBERSON. Thank you very much, Mr. Bishop.
1802 And they will probably call votes any minute here, and I
1803 am going to yield to my good friend, Mr. Farr.
1804 Mr. FARR. Thank you very much, Mr. Chairman.
1805 Mr. Culberson, we have a Defense Community Caucus,
1806 bipartisan caucus. I invite you to join. We will keep you
1807 informed on all those issues.
1808 Mr. CULBERSON. Thank you.
1809 Mr. FARR. Ms. Hammack, I enjoyed that conversation you

1810 had with him about the training for the National Guard and
1811 Reserves, but you have got a build a bridge so they can get
1812 to the training grounds.
1813 Mr. CULBERSON. Don't forget the bridge or the air
1814 tower.
1815 Mr. FARR. You said something in your testimony that
1816 intrigued me and that was that you have unobligated balances
1817 in the BRAC account for cleanup and that aren't reflected in
1818 this budget, which you eviscerate the cleanup budget. But
1819 when you combined the two programs, you had unobligated
1820 funds. And a source inside the Pentagon tells me that is
1821 about $900 million. Is that correct?
1822 Ms. HAMMACK. For all services, that is the combined
1823 account. I would say for the Army, we have committed but not
1824 yet obligated three quarters of the Army's portion of that
1825 fund. We have, if you have a cleanup program that is a
1826 20-year cleanup program, we have allocated funds each year
1827 for 20 years in order to clean up and complete that project.
1828 So as we map out these programs, the amount of time it takes
1829 to do some of this environmental restoration, it is not only
1830 money, but it is also time and technology.
1831 Mr. FARR. Well, that is what I want to ask you. If we
1832 have an account for all Pentagon at $900 million that are
1833 unobligated, I need to commit one that will stay obligated
1834 then for that purpose, for cleanup. And, two, why hasn't it

1835 been obligated? I don't buy this fact that it is lack of
1836 technology. I have been here 20 years and doing cleanup, and
1837 the day I got elected, every special interest was out there
1838 with a technology from satellite technology to flying a
1839 helicopter to doing everything you could possibly if you
1840 would just fund their program. We have been doing the
1841 cleanup. The technology has evolved actually in the field,
1842 not somebody in a laboratory.
1843 Ms. HAMMACK. Some of the challenges, sir, is how that
1844 is reported. If it has not been committed on a contract
1845 and/or spent, it goes into an account that is called
1846 unobligated.
1847 Mr. FARR. I understand that. But the question is, how
1848 do we--I mean, we have defense contractors out there, the
1849 cleanup contractors, that indicate that their capacity is
1850 what every year, 2 billion in capacity, so why haven't we
1851 been matching the needs with the resources?
1852 Ms. HAMMACK. Sir, I would like to take that off line
1853 because we can show you how we have already committed the
1854 majority of those funds for cleanup, and so I would like to
1855 be able to sit down with you and explain that.
1856 Mr. CONGER. Mr. Farr, could I amplify that, too,
1857 holistically for the department. Two quick things. One,
1858 when we talk about unobligated balances, I would like to get
1859 you a coordinated answer with the Comptroller's Office, just

1860 so we make sure that you have the right numbers, and we will
1861 get you--
1862 Mr. FARR. I want to be sure, one, that all that money
1863 is there that you say is there because it ain't in your
1864 budget, and I want to make sure that it is obligated for the
1865 purposes for which it was always intended and that you spend
1866 it.
1867 Mr. CONGER. Yes.
1868 Mr. CULBERSON. I concur with that, Sam.
1869 Mr. CONGER. Let me give you just a couple quick
1870 statistics on BRAC cleanup.
1871 Mr. FARR. I don't want statistics. I don't want it. I
1872 just want to get this done, and we don't have enough time to
1873 do it. I want to ask in the 2 seconds or so we have left,
1874 let's get this done. All right? No more excuses.
1875 Mr. McGinn, in the Navy, I represent the Naval
1876 Postgraduate School, which has probably been BRACed more than
1877 any other--every time they BRAC it, they come out there and
1878 say, Wow, we can't close this place. It is just too keen.
1879 It is just too full of incredible intellectual capacity. In
1880 your testimony, you indicated that you had, that the BRAC
1881 process has an analytical process that is foolproof and
1882 essentially a really great smart practice. Have you yet
1883 adapted in that process the ability to measure intellectual
1884 capacity?

1885 Mr. MCGINN. I didn't say it was foolproof. I said it
1886 was analytical and data-driven but certainly not foolproof.
1887 I have availed myself of the wonderful academic environment
1888 at the Navy Postgraduate School for various executive level
1889 courses, and I would describe it as a true national asset.
1890 It is a wonderful academic institution, not only for all of
1891 our Armed Services but for many of our allied countries who--
1892 Mr. FARR. I totally agree and why anybody in the
1893 Department of the Navy thinks it ought to be BRACed is beyond
1894 my--and they always come up that nobody gave them any sort of
1895 measurement of what you point out, the intellectual capacity
1896 of this school. And I think that of all the services, if you
1897 are going to do this and in your institutions of learning, I
1898 mean, this is unique. You cannot get that degree at MIT with
1899 the kind of--you can't get it because you couldn't enter MIT
1900 without a background in engineering where you could be a
1901 music major or a religion major undergrad and get into the
1902 Naval Postgraduate School, and your graduates are just as
1903 good as the ones that come out of the civilian schools. I
1904 think the capacity is phenomenal there.
1905 Mr. MCGINN. We are in total agreement.
1906 Mr. FARR. All right.
1907 Now, I also hear that there is going to be or you said
1908 in your testimony that--it wasn't in your testimony, but John
1909 Congers' testimony, that if Congress didn't authorize another

1910 BRAC round, you were going to just do it administratively
1911 under authorities of Section 2687 to significantly reduce the
1912 activities of various bases. In essence, a BRAC without a
1913 BRAC. If that happens, what are you going to downsize or
1914 close, and what would that look like?
1915 Mr. CONGER. So allow me to offer a clarification. I
1916 don't think my testimony quite said that, but I do think that
1917 the Secretary said, and I can quote him because I came
1918 prepared, that if Congress--mindful that Congress has not
1919 agreed to our BRAC request for the last 2 years, but if
1920 Congress continues to block these requests while reducing the
1921 overall budget, we will have to consider every tool at our
1922 disposal to reduce infrastructure. It was not quite so
1923 explicit as you made it. Considering every authority does
1924 not mean that you have a list in your pocket.
1925 Mr. FARR. And if you don't have the authority under
1926 that, if it is not done under BRAC to dispose of the
1927 properties, and that is the concern I have, you may get rid
1928 of it, download it, as somebody said in their testimony, but
1929 not the ability to transfer it under BRAC for all the
1930 purposes outlined nor clean it up. So is this a threat, or
1931 what are you telling the committee, that have you to have
1932 BRAC, or you are going to do it your way?
1933 Mr. CONGER. So the budget pressures are pressing us to
1934 a point where we have to explore all the options to reduce

1935 those infrastructure carrying costs. As we look at all of
1936 those options, the preferred option for reducing
1937 infrastructure is BRAC. I think the Secretary said that very
1938 clearly. I think his spokesman said that very clearly, and I
1939 think the senior officials of the Department have said that
1940 very clearly. But budget pressures are budget pressures.
1941 And if there is not a BRAC round, then we will be forced to
1942 reduce spending some other way.
1943 Mr. FARR. Are you going to come to this committee
1944 before you launch on that activity?
1945 Mr. CONGER. I think that right now, the Secretary is
1946 talking about considering those options, and so I think that
1947 he would be the one that would have to decide what would
1948 happen next.
1949 Mr. FARR. Well, I think the chair and the rest of us
1950 would be very interested if you are going to proceed along
1951 those lines for all kinds of issues that would have to be
1952 answered there.
1953 Last thing, just to make a recommendation, do you really
1954 emphasize environmental health and safety? And it is
1955 important you do that, and I appreciate that, but I am just
1956 wondering because in my district there is a company called
1957 the Pacific Scientific Energetic Materials Company that is a
1958 supplier of DOD's ordinances, electronics, laser,
1959 pyrotechnic, and vehicle resting components, and systems on

1960 many of the current and legacy systems. The facility
1961 recently was recognized within the Danaher Corporation for
1962 the most improved environmental health sand safety program in
1963 America. It is a wonderful recognition, and I just wondered,
1964 do you use that in being able to require that your
1965 contractors that supply your bases use these incentives for
1966 awarding contracts and give them some--or what incentives do
1967 you use by DOD to work with defense industry bases to
1968 encourage supply in use of environmental friendly materials
1969 and substances to implement your best EHS practices?
1970 Mr. CONGER. Sir, that is an awfully specific question.
1971 I would like to take that for the record so we can give you a
1972 good answer.
1973 Mr. FARR. Yeah, I like good answers.
1974 Thank you, Mr. Chairman.
1975 Mr. CULBERSON. Thank you, Mr. Farr.
1976 I want to make sure I recognize Ms. Roby for any
1977 additional questions she may have.
1978 Just a word of wisdom, if you really are, please don't
1979 think of doing a round of BRAC administratively. I think you
1980 really would be kicking a hornets' nest unnecessarily.
1981 So Ms. Roby.
1982 Mrs. ROBY. Thank you.
1983 I just have two more quick questions. Secretary
1984 Ferguson, do you see funding being made available to help

1985 communities with public-public and public-private
1986 partnerships, the P-4 initiative, for things such as moving
1987 military and DOD civilians between facilities or
1988 consolidation efforts on an installation?
1989 Ms. FERGUSON. If I may, I also want to thank
1990 Congressman Farr and for the great work that the House
1991 Defense Communities Caucus has done in the enabling
1992 legislation, Section 331, that is allowing us to do so many
1993 of these public-public, public-private partnerships. And
1994 over the last year, we have been able to start 16 table talk
1995 exercises across the United States. We are doing 30 more
1996 this year, and we have identified 400 initiatives so far. We
1997 have done all of this without any additional money, and so we
1998 don't have a pot of money to do that with. But as
1999 requirements come in, we are looking to put in the process to
2000 see what makes sense, and certainly if something saves us a
2001 significant amount of money, we will look to try to get the
2002 resources to execute it.
2003 Mrs. ROBY. Great. Thanks.
2004 And, Secretary Hammack, during the quality of life
2005 hearing, the senior enlisted advisors of each service
2006 discussed the impact of the basic allowance for housing, how
2007 it had on the out-of-pocket expenses for service members. Do
2008 you have any concern about the viability of your agreements
2009 with RCI partners, given the President's fiscal year 2015

2010 budget proposal, which would reduce that?

2011 Ms. HAMMACK. Right now we are working with our RCI

2012 partners to identify whether they could absorb a reduction in

2013 BA and how they could or would charge service members for any

2014 incremental rent costs, so we are evaluating that on a

2015 case-by-case basis with each project.

2016 Mrs. ROBY. Great.

2017 That is all I have, Mr. Chairman. I yield back.

2018 Mr. CULBERSON. Thank you very much, Ms. Roby.

2019 I deeply appreciate your testimony today, your service

2020 to the country.

2021 I will submit the remainder of our questions for the

2022 record because they are going to call a vote any minute on

2023 the House floor. I deeply, again, appreciate your presence

2024 today, your testimony and your service.

2025 And our hearing is adjourned.

2026 [Whereupon, at 3:53 p.m., the subcommittee was

2027 adjourned.]