

Stenographic Transcript  
Before the

Subcommittee on  
Readiness and Management Support

COMMITTEE ON  
ARMED SERVICES

**UNITED STATES SENATE**

HEARING TO RECEIVE TESTIMONY ON MILITARY  
CONSTRUCTION, ENVIRONMENTAL, ENERGY, AND BASE  
CLOSURE PROGRAMS IN REVIEW OF THE DEFENSE  
AUTHORIZATION REQUEST FOR FISCAL YEAR 2017 AND THE  
FUTURE YEARS DEFENSE PROGRAM

Tuesday, April 12, 2016

Washington, D.C.

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U.S. Senate

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Subcommittee on Readiness and  
Management Support

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Committee on Armed Services

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Washington, D.C.

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The subcommittee met, pursuant to notice, at 2:32 p.m.  
in Room SR-232A, Russell Senate Office Building, Hon. Kelly  
Ayotte, chairman of the subcommittee, presiding.

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Committee Members Present: Senators Ayotte  
[presiding], Ernst, McCaskill, Shaheen, Hirono, and Kaine.

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1           OPENING STATEMENT OF HON. KELLY AYOTTE, U.S. SENATOR  
2 FROM NEW HAMPSHIRE

3           Senator Ayotte: Good afternoon. I want to thank all  
4 of you for being here.

5           This hearing on the Subcommittee on Readiness and  
6 Management Support will come to order.

7           I want to thank Ranking Member Kaine for your  
8 leadership on defense issues, including infrastructure,  
9 energy, and environmental programs, which is what our  
10 hearing is about today.

11          We are joined this afternoon by Mr. Peter Potochney,  
12 performing the duties of the Assistant Secretary of Defense  
13 for Energy, Installations and Environment. We are joined by  
14 Assistant Secretary of the Army for Installations, Energy  
15 and Environment, the Honorable Katherine Hammack. Wonderful  
16 to see you, Secretary Hammack. We are also joined by  
17 Secretary McGinn and certainly the Assistant Secretary of  
18 the Navy for Energy, Installations and Environment. And we  
19 are joined by Assistant Secretary of the Air Force for  
20 Installations, Environment and Energy, Secretary Ballentine.  
21 So thank you all for being here today and for your service  
22 to our country. We really appreciate it.

23          As we prepare for the committee markup of the National  
24 Defense Authorization Act, the focus of today's hearing is  
25 on the state of our military installations and the

1 administration's budget request for military construction,  
2 facilities sustainment and restoration, energy projects, and  
3 environmental remediation and management. As I have said  
4 before, well maintained and modern Department of Defense  
5 installations are critical to maintaining the readiness of  
6 our armed forces.

7 That is why we must carefully scrutinize the  
8 Department's military construction and facilities  
9 sustainment, restoration, and modernization funding  
10 requests. While we must continually root out waste and  
11 inefficiency and scrutinize the need for every proposed  
12 project, I am concerned that a defense budget based on  
13 artificial budget caps, rather than our national security  
14 interests, is forcing each of the services to postpone  
15 important facility projects that our troops need.

16 The services are being forced to take risks in facility  
17 investments in order to understandably prioritize near-term  
18 readiness requirements for our men and women in uniform.  
19 One of the purposes of this hearing is to better understand  
20 the consequences over time of underfunding facility  
21 accounts.

22 As you point out in your written testimony, Mr.  
23 Potochney, almost 27 percent of the Department's facility  
24 inventory is in poor or failing condition. The condition of  
25 readiness centers in New Hampshire is particularly

1 unacceptable. According to the December 2014 Army National  
2 Guard study, the average condition index of New Hampshire  
3 Army National Guard readiness centers is poor, 64 out of 100  
4 scale, ranking New Hampshire 51 out of 54 States and  
5 territories that have been evaluated nationwide.

6 After repeatedly raising concerns about the need for  
7 military construction projects in New Hampshire to support  
8 our Army National Guard, I am very, very pleased that the  
9 Army has requested funding for much needed vehicle  
10 maintenance shops in Hooksett and Rochester for fiscal year  
11 2017. So I thank you for that.

12 I also look forward to authorizing those needed  
13 projects in this markup, as well as projects at the Pease  
14 Air National Guard Base, Portsmouth Naval Shipyard, and  
15 other bases around the country in my Readiness Subcommittee  
16 mark and working with my colleagues to provide timely  
17 funding.

18 I look forward to discussing some budget requests that  
19 require additional scrutiny, including the request for \$6.1  
20 million for a microgrid project in California that  
21 Department documents say will support nonessential  
22 functions. So I would like to understand more about that  
23 request.

24 While I recognize that the Obama administration has  
25 once again requested another round of base realignment and

1 closure, BRAC, I continue to oppose another BRAC round for  
2 many reasons. As I have said before, according to the  
3 Government Accountability Office, the 2005 BRAC round  
4 process cost 67 percent more than originally anticipated,  
5 and even after acknowledging the shortcomings of the 2005  
6 round, the Department continues to request another BRAC  
7 round. I do not want to give the Department the open-ended  
8 authority to pursue another BRAC round that will potentially  
9 incur significant upfront costs when we do not have the room  
10 in our budget in the next few years to afford many  
11 fundamental readiness investments that are right before us.

12 Also, our military is currently sized based on  
13 artificial budget caps, instead of being sized to protect  
14 our national security interests from the threats we face,  
15 and certainly we have had testimony before this committee by  
16 the Vice Chiefs of Staff of each of our forces discussing  
17 the concerns they have about the size of our force and our  
18 readiness. In short, there is a significant and dangerous  
19 gap between the military we have and the military we need.

20 Therefore, I do not believe at this point it makes  
21 sense to authorize a round of base closures when many of us  
22 are hopeful that regardless of the outcome of this coming  
23 election, that the next administration will align its  
24 proposed defense budget and the size of our military to the  
25 growing threats we face and we will need many of the bases

1 that DOD may currently want to close.

2 I will also say it will be up to us in the Congress to  
3 address sequestration and to make sure that sequestration  
4 does not go back into effect. And we will need to do that  
5 on a bipartisan basis, and I look forward to working on  
6 that.

7 So I will not be including the authority to conduct a  
8 BRAC round in the Readiness Subcommittee mark of the  
9 National Defense Authorization Act for the fiscal year of  
10 2017.

11 Regarding environmental programs, I look forward to  
12 getting an update from you, Secretary Ballentine, regarding  
13 the recent agreement with the City of Portsmouth, as well as  
14 the Air Force's compliance with the Environmental Protection  
15 Agency's directive to restore the Pease aquifer. And I  
16 appreciate that the Air Force has really negotiated with the  
17 city to come to this outcome, and I look forward to hearing  
18 about it.

19 I look forward to the testimony of our witnesses and to  
20 continuing our work together to ensure that each of the  
21 service's military construction, energy, and environmental  
22 programs are well designed and appropriately funded to  
23 support our service members, military families, combat  
24 readiness, and our national security.

25 I thank our witnesses again for being here today and

1 for their leadership and service to our country in  
2 challenging times. And I look forward to your testimony.

3 With that, I would like to call on my ranking member,  
4 Senator McCain -- Senator McCain --Senator Kaine. I made  
5 him chairman already.

6 [Laughter.]

7 Senator Ayotte: Senator Kaine for his opening  
8 statements. Thank you, Senator Kaine.

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1           STATEMENT OF HON. TIM Kaine, U.S. SENATOR FROM  
2 VIRGINIA

3           Senator Kaine: Thank you, Madam Chair.

4           And to all my colleagues, I was at my son's graduation  
5 from the basic school, and it was a massive crowd. And they  
6 started to introduce dignitaries in the audience, and they  
7 said, and we have Senator McCain here. Really?

8           [Laughter.]

9           Senator Kaine: Why did Senator McCain come to the  
10 graduation? Oh. Okay. So at my own son's graduation, I  
11 was introduced as Senator McCain. But I am used to that  
12 now, I guess.

13           But I want to thank you all for coming. This is an  
14 important hearing, and it is all to prep for the work that  
15 we will be doing shortly in this room and the room around  
16 the corner on the NDAA.

17           The administration budget request is \$7.4 billion for  
18 MILCON and family housing, and another \$10.2 billion for  
19 facilities sustainment and modernization. Both of these  
20 numbers are \$1 billion less compared to last year's request.

21           Now, last year, the administration requested more than  
22 the budget caps and got grief for that. And this year, the  
23 administration's requests are in accord with the budget  
24 deal, and we will give you grief for that. But it all goes  
25 for the proposition that we recognize that sequester and the

1 budget caps put you and put the national defense under a  
2 straightjacket that it is our responsibility, working with  
3 our colleagues, to ameliorate and hopefully lift. If we do  
4 not reach a deal to repeal sequestration, our military end  
5 strength, our readiness, our modernization all suffer, and  
6 in our installations, the readiness account items start to  
7 really, really degrade. And then it will cost us more to  
8 bring them back to where they should be. So we appreciate  
9 the service you provide, and we are going to get into this  
10 today.

11 Many of you have significant expertise for energy  
12 programs. I just want to say a word about that. The DOD is  
13 the biggest energy user in the Federal Government. And I am  
14 happy -- I have been happy -- to see the degree of forward  
15 thinking in the DOD about energy usage. Alternative energy  
16 strategies, pursuing sort of third party financed energy,  
17 alternative energy, real energy projects at little or no  
18 cost to the DOD is a significant item that you have been  
19 working on.

20 The Air Force has established an Office of Energy  
21 Assurance and leveraging lessons learned there. The Air  
22 Force is developing a solar array at Nellis. I want to  
23 understand more about that and think that that can be  
24 important because that will insulate the base and provide  
25 protection in case the grid were to go down. We need to

1 worry about those eventualities.

2 The Army has a biomass project in New York which could  
3 enable Fort Drum to operate completely independently off the  
4 grid.

5 And so these are example, I think, of smart investments  
6 that can give us resilience.

7 These operational energy investments are not only  
8 important for costs and resilience, but they have a direct  
9 impact on our warfighting mission. History provides a lot  
10 of lessons here. During Operation Iraqi Freedom, 20 percent  
11 of our casualties came from units having to protect resupply  
12 convoys, of which 70 to 80 percent of those resupply convoys  
13 were water and fuel restocking. The USS Cole was bombed  
14 while it was in refueling. If we can mitigate those kinds  
15 of risks to sailors and marines, by having hybrid electric  
16 drives enabling ships to steam farther on the same amount  
17 fuel, then it reduces risk of the most dangerous kind. So  
18 we need to increase our energy across the DOD spectrum. I  
19 know we will talk about that today.

20 The Marine Corps is investing in fascinating  
21 technologies in this regard, not just to protect ourselves,  
22 but to engage in better warfighting, solar powered unmanned  
23 aircraft which can identify and then use thermals to sail  
24 off even longer for as long as 20 hours per day, advancing  
25 our defense mission.

1           And then finally, there is a number of items underway  
2 in each of the service branches to deal with the effect of  
3 climate change on our installations and infrastructure. I  
4 have a real sensitivity about this because of the effect of  
5 climate and sea level rise, especially upon the largest  
6 naval installation in the world in Hampton Roads, Virginia.  
7 It is a region that is the second most vulnerable to sea  
8 level rise in the United States after New Orleans.  
9 Currently the main Norfolk road in and out of the largest  
10 naval base in the world is going to be inundated by normal  
11 daily tides 2 or 3 hours a day by 2040, and that does not  
12 even take into account storm conditions, which are getting  
13 more and more frequent.

14           I associate myself with sort of the punch line of the  
15 chairwoman's comments about BRAC and maybe from a slightly  
16 different angle.

17           I think the military is assessing that you may have 15  
18 to 20 or even 25 percent of excess infrastructure. Now,  
19 that is a cost. And if we are spending a cost on something  
20 that is truly excess, then there is money we are spending on  
21 things we should not and there would be a higher and better  
22 use to spend it on things we should.

23           My own experience with BRAC as a mayor and governor  
24 convinced me that there has got to be a better way to  
25 rationalize excess infrastructure. And I have tended to be

1 of the belief that the military should make recommendations  
2 to us about infrastructure the way they make recommendations  
3 about pay and benefits or weapon systems or a whole lot of  
4 things. You know what happens. You make these  
5 recommendations to us and we ask you a lot of tough  
6 questions, and we sure do not agree with all of them. We  
7 may agree with two-thirds of them. We may agree with three-  
8 quarters of them. This is a hard dialogue.

9 But the BRAC process, from the standpoint of somebody  
10 who has been a mayor and governor, basically is this. The  
11 Federal Government will declare a need for a BRAC. Every  
12 city and county in the United States that has any military  
13 asset then has to hire lawyers and lobbyists to do a full  
14 court press to protect their base, even if their particular  
15 installation is not at all in jeopardy. But it would be  
16 political suicide for local officials or State officials not  
17 to put on the full court press to protect an installation,  
18 even it was not in jeopardy on the off chance that, at the  
19 end of the day, there would be a decision made about it, and  
20 the local officials would say, well, gosh, why did you not  
21 do anything about this?

22 So what BRAC becomes is just this massive lobbyist and  
23 lawyer effort that is largely unnecessary. The military has  
24 great expertise. You are no more omniscient or perfect than  
25 any of us are. And you might make recommendations that we

1 would disagree with for maybe the wrong reasons or we might  
2 disagree with them for the right reasons.

3 But I would love to move to a situation where we  
4 rationalize our infrastructure investments, even including  
5 closures, with the basic recommendations that are based on  
6 the expertise within DOD and then allowing Congress to do  
7 what we do, which is kick them around and criticize them.  
8 And we will embrace some of them and we will reject others.  
9 I think that would be a much better way to look at the  
10 rationalization of infrastructure, and that is why I want to  
11 support the chairwoman when we get into the mark with  
12 respect to a BRAC round.

13 But a lot of important issues to talk about. We  
14 appreciate your service, and we are looking forward to  
15 hearing your testimony and asking questions.

16 Senator Ayotte: Thank you, Senator Kaine.

17 I would now like to call on Mr. Potochney for his  
18 testimony. Thank you.

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1           STATEMENT OF PETER J. POTOCHNEY, PERFORMING THE DUTIES  
2 OF ASSISTANT SECRETARY OF DEFENSE FOR ENERGY, INSTALLATIONS  
3 AND ENVIRONMENT

4           Mr. Potochney: Thank you, ma'am. Good afternoon,  
5 Chairwoman Ayotte and Ranking Member Kaine and distinguished  
6 members of the committee.

7           My name is Pete Potochney. I am proud and honored to  
8 be here. I am currently the Deputy Assistant Secretary for  
9 Basing, and so I know a little bit about BRAC because I have  
10 been doing BRAC for quite a while. But I am also performing  
11 the duties of the Assistant Secretary for Energy,  
12 Installations and Environment, and in that capacity, I am  
13 sitting here in front of you this afternoon. I have been in  
14 that capacity since December and will probably remain for a  
15 little while.

16           I will make three quick points, and they piggyback onto  
17 the points that both the chairwoman and ranking member just  
18 made.

19           The budget situation we are in right now is critically  
20 impacting us, and it is obvious. Everybody knows it. Yet,  
21 here we are. Facilities do have a direct impact on our  
22 warfighting capability, quality of life of our personnel,  
23 our families, retention, everything. But we do enjoy less  
24 of a priority than operational requirements that are more  
25 directly related to readiness. And so for that reason, we

1 choose to accept risk in our facilities, and that is why we  
2 pay, I would argue, a disproportionate share of the cuts  
3 that we are experiencing right now, but that is the way it  
4 should be.

5       The second point I would make that flows from that is  
6 the people sitting around this table facing you right now.  
7 We are the advocates for our facilities. We are not the  
8 warfighters. So we are the people who are trying like hell  
9 to make sure that the Department exercises informed  
10 decision-making and that decision-making is informed by the  
11 facts of how important our facilities are. Yet, we compete  
12 for resources like everyone else.

13       And the third point I will make -- and it piggybacks on  
14 both what you said but it runs counter to it -- is that we  
15 do need BRAC. We do need to avoid wasting the precious  
16 funding that we do get on facilities that we do not need.  
17 And I think all the services would benefit from an  
18 examination, a holistic examination of their infrastructure  
19 compared to their force structure and their projections for  
20 that force structure in a process that treats all bases  
21 equally, fairly, in a way that Congress has oversight and an  
22 independent commission reviews it, although, Senator Kaine,  
23 I appreciate your comments about BRAC being -- I do not want  
24 to put words in your mouth, but BRAC being very difficult on  
25 communities. You are absolutely right. But I would argue



1 it is so important that it has to be, and we need a process  
2 that will allow us to conduct that kind of rigor that those  
3 communities and the Congress deserve. And so that is my  
4 final point.

5 And I appreciate the opportunity to be here. Thank  
6 you.

7 [The prepared statement of Mr. Potochney follows:]

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1           Senator Ayotte: I would like to call on Secretary  
2 Hammack.

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1           STATEMENT OF HON. KATHERINE G. HAMMACK, ASSISTANT  
2           SECRETARY OF THE ARMY FOR INSTALLATIONS, ENERGY AND  
3           ENVIRONMENT

4           Ms. Hammack: Thank you, Chairwoman Ayotte and Senator  
5           Kaine and other distinguished members of this subcommittee.  
6           I appreciate the opportunity to talk to you about the fiscal  
7           year 2017 budget request for military construction,  
8           environmental, energy, and base closure.

9           For fiscal year 2017, the Army's budget for MILCON is  
10          just over \$1 billion, a reduction of 18 percent from last  
11          year's appropriations and an over 60 percent cut from fiscal  
12          year 2013. This is the lowest level of military  
13          construction for the Army since 1993.

14          Of the Army's military construction request, 28 percent  
15          supports combatant commanders' top priorities and another 20  
16          percent funds new directed missions. So that leaves only 50  
17          percent of the military construction budget for  
18          recapitalization of existing infrastructure.

19          Of that 50 percent, 23 percent is going to the National  
20          Guard, supporting recapitalization of readiness centers.  
21          And, Senator Ayotte, as you mentioned, the National Guard  
22          readiness center report really clarifies and brings to light  
23          some of the challenges and critical facility shortfalls that  
24          the National Guard is seeing. The fiscal year 2017 request  
25          of \$233 million represents a step toward addressing those

1 shortfalls but does not come close to meeting the backlog of  
2 requirements the National Guard has.

3         At the request of Congress, the National Commission on  
4 the Future of the Army report was completed, and its  
5 findings were issued to Congress in January of this year.  
6 The commission specifically recommended -- and I quote --  
7 that Congress and the administration should look for cost  
8 savings opportunities in areas such as energy savings and a  
9 reduced inventory of military facilities. With the planned  
10 reduction in our forces from where we are now to 450,000 by  
11 fiscal year 2018, the Army will have excess facility  
12 capacity of approximately 21 percent. And if budget caps  
13 remain in place, the Army will need to further reduce the  
14 number of soldiers and our excess capacity will continue to  
15 increase.

16         As Mr. Potochney mentioned, the Army's budget request  
17 does represent our decision to continue to take risk in  
18 installation readiness so that we can focus our financial  
19 resources on soldier readiness. The risk we are taking in  
20 sustainment funding results in an accumulation of deferred  
21 maintenance right now estimated at approximately \$7 billion.  
22 The Army needs the authorization to optimize installation  
23 capacity and free up funds to use for critical military  
24 needs. The Acting Secretary of the Army and the Chief of  
25 Staff of the Army have testified that they are fully in

1 support of another round of base realignment and closures  
2 authorized in fiscal year 2017.

3 As Pete mentioned, BRAC is a proven, cost-effective  
4 means to reduce excess infrastructure. And without a BRAC,  
5 the Army continues to spend scarce resources to maintain  
6 unneeded or underutilized facilities and infrastructure,  
7 thus hurting our highest military value bases. This is an  
8 unacceptable result for the Army and a disservice to the  
9 American taxpayer. And I look forward to working with you  
10 to figure out how we can shape a means to dispose of excess  
11 infrastructure in a fair and equitable manner.

12 The Army manages over 12 million acres of land, on  
13 which more than 200 endangered species live. And so our  
14 environmental budget of approximately \$1 billion addresses  
15 those areas, as well as our historic areas, our cleanup  
16 requirements, and maintaining access to training and testing  
17 lands.

18 The request also supports implementation of energy cost  
19 savings and ensuring energy security across our  
20 installations. We are leading the Federal Government and  
21 leveraging private sector capital for energy savings  
22 performance contracts. Since 2003, we have reduced our  
23 energy consumption by approximately 22 percent. And working  
24 with the private sector increasing renewable energy  
25 projects, we estimate we are going to generate about \$250

1 million in savings across the life of those projects.

2 But the Army's top priority continues to be readiness,  
3 and so to meet our mission requirements, your Army does  
4 require ready and resilient installations.

5 I look forward to continuing to work with you to ensure  
6 that they have the critical resources our soldiers need to  
7 defend the homeland. So thank you for the opportunity to  
8 appear before you today, and I look forward to your  
9 questions.

10 [The prepared statement of Ms. Hammack follows:]

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1 Senator Ayotte: Thank you, Secretary Hammack.

2 Secretary McGinn?

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1           STATEMENT OF HON. DENNIS V. MCGINN, ASSISTANT  
2           SECRETARY OF THE NAVY FOR ENERGY, INSTALLATIONS AND  
3           ENVIRONMENT

4           Mr. McGinn: Madam Chairman, Ranking Member Kaine,  
5           members of the committee, thank you for the opportunity to  
6           discuss our Department of the Navy's enterprise for  
7           installations.

8           This year's request is nearly \$1.4 billion less than it  
9           was for fiscal year 2016 for the same reasons that have been  
10          noted. The prioritization on readiness and warfighting  
11          investments have reduced the amount of money available to  
12          maintain our ashore establishment.

13          That said, we have become very, very good at risk  
14          management. We worry about things breaking, and we have  
15          been very fortunate in a deliberate way from avoiding that  
16          to date. But as you know, leaks do not fix themselves and  
17          old buildings and facilities and utilities do not get better  
18          with age. So we are in the business of making the case that  
19          every dollar that is available for sustainment, for base  
20          operating supports, for military construction has to address  
21          in a very deliberate way the highest priorities to maintain  
22          readiness of all of our Navy and Marine Corps installations  
23          to support the operating forces, as well as to maintain a  
24          quality of life for our sailors, marines, and their families  
25          and our civilian workforce.



1           We have, as the other services, invested in energy and,  
2           as Senator Kaine pointed out, a lot of that is funded by  
3           third party finance, which creates a win-win-win for the  
4           service, for the people who are doing the work, and for the  
5           people who are investing in those projects. And we will  
6           continue to do that. It is not, however, any type of long-  
7           term solution for underfunding in our basic accounts.

8           With that, I will conclude my opening statement, and I  
9           look forward to your questions.

10           [The prepared statement of Mr. McGinn follows:]

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1           Senator Ayotte: Thank you, Secretary McGinn.  
2           Secretary Ballentine?  
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1           STATEMENT OF HON. MIRANDA A.A. BALLENTINE, ASSISTANT  
2           SECRETARY OF THE AIR FORCE FOR INSTALLATIONS, ENVIRONMENT  
3           AND ENERGY

4           Ms. Ballentine: Good afternoon, Chairwoman Ayotte,  
5           Ranking Member Kaine, distinguished members of the  
6           committee. It is a great honor and pleasure to represent  
7           America's airmen before you today.

8           Look, the bottom line for the Air Force is that our  
9           installations are too old, too big, and too expensive to  
10          operate. 24 years of continuous combat really have taken  
11          their toll.

12          Like the other services, in order to afford other Air  
13          Force priorities, our total fiscal year 2017 PB facilities  
14          request at \$8.3 billion is down 4 percent compared to last  
15          year. That includes MILCON, FSRM, environmental accounts,  
16          former BRAC implementation, and environmental programs.

17          The Air Force has prioritized MILCON this year over  
18          FSRM, requesting \$1.8 billion in MILCON, which is actually  
19          up 14 percent compared to last year, and \$2.9 billion in  
20          FSRM, which is down about 10 percent compared to last year.

21          I expect our backlog of degrading facility requirements  
22          to grow.

23          Our MILCON program is three-tiered similar to the other  
24          services. First, we support combatant commanders' requests  
25          at about 16 percent of our MILCON budget this year. Second,

1 34 percent of our budget supports the beddown of new weapon  
2 systems to ensure that they have the facilities required.  
3 And third, about 40 percent of our fiscal year 2017 MILCON  
4 request this year allows us to begin to chip away at that  
5 significant backlog of existing infrastructure  
6 recapitalization needs.

7 In fiscal year 2017, we funded only about 30 of the 500  
8 top priority projects that our MAJCOM commanders submitted,  
9 about 30 of the 500.

10 Let me briefly address the Air Force energy programs.  
11 The Air Force is focused on mission assurance through energy  
12 assurance. We are taking a holistic enterprise approach to  
13 our installation energy programs with an emphasis on  
14 resilient, cost-effective, cleaner energy projects.

15 The Air Force is also developing acquiring and  
16 improving aviation energy technologies and behaviors to  
17 improve the range and endurance of our weapon systems.

18 Finally, the Air Force does need another round of base  
19 realignment and closure. We have about 30 percent excess  
20 infrastructure capacity. Since the Gulf War, we have  
21 reduced our combat-coded fighter squadrons from 134 to 55.  
22 That is a nearly 60 percent reduction. Yet, all BRACs in  
23 that time have only reduced U.S. bases by about 15 percent.  
24 BRAC is not easy.

25 Congress has laid out three very specific concerns,

1 which you reiterated today in your opening statements.

2 First, communities. Air Force communities are some of  
3 our greatest partners. Our friends and our families live  
4 there. The Association of Defense Communities recently  
5 asked community leaders what they thought about BRAC, and 92  
6 percent said that they believe BRAC is better for their  
7 communities than the status quo of hollowed-out bases,  
8 reduced manning, and reduced funding. Without BRAC, many  
9 communities will continue to suffer the economic detriment  
10 of hollowed-out bases without the economic benefits that  
11 only BRAC legislation brings.

12 Second, cost. Congress rightly wants to ensure that  
13 the savings of BRAC justify the costs, and we agree. And  
14 simply put, the results for the Air Force have been  
15 staggering. Previous rounds of BRAC save the Air Force \$2.9  
16 billion each and every year. And the Air Force supports new  
17 BRAC legislation that emphasizes recommendations that yield  
18 net savings within 5 years.

19 And third, mission. Some have questioned the wisdom of  
20 right-sizing infrastructure to current force structure. We  
21 have no intent to close infrastructure that may be needed  
22 for future missions. Through five previous rounds of BRAC  
23 and numerous force structure changes, we have always left  
24 room for future maneuvering, and we always will.

25 We continue to leverage community partnerships,

1 enhanced use leases, power purchase agreements, but we  
2 really need BRAC authority to significantly reduce our spend  
3 on installations.

4 In closing, the Air Force has made hard, strategic  
5 choices during this budget request, attempting to strike  
6 that delicate balance between readiness and modernization.  
7 And we believe it is the right way ahead.

8 Chairman Ayotte, Ranking Member Kaine, members of the  
9 committee, I ask for your full support of the Air Force '17  
10 program, and I thank you for questions.

11 [The prepared statement of Ms. Ballentine follows:]

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1 Senator Ayotte: Thank you, Secretary Ballentine.

2 First of all, if you could give us an update on the  
3 recent agreement that was reached between the City of  
4 Portsmouth and the Air Force on the Haven well cleanup and  
5 also support in the community and how you think that is  
6 going to work going forward.

7 Ms. Ballentine: Yes. Thank you, ma'am. I appreciate  
8 the question.

9 The emerging contaminant of PFCs which is in Air Force  
10 firefighting foam or jet fuel firefighting foam is an  
11 emerging contaminant that we are managing all across the  
12 Nation. So we have been really pleased with the partnership  
13 that you and Senator Shaheen and your community have brought  
14 to really scrutinizing this issue and looking at ways to  
15 lean in to solving it.

16 So we are excited. Last week, we were able to sign the  
17 agreement with the city to move forward on the pilot phase  
18 of the Harrison and Smith wells, and we are looking forward.  
19 The next milestone is next month. So May. We are waiting  
20 for estimated completion of construction September of 2017.  
21 But the final design will be next month.

22 Senator Ayotte: I really appreciate your working with  
23 the City of Portsmouth on this important issue because I  
24 want to make sure, obviously, my constituents have clean  
25 water and also continue your efforts that I know you have

1 made to notify current and former members of the Air Force  
2 and civilians who have worked in that facility so that they  
3 are aware of their potential exposure to this chemical.

4 Ms. Ballentine: Yes, ma'am. And thank you for your  
5 support. It has been a great partnership.

6 Senator Ayotte: I appreciate it. Thank you. I look  
7 forward to continuing to work on this so we can have clean  
8 water. Pretty important.

9 And also, in line with the City of Portsmouth, since we  
10 are on the topic of the City of Portsmouth, I wanted to ask  
11 about -- actually I am going to ask Secretary Hammack. On  
12 January 26th, I sent a letter to Lieutenant General Talley  
13 regarding the transfer of the Paul A. Doble center to the  
14 City of Portsmouth. Can you provide me an update on that,  
15 what the timeline is for when the Army Reserve expects to  
16 complete the environmental reviews and then transfer  
17 ownership to the City of Portsmouth? And what can we do to  
18 expedite that?

19 Ms. Hammack: Senator Ayotte, thank you for that  
20 question.

21 We are following the normal procedures for property  
22 transfer and one of those is consulting with the New  
23 Hampshire Division of Historic Resources --

24 Senator Ayotte: Yes.

25 Ms. Hammack: -- regarding the historic status of the



1 facility. And we expect to receive a determination that the  
2 property has historic resources that must be preserved.  
3 This finding has lengthened the timeline for our disposing  
4 and transferring of the property. But even so, we are  
5 progressing with the environmental assessment.

6 Senator Ayotte: So right now, actually you are waiting  
7 for the State Division of Historic Resources.

8 Ms. Hammack: Yes.

9 Senator Ayotte: Okay. Got it.

10 Ms. Hammack: But if it comes in the timeline that we  
11 anticipate, we expect the transfer to take place by the end  
12 of this calendar year.

13 Senator Ayotte: Okay. Excellent. Very good. And  
14 thank you for continuing to focus on this. I know it is  
15 important to the local community.

16 I also wanted to ask you, Secretary Ballentine, in  
17 January I learned about approximately 100 New Hampshire Air  
18 National Guard members who recently experienced unacceptable  
19 living conditions at Al Udeid Air Base in Qatar. I know  
20 this is not just my constituents who were impacted by this,  
21 but basically I get reports of black mold existing in  
22 showers, bathrooms, curtains, and some of my constituents  
23 talking about chunks of black mold and people getting sick  
24 and potentially having been caused by the mold.

25 So service members have been told by my office that

1 they attempt to clean their living quarters thoroughly but  
2 years of systematic neglect have put our airmen and other  
3 members who are supporting our airmen in a tough position  
4 there.

5 I brought this up to Mr. Carson in the February  
6 hearing, and I understand that local command is working hard  
7 to resolve this problem. But we cannot deploy our men and  
8 women in uniform and put them in situations that make them  
9 sick. So I would like an update on what the Air Force is  
10 doing to ensure our service members, including our New  
11 Hampshire Air National Guard members, do not have to live in  
12 unhealthy and unacceptable conditions at Al Udeid Air Base  
13 in Qatar.

14 Ms. Ballentine: Thank you, ma'am.

15 You know, taking care of airmen is one of Secretary  
16 James' top three priorities. So when this came to her  
17 attention, she immediately directed two courses of action.  
18 One was for our Surgeon General to ensure that airmen,  
19 sailors, soldiers, marines, coalition partners who may have  
20 had exposure had proper health care afterwards. And the  
21 second was to direct all those folks that are working on  
22 facilities to mitigate any mold issues on the base.

23 So let me give you a little bit of an update on both of  
24 those efforts. And I am happy to provide a pretty extensive  
25 response for the record as well.

1           Senator Ayotte: That would be terrific. I would  
2 appreciate it.

3           [The information referred to follows:]

4           [SUBCOMMITTEE INSERT]

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1 Ms. Ballentine: Do you want a little update now or  
2 just take it for the record?

3 Senator Ayotte: Yes, please. Why do you not give me  
4 an update and then you can give me an even greater detail  
5 for the record. That would be terrific.

6 Ms. Ballentine: All right. Sounds great.

7 So on the Surgeon General side, on the 7th of March,  
8 the Surgeon General issued a guidance on how to evaluate  
9 airmen for exposure to mold based on CDC standards, and CDC  
10 standards indicate that treatment for any kind of mold is  
11 the same.

12 534 guardsmen from a range of different States have  
13 been evaluated in the last couple of months after their  
14 deployment. 120 of those documented some exposure that they  
15 believe that they had been exposed to mold, and one airmen  
16 still needs his or her post-deployment follow-up. None of  
17 those airmen have required ongoing care for the exposure.

18 On the mold mitigation in the facilities, there are  
19 really two elements to it. One is in the latrines and one  
20 is in the living spaces, as you noted. And importantly,  
21 when we are in expeditionary environments, the facilities  
22 are designed for shorter lifetimes, and the facilities there  
23 have well exceeded their life. So a big part of the plan is  
24 replacing or moving folks into more permanent facilities.

25 So Secretary James had directed acceleration of \$1.4

1 million of funding to accelerate the plan that the base had  
2 already had in place for the latrine facilities. On the  
3 living facilities, the dorms and lodging and the like, you  
4 are right. The folks living in the facilities are  
5 responsible for their cleaning. And so the commanders there  
6 have really stepped up their communication on two things:  
7 one, ensuring that folks know how to identify, clean and  
8 mitigate mold, but more important, that they know how to  
9 elevate any concerns that they have that they cannot handle  
10 on their own.

11         So one of the things that I have been very pleased  
12 about is since the commander, Brigadier General James, has  
13 increased his communication on this effort -- and he is  
14 communicating quite regularly with every member that is  
15 deployed there -- we have seen a significant increase in  
16 work orders come in as people have learned how to  
17 communicate their concerns. And every single one of those  
18 work orders is treated as an emergency. You know, we send  
19 folks out within 24 hours. And that is not new. We have  
20 done that. Really, we looked back at work orders over the  
21 last year. We were getting about, on average, 10 work  
22 orders, a month for mold concerns. And we saw a significant  
23 increase when the wing commander increased his communication  
24 telling folks how to do it. So that is good news, an  
25 increase in folks telling us that they have concerns.

1           And the other good news is only about 10 percent of  
2 those work orders that have come in actually have turned out  
3 to be mold.

4           But anyway, I will give you much more detail for the  
5 record. I gave you more detail than I planned to.

6           Senator Ayotte: No, no. I appreciate it. And one of  
7 the interesting things for me is when I raised it with Mr.  
8 Carson, apparently this has been going on for a long time  
9 because it sort of opened up the flood gates to my office  
10 beyond our own Air Guard on it. And so that is why I wanted  
11 to raise it. I think it has impacted a lot of our men and  
12 women in uniform over the period that that base has been in  
13 operation.

14          Ms. Ballentine: And actually Brigadier General James,  
15 when he took command earlier last year, did note it as an  
16 issue and had actually started a mitigation plan that has  
17 kind of come into fruition in the last couple of months.

18          Senator Ayotte: Well, I appreciate your answer and  
19 certainly look forward to any supplement you make on the  
20 record.

21          I have many other questions, but now I am going to turn  
22 it over to Senator Kaine.

23          Senator Kaine: Thank you, Madam Chair.

24          And just a couple of questions based upon testimony.  
25 Secretary Hammack, I would like to start with you. You gave

1 a very good statistic. I want to make sure that we do not  
2 bury a lead here. Since 2003, the Army has reduced its  
3 energy consumption by 22 percent. I want to dig into that a  
4 little bit, then maybe ask the rest of you to share also in  
5 your own branches or DOD-wide what you are seeing.

6 Is that 22 percent reduction in the energy budget or is  
7 that actual in kind of unit of energy used the Army has  
8 reduced by 22 percent?

9 Ms. Hammack: Thank you for that question.

10 The 22 percent is a reduction in consumption. That is  
11 the actual amount of energy used.

12 It is interesting. There is another metric that we are  
13 measured by and that is energy use per square foot. That  
14 has not reduced as much because what we are doing is we are  
15 trying to consolidate people into under-utilized facilities.  
16 So when you have more people per square foot, then in that  
17 building your energy used per square foot goes up. We are  
18 also demo-ing some of our older under-utilizing facilities,  
19 and if your square footage goes down, then your energy use  
20 per square foot metric also goes up. But overall  
21 consumption has gone down, and that is due to our team  
22 focusing on energy saving performance contracts while the  
23 private sector is doing the investment, and then we pay back  
24 out of the energy savings.

25 Senator Kaine: If I could hear from other branches if

1 you are seeing an equivalent reduction in energy  
2 consumption. I think this is a very good news story. So  
3 Navy, Air Force, Marines, DOD-wide. Are we seeing similar  
4 trends?

5 Mr. McGinn: We are, Senator. It is not just the  
6 reduction in energy consumption because of our energy  
7 efficiency measures that we are taking both ashore, as well  
8 as on our ships and airplanes, but it is also in a large  
9 measure substituting brown power with green power or  
10 renewable energy. I would like to provide you a more  
11 detailed response, and I will differentiate it from Navy and  
12 Marine Corps and shore and operational energy as well.

13 Senator Kaine: That would be very helpful.

14 [The information referred to follows:]

15 [SUBCOMMITTEE INSERT]

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1 Senator Kaine: Secretary Ballentine?

2 Ms. Ballentine: So for installation energy, the Air  
3 Force has improved both our energy intensity and reduced  
4 absolute energy by about 23-24 percent since the 2003  
5 baseline. Unfortunately, costs have gone up significantly  
6 during this time. So the overall energy budget has not  
7 necessarily gone down. We have avoided many, many millions  
8 of dollars thankfully.

9 Senator Kaine: Mr. Potochney?

10 Mr. Potochney: Senator, my figures are overall for  
11 facility energy, it is down 10 percent, and that is  
12 translated into a cost avoidance of \$1.2 billion. So I  
13 think that is pretty substantial.

14 Senator Kaine: And we are now seeing per-unit costs  
15 dramatically decline in the last couple years. That was not  
16 the case necessarily during that 2003 to today, but if you  
17 are seeing reductions in energy consumption by 10 percent in  
18 facilities or 22 percent Army-wide and then the other  
19 statistics and you are seeing a reduction in per-unit costs  
20 of energy, I mean, this is a big success story and we need  
21 to recognize you for what you do and encourage other  
22 agencies to do more of it.

23 Mr. McGinn: Senator, if I could.

24 Senator Kaine: Yes, please.

25 Mr. McGinn: I would just like to make the point that a

1 lot of times we tend to talk about technology, the  
2 technology of energy efficiency or renewable energy. And  
3 that certainly is a key part. But I think across the whole  
4 DOD, certainly in the Department of the Navy, we are seeing  
5 a tremendous benefit from partnerships with other services,  
6 with DOE, and in our case with biofuels with the Department  
7 of Agriculture. We are also seeing a great change in  
8 culture, and the culture is going to be sustaining. From  
9 seaman to admiral, from lance corporal to general, we are  
10 seeing great changes in how we understand the value of  
11 energy, both in garrison as well as in the field.

12 Senator Kaine: You talk about third party contracts as  
13 part of the reason for this, and I just want to make sure I  
14 understand what you are talking about now. When I was  
15 mayor, we entered into contracts where we asked third  
16 parties to install energy efficiency equipment on city  
17 buildings and schools. And they did the capital investment.  
18 We contracted for the service, not for the equipment. But  
19 then we had a baseline and then we shared the reduction in  
20 energy cost with them. So it takes some creativity on the  
21 acquisition side to switch from a "buy the equipment" to  
22 enter into a service contract and then share the energy  
23 reduction savings. Is that the kind of third party contract  
24 that you are talking about?

25 Mr. McGinn: That is very similar. We have an energy

1 savings performance contract mechanism that is very, very  
2 effective at doing, in principle, the same thing as you did  
3 when you were mayor. And we really have done it for a  
4 number of years, but we are really accelerating it over the  
5 past 3 or 4.

6 Senator Kaine: Because it is a different way than  
7 buying the equipment. You get better and better at actually  
8 doing the service contracts once you have the experience.

9 I want to ask Secretary Ballentine on the BRAC issue.  
10 Again, the need to reduce spending on excess infrastructure  
11 I really think we need to do that. And I am just trying to  
12 grapple with what is the right way to do it. You said the  
13 Air Force suspects that you have got about 30 percent excess  
14 infrastructure. How does the Air Force come up with that  
15 number?

16 Ms. Ballentine: We use the same parametric capacity  
17 analysis that we used early in the 2004 and in the prior  
18 BRAC rounds.

19 Senator Kaine: The '05 round?

20 Ms. Ballentine: Yes, the '05 round. The 2004 analysis  
21 for the '05 round.

22 Senator Kaine: And since I was not here then -- I was  
23 actually a lieutenant governor working on a BRAC commission  
24 for my State back then.

25 I do not mean to get into all the details, but I mean,

1 how does the Air Force approach it and come to that  
2 conclusion that there is a 30 percent excess?

3 Ms. Ballentine: So we look at force structure. And we  
4 have looked at several different types of force structure.  
5 I think Senator Ayotte's concerns about optimizing  
6 infrastructure to today's force structure if today's force  
7 structure is not optimal to the need is an important  
8 concern. So we looked at force structure a range of  
9 different ways, which is why I say about 30 percent excess  
10 capacity because depending on which force structure we look  
11 at, it ranges from 27-28 percent all the way up to 34-35  
12 percent.

13 For the Air Force the infrastructure that is most  
14 important that we look at is infrastructure that supports  
15 our aircraft. So we look at ramp space, hangar space,  
16 maintenance space. We do look at some facility space such  
17 as classroom space and the like, but really most of our  
18 analysis is on infrastructure that supports our aircraft.  
19 And I can provide all nine categories for you for the record  
20 and specifically the details on how we do the parametric  
21 analysis.

22 [The information referred to follows:]

23 [SUBCOMMITTEE INSERT]

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1           Senator Kaine: Excellent. We will ask that question  
2 of all the branches. I think that would be helpful.

3           Mr. Potochney, you have a follow-up, and then I will  
4 turn it over to Senator Ernst.

5           Mr. Potochney: To follow up, Senator, our analysis --  
6 it is a parametric analysis, as Secretary Ballentine said.  
7 Basically what it is it is a base loading analysis. If in  
8 1989 we were able to accommodate, say, for instance, three  
9 ships -- or let us make the math easy -- four ships per  
10 1,000 feet of pier space and now we only have three ships to  
11 fill up that 1,000 feet, we have a 25 percent delta in  
12 excess. And that is how we do our excess capacity analysis  
13 at the beginning end of BRAC. Its only purpose is to  
14 illustrate there is enough out there to justify you all  
15 authorizing us to do an actual BRAC analysis. It is not a  
16 BRAC analysis.

17           Senator Kaine: I hope that we might have a full  
18 committee discussion sometime about the best way to  
19 rationalize excess infrastructure because my sense is your  
20 expertise in branches or division-wide coming up with an  
21 assessment of the excess infrastructure suggests you also  
22 have an expertise to make recommendations to us. And again,  
23 we are going to approve some and not approve some. And yet,  
24 I just believe, having lived at the other end of BRAC as a  
25 mayor and governor, that that would be a better process than

1 the process in the past.

2 I know there have been critiques of the '05 BRAC  
3 because it did not really save money, but I understand some  
4 of that was the BRAC was not just about excess  
5 infrastructure. It was also about joint and transformation  
6 of mission, et cetera. But even if we said, okay, there is  
7 a way to save money, there is way to rationalize excess  
8 infrastructure, I am not sure the BRAC process does it the  
9 right way. But you make a compelling case that we should  
10 not be spending money on excess infrastructure.

11 Ms. Hammack: Absolutely. And BRAC 2005 is saving the  
12 Army \$1 billion a year and cumulatively the prior BRAC  
13 rounds are saving us another \$1 billion a year. So BRAC is  
14 a proven process to save money. If you look at the GAO  
15 report, the GAO report recognized that BRAC 2005 did save  
16 money.

17 Senator Kaine [presiding]: Senator Ernst?

18 Senator Ernst: Thank you, Ranking Member Kaine, and  
19 thank you to our witnesses for today. We appreciate you  
20 taking the time to be here.

21 Secretary Potochney, I will start with you but I would  
22 love input if the others would like to jump in as well.

23 I am a strong supporter of SOCOM's preservation of the  
24 force and family, a very important program, and their  
25 initiatives. And I am glad to see that SOCOM has done so

1 much to support our special operations families and our  
2 wounded warriors through this program.

3 And I have a dear friend who is part of that family.  
4 He is an injured special operator at Fort Bragg. And  
5 earlier this year, I did have the opportunity and the honor  
6 to visit him at Fort Bragg and go through some of his  
7 recovery process as well and also visit a number of the  
8 operators that are not part of that wounded warrior program  
9 but they are very important to us as well.

10 Now, at Fort Bragg, they do have what is called the  
11 tactical human optimization, rapid rehabilitation, and  
12 reconditioning facilities. And this is otherwise known as  
13 THOR III. And I see that you are familiar with that. And I  
14 had the opportunity to visit and loved the facilities and  
15 their very reason for being, which is to not only assist our  
16 special operators as they are training for the missions, but  
17 also in assisting their members, their wounded warriors that  
18 come back, and assisting them to getting back to their  
19 potential, hopefully their full potential. And I hope that  
20 we can enhance and expand these facilities for our operators  
21 and again just want to make sure that we are returning them  
22 to the fight. We invest a lot of time and energy and money  
23 in these operators. They are a great part of our war on  
24 terror, as well as many other missions. So we want to  
25 support them however we can.

1           Sir, can you briefly describe the importance of THOR  
2   III to our special operations soldiers and what more can we  
3   as Congress do to support THOR III and this program,  
4   particularly with MILCON and other initiatives under the  
5   preservation of the force and families program? Can you  
6   talk a little bit about that and its importance?

7           Mr. Potochney: Yes, ma'am.

8           We do support it. In fact, from what I can see, it is  
9   expanding, and people do recognize its validity and its  
10   value. We have got a series of projects in the works to  
11   enhance it. There was some reporting requirements we had  
12   levied on us from the appropriators, as I understand it, and  
13   we worked through those, also as I understand it. So we are  
14   firmly behind it.

15          Senator Ernst: Any other thoughts from our panelists  
16   on that particular issue?

17          [No response.]

18          Senator Ernst: I just want to reinforce again -- and I  
19   have brought this up in different types of subcommittees and  
20   the committee as well, the full committee, just emphasizing  
21   how important I believe this is because our special  
22   operators do take on different types of missions maybe than  
23   a transporter like myself would have done in the Iraqi War.  
24   So understanding the importance it is to our families, to  
25   our wounded warriors, and those special operators, I would



1 like to encourage you to continue working with that program,  
2 hopefully expanding those facilities. It is very, very  
3 important to us.

4 Mr. Potochney: Yes, ma'am.

5 Senator Ernst: Thank you. And that is all I have for  
6 today. Thank you.

7 Senator Kaine: Thank you, Senator.

8 Senator McCaskill?

9 Senator McCaskill: Thank you.

10 Secretary Hammack, I know that you recently visited  
11 Fort Leonard Wood, and one of the things that has cost our  
12 military a lot of money that frankly a lot was wasted is the  
13 support of contingency operations. If you look at the not-  
14 so-pretty history of the LOGCAP contracts, it does not take  
15 much work to figure out that we sure overpaid for a lot of  
16 contingency support as it related to particularly the early  
17 era of LOGCAP in Iraq. And I spent a lot of time on that.

18 So I think it is pretty important that we have CBITEC.  
19 I know you visited it at Fort Leonard Wood. And if you  
20 would share with the committee what you think about this  
21 effort to help us make smarter, more efficient, effective  
22 decisions around contingency support, whether it is water,  
23 waste, housing, security protection. If you could speak to  
24 that, I think it would be important to get that on the  
25 record.

1 Ms. Hammack: Thank you, Senator.

2 CBITEC is a great opportunity for us to take  
3 technologies, whether they are commercial, off-the-shelf  
4 technologies or developing technologies, and run them  
5 through a test in a camp that soldiers live and use every  
6 day, yet in an environment where if something goes wrong, we  
7 can fix it.

8 The challenge, especially in the early years of Iraq  
9 and Afghanistan, is we sent some equipment over there that  
10 had not been thoroughly tested, we did not understand  
11 completely how to operate, nor how to maintain it. And a  
12 lot of our service members said do not use us as guinea  
13 pigs. And so CBITEC was stood up. So was the base camp  
14 integration lab in Fort Devens, Massachusetts.

15 With those two base camps, one tests solutions for very  
16 medium to large base camps. A B-cell does the small base  
17 camps. But we are able to test force protection. We are  
18 able to test technologies that are water savings  
19 technologies such as water from air, which we might call a  
20 supersized dehumidifier. But the fact is if you do not have  
21 to drill a well, then your force becomes more expeditionary  
22 and there is less strain on the environment in which you are  
23 setting up base camp.

24 But we are also able to test energy efficiency  
25 technologies to try and reduce the number of convoys that

1 are crossing the roads and to reduce the risk and  
2 vulnerability to our service members. So we have seen great  
3 technologies and solutions come out of that lab. We have  
4 also seen some solutions that were tested there that were  
5 not ready for prime time, and I think that is the right kind  
6 of environment to do that testing in.

7 Senator McCaskill: Which, of course, saves us money.  
8 When we figure out something is not ready for prime time,  
9 then we do not chase bad money after good.

10 So I am confused as to why this thing appears to be  
11 headed towards an end because we have got -- surprise,  
12 surprise -- people fighting over who is supposed to be  
13 paying for it. I know this is shocking within the armed  
14 services that people are fighting over who should pay for  
15 it.

16 Can you help this committee navigate through this? It  
17 would be a shame for us to lose this capability because one  
18 branch says not us and the other branch says not us, and  
19 therefore, it is my understanding, the funding is going to  
20 shut down this year.

21 Ms. Hammack: That is true. Just due to sequestration,  
22 we have limited funding for everything. So we have limited  
23 funding to spend on maintaining our facilities. We are  
24 trying to focus our funding on manning, training, and  
25 equipping our soldiers. And when it comes to some of the

1 research, testing, and support for installations --

2 Senator McCaskill: We are manning, equipping, and  
3 protecting our soldiers. We know that. We are not talking  
4 about testing for something that is not directly relevant to  
5 doing what we are asking our soldiers to do.

6 Ms. Hammack: I agree with you. And we have asked  
7 CBITEC to put together what it will cost to continue to  
8 maintain it through the end of this calendar year. TRADOC  
9 is doing that now, and I expect to have that information by  
10 the end of the month.

11 Senator McCaskill: Well, I am interested in this, and  
12 I think sometimes -- I know that you all are doing your best  
13 to try to figure out how to operate in this environment,  
14 although I see the OCO relief wagon coming up over the  
15 horizon in this appropriations process. I can assure you I  
16 think this Congress is getting ready to do what I think is  
17 irresponsible and that is to push everything into OCO  
18 instead living up to our responsibility of putting it in the  
19 budget and being transparent and accountable to the American  
20 people for that.

21 But I am very interested in figuring out really how  
22 much money are we talking about and are we cutting off our  
23 nose to spite our face if we let this important capability  
24 go by the wayside. I particularly would be interested in  
25 knowing what we have learned there has, in fact, saved us

1 money because I guarantee you there is a list, probably  
2 fairly long, of what we have learned there that has saved us  
3 money. So I would appreciate a follow-up of that.

4 And just briefly for Mr. McGinn, you know, we are  
5 trying to make sure that we are ready for women in our  
6 facilities. I just referenced Fort Leonard Wood. They have  
7 been duly training our soldiers there, both men and women,  
8 for a long time, and so their facilities are capable in that  
9 regard. Could you briefly give us your assessment of how  
10 prepared are our Marine training facilities to accommodate  
11 what we believe will continue to be an increased number of  
12 women in the Marines?

13 Mr. McGinn: I know that the Marines are moving out  
14 smartly in making adjustments to their whole training and  
15 operating pipeline to support women marines as their roles  
16 and missions have expanded. I will be happy to take a  
17 question for the record to provide you a more comprehensive  
18 answer for both the Marine Corps and, to the extent that you  
19 are interested, women in the Navy as well, although that is  
20 a more stable situation than the expansion of roles and  
21 occupations for women marines.

22 Senator McCaskill: Both would be great, but I am  
23 particularly interested in the Marine setting because it is  
24 such an expansion. And I know that has not exactly been the  
25 smoothest of roads, so to speak. And so I am anxious to

1 know how all that is going.

2 [The information referred to follows:]

3 [SUBCOMMITTEE INSERT]

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1 Mr. McGinn: Great.

2 Senator McCaskill: Thank you. Thank you all.

3 Senator Ayotte [presiding]: Thank you all.

4 Secretary McGinn, I wanted to ask about the Navy's  
5 request for \$6.1 million for a microgrid project in  
6 California. According to the documents, it says it will  
7 support nonessential functions. Yet, I know that there are  
8 significant unfunded priorities. Just to use one example,  
9 the Marine Corps requirement for F-35 stationing in Miramar.  
10 I am sure there are many other examples that I could pull  
11 out. So could you help me understand why we are requesting  
12 this and why you think given all of the, really, reduction  
13 in funding we have talked about here and all the concerns we  
14 have, that this is a priority?

15 Mr. McGinn: I will be happy to investigate that. I do  
16 not have an answer, but I will find one for you, Senator.  
17 It may be a matter of just words describing this microgrid  
18 as for nonessential purposes. I assure you we are not doing  
19 anything for nonessential things. It may be just a  
20 definition or use of terms that is technical. But we will  
21 find out the specific project and provide you a full  
22 background on its rationale.

23 Senator Ayotte: I appreciate it because when you can  
24 imagine when I read "nonessential," how that kind of makes  
25 me wonder. So if you would get me more details on that, I

1 would really appreciate it.

2 [The information referred to follows:]

3 [SUBCOMMITTEE INSERT]

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1           Mr. McGinn: I really appreciate that and I am glad I  
2 never read "nonessential" in any of my fitness reports.

3           [Laughter.]

4           Senator Ayotte: We all hope not to read that in any of  
5 our reports. Thank you.

6           Secretary Hammack, in your written testimony, you noted  
7 that the Army recently conducted a test and a temporary  
8 disconnect that was also referenced, I believe, by Senator  
9 Kaine at Fort Drum, New York from the energy distribution  
10 network, which is an important issue for us to understand as  
11 we think about threats to our grid, the vulnerability of our  
12 base and defense system to cyber attacks. So what have you  
13 learned from this test? What has the Army learned? And  
14 have other services conducted similar tests? What are we  
15 doing, and can you maybe talk to me a little bit about what  
16 we are doing to make sure that we think about protecting our  
17 military assets from potential cyber attacks, potential  
18 other types of attacks that even if we had a missile attack  
19 or something like that, that could impact our grid that we  
20 have a plan to protect our military assets?

21           Ms. Hammack: Thank you for that question.

22           And certainly the Fort Drum project is a delight that  
23 it worked. It is a combination of things that were tried.  
24 It was a decommissioned, coal-fired plant that the private  
25 sector and the private sector's money rehabilitated into a

1 biomass plant. It is taking clippings from the timber  
2 industry and using that for fuel. They are maintaining 3  
3 months' worth of fuel within a 5-minute radius so that they  
4 could survive an extended outage. And there was a  
5 requirement in the contract for them to put in additional  
6 technology to be able to disconnect from the grid.

7 The power plant in and of itself serves twice the needs  
8 of Fort Drum. So it is supplying power to the local  
9 community in addition to Fort Drum. But we wanted to  
10 simulate the grid dropping out and how that switch would  
11 occur. The switch was seamless. It was done in  
12 coordination with the utility so that the utility grid  
13 itself did not experience a shock and they knew what was  
14 going to go on. So we demonstrated that right now Fort Drum  
15 is the most resilient installation in the Army's portfolio  
16 from an energy standpoint.

17 As we all learn more about cybersecurity, we are  
18 approaching that in a methodic way as well. It is  
19 interesting that cybersecurity is the unknown unknown. You  
20 do as much as you know about. And we are working hard to  
21 ensure we stay abreast of current threat and current  
22 technology because our intent is that our installations are  
23 resilient so that they can become and remain the deployment  
24 platforms that this Nation expects of them.

25 Senator Ayotte: Great. Thank you.

1           Do any of the other services want to comment? Similar  
2 projects?

3           Ms. Ballentine: Yes. I would say that from the Air  
4 Force perspective, mission assurance here and all around the  
5 world is absolutely dependent on energy assurance even at  
6 our CONUS bases. The Air Force executes a real-time mission  
7 from bases here in the United States. And the threat  
8 environment has changed.

9           We have always thought about energy resiliency on our  
10 bases. We have always had diesel generators as backup, but  
11 it is a 19th century solution supporting 21st century weapon  
12 systems. So we are advancing how we think about energy  
13 assurance to have smart, cybersecure, highly dynamic, agile  
14 energy systems, microgrids, that allow us to be severed from  
15 the wider utility grid because the threat environment has  
16 changed. We are no longer in an environment where we are  
17 just planning for a big hurricane or an ice storm. We have  
18 to prepare for long-term outages, either due to physical  
19 threats against the U.S. grid or cyber attacks against the  
20 U.S. grid. So the Air Force has a number of tests, as well  
21 as with the other services.

22           And I have to say this is an area where we collaborate  
23 very, very well. We work together. We are learning from  
24 each other. We are ensuring that we are not replicating  
25 tests and R&D of various technologies. So we are not making

1 the same mistakes twice, and we are really learning from one  
2 another.

3 Mr. McGinn: We are taking in the Department of the  
4 Navy a hard look at all aspects of cybersecurity for our  
5 industrial controlled systems and our SCADA systems for  
6 reasons of mission assurance. However, mother nature  
7 continues to be the greatest threat to mission resiliency in  
8 our installations around the world. So we are deploying  
9 more and more distributed energy closer to loads. We are  
10 deploying microgrids. I would describe them, Madam  
11 Chairman, as essential microgrids for our bases for  
12 operations.

13 And this is a process that has begun with the  
14 deployment of distributed generation assets. Some of them  
15 are renewable energy. Many of them are gas-powered. An  
16 example of that latter category is at Marine Corps Station  
17 Yuma, Arizona where we have a 25-megawatt gas-fired peaker  
18 plant that is going on inside the defense line that will be  
19 able to cover all of our Marine Corps Air Station Yuma  
20 requirements should there be a grid outage. But in the  
21 meantime, it is very, very helpful to all of the customers  
22 of APS, the utility that we are doing this partnership with,  
23 as a peaker plant to prevent a grid outage in times of heavy  
24 load.

25 Ms. Hammack: If you do not mind, one more project that

1 we are working on in association with Hawaiian electric is  
2 in Hawaii where on Oahu most of the power is generated on  
3 the shoreline in the tsunami zone. And so should there be a  
4 large weather event there, the whole island of Oahu is at  
5 risk. So in partnership with Hawaiian Electric, we are  
6 giving them an easement at Schofield Barracks so they will  
7 be putting in a 52-megawatt multi-fuel plant there that will  
8 power Schofield Barracks so we will have an Army barracks  
9 up, Wheeler Army Airfield, so there will be an airstrip  
10 since Honolulu airport is again on the shoreline in the  
11 tsunami zone, and it is also going to power a community  
12 hospital.

13 So when that gets up -- we are doing the groundbreaking  
14 later this summer. When that goes up, we will again test it  
15 disconnecting those three locations, disconnecting from the  
16 grid to ensure we have resiliency to help restart the  
17 island.

18 Senator Ayotte: Thank you. I think you might want to  
19 invite Senator Hirono to that groundbreaking. I am sure she  
20 really appreciates what you are doing there.

21 I understand that Senator Shaheen is on the way. So I  
22 am going to ask you some additional questions until she gets  
23 here to give her an opportunity to ask you.

24 Secretary McGinn, can you talk to me about the P-371  
25 utility improvements project at the Portsmouth Naval

1 Shipyard? And you have listed that as an important project  
2 for the Navy for 2017, including utilities for nuclear  
3 facilities at the shipyard, and how that fits into some of  
4 our efforts there. There have been a lot of energy  
5 efficiency efforts at the shipyard, which I am glad that the  
6 Navy continues to support.

7 Mr. McGinn: About a year and a half ago, we began an  
8 in-depth analysis of Portsmouth Naval Shipyard to determine  
9 the state of health, if you will, of the power utilities.  
10 As a result of that work, that analysis, we have identified  
11 exactly where the best use of dollars are for that project  
12 so that, as you know, anytime you have an outage, it has a  
13 lot of compounding costs when you stop critical operations  
14 in the shipyard and it delays the completion of a lot of key  
15 work. So that project is intended to increase the  
16 reliability, the resilience, if you will, of the shipyard,  
17 and to primarily eliminate the potential for mechanical  
18 failures, but will have other attributes as well to make it  
19 more robust in the face of any storm or other type of  
20 natural phenomenon.

21 Senator Ayotte: Well, we really appreciate your  
22 including that in the 2017 request, and I think it is a  
23 really important priority to our prior discussion here about  
24 resiliency. And it is very critical, obviously, at all of  
25 our facilities, especially the shipyard.

1           Mr. McGinn: As you know, we love the productivity of  
2 Portsmouth and getting those boats in and out on time or  
3 earlier at or below or cost. And we want to make sure that  
4 continues.

5           Senator Ayotte: Well, we appreciate it, Secretary  
6 McGinn. And when we can do some of these upgrades to our  
7 military construction, it makes it more efficient for our  
8 shipyard workers. I mean, we are so proud of them. They  
9 are phenomenal. They have been producing, as you know, even  
10 setting records when it comes to the work that they are  
11 doing in getting our attack submarine fleet back out in  
12 operation. So thank you.

13          Mr. McGinn: That is great. Thank you.

14          Senator Ayotte: I appreciate it.

15          And with that, Senator Shaheen is now here. So I want  
16 to turn it over to her.

17          Senator Shaheen: Well, thank you, Senator Ayotte, both  
18 for holding this hearing and for keeping it open long enough  
19 so I could get here. I am a little late, I have to admit,  
20 because Bono was testifying before the Appropriations  
21 Subcommittee on Defense Operations.

22          [Laughter.]

23          Senator Shaheen: So I had to go there first.

24          But I certainly want to thank you all very much for  
25 what you are doing to focus on energy and energy use within

1 our military. I think one of the really unknown secrets  
2 that people do not appreciate is just how advanced the  
3 military in this country is on addressing energy issues that  
4 we have. And you all know more directly than anybody else  
5 the threat to our national security from too much dependence  
6 on overseas fuels, and so your work is really critical to  
7 our security efforts. And I just want to start by thanking  
8 all of you for that.

9 And also, I want to thank you, Secretary Ballentine,  
10 for all of the support from the Air Force in dealing with  
11 the Haven well at Pease. I know Senator Ayotte has already  
12 addressed that and you have talked about that, but I want to  
13 add my appreciation for what the Air Force has committed to  
14 do and what you are working on. And the community is very  
15 appreciative. So thank you very much.

16 I want to start, I guess, with you, Secretary McGinn,  
17 because one of the things that I understand has been  
18 successful in helping address efficiency has been the hybrid  
19 electric drives. As it has been explained to me, it is kind  
20 of like a Prius because it enables a warship to conduct  
21 anti-pirate patrols for longer periods. And I do understand  
22 that there is a question about whether this is something  
23 that the Navy is going to continue to do in future years in  
24 our defense program. And so I just wondered if you could  
25 talk about that and what the Navy is thinking about with



1 respect to HEDs.

2 Mr. McGinn: We have in this budget and in the future  
3 years defense plan a start with two retrofits of our Arleigh  
4 Burke destroyers to hybrid electric drive which, as you  
5 point out, increases their on-station time and their loiter  
6 time, especially important in missions like ballistic  
7 missile defense and Tomahawk strike boxes. It allows them  
8 to stay there longer and be effective and not have to go  
9 alongside the oiler as frequently.

10 The plan in the FYDP calls for a 4-year, beginning in  
11 2018, and it is our intention to keep that drumbeat going in  
12 the future.

13 There are always a lot of competing requirements within  
14 a particular program element, the Arleigh Burke destroyers.  
15 There is a balance between how much you want to do in the  
16 way of weapon systems and sensors and all that compared to  
17 the hull mechanical electric that hybrid drive would come  
18 under. But we intend to recognize not just the mission  
19 effectiveness, but the lifecycle cost savings over the 30-  
20 or 40-year life of an Arleigh Burke destroyer that hybrid  
21 electric drive brings.

22 Senator Shaheen: Thank you. I appreciate that that is  
23 going to continue. So that is good to hear.

24 Secretary Hammack, the New Hampshire National Guard  
25 ranks 51 out of 54 in terms of the condition of our

1 facilities and armories. I do not know if Senator Ayotte  
2 has addressed this already. I assume we are both on the  
3 same path in terms of some of these New Hampshire issues.  
4 But I do want to say how pleased I was that this year's  
5 budget request includes two MILCON projects in New  
6 Hampshire. And I wonder if you could talk about how the  
7 future efforts to address these kinds of shortfalls, not  
8 only in New Hampshire but around the country, would be  
9 affected by a return of sequestration to the budgeting  
10 process.

11 Ms. Hammack: Sequestration has severely cut our  
12 budgets, and this year's budget is 18 percent below last  
13 year's and 60 percent below fiscal year 2013. And we are  
14 taking risk. We have a tremendous backlog across active  
15 duty, Army National Guard, Army Reserve. The total force  
16 has a huge backlog. The fact that we only put forward about  
17 31 projects for authorization out of hundreds that are  
18 backlogged. If you say five per state and then five per  
19 major base, you are getting into somewhere around 700 to 800  
20 that are backlogged across the United States. Sequestration  
21 has caused us to take risk in military construction.

22 We know that we are building facilities to last for 50  
23 years. Yet, we are funding replacement of facilities at  
24 well over 100 years' life. And that equation just simply  
25 does not work. And so the effects of sequestration are felt

1 the hardest in the installation community. I think that  
2 holds true across the services.

3 Senator Shaheen: And what does that mean for  
4 readiness? For example, we just welcomed home about 350  
5 members of our Guard who had been in the Middle East, and  
6 they had a number of accolades that they had achieved while  
7 over there because of what a great job they did. But what  
8 does having these kinds of outdated facilities to train with  
9 -- what does that do to our readiness?

10 Ms. Hammack: I have got to tell you I actually visited  
11 them over there, and they gave me a little bottle of maple  
12 syrup. And I said, serious, guys, you brought this over  
13 with you? And they did. Little bottles of maple syrup.  
14 They said it is a little taste of home.

15 Senator Ayotte: Are they not awesome?

16 Ms. Hammack: They are awesome.

17 But they needed military construction in theater, and  
18 they were in tents that were not in the best condition, yet  
19 they were still doing a great job.

20 Unfortunately, sequestration is affecting us across the  
21 board, and we are not doing what we know we should do in  
22 installations. The risk, though, in underfunding  
23 installations and military construction is not loss of life  
24 or limb. The risk in underfunding manning and the risk in  
25 underfunding training and the risk in underfunding equipment

1 is loss of life or limb. When you underfund installations,  
2 there is risk, but it is a mitigatable risk. The longer,  
3 though, that you underfund, that risk gets greater and  
4 greater. And we are getting to that point, having seen the  
5 last 5 years of underfunding installations and military  
6 construction, that that backlog is getting to a breaking  
7 point. And I think the National Guard and their readiness  
8 center transformation master plan really identified the  
9 risks that the National Guard is seeing.

10 Senator Shaheen: Thank you for that, and I certainly  
11 agree. So hopefully we will -- and I know this subcommittee  
12 and the entire Senate Armed Services Committee is committed  
13 to trying to roll back those cuts from sequestration because  
14 we appreciate the impact that it is having.

15 I am out of time, but hopefully the chair will let me  
16 continue.

17 I just want to ask one final question. Mr. Potochney,  
18 am I pronouncing that correctly?

19 Mr. Potochney: Yes, ma'am.

20 Senator Shaheen: The budget request includes \$113.6  
21 million from MILCON-related activities that are associated  
22 with the European Reassurance Initiative. And I have just  
23 come back from a trip to Europe where I met with some  
24 elected officials from the Baltics, from Eastern Europe who  
25 were very appreciative of the increased support for the ERI

1 in the President's budget. So can you talk a little bit  
2 about what projects that this funding will support and how  
3 those projects improve the capabilities of our forces in  
4 Europe?

5 Mr. Potochney: I can do so in general terms. They  
6 enhance our capabilities and our presence and our  
7 reassurance for our allies. And so in that regard, they  
8 allow us to carry out the -- to conduct or to maintain the  
9 capabilities that we need. We can go through -- and I can  
10 get you for the record -- each one of the projects and what  
11 it is specifically going to do if that would help. I would  
12 be happy to do that.

13 Senator Shaheen: I would very much appreciate that.

14 [The information referred to follows:]

15 [SUBCOMMITTEE INSERT]

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1           Senator Shaheen: And I will point out I think I heard  
2 you say that these are critical to us as well as our  
3 European allies --

4           Mr. Potochney: Yes, ma'am.

5           Senator Shaheen: -- which I think is an important  
6 piece of the consideration there because as we look at the  
7 challenge that we are facing on the eastern front of Europe  
8 from Russia, it is very important that we are working in  
9 conjunction with our European allies.

10          Mr. Potochney: Yes, ma'am.

11          Senator Shaheen: Thank you.

12          Thank you very much, Madam Chairman.

13          Senator Ayotte: Thank you, Senator Shaheen.

14          And this concludes the hearing, and I want to thank all  
15 of our witnesses for your service and your testimony today.

16          [Whereupon, at 3:53 p.m., the hearing was adjourned.]

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