

MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES APPROPRIATIONS
FOR 2011

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES APPROPRIATIONS

CHET EDWARDS, Texas, *Chairman*

SAM FARR, California
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ANDER CRENSHAW, Florida
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JOHN CARTER, Texas

NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking
Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

TIM PETERSON, SUE QUANTIUS, WALTER HEARNE, and MARY C. ARNOLD,
Subcommittee Staff

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MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS FOR 2011

WEDNESDAY, FEBRUARY 24, 2010.

AMERICAN BATTLE MONUMENTS COMMISSION

WITNESS

SECRETARY MAX CLELAND

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I would like to call the committee to order and to welcome everyone to today's hearing, which is our first on the fiscal year 2011 budget cycle. Let me also begin with a few administrative things I would like to discuss briefly.

First of all, I want to thank everyone, starting with our ranking member, Mr. Wamp, and every member of the committee on both sides of the aisle for your work last year. In a Congress that seems to have difficulty getting beyond partisanship I am so very proud that this subcommittee has continued a longstanding tradition—of bipartisanship on behalf of our servicemen and women and their families, our veterans, and the related agencies such as the American Battle Monuments Commission, and I think that is the way the American people would want it to be.

We do have some changes in subcommittee staff I would like to mention briefly so that everyone knows. Carol Murphy, who had led the staff as staff director since the creation of the subcommittee in 2005 has retired. She will be sorely missed, and I want to say for the record, in my book she is one of the finest public servants I have ever known, worked on a cleanly bipartisan basis for the good of the people that we have the privilege of serving in this subcommittee. And again, we will miss her greatly but we wish her all the very best.

In addition, Donna Shabez, who worked for the subcommittee since 2007, is an Army veteran who worked on veterans' issues has been reassigned to the Labor, HHS Subcommittee, and we wish her very well.

Tim Peterson, I am very happy to announce, will be leading this subcommittee as the staff director. Tim is no newcomer to the appropriations process or this subcommittee and we are very fortunate to have someone with his experience leading our subcommittee. He has been with the Appropriations Subcommittee for 21 years and is a professional from day one to the last hour of the long hours he puts in.

Tim, thank you. We are grateful that you have taken on this position.

We also welcome Sue Quantius.

Sue, where are you?

Ms. QUANTIUS. I am right here.

Mr. EDWARDS. Okay. Far in the back but not new to the appropriations process.

She has been with the Labor, HHS Subcommittee for many, many years.

How many years, Sue?

Ms. QUANTIUS. About 19—

Mr. EDWARDS. About 19 years. Okay. Well thank you. Thank you for that. And we are thrilled to have you.

And with her background in health care she will be a great addition to the work on V.A. health care and other issues as well.

I am also very happy to say that Mary Arnold and Walter Hearne are continuing their respective roles on the subcommittee staff. On the minority side we are very fortunate that once again Mr. Wamp has Martin Delgado, Liz Dawson, and Kelly Shea, all outstanding professional staffers who have made a real contribution to this committee's work effort.

In terms of last year, Mr. Wamp, I mentioned very briefly how proud I was that in a seemingly nonstop partisan Congress how proud I am that this subcommittee and each and every member and staff member continued the long tradition that you have been such a part of to see that we do our work on a bipartisan basis for the good of the servicemen and women and their families. And we again thank you for choosing to be back on this subcommittee and in this Congress as well.

We had a lot of successes. I won't go into all those, but a historic success—the number one priority for most veterans organizations last year was a multiyear funding for the V.A., as you all know, and I think that is a win-win for veterans and for taxpayers, allowing the V.A. to spend the tax dollars more wisely and knowing how they are invested ahead of time.

So that was a great achievement and we took some major initiatives in terms of new funding for barracks for a lot of young troops, particularly in training facilities, that were living in barracks their parents were embarrassed to see when they came to proudly see their sons and daughters graduate from boot camp. We took real initiatives, additional MILCON funding for the Guard and the Reserve and to help military families in a time of dropping housing prices, when the country asked them to move from one base to another and they are stuck with a house. We have worked with the Senate and provided some additional funding.

Mr. Secretary, we try not to give the Senate much credit very often around here, in all due respect, but it was a pleasure working with them on that initiative that they took up in the last year in our work.

Before we proceed with the introduction of our distinguished first witness for this year I would like to recognize our outstanding ranking member, Mr. Wamp.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Well, thank you, Mr. Chairman, and I do truly appreciate you. In a time when there is so much rancor and division, we really continue to do this in a bipartisan, cooperative way and put our troops and our—families ahead of all of the divisions, and you have just done an extraordinary job. We have done a lot of good work.

It is an honor to begin our third year together. I want to say, because this is my first day back—I was at Fort Campbell yesterday and I am moving around a lot these days—but it is my first day back since the break, and I am saddened that all of our friend, Jack Murtha, is not with us. I know there will be many, many tributes forever, but some of my early memories of the Appropriations Committee—this is my 14th year—were with him, traveling with him and getting to know he and his wife and becoming his friend. So many of us share this journey that, in many ways, the Appropriations Committee to me was Bill Young and Jack Murtha. [Laughter.]

Everything else was sort of secondary—

Mr. EDWARDS. Still is, isn't it? [Laughter.]

Mr. WAMP [continuing]. After the two of them. But it is good to start another year, and this will be my last year, and there will be times where I won't be here, but I will always be working and diligent.

I want to say, because Martin and Kelly are behind me from the minority staff, that also Erin Fogleman continues on my personal staff to be the lead on this subcommittee, and she is now engaged and I want to make that announcement. I want to say that my military liaison is Major Gilbert D'meza, from the United States Marine Corps. Ironically he joined me the first day of the year and his family is all from Haiti, and it is a real difficult time for him. He is over my shoulder.

Raise your hand, Major, if you will please.

He coordinated tremendous logistics and efforts for Haiti ever since the earthquake out of my office and it gave him a way of being engaged. He tried to go there but military had him on assignment so he had to stay with me, but we put him to work. He is a trooper. His wife is now pregnant with their third child so he has got a lot of balls in the air as well, but we are grateful for this team. [Laughter.]

And then all I would say, Mr. Crenshaw is ably willing, and we already have the schedule coordinated. When I am not able to be here at hearings, he will be here so we will be well-represented. But as I said to Secretary Cleland a few minutes ago when I had the privilege of greeting him in the hall, he is one of the great patriots. I was born at Fort Benning in the state of Georgia and lived in Tennessee all my life—

[Laughter.]

So I have got Georgia roots, but he is one of the great patriots of all time around here and every one of us ought to be honored to be in his presence.

I am grateful that you continue to serve your country in an important way, and having been to Normandy and many places

around the world and seeing the importance of the service that you now give, I am grateful for it. Most of all I am grateful for your commitment to our country and freedom and the unbelievable sacrifice that you have made on our behalf, Max. You are a great—welcome to our subcommittee.

Mr. EDWARDS. Zach, ditto on your comments about the work of your staff and your comments about Secretary Cleland, and also thank you for mentioning Mr. Murtha. And I would like to say for the record, while he was not a member of this subcommittee, this is an example where Mr. Young and Mr. Murtha and this subcommittee worked together—one of many—of doing more in the last several years than the Pentagon had done in 20 years in terms of modernizing our DOD hospitals.

And there are about seven or eight military hospitals that now, because of the work Mr. Murtha and Mr. Young did in reaching out to hospitals, finding out about some of the needs. We had just kicked that can down the road for decades—these hospitals were undersized, outdated, and therefore inefficient. It is not even a good deal for the taxpayers. And the funding for the hospital renovations and new construction came from this subcommittee, but many of the ideas came from Mr. Murtha and Mr. Young. And we know Mr. Young how close you and Jack worked together—in light of Mr. Wamp's comments I would like to recognize you if you care to make any comments.

Mr. YOUNG. Mr. Chairman, thank you very much. And I will tell you that Jack Murtha and I worked together for more than 20 years in leadership roles on the Defense Subcommittee. We were friends; we had a very strong mutual trust.

But it is good to be on your subcommittee and I really want to say I appreciate your leadership and Zach Wamp's. This is a good subcommittee and the two of you handle the business that you are responsible for very well.

Now, I wanted to welcome my friend, Max Cleland. He and I, over the years, have worked together on a number of different projects, but you know when you—and you know this—when you travel and visit some of our cemeteries overseas, which are kept so well, so beautiful, it gives you a special feeling for America and a special feeling for those who are buried there, those who fought those battles.

And just one thought: General Colin Powell said something sometime ago that has stayed with me for years when he was getting beat up in Europe about, “You bad Americans. You selfish Americans. You arrogant Americans.” He stopped in, very pensive—he said, “You know,” he said, “after all this the only thing that America has ever asked for was enough ground to bury our dead.” And that is what this commission takes care of, and it is really an inspiration to see what our country has done over the years of sacrifices that our soldiers made, and I am really proud to have a chance to work with Mr. Cleland and this committee as we make sure that those battle monuments and those American cemeteries are kept up as they should be kept up.

And Max, you do a really good job, I have got to tell you. They are beautiful.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Chairman Young.

Mr. Bishop.

Mr. BISHOP. My I speak out of turn?

I simply want to welcome my friend of long standing, Max Cleland, from Georgia. We were together under the capitol dome there in Georgia for many, many years. We served together and he is just a friend of long standing, and I have got to leave the subcommittee. I have got two conflicting subcommittees—

Mr. EDWARDS. We understand.

Mr. BISHOP [continuing]. Meeting at the very same time. But I did not want to pass and not at least acknowledge and greet my friend Max. He has done such a tremendous job in representing Georgia and representing the men and women of our country as a veteran, and of course he was our secretary of state prior to becoming a United States senator. So he has given awesome service; he is a great author, inspirational individual.

And we welcome you, and I am sure that the Battle Monuments Commission will be better for your service.

Secretary CLELAND. Thank you very much.

Mr. EDWARDS. Thank you, Mr. Bishop.

Well, having kissed the ring of Chairman Obey and with those introductions, Mr. Secretary, there is not much more to say other than I want to add my two cents' worth. It is an honor to have you here today, and all of this talk about patriotism, you have lived it and your service to our country in Vietnam and your incredible service as the secretary of the Department of Veterans' Affairs—I believe the youngest V.A. secretary in the history of that agency—and now continuing in your public service by overseeing the most hallowed grounds across the world, and I can think of no better way to put it than Colin Powell put it.

We are thrilled to have you here. Your full testimony will be submitted for the record, but I would like to recognize you now for any opening comments you—

STATEMENT OF THE HONORABLE MAX CLELAND

Secretary CLELAND. Thank you, Mr. Chairman. It is hard to believe that I am back before this subcommittee. I never thought I would ever come back to this wonderful subcommittee dealing with the question of appropriations for America's veterans.

I first came before this subcommittee when Bill Young and I were a lot younger. I was 34 and now I am 67. He is still here. I am still here. [Laughter.]

But we worked together on construction when I was head of the V.A. and he was helpful in the money to put together the new \$200 million Bay Pines V.A. hospital there in the Tampa, St. Pete area. So it is hard to believe that I am back before this very subcommittee and we are glad to see you, my friend.

Zach Wamp, of course, is my neighbor from Tennessee and we concluded in our brief discussion in the hallway that when someone got drunk in Tennessee and fell across the line in Georgia it improved the intelligence level of both states, so—

[Laughter.]

And my friend, Mr. Salazar, from Colorado, when I was out there I said that—he has a brother who was in the United States Senate

and now secretary of the Department of Interior with whom we might do a little computer business. We can get into that if you would like.

But I said that—that is two brothers Salazar in Colorado—to those people out there that if you just see the name on the ballot, Salazar, vote for it.

And Sanford Bishop, my dear friend, I am enamored with him but I am much more enamored with his wife, Vivian. We have known them for a long, long time. It is great to see him. And anybody born at Fort Benning has my undenied admiration.

Thank you for surviving Fort Benning. There are those of us who have in many ways.

And Steve Israel, my good friend, we look forward to being with him in May, and particularly in terms of the East Coast Memorial there in Lower Manhattan.

Mr. Chairman, I am accompanied today by some wonderful people: Mr. Steve Hawkins, who is an expert and a general from the Army—Army Ranger—two tours in Iraq, and he now heads up our operational headquarters in Garches, France, which is a suburb of Paris, and he heads up our worldwide operation. And we have Matthew Beck, our acting chief financial officer; and Mike Conley, who is helping us with our communications and particularly with our interpretive program.

I was thinking while you were talking about the bipartisan nature of the committee and, in effect, the bipartisan nature of our mission. What is all this about? It really is about the 131,000 buried overseas and the 95,000 who are listed on our Walls of the Missing around the world.

That is a staggering number of people—almost a quarter of a million Americans primarily lost in World War I and World War II who never made it back. And as someone who almost didn't make it back alive I have a special interest in their welfare.

In so many ways they are still on duty for the United States because the cemeteries and the monuments and memorials of the American Battle Monuments Commission carry as great a weight as anything can be to the citizens of these nations in which we are located. We are located in 14 different nations.

So, if they want to look at the commitment of the United States to their people all they have to do is visit one of our cemeteries. Every American ambassador usually takes distinguished visitors like all of you to the cemetery as part of their routine visit.

I have been personally invited—I haven't been able to take advantage of it but I have personally been invited by the American ambassador to the Philippines, American ambassador to Luxembourg, the American ambassador to Tunisia. And it is not because I am warm and wonderful, it is because of the incredible sacrifice of the people who are buried there who demonstrate day in and day out their love of this country and their love of that country.

And Mr. Bill Young—Chairman Young—was correct that the only thing we have really ever asked for pretty much as a country is a place to bury our dead. We are asking, therefore, the committee to approve our request of some \$20 million in the foreign currency fluctuation account. We have a relatively unique position in the federal government in which all of you have entrusted to us

the ability to call upon the Treasury Department whenever we need to adjust the currency fluctuation vis-a-vis the dollar. When the dollar goes up or down we have the funds to adjust to that currency fluctuation that you all have given us, and that \$20 million fund, I think, is adequate as we go into fiscal year 2011.

We are asking for \$64.2 million for the current operations of the agency. What does that include? You were so kind to give us some \$2 million extra over what the president requested last time around and we are using that \$2 million or so for increasing the interpretation program and to start and kick off a financial management system which we may be going into partnership with the Department of Interior to put together.

We have asked for \$1.5 million more than fiscal year 2010 basically because the Office of Management of Budget has estimated that the Congress will pass something around 1.4 percent pay increase in terms of federal employees. When I got to ABMC I found that it was very, shall we say, contract-heavy and consultant-heavy, so I removed from the Washington office some eight contractors and some five consultants and we saved about \$1.2 million.

So within our budget, then, that gives us, using your add-on of \$2 million last time around as our base, that gives—and the cuts we have made—that gives us enough money, then, to do some extra things. One of the extra things is to finalize the Honolulu Memorial. It is located in the National Memorial Cemetery of the Pacific—the cemetery known as the Punchbowl. It is run by the V.A. I used to run it.

When I was head of the V.A. in 1980 I noticed that you had in the Court of the Missing—the 18,000 missing from World War II and 8,200 missing from Korea. But you did not have the names of the missing from the Vietnam War. So when I was head of the V.A. I made sure that the Court of the Missing in Honolulu, run by the American Battle Monuments Commission, added the names of the over 2,500 missing from the Vietnam War.

Now it is interesting that I am in the position now of saying to you, “Please approve our budget request,” which includes the finalization of that memorial, which means we are going to add, with your help, what we call the Vietnam battle maps. It is about \$3.5 million in terms of a project but we want to, in effect, tell the story as best we can of the Vietnam War.

The story of World War II in the Pacific is told by the World War II battle maps. The story of the Korean War is told by the Korean battle maps. But we do not have the story of the Vietnam War told by the Vietnam battle maps. That is in our budget; we request your approval.

Finally, what we are able to do, due to the generosity of this committee and your leadership, Mr. Chairman, is upgrade substantially our second most visited spot in the world in terms of our cemeteries, and that is at Pointe du Hoc. The most visited site is Normandy—over a million visitors a year—and you were kind enough and Mr. Murtha was kind enough with Mr. Obey and this Appropriations Committee was kind enough to give us enough money—\$30 million to \$40 million—to put together the Normandy Visitor Center, which is awesome.

I saw it first in June of last year when I welcomed the dignitaries, including the president of the United States, and Prince Charles, and the prime minister of Canada, and the prime minister of Great Britain, and the president of France, and everyone wanted to know where the holding room was for his wife, so, I mean, we had our priorities right. But there were the dignitaries representing the nations that were instrumental in the Normandy invasion 65 years ago. We had them at the Normandy Visitor Center. And there is a little plaque there to Congressman Murtha and to Dave Obey in honor of them, long before Mr. Murtha passed away, so that plaque will stay there.

But we want to move to Pointe du Hoc because if you go about nine miles down Omaha Beach to Pointe du Hoc, which General Bradley said was the most dangerous mission of D-Day—it was undertaken by the Army Rangers, and Mr. Len Lomell, who the chairman has introduced me to, I had the pleasure of visiting, and he is 90 years old now, and he is the guy that landed at Pointe du Hoc, climbed the cliffs, found that the five 155-millimeter German guns were not there and went looking for them with a buddy and found them a mile away and destroyed their capability with thermite grenades.

He won the Distinguished Service Cross for that and the historian Stephen Ambrose says that other than Eisenhower Len Lomell had the most significant impact on D-Day being a success. So Pointe du Hoc becomes an incredible icon in American military history and an incredible memorial to those who took on what Bradley said was the most dangerous mission of D-Day.

So we are doing three things at Pointe du Hoc with your money and your support—taxpayers' money, but with your support and the leadership from the chairman especially, and Texas A&M has been very wonderful in helping us gauge what we need to do there. First of all, we want to upgrade the visitor center. It is run by the French, owned by the French, it is a French building, but we want to upgrade that.

Secondly, we want to upgrade the interpretation and understanding and the story of Pointe du Hoc. And third, we are going to save the Pointe. You gave us \$6 million to deal with the complex problem of saving that Pointe instead of seeing it washed out into the sea. The Pointe has been closed to visitation for 10 years because it was caving in.

And there is an observation bunker there—a German observation bunker—still preserved after 65 years. If you saw the movie “The Longest Day,” the German sentry looks out through this slit in this observation bunker and sees this incredible armada, and that is how “The Longest Day” begins. That observation post is still there. It was that observation post that failed to communicate to the Germans that were manning the 155-millimeter guns that the Americans had landed.

So Len Lomell and his comrade were able to go to the five 155-millimeter guns and destroy them before the Germans got the word. Had the 155-millimeter guns not been destroyed, with a range of 10 to 14 miles they could have pivoted. They were targeted on Utah Beach, but they could have been pivoted to focus on

Omaha Beach and the landing craft. That would have been disastrous.

So that is what the mission at Pointe du Hoc was all about, was about those guns. And so Earl Rudder, the lieutenant colonel, and his team climbed Pointe du Hoc with 80 percent casualties, took the Pointe, and destroyed the guns. They accomplished their mission. Unbelievable.

But that monument needs help. So we are upgrading the French visitor center, we are improving the interpretation of the whole battle, and we are saving the Pointe thanks to all of you.

I might say I have come across, in conclusion, a line from an Archibald MacLeish poem, the poem being "The Young Dead Soldiers Do Not Speak." Archibald MacLeish was a veteran of World War I, and he lost his younger brother in World War I, who is buried at Flanders Field Cemetery. And MacLeish wrote the poem, and at the end MacLeish concluded, "We leave you our deaths. Give them their meaning."

So we take that as our charge, those of us who are alive, those of us who are able to work on these issues. We take that as our sacred charge.

Thank you, Mr. Chairman.

[Prepared statement of the Honorable Max Cleland follows:]

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OPENING STATEMENT
BEFORE
THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND
RELATED AGENCIES
BY
THE HONORABLE MAX CLELAND
SECRETARY
AMERICAN BATTLE MONUMENTS COMMISSION

February 24, 2010

Introduction

Mr. Chairman and Members of the Subcommittee...

Thank you for this opportunity to appear before you to discuss the American Battle Monuments Commission's Fiscal Year 2011 Appropriation Request.

Honoring our Nation's fallen has been the focus of our Commission since its creation by Congress in 1923. Our purpose was eloquently stated in 1934 by the words of our first chairman, General of the Armies John J. Pershing, who wrote:

“...to relatives of soldier dead, and to every American citizen, I can give assurance that the United States Government has kept and will continue to maintain its trust in perpetuating the memory of the bravery and sacrifices of our World War heroes. Time will not dim the glory of their deeds.”

The mission of the American Battle Monuments Commission—our purpose—is to honor the fallen by commemorating the service, achievements and sacrifice of America's armed forces.

This mission is as old as antiquity. In his history of the Peloponnesian War, Thucydides quotes the Funeral Oration delivered by Pericles after the first battles of the war:

“For heroes have the whole earth as their tomb; and in lands far from their own, where the column with its epitaph declares it, there is enshrined in every breast a record unwritten with no tablet to preserve it, except that of the heart.”

It is our responsibility to preserve for future generations the twenty-four cemeteries and twenty-five memorials, monuments, and markers we maintain around the world to honor America's war dead, missing in action, and those that fought at their side.

Appropriation Request

To execute this mission, our Fiscal Year 2011 request seeks \$64.2 million for our Salaries and Expenses Account and \$20.2 million for our Foreign Currency Fluctuation Account.

The funding we request for Salaries and Expenses supports Commission requirements for compensation and benefits; rent and utilities; maintenance, infrastructure, and capital improvements; contracting for services; procurement of supplies and materials; and replacement of equipment.

To support this level of effort our staffing requirement remains at 409 Full-Time Equivalent positions.

We estimate that we will need \$20.2 million to replenish our Foreign Currency Fluctuation Account.

The funds in this account defray losses resulting from changes in the value of foreign currencies against the U.S. Dollar, allowing us to maintain purchasing power in an uncertain financial environment—a critical factor when 70 percent of our annual appropriation is spent overseas using foreign currencies.

Two years ago, Congress wrote language into our appropriation for this account that reads "such sums as may be necessary."

We continue to be grateful for your leadership in providing this critical flexibility in how this account is managed. Be assured we also understand that "such sums" language does not lessen our stewardship responsibilities for the resources provided to us by the Administration and the Congress.

One of the public service ads produced for our World War II Memorial fund-raising campaign depicted a World War II helmet with a bullet hole through its side. The headline read, "Dying for freedom isn't the worst thing that can happen. Being forgotten is."

Future generations must never forget, nor fail to understand, the significance of what our fellow Americans have done for us and for others around the world.

We have a responsibility to continue the historical narrative for those who created it—to tell their stories at each of our overseas cemeteries. I would like to take a few minutes to highlight some of our current projects that will do just that.

Honolulu Memorial

On either side of the grand stairs leading to the top of the Honolulu Memorial are eight courts of the missing on which are inscribed the names of 18,096 American World War II missing from the Pacific, and 8,200 Americans missing from the Korean War.

At the top of the stairs is a chapel flanked by galleries containing mosaic maps and descriptions of the achievements of American armed forces in the Central and South Pacific regions of World War II and in Korea.

In the late 1970s, two half courts were constructed at the foot of the staircase that contain the names of 2,504 Americans missing from the Vietnam War. No battle maps for that war were added at the time, an oversight that must be corrected to properly balance our commemoration of the three wars.

Included in our appropriation request is \$3.5 million to construct two pavilions on the memorial plaza that will provide space for five Vietnam War battle maps and visitor orientation to the entire site. This is a one-time project cost.

Pointe du Hoc

At Pointe du Hoc, in France, we are well into exhibit design to complete the D-Day story begun at Normandy.

The emphasis will be on low-profile outdoor panels placed along a self-guided walking tour of the battleground, which appears much as it did when the Rangers captured the Pointe on June 6, 1944.

Concurrently, work to stop further erosion of the cliff and to preserve the observation bunker began this month.

We expect the site to open to the public in September 2010. This will be the first time since the year 2000 that the public will have access to the Ranger Monument and Observation Bunker.

The French government has been supportive of our efforts.

We hope you will mark your calendar to participate in a ribbon cutting ceremony on June 6, 2011, to commemorate these achievements. We would not be this close to preserving this iconic site, dedicated to American sacrifice and achievement, without your foresight and leadership.

Interpretive Program

The Commission reported to you in the past its intent to use the lessons learned in planning the Normandy Visitor Center to do a better job of telling the story of service and sacrifice at all of our overseas cemeteries. We are making progress on several fronts.

Architectural design work to renovate the visitor building at Cambridge American Cemetery in England has begun. And we soon will begin exhibit design at Cambridge, Sicily-Rome American Cemetery in Italy, and Oise-Aisne American Cemetery in France.

Within the next month, we also will begin development of several Web interactive programs based on military campaigns associated with those honored in our cemeteries.

Interactive programs on “The Normandy Campaign” and “The Battle of Pointe du Hoc” are available on our Web site today. We will add many more over the next several years.

The Commission does not aspire to become a national center of military history through these efforts—that is not our mission.

Our goal is to maintain the world's finest commemorative sites; and to provide our visitors, in person and online, the historical context for understanding why our overseas cemeteries were established, how and why those honored within them died, and the values and principles for which they died.

Streamlining

Finally, I wish to report on a new initiative to simplify, streamline and support our mission operations.

In July, I asked our senior staff in Washington, Paris and Rome to prepare a draft reorganization blueprint, which they did following an exhaustive bottom-up review of numerous proposals.

In October, I met with the senior staff and nine cemetery superintendents to review their recommendation, which I approved enthusiastically.

The organization is now streamlined into a Washington-based policy and support office and a Paris-based field operations center responsible for all overseas cemeteries and memorials.

This new structure will standardize operational responsibilities, improve supervision of our cemeteries, provide career growth opportunities for our superintendent staff worldwide, and move us meaningfully into the 21st century.

Conclusion

As always, we welcome and encourage your visits to our commemorative sites, to experience firsthand their inspirational nature.

When he dedicated the East Coast Memorial on the tip of Manhattan, President Kennedy said,

Max Cleland – Opening Statement
February 24, 2010

“...every generation of Americans must be expected in their time to do their part to maintain freedom for their country and freedom for those associated with it....there is no final victory, but rather all Americans must be always prepared to play their proper part in a difficult and dangerous world.”

We must promise that all of our warriors who fall in battle will not do so in anonymity, and that regardless of the outcome, their country will remember and honor their effort.

The poet Archibald MacLeish challenged us to do no less with these words,

“... We leave you our deaths: give them their meaning ...”

Thank you, Mr. Chairman. This concludes my prepared statement. I will be pleased to respond to your questions.

**The Honorable Max Cleland
Secretary
American Battle Monuments Commission**

Biography

A former United States Senator and youngest-ever Administrator of the U.S. Veterans Administration, Max Cleland has been a distinguished public servant for over 40 years.

Born and raised in Lithonia, Georgia, Cleland received the Atlanta Journal Cup as the most outstanding graduate in the class of 1960 at Lithonia High School. He later attended the Washington Semester Program at American University where he was inspired to enter public service. In 1964, he earned his B.A. degree from Stetson University and received a Second Lieutenant's Commission in the U.S. Army through its ROTC program. Cleland holds a Masters Degree in American history from Emory University. Both Stetson and Emory have awarded him honorary doctorate degrees.

In 1967, Cleland volunteered for service in the Vietnam War and was promoted to Army Captain. Seriously wounded in combat in 1968, he was awarded both the Bronze Star for meritorious service and the Silver Star for gallantry in action.

In 1970, Cleland was elected to the Georgia Senate where he was the youngest member of that body and the only Vietnam veteran. He was re-elected to the State Senate in 1972. There he authored and helped to enact into law legislation which for the first time made public facilities in Georgia accessible to the elderly and handicapped.

In 1974, Cleland lost his race for Lieutenant Governor of Georgia. The following year he was appointed to the staff of the U.S. Senate Veterans Affairs Committee, where he investigated hospitals in the Veterans Administration health care system and their treatment of wounded U.S. troops returning from Vietnam.

Appointed in 1977 by President Jimmy Carter to head the Veterans Administration, Cleland managed the largest health care system in the country. As the nation's youngest VA Administrator ever and the first Vietnam veteran to head the department, Cleland created the Vet Center counseling program. Today over 200 Vet Centers across America help veterans and their families deal with post-traumatic stress disorders and associated problems.

The Institute for Public Service, in 1977, awarded Cleland the Thomas Jefferson Award, which is given to an American under the age of 35 who makes the greatest contribution to public service. The following year Cleland received

the Neal Pike Prize from Boston University for his outstanding contributions to the rehabilitation of disabled veterans.

In 1982, Cleland won election as Georgia's youngest Secretary of State and served in that office for 12 years. In 1996, he was elected to succeed Sam Nunn in the United States Senate. Cleland held the seat on the Senate Armed Services Committee which was previously occupied by Nunn and Senator Richard Russell.

As a member of the Armed Services Committee, Cleland was a forceful advocate for veterans and for a strong national defense. He successfully fought to improve some of the Department of Defense's most pressing personnel needs, including recruiting and retention, pay and compensation, reform of the military retirement system and health care. Because of Max Cleland's efforts, servicemen and women who choose not to use their GI bill educational benefits can now pass those benefits on to their children. In 2000, Cleland was selected by the Reserve Officers Association to receive the group's Minute Man of the Year Award, which is presented annually to "the citizen who has contributed most to National Security during these times."

After his defeat for re-election in 2002, Cleland was appointed to the 9-11 Commission to study the circumstances surrounding the September 11, 2001 terrorist attacks and to recommend safeguards against future attacks. While a member of the Commission, Cleland served as an adjunct professor in Political Science on the Washington Semester Program at American University. In late 2003, he was appointed to be a member of the Board of Directors for the Export-Import Bank of the United States, where he served for three and a half years. On June 3, 2009, President Obama appointed Cleland as Secretary of the American Battle Monuments Commission, managing 24 cemeteries overseas where fallen American troops from World War I and World War II are memorialized.

Cleland is the author of three books: *Strong at the Broken Places*; *Going for the Max: 12 Principles for Living Life to the Fullest*; and *Heart of a Patriot*.

Mr. YOUNG. Mr. Chairman, before you——

Mr. EDWARDS. Chairman Young?

Mr. YOUNG. Mr. Secretary, count me in——

Secretary CLELAND. Thank you, sir.

Mr. YOUNG. I need to be excused. The Defense Committee is just starting up a hearing on combat aircraft.

Mr. EDWARDS. I understand. Chairman Young, thank you for——

Mr. YOUNG. I am glad I was able to hear you——

Secretary CLELAND. Yes, sir.

Mr. YOUNG [continuing]. Not only see you again, Max, but hear what you have to say this morning.

Secretary CLELAND. Thank you, Mr. Chairman. It is good to see you again.

Mr. EDWARDS. Thank you.

Mr. Secretary, thank you for your eloquent and passionate statement. And I am so grateful for your commitment to this commission and couldn't say it better than Archibald MacLeish. But that Pointe du Hoc project—is something that every member of this subcommittee ought to be proud of. I consider that one of the greatest symbols or statements of American service to the world of any place on the globe.

And I thank this subcommittee for the work that you and your commission played a role in saving that when it could have just fallen into the ocean unceremoniously. That is something that I think that will be a great ambassador for the United States for long after we are all gone, so I thank you.

And I know Mr. Israel, who is a student of military history, has to be squirming in his seat to get his turn here——

Mr. ISRAEL. I want to go.

Mr. EDWARDS. We are going to have to do that soon.

Secretary CLELAND. Can I say, Mr. Chairman——

Mr. EDWARDS. Yes, please actual time.

Secretary CLELAND. You have gotten a written invitation and a verbal invitation, but the entire subcommittee is invited to ceremonies D-Day, June 6, 2011, when we will, in effect, honor and recognize all those projects—those three projects that we are doing. We are going to complete the saving of the Pointe by September this year, but June 6, D-Day of 2011, the entire subcommittee is invited to come and we will commemorate the upgrading of the visitor center, the interpretation upgrade, and the saving of the Pointe.

Mr. EDWARDS. That is tremendous, and I will personally take it on if I am here to ask the governor of Tennessee to come——

Secretary CLELAND. Right.

INTERPRETIVE CENTERS

Mr. EDWARDS. Mr. Secretary, let me ask, in terms of interpretive centers, with the 2011 budget and the 2010 budget how many centers—interpretive centers—do we have funded at this point and then how many more need to be funded? I think it is such a great way to bring meaning and allow those who died on foreign soil to continue to make a statement to the world. How many more centers do we need to fund?

Secretary CLELAND. We have three underway, Mr. Chairman, starting with Cambridge, which is very much underway at this point, and why Cambridge in England—the two cemeteries, Cambridge and Brookwood—but Cambridge is only about 90 miles from London and in 2012 we have the London Olympics. And on the walls of the missing at Cambridge are the names of Joe Kennedy, Jr. and Glenn Miller.

So it is a powerful symbol of America's commitment to particularly Western Europe and to freedom in the world. And so when the Olympics happen we expect increased visitation at Cambridge and we want to be ready for that with our interpretive center.

There are other interpretive centers on the books, like Manila and others. When we got extra money for the interpretive program we were able to increase the number that we have underway. If you take the remaining items, that is—we have three underway but we have 24 cemeteries, so it is painfully obvious that if you went at this current rate you would take 15-plus years to bring all those interpretive projects up to speed. We wouldn't like to wait that long. We would like to get underway with many of them in the next several years.

Mr. EDWARDS. Thank you, Mr. Secretary.

Mr. Wamp.

Mr. WAMP. You know, I don't have any questions.

I just want to say, Max, that I don't think the president or our country could be possibly better-served by having someone run the American Battle Monuments Commission than you. Your passion, your knowledge, the depth, normally I would have asked you to prioritize everything, but you did it. I mean, your opening statement basically says it all so I am kind of in Chairman Young's category. Let us just fund it and move on.

Mr. EDWARDS [continuing]. Shall take relatively small amount, relative to the \$100 billion-plus budget of this committee, an awful lot could be done at the ABMC, as they have done with some of the extra funding we have done over the last few years.

Secretary CLELAND. Thank you, sir.

Mr. EDWARDS. Thank you, Zach.

Mr. Salazar.

Mr. SALAZAR. Thank you, Mr. Chairman.

PARTNERING WITH THE DEPARTMENT OF THE INTERIOR

And Mr. Secretary, it is truly an honor to be here with you. I look up to you as a mentor and just a wonderful human being.

You mentioned something about doing something with the secretary of interior?

Secretary CLELAND. That is correct. You would like for me to expound on that?

With \$1 million—you gave us a little bit more than \$2 million last time around, beyond the president's budget, for which we are grateful. And we are taking \$1 million of that to crank up what we need desperately—a new financial management system so we can account worldwide for every dollar and every cent in a more meaningful way. But that is the world of computers.

All I know about a computer is you need to make sure it is turned on. So we have a wonderful team at our agency that is de-

fining the requirements, but to get it done, as they say, we are interested in partnering with a larger agency, and the Department of Interior has stepped forward in very meaningful ways. So it may be that later this spring we may partner with the Department of Interior to, in effect, run our system the way we would like to have it run and handle, with us, our financial management of the agency.

So it is computer-speak, but the Department of Interior has stepped forward in very meaningful ways and it would be a pleasure to work with Secretary Salazar and his team, knowing that they have the computer power and we have the requirement. And that partnership will save us money and this committee money and get our job done as well.

Mr. SALAZAR. Thank you.

And I yield back, Mr. Chairman.

Mr. EDWARDS. Thank you.

Mr. Israel.

Mr. ISRAEL. Thank you, Mr. Chairman. I am struck by an irony. In one of the other subcommittees on which I serve, State Foreign Operations, Secretary Clinton is going to come in today and ask for tens of billions of dollars to fund the State Department for the projection of American diplomacy and you are doing it for less than \$100 million, and very effectively. This is one of the smartest and most profound diplomatic tools that we have in our arsenal and I am so grateful that you are leading it.

I just have one question: I think if Pointe du Hoc could have an ambassador to the United States it would be the chairman. [Laughter.]

MANILA, PHILIPPINES

When I got on this subcommittee the first thing he told me to do is to read the Douglas Brinkley book, "The Boys of Pointe du Hoc," which I enjoyed immensely. Pointe du Hoc, we recognized, needed some help and this subcommittee with the leadership of the chairman and your leadership, Mr. Secretary, is doing that. Do you have a sense of, what are the other Pointe du Hocs? What else should we be concerned about over the long term? Manila?

Secretary CLELAND. Manila is the largest cemetery in our system. My father was stationed at Pearl Harbor after the attack in World War II. He is going on 96. And he told me that the American cemetery we know as the Punchbowl, run by the V.A. in Honolulu, was, when he was there, was called Nimitz Bowl. Why would that be called Nimitz Bowl?

Well, only recently have I come to understand that the Pacific in World War II was in two theaters—cut into two theaters. One was Nimitz's area of operation, the five-star Nimitz, which my father saluted one day. And then the other area was MacArthur's area of operation, the so-called "Island Hopping Campaign" all the way to the Philippines. So in effect, one could say that Nimitz's dead are buried at the Punchbowl and MacArthur's dead are buried at Manila.

So Manila has over 17,000 dead. Keep in mind that after World War I and after World War II the family—the next of kin—was given a decision to make—an irrevocable one that could not be re-

voked, and that was, "Bring the body home or leave it where," as Teddy Roosevelt said, "it fell."

So basically, 60 percent of Americans decided to bring the bodies home but 40 percent of Americans decided to leave the son, daughter, uncle, husband, whatever, with their comrades. So the biggest cemetery we have is Manila. It is a complex—somewhat complex political situation with the Philippines, given the fact that we pulled out militarily, and there is no longer such thing as Clark Air Base, and also we maintain—I think I can say it right—Cabanatuan. About 60 miles away from Manila is a memorial in honor of those who died on the Bataan Death March and at the Cabanatuan POW Camp. Our staff in Manila are supposed to maintain that, and we try our best.

But this is the Pacific. We have been focused, as we all know, on Western Europe, and rightfully so. But when you come to another part of World War II, the Pacific often gets overlooked. Therefore, we have sent Steve Hawkins out there and Nick Glakas is going to go out there, and the director of that cemetery is one of our 14 World War II superintendents worldwide. So we are upgrading that cemetery. We are doing a top-to-bottom review and we are looking at upgrading the Cabanatuan Memorial.

So I would say that as we take care of all of these interpretive centers, Pointe du Hoc, and other things, probably we need to look at Manila and the Cabanatuan Memorial. Because they are so far away they tend to be overlooked, even by us. So that may be an area of focus that we want to focus in on.

Otherwise, we are in pretty good shape. We are doing wheelchair accessibility in Honolulu; we are doing a wheelchair accessibility down in Mexico City. But in terms of a glaring, massive cemetery we are talking about Manila as the essence of what went on in the Pacific.

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. EDWARDS. I am glad you asked that question. Thank you.

I have no additional questions.

Mr. Secretary, it is great to have you here. I know I speak for the entire committee, and you have heard it from them, but to those that aren't here, we are deeply grateful you have taken on this responsibility and really look forward to working with you to move these projects forward.

Secretary CLELAND. Thank you, Mr. Chairman.

I might say that coming into the American Battle Monuments Commission and being there less than a year, it is painfully obvious that we would not be able to make the progress that we have been able to make at Pointe du Hoc without this committee. This committee literally has saved Pointe du Hoc, and with your leadership, Mr. Chairman. I thank you.

Mr. EDWARDS. Thank you. It is our honor to work with you. Thank you very much.

Stand recessed for just a couple minutes for the next witnesses to come in.

[Questions for the Record submitted by Congressman Farr follow:]

AMERICAN BATTLE MONUMENTS COMMISSION

HONORING OUR PACIFIC HERITAGE

You mentioned in your testimony that the American Battle Monuments Commission has overlooked the significance of the Pacific region. You specifically mentioned sites in the Philippines and in Honolulu that should be improved to better honor the sacrifices and battles of our armed forces.

Question. What other sites in the Pacific region would you recommend for improvement or creation?

Answer. Our plans for the Honolulu Memorial in Hawaii—handicapped access and the addition of Vietnam Battle Maps—are outlined in our fiscal year 2011 budget request.

During his testimony, Secretary Cleland also mentioned the Manila American Cemetery, and the Cabanatuan Memorial in the Philippines. As outlined below, plans for these sites are part of the Commission's overall responsibility for overseas commemorative cemeteries and memorials. The funding for these future projects are budgeted within the President's out-year allowances for the Commission's maintenance and infrastructure programs.

At Manila, we completed a Top to Bottom review that revealed the need to develop a Master Plan for the site. It will take several years to develop and execute such a plan, but we expect it to focus around a new Interpretive Center, which would be most effective if built near the cemetery's main entrance, in the area where the superintendent's and assistant superintendent's quarters are now located. The quarters would be moved to the opposite side of the cemetery. We also would move the service area to that side of the cemetery and install a headstone engraving machine—a critical element in our plan to re-engrave the cemetery's 17,000 headstones.

The Cabanatuan Memorial in the Philippines was erected by the World War II survivors of the Bataan Death March and the Cabanatuan Prisoner of War camp. It is located at the site of the camp and honors those Americans and Filipinos who died during their internment. ABMC accepted responsibility for its operation and maintenance in 1989. The memorial, however, has never measured up to ABMC standards. Restoration is required to raise its standard to a level commensurate to the sacrifice it represents.

The Commission also operates and maintains the following sites in the Pacific region: the Guadalcanal Memorial in the Solomon Islands, the Saipan Monument in the Northern Mariana Islands, and the Papua Marker in New Guinea. Although not to the extent of Cabanatuan, the Guadalcanal Memorial and Saipan Monument also are in need of restoration work.

The Commission has no plans at this time to create new memorials or monuments.

WEDNESDAY, FEBRUARY 24, 2010.

U.S. COURT OF APPEALS FOR VETERANS CLAIMS

WITNESS

JUDGE BRUCE E. KASOLD

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I call the committee back to order. Our next panel is the United States Court of Appeals for Veterans' Claims. The budget request for fiscal year 2011 is \$90.1 million, of which \$2.5 million is for the pro bono program. The request is an increase of \$63 million, awfully large increase, but the reason for that is we have funding in the budget request for a one-time appropriation associated with GSA expenses for building their veterans' courthouse, which right now we do not have.

I want to say for the record that I want to express our thanks as a committee to Judge Greene, who has been a chief judge of the U.S. Court of Appeals for Veterans' Claims for many, many years. I thought Judge Greene might be here. Since he is not, though, we want to thank him in his absence.

VOICE. He is here. We are going to go find him.

Mr. EDWARDS. Let him know we are thankful to him for his service.

And also, Judge Kasold, is that the—

Judge KASOLD. Yes, sir. That is correct.

Mr. EDWARDS. Great. By way of background, Judge Kasold is a retired U.S. Army lieutenant colonel, and thank you for that service—the service in the air defense, artillery, and Judge Advocate's General Corps. He earned a B.S. degree from the U.S. Military Academy.

And Judge Greene, in your absence we were just singing your praises.

Mr. GREENE. Just wanted you to go right along—

[Laughter.]

Mr. EDWARDS. I will stop at this moment and thank you again for your many years of service to our nation's veterans. And when is your final day?

So this will be our last budget cycle working with you. On behalf of all of us and the veterans all across this country, thank you for your distinguished and dedicated service to our veterans.

Well, it has been our privilege and you will have left a legacy of moving forward—Veterans' Courthouse, so wherever you are when that courthouse is finished—

Mr. GREENE. I will be around.

Mr. EDWARDS. I know you will be there.

Judge Kasold also holds a LLM from Georgetown University and an LLM equivalent from the Judge Advocate General Legal Center

and School. He has served as chief counsel for the secretary of the Senate and the Senate sergeant in arms.

Judge, everybody has a speed bump in the——

[Laughter.]

We forgave Secretary Cleland for his service in the Senate, and yours as well. But thank you. Seriously, thank you for that service as well.

He has served as the chief counsel of the Senate Committee on Rules and Administration and has been in private practice.

We welcome you both back to the committee and we will certainly submit for the record any written testimony you have.

But I would like to recognize you, Judge. Are you——

Judge KASOLD. Yes, sir.

Mr. EDWARDS [continuing]. Going to make the presentation today? I would like to recognize you for any opening——

Judge KASOLD. Thank you very much, Mr. Chairman and Mr. Wamp——

Mr. EDWARDS. Well, let me say before you——

Judge KASOLD. Okay.

Mr. EDWARDS [continuing]. Make the comments let me recognize Zach to see if——

STATEMENT OF THE HONORABLE BRUCE E. KASOLD

Judge KASOLD. First I would also like to thank yourself for indulging me to speak on behalf of the chief, who is still our chief, and thank the chief for letting me speak and get to know you as members of the committee since it is the fiscal year 2011 budget and I will be responsible for implementing it, and I have been very involved in putting it together.

I see seven key points and I will drive off of the first one primarily, which is that the court has been in existence now for 20 years—celebrated its 20th year of operating this past fall. During that time period we have seen an increase in the number of cases to where the past 3 years we have averaged over 4,000 cases a year—appeals coming to the court. And the chief and the board of judges have focused on that with the assistance from the committee and funding and personnel, and that drives the follow-on comments that I have. So, six key points stemming from this are:

First, the chief has implemented an aggressive mediation program through our central legal service staff and that program handles all the cases that come through, but about 70 percent of our cases have attorneys by the time they get through the briefing process, and those go to mediation with the central legal staff. Fifty percent of those cases are being remanded with the agreement of the parties. They are being resolved, and most of those are remands to the board with the agreement of the parties.

That is a tremendous number of cases being resolved at a faster pace than going through the entire process. We would like to add one attorney, and that is in our budget request, to keep that program going.

Second, for the past several years the chief has recalled all of our senior judges with the exception of one who is—Judge Steinberg has had some medical issues. And with Chief Judge Greene soon moving into senior status and recall status we will have six judges

that will be available for recall. We anticipate that that process will be continued for the foreseeable future and anticipate that we will have one or two judges onboard throughout the year. We are asking for one additional secretary to handle the recall judges when they are in that status.

And then third, continuing to look at how all of our actions get processed and examining the other federal circuits, we noticed that one of the largest—the largest circuit has appointed a commissioner to assist in the processing of all the myriad of actions that take place with regard to the appeals. We have requested funding to appoint a commissioner to see how that works within our court, and we think it will be very beneficial to, the processing of these appeals.

Fourth, we have the courthouse, which has been mentioned. And as you know, the call for a courthouse has really risen from veterans groups and from Congress. We totally support having a permanent symbol of justice for our veterans, and a building that reflects the respect that is due to the veterans for the sacrifices that they have given to our nation. A courthouse is associated with, as we understand it, all the other federal courts. We obviously totally support that and we have moved that forward with the \$7 million that Congress gave us. The plans are being reviewed right now for a piece of property over by the ball field, actually, to determine whether or not the courthouse can fit. Our funding is associated with making that happen, assuming the plans come back and support it.

Fifth, the pro bono consortium that you already mentioned, sir, is \$2.5 million, and this really just is passed through.

And then last, if you take a look at our overall operating budget it is fairly flat. I know we have a big number here but the operating number is fairly flat. The three additional people add some but we have had some expenses that we won't be incurring again, and the real increase is associated with the courthouse that we put funding in for.

And so, those are my comments, supplemented by my statement, and any questions that you might have.

[Prepared statement of the Honorable Bruce E. Kasold follows:]

*TESTIMONY OF
THE HONORABLE BRUCE E. KASOLD, JUDGE
U.S. COURT OF APPEALS FOR VETERANS CLAIMS*



*FOR SUBMISSION TO THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
FEBRUARY 24, 2010*

STATEMENT OF
THE HONORABLE BRUCE E. KASOLD, JUDGE
U.S. COURT OF APPEALS FOR VETERANS CLAIMS
FOR SUBMISSION TO THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
FEBRUARY 24, 2010

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

Good Morning. I am Judge Bruce E. Kasold, and I am here pursuant to your kind invitation to Chief Judge William P. Greene, Jr., to present testimony on the fiscal year (FY) 2011 budget request for the United States Court of Appeals for Veterans Claims. Chief Judge Greene asked me to testify today because he steps down as Chief this August and will not be managing the FY 2011 operations. I understand that you have our budget request, so my remarks today will briefly (1) summarize our budget request, (2) provide an update on the caseload and measures undertaken to handle the large number of appeals being filed, and (3) provide an overview of recent developments on our Courthouse Project.

I. Budget Request

The Court's FY 2011 budget should be viewed in two parts. Our general budget request is \$28,146,729, an increase of \$1,031,729 over the Court's FY 2010 request. This includes \$2,515,229 sought by the Veterans Consortium Pro Bono Program (Pro Bono Program). The increase in our general budget is attributable to an increase of \$695,229 sought by the Pro Bono Program and in increase of \$336,500 for the Court's general operating expenses. In addition, our FY 2011 budget

request includes a one-time request of \$62,000,000 for construction of a courthouse for the U.S. Court of Appeals for Veterans Claims, bringing our total FY2011 budget request to \$90,146,729.

Since FY 1997, the Pro Bono Program's budget request has been provided to Congress as an appendix to the Court's budget request. Accordingly, I offer no comment on that portion of our budget request, although I do commend the Pro Bono Program for its success in providing legal assistance to many appellants seeking judicial review from the Court.

Regarding the Court's general operating budget, the increase of \$336,500 over the FY 2010 request is attributed to an increase in Personnel Compensation and Benefits of roughly \$1,167,000 (including the addition of 3 full-time equivalent (FTE) positions to bring our total FTEs to 127), offset by a decrease of roughly \$830,000 in "Other Objects." "Other Objects" include such costs as rent payments; modifications to existing space; necessary equipment; charges for financial accounting and reporting; costs of paying the Federal Protective Service for security personnel to provide security monitoring at the street entrances of the Court's present location; cross-servicing charges of payroll/personnel services; the cost of the U.S. Marshals Service contract for Court Security Officers; communications, printing and supplies expenses; contributions to the Judges Retirement Fund; and travel expenses.

The 3 additional FTE positions will provide a secretary to our recalled-retired judges, an additional Staff Attorney for our Central Legal Staff, and an Appellate Commissioner. The budget request for Personnel Costs also includes funding for the cost of living allowances for the Court's current FTEs. The net decrease of roughly \$830,000 in the Court's "Other Objects" budget request is attributed to several factors: General Services Administration (GSA) has estimated a decrease in the cost of the Court's current and future rental space; the Court does not anticipate new chambers build-

out costs in FY 2011 as it did in FY 2010; and FY 2011 is not a year in which we have a judicial conference, so we do not anticipate expenses coincident with that event.

II. The Court's Caseload and Recent Innovations

As Chief Judge Greene has testified to repeatedly in recent years, the caseload at the Court has risen sharply over the past several years, essentially doubling. Case filings from FY 2007 through 2009 averaged almost 4,500, (FY 2007 (4,644), FY 2008 (4,128), and FY 2009 (4,725)), compared to an average of about 2,300 from just 5 years earlier (FY 2002 (2,150), FY 2003 (2,532), and FY 2004 (2,234)). We also have had a correspondingly significant increase in the number of motions filed with the Court. In terms only of requests for extensions of time, the average number of motions received by the Court each month has jumped from roughly 200 to 400 per month during FY 2002 through FY 2005, to between 1,000 and 1,200 per month since FY 2006. In addition, the Court currently receives approximately 400 various other types of motions each month, ranging from procedural to dispositive questions.

Thanks in large part to your support, the Court partnered with the Administrative Office of the U.S. Courts to acquire, adapt, and implement an electronic case management/electronic case filing system (CM/ECF). CM/ECF has now been fully functioning for over one year and we are seeing the benefits of receiving documents electronically as well as issuing orders and decisions electronically. CM/ECF has produced significant administrative efficiencies, including remote 24-hour filing access, reduced mailing/courier costs for the parties and the Court, reduced storage space needed for record retention, the opportunity for multiple users to access records, and efficient and cost-effective electronic notification procedures.

The Court also continues to benefit from the enhanced pre-briefing dispute-resolution program that was initiated and developed over the past few years. We provided extensive formal mediation training to the staff attorneys in our Central Legal Staff (CLS), and have substantially increased the number of pre-briefing conferences that they hold with the parties. CLS staff attorneys now conduct mediation conferences in essentially all matters where the appellant is represented by counsel – equating to roughly 65-70% of the total number of cases. Of the cases where mediation is scheduled, approximately 50% are resolved prior to the parties submitting an appellate brief. Further, even in those cases where the appeal is not resolved at mediation, the dispute-resolution process generally is successful in narrowing and focusing the issues on appeal. The feedback from members of the Court's Bar, as well as from our CLS attorneys, is that this mediation program is efficient and effective in bringing the parties together and resolving issues consistent with the law, due process, and the interests of justice, while conserving judicial resources. The Court currently has 10 CLS staff attorneys and the FY 2011 budget estimate includes a request for one additional CLS staff attorney to assist in continuing their success.

We continue to benefit from the service of the recalled retired judges. We currently have two judges serving in recall status, and anticipate the service of a third beginning in May. With Chief Judge Greene's retirement this coming fall there will be 6 senior judges available for recall, and we anticipate one or two judges performing duties at any given time throughout the year, warranting full-time secretarial support, which is the basis for our request for one of the new FTE positions.

Looking ahead, we continue to pursue ways to handle cases fairly and efficiently. Although most motions filed with the Court can be handled by the Clerk of the Court, with the increased number of motions comes an increase in the number warranting closer review, which currently is undertaken

by the judges. At least one other federal appellate court has appointed an Appellate Commissioner to review and decide non-merits motions filed by the parties, thus freeing up judges to work on merit case dispositions. We believe it is time to appointment an Appellate Commissioner to handle our growing motions practice, which we believe will permit judges to focus additional time and effort on merit case dispositions. Accordingly, we seek an additional FTE for this purpose.

III. A Veterans Courthouse

To our knowledge, the United States Court of Appeals for Veterans Claims is the only Federal Court of record without a permanent courthouse, and we are pleased that plans to make this initiative a reality are progressing.

As background, in 2004 Congress requested a study to review the feasibility of acquiring a dedicated Veterans Courthouse and Justice Center. That original feasibility study, called for in H.R. 3936, was completed by GSA in February 2006. It identified four primary options for obtaining a Veterans Courthouse and Justice Center: (1) Building a Courthouse to suit on federal property, or renovating an existing unique federal facility; (2) co-locating the Court with associated entities in a leased, privately constructed build-to-suit facility, an existing unique private facility, or an existing commercial office space; (3) relocating the Court in an existing commercial office building; and/or (4) no change.

In 2007, per S. 1315, a follow-on study was requested to focus on the feasibility and desirability of leasing significant additional space for the Court in the commercial office building at the Court's current location, and, in essence, turning that office building into a Veterans Courthouse and Justice Center. That study, completed in April 2008, concluded that to accomplish that goal two federal tenants

would need to be displaced. The relocation and build-out costs for those tenants would result in the highest cost option to the public for establishing a dedicated Veterans Courthouse. The follow-on study also concluded that although converting the commercial space at the Court's current location on Indiana Avenue to a Veterans Courthouse meets some of the project goals and could potentially be the least disruptive to Court staff during the transition, the complexities of relocating displaced tenants and the limitations of occupying commercial space pose significant drawbacks to this option. GSA's conclusion, based on both the original and the follow on studies, was that the option that best fulfills the programmatic purposes behind establishing a Veterans Courthouse is a build-to-suit courthouse on federal property within close proximity to the other federal courts in Washington.

Plans have progressed, and as you know, as part of the FY 2009 appropriation, the Court received \$7,000,000 for advanced planning and architectural design of a Veterans Courthouse. Those funds have been transferred to GSA and the process has begun to determine whether it is feasible and prudent to build a Veterans Courthouse on GSA-owned property at 49 L Street, S.E., in Washington. Currently at this location is a 32,000 square foot warehouse situated on a .66 acre site, one block from the Navy Yard Metro stop.

A project manager within GSA has been identified, and GSA has hired an architectural firm, MGA Partners, to complete a Pre-Development Planning Study (Planning Study). The goal of the Planning Study will be to determine the feasibility of the selected site, ascertain the need and potential for purchase of an adjacent lot, provide a vision for the massing and character of the building, and confirm the projected cost and schedule for completion. Representatives from MGA Partners have met, and will continue to regularly meet, with representatives from GSA and the Court to develop a plan that conforms with the project goals. The goals identified in the 2008 feasibility study are to: (1) provide

an appropriate setting that conveys the Nation's commitment to independent judicial review of veterans' benefits awards and its gratitude and respect for those who have served; (2) to create a Veterans Courthouse that is adequate in size, reachable through public transportation, fully ADA-accessible, and adjacent to public amenities; (3) to follow appropriate security guidelines to protect judges, employees, and the public; and (4) to develop an implementation strategy that is fiscally responsible and will appeal to all entities involved. MGA's Planning Study is scheduled to be completed by the end of FY 2010.

The Court did not proffer a specific funding request for the Veterans Courthouse project in our FY 2010 budget request because we concluded that plans were too uncertain at that time to make such a request prudent. We are pleased now, however, to be on the verge of making the Veterans Courthouse a reality, and the \$62,000,000 request as part of the FY 2011 budget is needed to ensure that the Veterans Courthouse project is completed in a timely manner.

We appreciate Congress's support in providing the necessary appropriations for undertaking this effort to create a tangible symbol of the Nation's commitment to justice for veterans.

IV. Conclusion

On behalf of the judges and staff of the Court, I express my appreciation for your consideration of the Court's needs, and I thank you for your past and continued support, and for the opportunity to provide this testimony in support of the Court's FY 2011 budget request.

Mr. EDWARDS. Okay. Let us begin questions.
Mr. Wamp.

COURTHOUSE COSTS

Mr. WAMP. Well, just on the topic of the courthouse, what is the estimated total cost of the courthouse?

Judge KASOLD. Well, there are two aspects to it, sir. One is the construction, which, we understand is about \$50 million to complete. And the other \$12 million is an additional piece of property. If I can show you the piece of property that we are looking at—this is for the piece of property; this much of it is what GSA currently owns; this is a parking lot and the Metro station is right here.

So, for security reasons, because that is a private lot, and for access by veterans crossing the street, there is funding in there to get that lot. We don't know if that can even be done: obviously, it is privately-owned, but that is the additional request. Those figures are supported, which I believe the Appropriations Committee has, or we can get to you if you want.

Mr. WAMP. The only thing I would say, because I haven't served in ranking position on multiple subcommittees, and actually Debbie Wasserman Schultz and I were in charge of finishing the Capitol Visitor Center—construction in this city is like no other, and I would just encourage you to have everything tightened down on the front end. The 5,000 change orders between two prime contractors that we had to go through in this city, the problems that you find when you get underground, a \$50 million budget grow to a \$100 million budget simply by not addressing issues on the front end and the delays—even, the ability to have workers available to you in this city.

Everything is difficult and I really—I encourage—you to try to go through a private process. You can't do that in a courthouse because you don't want the private sector owning the courthouse, but wherever the federal government can use private contracting and have a build-to-suit, which in real estate we used to call a "fatal-lease-back," we need to do that, even in this city. It is just too difficult for the government to procure construction in this city at any competitive costs. And we saw it. The Capitol Visitor Center—they malign it as a project that got completely out of control, but inherently there are these problems if you build in this city.

The site is next to the Metro stop, it is close to the National Stadium—

Judge KASOLD. Yes, sir. It is right across the street from the Metro stop.

Mr. WAMP. Which is a great location proximity-wise, et cetera, et cetera. I am for you, I am just warning you. I have been doing this a while around here and it is not like it was 50 years ago, where you could actually build in this city. It is hard to do or you better have it all tied down on the front end.

And with that I will yield back.

Judge KASOLD. Yes, sir.

Mr. EDWARDS. That is a good point, sir.

I am wondering who GSA ought to work with or the court ought to work with, in terms of lessons learned. There is no use making the—going through the same problems that, you know—

Mr. WAMP. Even if they spent 2 hours and went and picked the brain of the Architect of the Capitol from start to finish, because both Hampman and Steven Ayres could give you some quick pointers on how to begin the process of staging construction, because there were a lot of lessons learned. We had the problem once you got underground here, because this is a site around the Capitol that was kind of riddled with infrastructure problems and had a lot of history. That was a part of it, and then after September the 11th there were a lot of changes made.

Again, all the change orders became the huge burden of trying to close the project out and it cost us a ton of money. And then you have litigation. I was on the subcommittee when we did the botanical gardens and it was hard to close the project out in this city because everybody wants to litigate. So just know all of that going in—eyes wide open. You may have a budget and if you don't have everything addressed on the front end, that budget can explode on you and the city is watching.

Judge KASOLD. Yes, sir.

Mr. EDWARDS. What is your present timetable?

Mr. GREENE. That timetable, if everything went according to—from this day forward you are looking at—

Mr. EDWARDS. We will ask that same question, Judge, next year.

Judge KASOLD. I will bring the documents with us. We have the current group of architects on board who are just putting together the preliminary timing for their report, determining whether this piece of property can support the building that is necessary for the court.

Mr. EDWARDS. Please emphasize to them—and I am glad Zach mentioned this—please emphasize to them, we want them to be honest and straightforward. We know there are unpredictables. When you are digging underground under the U.S. Capitol and the history of this area, you know, things I guess you could never imagine you will come across, but, you know, we don't want them to, you know, oversimplify this or be too optimistic. We want realistic numbers and realistic timetables and not see this project double or triple in its cost.

Mr. GREENE. The one beauty is that there are buildings on either side that have been erected recently—

Mr. EDWARDS. Okay.

Mr. GREENE. GSA warehouse that has a basement already, so that is a signal that maybe you can go a little deeper—

Mr. EDWARDS. Right.

Mr. GREENE [continuing]. And so hopefully—

Mr. ISRAEL. No questions.

CASELOAD INCREASE

Mr. EDWARDS. I just have one question in terms of caseload. You said you are averaging about 4,000 cases a year? Over the last 5 years or so how much has that caseload increased?

Judge KASOLD. Sir, it has been generally—and I will have to refer to the chief further after focusing on them—it has been gen-

erally straightlined from about 2,500 on up to the 4,000, and then it seems to, the last 3 years, been a little bit over 4,000. So we are not really sure what the impact is going to be down the road and beyond. And as you know, we have two additional judges already authorized—

Mr. EDWARDS. Right.

Judge KASOLD [continuing]. And hopefully the President will replace—appoint somebody when Chief Judge Greene retires.

One of the things that we are trying to figure out is how the Court is going to be impacted by the claims processed and decided by V.A. We are an appellate court. As veterans become more aware of their rights—and any stigma that might have been associated in the past seems to have been gone—they will apply for benefits very soon after they leave service. When you apply very soon after you leave service the service connection issue is fairly straightforward. I mean, it either is or it isn't, as opposed to cases that come in 10 or 15 or 20 years later and now you have an issue and a dispute and a review of the facts, et cetera.

So while they are having an 800,000 explosion of cases down at V.A. the board is still somewhere in the 40,000 arena and we have, the last 3 years—4,200. So how that is going to impact—what is going to happen when they get more administrative judges down below—we really don't know. Our hope is that claims will be remanded back to the regional office and taken care of and decided at V.A.

But we are certainly taking the effort to handle the caseload as it exists, and with the two additional judges, if they are appointed, any additional increase should be handled by that, and then we will have to see because their two positions are temporary. They can replace Judge Greene, but myself and Judge Hagel would not be replaced if the two recently authorized judges are appointed because the increase in judges is a temporary appointment. And that might be appropriate. We might find out that this is the level we can live with, but we are certainly trying to prepare.

AVERAGE LENGTH OF CASES

Mr. EDWARDS. What is the approximate average time wait between the time a case is filed for the court and the time it is adjudicated?

Judge KASOLD. We keep cases on our books through our adjudication and the federal circuit's adjudication. If a person appealed to the federal circuit, which they have a right to do (although their review at the federal circuit is only on legal issues), that is all kept on our books, and the full time on that is fairly long—400-some odd days—I have it here—344 days. But as we examined this over the past year in particular we kind of broke it down. For example, our central legal staff processing has a 60 to 90 day window on the mediation process.

We did find some delay time between that and getting cases to the judges, and the chief judge has focused on that and the additional attorney will assist on that to get that down to roughly a 30- to 40-day process. It was at around 90.

We are also noticing that cases that go to judges generally are being decided within 60 days, so once it gets to the judge it is gen-

erally decided within 60 days. The exceptions will be those that go to panel, which require—generally speaking, oral argument and then discussion between judges, as you know, trying to get—

Mr. EDWARDS. Right.

Judge KASOLD [continuing]. Get it resolved. So those two areas taking care of some of the CLS time are the ones that we can control. We also have significant delays by both parties, but the heaviest delays coming from the secretary, with regards to motions for extension of time. And we have talked internally about what we might do on that.

One of the things that we are looking at and probably getting ready to implement is having the attorney identify, not only in a particular case but in the last 3 to 6 months, how many requests for extension have you asked for, and getting each supervisor of every attorney on the case to identify the number of extensions requested. So you might have 100 from the first attorney, 200 from the supervising, and 500 from the overall supervising attorney, and that is information that, when they look at it just personally is going to have an impact, and then impact the Secretary himself.

In fairness, we understand that the Secretary is hiring more people to work on that and they are aware of it. The chief has spoken with the head of Group 7 down at V.A. who are the attorneys that represent the Secretary before us, and, there is only human practicality of how much you can handle, but that is what we are working on there. In the federal circuit we have no control over that time but it is one of the time periods that I think we are going to identify out so that people understand that this court is working with the cases that we have as best we can.

Mr. EDWARDS. Over the last 5 years have the trend lines been for longer waiting times, stable, or shorter—

Judge KASOLD. They have gone longer the last 3 years also. They were in the 300–350 range from 2001 to 2006 and in the 400 range—went back down in 2009 to 344. The 2007 and 2008 ranges jumped up—

Mr. EDWARDS. With your—

Judge KASOLD. Actually, this past year we are back down to the average. [Note: Later clarified that because the Court is now separately reporting the time a case is on appeal to the Federal Circuit.]

Mr. EDWARDS. If Congress approves the budget as requested by the administration for 2011 do you expect those numbers to stay where they are or go down or continue to go up, in terms of waiting time?

Judge KASOLD. I would expect we could certainly maintain and we would hope that it would go down. If you have a commissioner you can take on certain responsibilities currently that judges are taking on, and that the clerk can't, and when that happens you usually have a better processing time, although we are moving to take that down too—with continued effort at the CLS level after mediation is done—to try and get things moved out there.

Mr. EDWARDS. Great.

I have no additional questions.

Judge, thank you very much.

And Judge Greene, thank you. Thank you again, since this will be your last time before our committee.

[CLERK'S NOTE.—Questions for the Record submitted by Congressman Farr follow:]

Question 1: Legal Assistance for Vets.—For FY 11 you ask for \$2.5 million for the Veterans' Consortium Pro Bono Program, which is an increase of \$700,000 over the FY 10 request. You also stated that the caseload at the Court has essentially doubled in the last few years. As the number of cases at the Court continues to climb, how can we make sure that adequate Pro Bono services are being fulfilled? If you were to get the full amount you are requesting, how many Veterans would be served? Please describe the kinds of Pro Bono cases your office handles and the length of disposition?

Answer. Since 1992 the Court's appropriation has included funding for the Legal Services Corporation (LCS) to develop and administer the Veterans Consortium Pro Bono Program (Pro Bono Program). The LCS develops the budget for the Pro Bono Program and submits it for inclusion as part of the Court's budget request. Funds appropriated for the Pro Bono Program immediately are transferred to LCS for administration of the Pro Bono Program. Because this question pertains to the budget and operations of the Pro Bono Program, we have forwarded this inquiry to the Executive Board of the program and their response is attached. *See Attachment.*

Question 2: Recalled Retired Judges.—Your budget calls for an additional full time employee to staff the "Recalled Retired Judges." This suggests that there are not enough judges to adequately handle the existing—and rising—caseload. Why aren't you asking for positions for more full time judges?

Answer. On retirement, our judges may elect to continue to serve for a minimum of 90 days each year, on an as needed basis, at the call of the Chief Judge. To date, all of our "retiring" judges have elected to be subject to recall. All but one of these judges have been recalled for service over the past several years (the exception being for medical reasons), such that the Court has had the equivalent of from 1 to 1.5 full-time judges to assist in adjudication of appeals and related matters.

We currently are authorized two additional judges. If those positions are filled, that may reduce the need to recall our senior judges, but that will depend on the ebb and flow of our caseload, and on how many matters require decision by a judge. Currently, non-judicial mediation efforts are resulting in about 1,500 appeals per year being resolved without a judge's review, and if funding for the requested Appellate Commissioner position is provided, many EAJA cases and most petitions likely can be decided by the Commissioner, perhaps relieving the need for additional judges even as our caseload might increase (although a significant increase will require additional judges).

Until such time as new judges are appointed, and for the first year or so after their appointment (as they acclimate to the new position), we anticipate the continued need for service by our senior judges. It should be noted that currently we provide administrative support to our senior judges from our existing staff. Our request for an additional full-time employee is premised on our projected need and intent to have senior judges serving essentially throughout the year, at least until a year or so after new judges are appointed.

Should the appointment of two new judges (and the appointment of a judge to fill Chief Judge Greene's position when he retires in November of this year) ultimately reduce the need for recalling our senior judges, we certainly would reassign the new position being created to provide administrative assistance to our senior judges, or eliminate the position entirely, as the circumstances warrant.

As for additional judges beyond the nine authorized, at this time, we are not sure to what degree our caseload will be impacted by the growth in claims at VA. Many of the appeals involve claims filed years after a veteran leaves service. Anecdotally, it appears that more veterans now are becoming aware of their potential right to benefits and are applying for them upon leaving service or soon thereafter. In these cases, it is likely that the key issue of service connection of a disability will be more easily and clearly resolved, such that the growth of cases at VA will be of a magnitude greater than the growth in appeals to the Court. After approximately a decade during which the number of appeals to the Court hovered consistently around 2,500 per year, in 2005 the Court experienced a jump and received over 3,400 appeals. Since then the Court has received between 3,700 and 4,700 appeals per year, with 2009 being our biggest year ever with 4,725 appeals filed.

We are continuously assessing our needs and developing ways to more efficiently process the appeals and other matters before the Court, while ensuring that judicial matters are resolved by a judge. We have not requested additional judges at this

time because we have two additional positions authorized, and it seemed appropriate to first see if their appointment will reduce the need for consistent recall of our senior judges to provide timely, judicial review of appeals and related matters.

Response to Question #1, provided by the Veterans Consortium Pro Bono Program.

*Question.—Legal Assistance for Vets—*For FY 11 you ask for \$2.5 million for the Veterans Consortium Pro Bono Program, which is an increase of \$700,000 over the FY 10 request. You also stated that the caseload at the Court has essentially doubled in the last few years. As the number of cases at the Court continues to climb, how can we make sure that adequate Pro Bono services are being fulfilled?

Answer: The Veterans Consortium Pro Bono Program (“Program”) transmits its annual budget request to the President and Congress through the Court, but otherwise operates independently to accomplish its mission of recruiting, training and providing qualified counsel to Appellants at the U.S. Court of Appeals for Veterans Claims (“Court”). We routinely monitor the work output of the Board of Veterans’ Appeals (“BVA”) and the number of cases filed annually at the Court. We agree that the number of cases at the Court will continue to climb for the foreseeable future.

In FY09, the board of directors of the Program made several decisions (concurrent in by the Legal Services Corporation (LSC)) that will be implemented in FY10 and FY11 that are designed to ensure that the Program is in the best position to meet the anticipated demand for pro bono legal services at the Court and that those services will continue to be of the same high quality provided by the Program to our Nation’s veterans over the past 17 years. These decisions include: (1) amending the Program’s bylaws to add up to four additional independent directors and to take action to fill two of these new positions as soon as practicable; (2) hiring an Executive Director who shall be vested with the necessary authority to manage the day-to-day operations of the Program; (3) moving from the current atypical arrangement whereby two of the four founding constituent organizations (NVLSP and PVA) serve as the employers, rather than the Program, for all full-time employees performing work for the Program to a more typical organizational structure that will have the Program become the employer for all full-time employees resulting in much needed consistency in the areas of personnel policy, management and performance evaluation; and, (4) obtaining all other services needed through arms-length contracts with service providers.

We believe these decisions will enable the Program to build upon past accomplishments, result in improved organizational capacity and performance, and justify the request for the funding increase in FY11 over FY10.

As for the quality of the services provided by the Program, the Legal Services Corporation (LSC) periodically conducts a review of program operations. They did so in the summer of 2009, and their report (LSC Office of Program Performance, Program Quality Report of June 23–25, 2009) states: “It should be emphasized that the Consortium has consistently achieved its core mission of ensuring that pro se appellants receive effective representation before the Court.” [LSC Report, at 5.] To ensure that we can continue to assist veterans before the Court, we request that the Congress continue to provide adequate funding to make that expectation a continuing reality for America’s veterans.

Question. If you were able to get the full amount you are requesting, how many Veterans would be served?

Answer: The Program has seen a steady increase in recent years in the number of cases being evaluated, as well as those being referred to Program counsel. In CY 2009 we evaluated almost 850 cases. However, the impact systemically is significantly greater, even if it cannot be precisely quantified. While we evaluated cases before the Veterans Court, we also had Program counsel, in a number of cases, continue to assist those veterans, upon Court remand, at the BVA or at the various VA Regional Offices. Counsel also took appeals in Program cases to the U.S. Court of Appeals for the Federal Circuit. Several of the cases accepted by the program resulted in precedential decisions from the Court, which can have a systemic effect and can impact many other veterans claims or appeals as well. Currently, we have a case involving equitable tolling, where counsel has filed a petition for certiorari before the Supreme Court. A favorable decision could impact hundreds of other veterans’ appeals. In addition, we provided training to hundreds of volunteer lawyers, and these lawyers in turn are able to provide assistance or advice to veterans in their communities, in addition to the volunteer work being done on a Program case. Finally, our Case Evaluation component receives hundreds of email or telephone inquiries from veterans annually, and while most of them do not have cases pending before the Court, we nevertheless attempt to provide useful suggestions or general information to those veterans on the issues posited in their inquiries. So a simple

“# of cases evaluated” does not begin to address the ever-widening scope of the Program’s impact upon veterans’ legal issues.

Question. Please describe the kinds of Pro Bono cases your office handles and the length of disposition?

Answer. The BVA Chairman’s Report lists the various kinds of appeals decided by the BVA [Chairman’s Report, at 20]. They include the following kinds of appeals, virtually all of which are issues which have been appealed to the Court and which the program has been asked to review: Disability Compensation, Pension, Survivors’ Benefits, Burial Benefits, Education, Insurance, Loan Guaranty, Medical, Vocational Rehabilitation, and various jurisdictional issues (timeliness of action by the veterans at the agency level, timeliness of filing of a Notice of Appeal, etc.). The Program has also been involved in issues impacting attorney fee litigation under the Equal Access to Justice Act, and subject-specific litigation involving complicated legal issues such as radiation and asbestos exposure, exposure to toxic chemicals (including Agent Orange from the Vietnam era), PTSD and Traumatic Brain Injury (TBI), and unexplained illnesses from the Persian Gulf War.

There can be many delays in the progress of a case through the Court. The length of disposition can vary according to the complexity of the issue(s) and whether the case can be quickly remanded to the BVA for an obvious error, or whether the case must be fully briefed and presented to one or more judges of the Court for a decision. A remand case can be disposed of in a matter of several months (and most of the Court’s favorable actions on behalf of veterans are remands to the agency), whereas a fully briefed case, even without oral argument, can easily take a year or more to resolve. Many delays are simply a function of the number of pending cases and the availability of VA General Counsel staff and Court staff to process the appeals.

The Pro Bono Program appreciates the opportunity to provide this information to the Committee, and we stand ready to provide such additional information as the Committee may need or desire.

WEDNESDAY, FEBRUARY 24, 2010.

ARLINGTON NATIONAL CEMETERY

WITNESS

JO-ELLEN DARCY, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Continuing with this morning's hearing, we will now take testimony on the fiscal year 2011 budget request of \$38.1 million for the Department of the Army, specifically for Arlington National Cemetery and the U.S. Soldier's and Airmen's Home National Cemetery.

We want to welcome you, Secretary Darcy, to our subcommittee. It is great to have you here.

Ms. Darcy is the Assistant Secretary of the Army for Civil Works and will testify on behalf of the cemeteries. And she is accompanied by someone who this committee knows well, has been before our committee on a number of occasions, the son of a former superintendent of Arlington National Cemetery, Mr. Jack Metzler.

Mr. Metzler, we are glad to have you here. Welcome back.

By way of background, Ms. Darcy assumed her duties as the Assistant Secretary of the Army for Civil Works on August 11, 2009, and thank you for taking on that responsibility. Prior to this assignment she was the senior environmental advisor to the Senate Finance Committee.

Members, this is three in a row—three for three on Senate staffers and members.

Thank you for that service. Even though we like to kid about the other side of the Capitol we know that they, too, are important.

She was the senior environmental advisor to the Senate Finance Committee responsible for environment, conservation, and energy issues. She is a graduate of Boston College and earned a Master of Science degree in resource development from Michigan State University.

Secretary Darcy, your full written statement will be submitted for the record. We welcome you once again to the committee today and would like to recognize you for any opening comments you care to make.

STATEMENT OF THE HONORABLE JO-ELLEN DARCY

Ms. DARCY. Thank you.

Thank you, Mr. Chairman, and members of the subcommittee. I really appreciate the opportunity—this is my first opportunity to testify before this subcommittee and I am happy to be here to testify in support of the President's Fiscal Year 2011 budget for the

Army's cemeterial expenses program, which includes Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery.

With me today, you already introduced Jack who is our long-serving superintendent of the cemetery. Also I am accompanied by Ms. Claudia Thornbloom, who is my deputy assistant for management and budget, and Mr. Alan Gregory, who is the chief financial officer for the Arlington National Cemetery.

You said you will take my full statement for the record, and I just want to start out by saying the budget for 2011 is \$38.1 million, which is \$1.75 million less than the 2010 appropriation of \$39.85 million. The 2011 budget will enable us to maintain the standards expected of these two national shrines.

There are two items in the budget of particular significance that I would like to highlight for the subcommittee. The first is, within the budget we include \$7 million. That \$7 million is either to continue construction of the Millennium Project or to construct Phase V of the Columbarium Project. Our preference would be to use the funds for the Millennium Project, which will enable us to distribute the 25 to 30 daily funerals across a broader area of the cemetery, thus providing each funeral the dignity and the privacy that it deserves.

Construction of the Millennium Project has been on hold since August while alternative designs were considered. A new design has been developed that significantly reduces the environmental impact on previously undeveloped areas of the cemetery. The new design accepts a very modest reduction in the number of in-ground burial sites but increases the number of niches for cremated remains.

Mr. Chairman, in January you asked that the new design be viewed by the Commission of Fine Arts and the National Capitol Planning Commission. Those reviews are being pursued. As soon as the reviews are completed, we will share the results with you. Depending upon the outcome of those reviews and the final decision on the project design, the budget amount of \$7 million will be applied either, again, to continuation of the Millennium Project or to the construction of Phase V of the Columbarium Project.

The Millennium Project, as I said, remains the most important project for the cemetery because it will extend the useful life of the cemetery for in-ground burials and it will relieve the overcrowding for the funerals, and it will provide additional niche capacity. All three of those things could be accomplished with the Millennium Project.

The second project I would like to highlight is the new master plan for the cemetery that is needed to evaluate a full array of options related to the management of the cemetery in the future, including but not limited to capital development, land management, burial eligibility, and the consideration of another possible burial site. We appreciate the subcommittee's support in providing \$1 million included in the 2010 budget to initiate the new master plan. The 2011 budget includes an additional \$1 million to continue the development of this master plan.

In the initial step in developing the master plan, we are going to schedule what we are calling a facilitated visioning session with

all the interested stakeholders to seek their input on the master plan.

In summary, Mr. Chairman, the 2011 budget is adequate to maintain the existing infrastructure, to provide services to the visiting public, to continue capital improvements needed to accommodate future burials, and preserve the dignity, the serenity, and the traditions of these great cemeteries. With that I am happy to answer any of your questions.

[Prepared statement of Jo-Ellen Darcy follows:]

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DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

OF

THE HONORABLE JO-ELLEN DARCY
ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

BEFORE

THE SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND
RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE CEMETERIAL EXPENSES, ARMY PROGRAM

FEBRUARY 24, 2010

Mr. Chairman and distinguished members of the Subcommittee, thank you for the opportunity to present the President's Budget for the Department of the Army Cemeterial Expenses program for Fiscal Year (FY) 2010.

INTRODUCTION

With me today are Mr. John C. Metzler, Jr., Superintendent of Arlington National Cemetery, Ms. Claudia L. Tornblom, Deputy Assistant Secretary (Management and Budget), and Mr. Alan Gregory, Chief Financial Officer at Arlington National Cemetery. We are testifying on behalf of the Secretary of the Army, who is responsible for the overall supervision of Arlington and Soldiers' and Airmen's Home National Cemeteries.

As the agency responsible for these two cemeteries, the Army is committed to rendering public honor and recognition through dignified burial services for members of the Armed Services and other eligible persons in a setting of peace, reverence and natural beauty. On behalf of the cemeteries and the Department of the Army, I would like to express our appreciation for the support that Congress has provided over the years.

FISCAL YEAR 2011 BUDGET OVERVIEW

The FY 2011 budget is \$38,100,000, which is \$1,750,000 less than the FY 2010 appropriation of \$39,850,000. The FY 2011 budget will support Arlington National Cemetery's efforts to improve its infrastructure and continue working toward implementation of its Ten-year Capital Investment Plan. The funds requested are adequate to support the work force, maintain buildings and grounds, acquire necessary supplies and equipment, and provide the standards of service expected at Arlington and Soldiers' and Airmen's Home National Cemeteries.

GRAVESITE DEVELOPMENT

The following table displays how long gravesites will remain available in both developed and undeveloped areas of Arlington National Cemetery (ANC).

Arlington National Cemetery						
Gravesite Capacity as of September 30, 2009						
Gravesite Capacity - Developed Areas	Total Gravesites Used	Gravesites Currently Available	Year Available Capacity Exhausted	Gravesite Capacity - Undeveloped Area	Total Gravesite Capacity	Year Total Capacity Exhausted
247,471	221,741	25,730	2021	46,496	293,967	2044

The gravesite capacity shown in the table for the undeveloped area (46,496 gravesites) consists of (a) a portion of Project 90 that is currently being used as a construction staging area (23,000 gravesites), (b) utility relocations (10,000 gravesites), and (c) the Millennium Project (13,496 gravesites). With the addition of these gravesites, capacity will be extended to 2044. The table does not include the Navy Annex, which would yield approximately 25,200 additional gravesites, thereby allowing ANC to remain open to in-ground burials until 2056.

In order to minimize cost and disruption in ANC, relocation of the Federally-owned water main is included in a construction contract that was awarded by Arlington County, Virginia, to replace a sanitary sewer line with a new one called the Potomac Interceptor. In September 2008, ANC transferred \$2,046,000 to Arlington County, to pay for ANC's share of the contract. Work began at ANC in November 2009 and will take approximately 18-24 months to complete. An additional \$2,650,000 was included in the FY 2010 appropriations act, which will be used to relocate telephone cables and fiber optic lines into a new duct bank that will run parallel to the sewer line and water line under the roadway. Relocation of the Federally owned water main and the other utilities will allow for the development of approximately eight to ten acres of land that will yield an estimated 10,000 additional gravesites.

COLUMBARIUM DEVELOPMENT

The following table displays niche capacity and when it would be exhausted, based on current usage.

Arlington National Cemetery						
Niche Capacity as of September 30, 2009						
Niche Capacity - Developed	Total Niches Used	Niches Currently Available	Year Available Capacity Exhausted	Niche Capacity - Undeveloped	Total Niche Capacity	Year Total Capacity Exhausted
50,673	37,166	13,507	2016	22,999	73,672	2027

The undeveloped niche capacity (22,999 niches) shown in the table is for the Millennium Project. The table does not include Phase V (Court 9) of the Columbarium complex (20,000 niches) or the Navy Annex (30,241 niches). Construction of Phase V of the Columbarium complex would extend niche capacity to the year 2037. Development of the Navy Annex would further extend niche capacity to the year 2052.

BUDGET DETAILS

The budget is made up of three programs -- Operation and Maintenance, Administration, and Construction. The principal items contained in each program are described below.

Operation and Maintenance Program

The budget for the Operation and Maintenance (O&M) program is \$25,547,000. It provides for the cost of operations necessary to support an average of 27 funeral services per day, accommodate approximately four million visitors each year, and maintain 624 acres of land and associated infrastructure at ANC, as well as Soldiers' and Airmen's Home National Cemetery. At the end of FY 2009, the remains of 345,618 persons occupy existing graves and niches at these two cemeteries.

More than half of the funds in the O&M program are for contractual services, including:

- Maintaining trees, shrubs and cemetery grounds;
- Providing security guard services;
- Installing, cleaning, aligning, and replacing headstones;
- Developing and maintaining automated systems and equipment;
- Providing custodial services;
- Supplying grave liners and related services; and
- Providing information and reception services.

The remainder of the O&M program is performed by Federal workers, who prepare gravesites, conduct approximately 6,970 interment and inurnment services each year, care for the visiting public's welfare, and perform recurring maintenance on equipment, buildings, and other facilities.

Administration Program

The budget includes \$2,086,000 for the Administration program, which provides for essential management and administrative functions. Work includes staff supervision of both cemeteries, long-term planning and programming, budget formulation, resource management, and processing exceptions to eligibility. Funds will provide for compensation and benefits, and the reimbursable support services provided by other entities for finance and accounting, personnel, police, procurement, property accountability, funds certification, and funds reconciliation.

Construction Program

The budget for the Construction program is \$10,467,000, consisting of the following projects:

- \$6,991,000 to continue construction of the Millennium Project or to fund Phase V of the Columbarium complex.
- \$1,000,000 to continue development of a new master plan for ANC.
- \$100,000 to repair storm and sanitary sewer lines.
- \$200,000 to repair and restore Columbarium Court 4.
- \$300,000 to repair masonry stone walls around the cemetery, flagstone walkways at the Tomb of the Unknowns and roof repairs as needed.
- \$100,000 to repair the Amphitheater roof.
- \$160,000 to repair leaks in the Visitor Center roof.
- \$91,000 to repair the driveway at SAHNC.
- \$150,000 for real property reporting.
- \$1,375,000 for road repairs.

Further information about the two largest items in the Construction program is provided below.

Further construction of the Millennium Project has been postponed until completion of review of the current site plan. Depending upon the final outcome of the review, the

budget amount of \$6,991,000 would be applied to either continuation of the Millennium Project or to construction of the next phase of the Columbarium complex. The Millennium Project remains as the single most important project for ANC because it will extend the useful life of the cemetery for in-ground burials, relieve overcrowding of funerals and provide additional niche capacity.

The budget includes \$1 million to continue development of a new Master Plan for ANC to replace the current Master Plan published in 1998. Due to post 9/11/01 force protection issues regarding Fort Myer, ANC, and other considerations, a new master plan is needed to evaluate a full array of options regarding management of the Cemetery in the future, including, but not limited to, capital development, land management, burial eligibility and consideration of another possible burial site. Work on the master plan is just getting underway.

FUNERALS

In FY 2009, there were 4,117 interments and 2,842 inurnments, of which 58 were related to the war on terror. In FY 2010 and FY 2011, we estimate there will be 4,170 interments and 2,800 inurnments.

CEREMONIES AND VISITATION

Millions of visitors, both foreign and American, come to ANC each year, making it one of the most visited historic sites in the National Capital Region. These visitors come to ANC to view the Cemetery and participate in ceremonial events. During FY 2009, there were about 3,000 non-funeral ceremonies conducted to honor those who rest in the Cemetery. The President of the United States participated in both the Memorial Day and Veterans Day events, laying a wreath at the Tomb of the Unknowns on both occasions. It is projected that the number of non-funeral ceremonies will be at a similar level in FY 2010 and FY 2011.

PARKING RECEIPTS

A visitor parking facility was constructed at a cost of \$9.8 million and opened to the public in 1989. It is operated by lease with a private vendor. The lease proceeds that are in excess of operating costs are deposited into an account in the United States Treasury and may be used by ANC to make repairs to the facility. In October 2009, ANC initiated a \$2.0 million project to repair the area of the garage that is used by tour buses. The asphalt surface has been replaced with reinforced concrete to better support the weight of the busses. Appropriations language allows ANC to use such sums as may be necessary for parking maintenance, repairs and replacement to be derived from the Lease of Department of Defense Real Property for Defense Agencies account.

TOMB OF THE UNKNOWNNS MONUMENT

As previously reported, ANC has taken steps to address cracks that have been developing at the Tomb of the Unknowns monument. A contract has been awarded to repair the cracks and work is scheduled to begin in April 2010 when the average ambient

temperature is warm enough to apply grout to the cracks. ANC is in the final stages of completing the consultation process required by Section 106 of the National Historic Preservation Act prior to starting the work. The Army also is evaluating a proposal made by a private citizen to donate a block of marble to replace the current monument, should replacement ever be undertaken. A preliminary report on the suitability of a replacement block of marble and the structural integrity of the existing monument is currently under review. No decision has been made to replace the monument. Any decision on long-term options will be done in accordance with the requirements of the National Historic Preservation Act and the National Environmental Policy Act.

TOTAL CEMETERY MANAGEMENT SYSTEM

As previously reported to the Subcommittee, ANC has been developing a Total Cemetery Management System (TCMS) to automate access to burial records and provide gravesite locations; support project and financial management; and aid in the management of supplies, equipment, and other administrative services. The system will maximize the use of electronic means to deliver services and benefits to the public in a manner that promotes security and privacy. A plan for developing TCMS was provided to the Subcommittee on February 5, 2007. Since then, ANC has been working to further define the requirements of this complex project.

Within its FY 2010 allocation, ANC has identified \$1,925,000 to continue the TCMS project. A total of \$1,500,000 is included in the FY 2011 budget for TCMS. Prior to conducting any further work, ANC, the Army and the Office of Management and Budget will collaborate in developing a course of action for using these funds. Future work also will take into account the findings and recommendations of several reviews being conducted by the Army's Inspector General. After these actions are complete, the Army will provide a progress report to the Subcommittee. In the interim, the information provided in this statement constitutes the Army's report in response to the Conference Report accompanying the FY 2010 appropriations act that directed the Army to provide a report by February 26, 2010.

CONCLUSION

I would like to thank the Subcommittee for the support that it has provided to maintain Arlington National Cemetery and the U.S. Soldiers' and Airmen's Home National Cemetery, provide services for the many visitors, make capital investments needed to accommodate burials, and preserve the dignity, serenity and traditions of these national shrines.

Mr. Chairman, this concludes my testimony. We will be pleased to respond to questions from the Subcommittee.

Mr. EDWARDS. Secretary Darcy, thank you very much.

Zach, would you like to start?

Mr. WAMP. Well, ironically all three of us will get you this afternoon at the—

Ms. DARCY. You know what? I knew that.

LONG-TERM PROJECTIONS FOR ARLINGTON NATIONAL CEMETERY

Mr. WAMP [continuing]. Energy and Water Appropriations Subcommittee, where you have got your hands full with the Corps of Engineers. So we all share both these subcommittees and see that this is a very important piece of your work but he is probably the one that actually, hands-on, has these responsibilities.

I am just interested because, like many of us, we have been to funerals at Arlington for our fallen from our home states during this era of persistent conflict in Iraq and Afghanistan, and I am just interested about the long-term prognosis of Arlington and how we, as members of this subcommittee, can best support you.

Like, what are you—she laid it out, but in terms of your priorities for just kind of bread and butter preservation, long-term viability, land—what is your prognosis right now for Arlington as we go forward based on this persistent conflict and, frankly, more men and women in uniform falling, still by the day?

Mr. METZLER. With the master plan of 1998 we have identified the expansion capabilities of the cemetery—and we still think some of those are viable options.

So with those items in mind that will give us grave space to the year 2060 for new burials. Now, along with grave space we are also building additional Columbarium space. So with each one of these projects we are assessing the need for Columbarium as they are just as important for the public as in ground burial.

TRENDS IN BURIAL AND CREMATION

Mr. WAMP. All right. Are there any trends in terms of veterans on how the families choose for them to be interned versus 20 or 30 years ago? Are more and more people using—is it still traditional burial with a casket or are there any changes that we can expect? I know in the national cemeteries in my hometown right now, which they have extended the life to probably 2040 right now, that the Columbarium has had a big impact. That is kind of the new direction.

Mr. METZLER. Cremation has really been on the rise. We are watching that very closely. At present, about 65 percent of our total burials are for cremated remains. Now, that doesn't mean all 65 percent of those go into the Columbarium; we are still putting quite a few in the ground.

But what the trend seems to be right now, if mom or dad passed away 15 or 20 years ago and the surviving spouse passes away today, more and more of those individuals are being cremated. The family is waiting for a convenient time for the burial and then coming to Arlington with mom or dad, the second parent, being buried as cremated remains.

At the same time, our eligibility is such that any veteran with active duty service ending with a discharge is entitled to have their cremated remains placed into our columbariums at Arlington. So

we are seeing that popularity continue to be taken advantage of by the veterans. But certainly traditional ground burial is what we do every day at Arlington.

Mr. WAMP. And the spouses' rights on their internment, like in other national cemeteries, is that also true at Arlington? Is it treated the same in terms of the spouse and the stacked burial?

Mr. METZLER. Arlington treats it the same, so whoever passes away first in a traditional burial would go at seven feet and the surviving spouse would go on top at five feet. It does not matter who predeceases whom. As long as the servicemember is eligible for ground burial the spouse is automatically entitled, as well.

Mr. WAMP. And you are following your father in this life commitment to service?

Mr. METZLER. Well, my father was there from 1951 to 1972 and I came to Arlington in 1991. I worked in the Veterans' Administration prior to that for 17 years in their National Cemetery Administration.

Mr. WAMP. Yes, but isn't that really special for family to be able to continue—

Mr. METZLER. It is a real honor for me to be there, and it is a very special commitment I have.

Mr. WAMP. Well, I want to thank you for that, and not taking anything away from you, Madam Secretary, because I understand it is a part of your portfolio, but this is a special situation, and I want to honor your service.

Mr. METZLER. Thank you, sir.

Mr. EDWARDS. Steve.

HISTORICAL SIGNIFICANCE

Mr. ISRAEL. Thank you, Mr. Chairman.

A question about historic interpretation: Arlington is not just hallowed ground, it is also historic ground. It has historic significance, and my question is whether your funding enables you to do everything that you want to do with respect to historic interpretation so that when people arrive there they have a full perspective on the significance of the facility?

Mr. METZLER. Well, one of the things that we are doing right now, sir, is we have enhanced our visitor services at our dedicated visitor center at the entrance to the cemetery. Within that visitor center we are bringing more and more interpretive items in there. As an example, right now we have the Fallen Heroes display of servicemembers who were killed in Afghanistan and Iraq; their photos are being displayed inside—that were provided to us from an artist.

At the same time, as historical events come along they are featured in our visitor center. We have the ability to give anyone, 7 days a week, the location of the gravesite inside the cemetery. We have developed a Web site and Facebook Page. Those types of items are appearing more and more on our Web site and our Facebook pages. It has become very popular with the public to ask questions and to make inquiries on different historical issues of the cemetery.

Mr. ISRAEL. Is there, at the visitor center—and forgive me, I haven't been there in several years, actually—is there a historic

narrative at the visitor center? Is there something that tells the story of the cemetery?

Mr. METZLER. We have a tape from HBO that was done on the cemetery a number of years ago, and it runs continuously. On the top of the hour it stops. And, if you don't want to walk up to see the changing of the guard, you can view it from inside the visitor center on a closed circuit TV.

TOMB OF THE UNKNOWN SOLDIER CRACKS

Mr. ISRAEL. And can you go into more detail on the cracks that have appeared at the Tomb of the Unknown Soldier?

Mr. METZLER. Yes, sir. The block of marble that covers the Tomb of the Unknown Soldier came to Arlington around the 1930s. Around the 1960s, cracks were starting to be discovered there. They have continued to grow; they have continued to expand as the weather freezes and thaws, and they were re-grouted, or fixed, if you will, the first time in the late 1980s.

Since that time we have studied them a little bit longer. We are ready to re-grout them again in the spring of this year. We will remove all the old grout, put in new grout. So we are monitoring that. We have also had a geologist do a study. We are looking for some additional diagnostic type of work on the marble that is available in the private sector to see what we can see inside the marble to see how these cracks are progressing as best as technology will allow us to do.

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Israel.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman. I apologize. I had another subcommittee—

Mr. EDWARDS. We know there are multiple meetings right now. Thank—

Mr. CRENSHAW. The Commissioner of the IRS. [Laughter.]

AMPHITHEATER

Thank you, sir. I just had one question, and I am a little late, I missed your testimony. But I remember your predecessor there, they talked about the amphitheater there at Arlington, it was in need of some repair. That was kind of one of his priorities and I just wondered, did you touch on that? Or is that something that you are concerned about? Is that—trying to upgrade and modernize that? Anything regarding the amphitheater?

Mr. METZLER. We did not talk about it in today's testimony, but the amphitheater is a constant maintenance item. It is a building that was built between 1915 and 1920. It is an outdoor building. It is marble. The marble continues to show wear on it.

We have had two major projects in the last 20 years at the amphitheater to address specific issues—leaking roofs—and we have identified some additional work as funds become available to continually replace marble that is worn. But the amphitheater itself right now: structurally it is in great shape and we can still conduct services there every year.

Mr. CRENSHAW. Are there any funds this year for any kind of renovations or fix-ups or whatever?

Mr. METZLER. We have not in this year, no.

Mr. CRENSHAW. Is there any particular reason?

Mr. METZLER. The priorities right now are pushing us toward the Millennium Project to expand the cemetery and the gravesite capability.

Mr. CRENSHAW. I got you. Okay.

That is all I have, Mr. Chairman. Thank you.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Farr.

WEST COAST AS EXPANSION OPTION

Mr. FARR. Yes. Thank you very much, Mr. Chairman, and I apologize for being late. I also had another appropriations committee at the same time. But I am very interested in this subject matter, and I appreciate having our first hearing on it.

I visited our monument in the Philippines, which, you know, I wasn't here for Secretary Cleland's testimony but suggesting that Honolulu be a place to honor our armed service forces I might just—the Philippines is really incredible because it does have the whole depiction of all the war battles and essentially all the people—all the MIAs, all the people in each battle that was lost. It is an incredible—it is an incredible place but it is not on U.S. soil and—

But I think the West—I mean, I represent the largest military base ever closed, Fort Ord, California. And Fort Ord was a training base for all the Pacific theater battles—World War II, Korea, and Vietnam—and I am just throwing out that as you look at this feasibility for the Arlington National Cemetery. I mean, the growth—you are going to end up to a point of no return where you can't buy any more land. And I guess that the columbarium capacity will be filled in 2052, that there are—you know, you grow it out.

So one of the things I have suggested along the lines of Secretary Cleland is why not look at California, because we have land out there that is in federal ownership that is about 20,000 acres still, and BLM has a lot of it, but we also have a place set aside for our veteran cemetery. So we are hoping this year we get some—get further along.

It had to be a state cemetery because we drew these crazy lines, and saying if you are within a 70-mile circle you can't—and there is existing stations and existing cemeteries then you can't build another one.

And so what they did in California—if you think of the state it is a long state—the department went around and built these cemeteries through the San Joaquin Valley, and so that way you cover all the way from Nevada to the Pacific Ocean. But all the people live on the coastline, so I was trying to get the secretary to look at elliptical circles rather than round circles. And you could justify a national cemetery—I mean a veterans' cemetery at Fort Ord.

But nonetheless, my question is in your feasibility study would it be possible to look at other places other than surrounding Arlington—look to other geographical regions of—the majority of the veterans, I think, still, who fought in those campaigns live in the West.

Ms. DARCY. I am not sure if we are looking outside of the immediate Arlington footprint for additional capacity in the master plan.

Mr. METZLER. I think our focus would be on the National Capitol Region for any expansion of Arlington Cemetery, if that is possible, and this is one of the items that the new master plan would address: What is the future of Arlington Cemetery beyond the year 2060 when we build out?

I think more in line with what you are saying, sir, would be the Department of Veterans Affairs mission to expand, and I know that they are actively doing that. They are looking for spaces, and I realize that they have the—

Mr. FARR. No. They are stuck in their mold, and they are not changing it, and Congress doesn't seem to want to help them change it. But you at the Army have the responsibility for Arlington, right?

Ms. DARCY. Correct.

Mr. FARR. That is why you are here today. And you are looking at what do you do when you run out of capacity—I am just suggesting that, you know, perhaps there ought to be a West Coast Arlington, a West Coast Army big Arlington-type cemetery.

Mr. METZLER. Well, I think when we do our master plan that will be part of the discussion in our master plan is, what is the future after 2060? And I think at this point there is nothing off the table. I think everything is on the table for discussion purposes.

Mr. FARR. Well I would like to get it in the record, so I will do that whatever way I can through this committee or through—just that you have looked at the feasibility of that where you have federally-owned land as you will have to buy a lot of it, you know? So pass that on.

I have no further questions, Mr. Chairman.

TOTAL CEMETERY MANAGEMENT SYSTEM

Mr. EDWARDS. Thank you, Sam.

Let me first thank you both for your work. You are overseeing what most of us would probably consider the most hallowed ground in the continental United States, and thank you for your responsibilities in that area.

Let me ask you about the Total Cemetery Management System. This has been ongoing for a long time to try to automate the systems. Where are we in that process? How much longer before it is completed?

Mr. METZLER. We have two pots of money, if you will, right now that we are working with. We have an amount of money from last year, 2010, and an amount of money that we are asking for in this year in fiscal year 2011 to continue the process. Now, at the same time several allegations have been made. The Army's Inspector General Office has taken these on at the direction of the Secretary of the Army. They are looking into how we have done, what we are going to do, where we are going to be in the future, and I think until this investigation has concluded and we get the recommendations out of the I.G.'s office we are kind of on hold right now.

Mr. EDWARDS. Do we have any idea of the timing of the I.G. report?

Mr. METZLER. They are wrapping it up right now and I would hope that in the next 60 to 90 days they would be making their presentation to the Secretary of the Army, and then from there we would get some additional guidelines about the cemetery, which would give us a direction to go at that point.

MILLENNIUM PROJECT

Mr. EDWARDS. Okay. Okay. Let me ask you about the Millennium Project. There is a temporary hold on building a new wall surrounding Arlington Cemetery. Secretary Geren shared with us a concern that, you know, there is a balance here and no one has the magic answer what that proper balance is between protecting the privacy of those families who go there to pay respects to their loved ones versus the fact that this is a national monument that all Americans are moved by, and just the concern that we not build a—basically a fortress wall, and that is an exaggeration, around Arlington Cemetery.

I have met with Mr. Metzler and said, you know, it is not our subcommittee's interest to put this project on hold forever. I think they are moving ahead and some of the changes that have been proposed—you are talking to the commission, I believe, or you are presenting that to the commission.

But I, you know, I just urge you, if you get time, go out there and take a look at it. It is not our desire or role to be the architect of Arlington Cemetery; we don't have those capabilities. But because this hallowed ground belongs to all Americans I would like our subcommittee to do some due diligence and be sure we are comfortable with where we are going with this. So if you get a chance to look at that, I would welcome that.

So how long do you think the commission will review the plans before they would—

Mr. METZLER. I would hope that they would review them this next month, and then we would get a read-out within a couple weeks after their meeting.

Mr. EDWARDS. Okay.

Mr. METZLER. And then we would have something, again, within I think about a 60-day period.

Mr. EDWARDS. What is the status of the executive order that the Secretary of the Army put in—Mr. Geren put in before he retired? Was that a 1-year hold on building additional walls around the cemetery, or what—do you recall what the time period was of his order?

Mr. METZLER. I do not recall a specific time period with it.

Mr. EDWARDS. Okay. Okay. Well, we will follow up, and I appreciate the time you have spent with us on that and look forward to working together to move that forward.

Mr. METZLER. I mean, let me—

Mr. EDWARDS. Sure.

Mr. METZLER [continuing]. Clarify one point. We will not do any construction without the Secretary of the Army's concurrence, and of course, without your blessing here in the committee. So we are waiting for both those items to happen and we would certainly invite the members at any time if they want to come out to do a tour of the cemetery so we can show you what we are trying to do there.

Mr. EDWARDS. And I spoke to Mr. Israel before he left. He has a great interest in Arlington and our overseas cemeteries, so he may want to do the same as well.

ROBERT L. HOWARD AND MEDAL OF HONOR RECIPIENTS

I have no additional questions. The only thing I might add for the record is on Monday at Arlington Cemetery, just as a reminder of how hallowed that ground is, a colonel—most Americans don't know his name—Robert L. Howard—was an Army special ops sergeant; he retired as a colonel. But he did five tours of duty in Vietnam, was wounded 15 times, was nominated for three separate actions for the Medal of Honor, and because we do not anymore allow an individual to receive more than one Medal of Honor he received the Medal of Honor, the Distinguished Service Cross, and the Silver Star, eight Purple Hearts. He died in my hometown where his daughter lived; he just spent the last month or 2 of his life there, but—

Mr. WAMP. What is his name?

Mr. EDWARDS. Robert L. Howard. And we tried to let—I know some military newspapers have written stories recently about him, but America needs to hear this story. It is such an inspirational story. I think he was the most decorated living American, and some of the Army special ops soldiers that I know—the retirees that take such pride in Colonel Howard's record—compared his U.S. medals with Audie Murphy's, and said he actually earned more medals than Audie Murphy. But most Americans never heard of him.

But you have—it is over 400 Medal of Honor recipients buried there. And one of the things I have talked to Mr. Metzler about, Madam Secretary—and again, it is not our role to micromanage, perhaps plant seeds of ideas, and then it is up to you to decide what works or not. But it just seems that one of the things that I think many people would be fascinated to get access to is information on the Medal of Honor recipients that are buried there. And just as our cemeteries overseas, as Secretary Cleland mentioned, are great statements of American service to the world, and it is an education process to have people go visit those overseas cemeteries, I think it would be interesting—how many people visit Arlington a year?

Mr. METZLER. About 4 million a year.

Mr. EDWARDS. Four million a year. And I would like to follow up on that and see if there is a way we can work together to provide some information on Medal of Honor recipients. And I want to respect the culture of Arlington Cemetery, maybe a sense of—and I would respect it since it has been that culture that you don't differentiate between one person and another, they are all heroes out there, but I think most Americans would pay special tribute to those who have earned the Medal of Honor. So we will follow up with you on that.

I have no additional questions.

Members, if you all don't—

Thank you both.

Madam Secretary, thank you.

Ms. DARCY. Thank you.

Mr. EDWARDS. Thank you, Jack.

[Questions for the Record submitted by Ranking Member Wamp follow:]

Question. Once the crack on the Tomb is patched in April, how long do you anticipate before the crack may need to be fixed again?

Answer. According to subject matter experts on marble repair, a successful repair may be expected to last 7 to 10 years, or as many as 12 years with proper maintenance. The last repair to the Tomb Monument was completed in October 1989 and lasted until approximately 2002 (i.e., 13 years) when signs of failure of the bond between the stone and mortar first began to appear.

Question. What do you anticipate to be the lifespan of the Tomb once the crack is fixed?

Answer. Re-grouting the cracks will not prevent them from continuing to lengthen and extend further into the stone over time, although it is not known how long, if ever, before the cracking might take to eventually affect the structural integrity and lifespan of the monument. A preliminary report on the structural integrity of the monument is currently under review. Also, as part of the upcoming repair, photogrammetry and remote sensing will be conducted to aid in monitoring the condition of the monument.

[Questions for the Record submitted by Congressman Farr follow:]

CREATING AN ARLINGTON NATIONAL CEMETERY AT FORMER FORT ORD

Arlington National Cemetery (ANC) is a national treasure with historic military significance, and is considered by many to be the premier national veterans' cemetery. More than four million people visit ANC each year, making it one of the most visited national cemeteries.

You testified that ANC's capacity for both interments and inurnments would be exhausted by 2060.

Secretary Cleland's testified that much of the focus of our military monuments and historic battle sites has been located in Western Europe. While this is understandable in some ways, Secretary Cleland also said that in the future, more emphasis should be placed on honoring the sacrifices our armed forces made in the Pacific region.

Many deceased veterans of these wars in the Pacific are already buried in Arlington National Cemetery. Many living veterans of these wars currently live on the West Coast, and would appreciate a final resting place equal in prestige to Arlington National Cemetery but closer to home.

An ideal site for this kind of cemetery on the West Coast would be at former Fort Ord, in my district in California. Putting a prestigious national cemetery at former Fort Ord not only honors the history of Fort Ord as a major staging ground for wars in the Pacific region, but also honors the sacrifices of the many veterans who called Fort Ord "home".

For FY11, you are requesting \$1 million create a new Master Plan to evaluate the long term plans for ANC. As the Army drafts this new master plan, I request that you include a West Coast Arlington National Cemetery at the former Fort Ord.

Answer. This proposal appears to be a matter that falls under the purview of the Department of Veterans Affairs (VA). Arlington National Cemetery is a unique Federal institution within the Washington, D.C. metropolitan area that is overseen by the Department of the Army. I am advised by OMB that the VA authorizing statute (38 U.S.C. § 2400) provides authority to create national cemeteries elsewhere within the United States.

VA currently maintains eight national cemeteries for veterans in California, including the new Bakersfield National Cemetery, which opened in 2009. In addition, VA is scheduled to open a national cemetery (annex) at Miramar, California, in fall of 2010 to continue service provided by the existing national cemetery at Ft. Rosencrans. VA continues to consider establishment of new national cemeteries in the areas of greatest unmet burial need, under current VA authorities and policies. The Army has coordinated with VA on this matter and has agreed that, in the light of VA's authority and ongoing program, it does not seem appropriate or desirable for the Army to become involved.

WEDNESDAY, FEBRUARY 24, 2010.

ARMED FORCES RETIREMENT HOME

WITNESS

TIMOTHY C. COX, COO

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Members, we have several votes that could be called any time now, so that is good news for the two of you, and we might have to cut this a bit short. But members, we don't need a long introduction to Mr. Cox because he has testified very ably before our subcommittee on a number of occasions since he has been the Chief Operating Officer of the Armed Forces Retirement Home since September of 2002. He is accompanied by Mr. Steven McManus, who is the Chief Financial Officer of the home.

And Mr. Wamp, would you care to make any—

Mr. WAMP. No, sir.

Mr. EDWARDS [continuing]. Comments?

If not, why don't we go directly into your opening comments, in case we do have votes called in the next few minutes.

STATEMENT OF TIMOTHY COX

Mr. COX. Great. Well, as we have done in the past, Mr. Chairman, I will summarize for you since you have the testimony fully before you and give you highlights, then if you have time for questions, I would be happy to answer them at the end.

First of all, thank you for having me again. I really am proud of presenting our 2011 budget to you all. And I also want to thank you for your support over the past years, especially in Gulfport, where you gave us generously funds to go back. I would like to report that facility will open in October 2010, and we are going to have opening ceremonies November 9th. I will certainly get to all your offices a formal invitation, but consider this an informal invitation to invite you down for our opening ceremonies.

In D.C. we are modernizing one of our buildings, the Scott Dormitory, last year you approved and funded \$5.6 million and \$70 million, respectively, in 2009 and 2010, and our total request for 2011 is \$71,200,000.

Some highlights about our finances: We received our fifth annual unqualified audit opinion, and the trust fund balance has reached an all-time high of \$177 million, an increase of \$83 million since 2003 when I came. Our commitment to exceptional service focuses on providing personalized service by implementing aging in place concepts and enlivening our military heritage—aging in place, I will talk at the end.

We had a very successful Freedom Day, September 22nd, that brought together all the new generations of military linking the Solders' Home founder, General Scott, with President Lincoln on the 147th anniversary of the signing of the Emancipation Proclamation. It is really a great opportunity out there.

With the advent of this administration's charge to name high priority performance goals we have identified our prime concerns: health care, resident wellbeing, housing—Gulfport and Washington—and stewardship, our continued corporate effectiveness.

Although we reflect a decrease in funding overall in our 2011 budget because of reduced capital costs, the agency's annual operating costs will increase by \$7.2 million. That growth is associated with the 660,000 square foot facility in Gulfport, Mississippi and a continuation of growth, which started in 2010 with approximately \$9 million to stand up a workforce and initiate base year contracts for full operations beginning 2010.

2011 most likely will be the last year facility begins—last year of growth in our budget as the new facility begins full operations in Gulfport on 2010. The Director for Gulfport was hired and starts at the end of March. He is from Gainesville, Florida and has 30 years in retirement housing experience and has served in the Air National Guard.

As we stand up Gulfport we are transferring 52 full-time equivalents from the Washington campus. The Gulfport campus will grow by 81 FTEs, producing a net growth of 29 FTEs in 2011. Cost drivers for us are facilities, ground maintenance, custodians, dining services, subsistence, utilities, our Wellness Center, dental and optometry, nursing and transportation.

Question?

Mr. WAMP. No, I am remembering—

Mr. COX. Okay, good. Thank you.

We expect our budget authority to stabilize in 2011 as resources, funding, and FTEs continue to shift from Washington to Gulfport. We are working on multiple efforts to reduce costs and stay within funding in the out years. We are talking about insurance coverage, looking at how Tricare benefits can be used for all of our residents, not just the retirees, and some 76 percent of our residents are retirees.

Walter Reed will be closing, a lot of our military veterans use Walter Reed, so they will look at how we can coordinate that through using private hospitals, like Washington Hospital Center. We are talking with the Deputy Director at Tricare, Admiral Hunter, about those costs, which really would just be shifting costs from a trust fund to TMA and looking at that should be really a no-cost benefit to TMA to provide those services.

We have also introduced Independent Living Plus to assist our residents with aging in place. So for instance, say a resident needs medication. In the past medication would be an activity of their daily living that may require you to go to Assisted Living, and now we are saying, "Why move them? It is just medication one, two, or three times a day. Much better to keep them as independent as possible and bring that service to them." So really our Independent Plus program is like having a home care agency on our campus for

the residents. It reduces our cost but also gives a better service to the residents and keeps them as independent as possible.

Infrastructure: New facility changes occurring will have a positive impact on the solvency of the trust fund, and we are looking at how we control those costs. One of the biggest costs are maintenance expenses in our Scott Building, and the Scott Project, which we are tearing down a building and constructing a building right-sized—you know, we have over 1,000 residents there now. When Gulfport residents leave that building will come down, we will build something that is about half the the square footage in the same footprint, lower visibility from the campus so it really creates a nice vista to see the Capitol and D.C. like it was at the time of Lincoln. So the Lincoln Cottage really likes that as a national monument, and our size will be then about 600 here as well as close to 600 in Gulfport.

So cost drivers, for us, what we are monitoring: dining. Agency will be able to provide dining to all residents in one facility or a home-like environment in our higher levels of care—that would be assisted living and long-term care. Residents will no longer be required to use on-campus transportation services to visit their friends in long-term care. As you may recall, we spent about \$200,000 just on a bus that goes an eighth of a mile down to our long-term care center, and it runs every hour from 8 a.m. until 5 p.m.

Operational space: We will not need as much utility and custodial support because we are reducing square footage by 386,000 square feet, so this is building down to about half the size.

Newer facilities will minimize maintenance requirements and the associated impact on the residents. Last year, you may remember, 50 percent of all of our maintenance requests were in this building, Scott, alone, on our campus of 272 acres.

When we are ready to open Gulfport in 2010—October 2010—we will begin to reduce the population—actually, the population will be reduced in Washington to 568. Natural cost savings: Residents age in place. So right away there will be no long-term care costs for a few years in Gulfport because assisted living and long-term care residents will be moved just on a case-by-case basis.

The new facility down there obviously will have a warranty for a year and should be minimal cost. It is built to LEED certified silver, so we have some cost savings in that as well.

Risks during the transition year, which are identified and we will continue to look at: facility maintenance in D.C., ground maintenance there, dining service, custodial, transportation, pharmacy, medical supplies, and their staffing.

To let you know, we have included the residents in our Gulfport transition. The residents have a monthly Focus Group meeting where we present to them what we are doing, how we are doing it, and get their feedback. It has been very positive, and the plan we have to move back there has included all the residents' input; they will be part of the process until we move as well.

You know, we are not moving all at once. Last year I testified on the categories—I won't go through them again—but we are trying to move about 20 a week so they have a good, positive experience down there. But the residents who live in D.C. and who are

Gulfport residents that want to go back, we are responsible for moving them back, financially.

Scott Building I have talked to you about, too. We also started monthly Focus Group meetings with them, so again, resident-focus on the Scott building, let them know where temporary services will be for dining, because it will be about an 18-month to 2-year process to tear down the facility and rebuild, so a lot of our services will have to be temporarily relocated, so they are part of that process, as well. I told you about the aging in place process.

From 2003 to 2007 we aggressively developed a disciplined strategic plan that netted many gains—trust fund balance grew, as we talked about before; Scott Project is on the horizon; our operating costs and capital improvements taken out of the trust fund that is projected to diminish in 2010 to \$149 million and in 2011 to \$139 million. However, we see in those out years that we will put that money back, so the \$70 million that you all approved last year for us is coming out of the Trust Fund, didn't come from appropriations. Part of the reason why we have been able to save all that money under our fiscal responsibility is to do just this, to be able to fund ourselves.

In conclusion, our justification presents complete, reliable information that demonstrates our effort to hold both programs and financial systems to the highest standards of accountability. On behalf of AFRH we thank you, Congress, for your continued support of our master plan, our funding support as a result of Hurricane Katrina, and our rebuilding on the Scott campus.

We hope the Congress agrees that the progress AFRH has made since 2002 has been remarkable and understands that continued funding is necessary for AFRH to continue serving those who so bravely served us. Thank you.

[Prepared statement of Timothy Cox follows.]

Testimony

ARMED FORCES RETIREMENT HOME

Statement by

Mr. Timothy Cox
Chief Operating Officer

on

Fiscal Year 2011 Congressional Budget Justification

Introduction

Mr. Chairman, Members of the Committee, as the Chief Operating Officer of the Armed Forces Retirement Home, I thank you for the opportunity to appear before you today. I am proud to present the Armed Forces Retirement Home (AFRH) budget request for Fiscal Year 2011.

On behalf of AFRH, I would like to express our appreciation for the support that Congress has provided over the years.

Congressional Justification

The replacement of the hurricane damaged Gulfport facility, closed since 2005, is on schedule and on budget, and is scheduled for opening in October 2010. Opening ceremonies will be held on November 9, 2010. We would like to extend an open invitation to all members of the Committee to tour the new facility.

The modernization at the DC campus is on-going through a design-build of the Scott Dormitory (called the "Scott Project") approved and funded by Congress for \$5.6 million and \$70 million in FY 2009 and FY 2010 respectively from our Trust Fund. Our total request for FY 2011 is \$71,200,000.

AFRH is not only preserving the rich heritage of the military caring for its own, but expanding concepts in senior living. As we continuously look ahead, we are guiding our staff to maintain resident vitality and make AFRH a special place to call home. These efforts will build a dynamic, mutually satisfying bond between the

Testimony

residents and staff. Further, it will hone our focus forward, to make AFRH even more healthy and vibrant.

AFRH's actions highlight our efforts to exercise effective stewardship, maintain financial integrity and validate the successful delivery of our Mission. The transformation from an historic "Soldiers' Home" in DC to a modern Continuing Care Retirement Community (CCRC) advanced in FY 2009. We conceived a variety of plans under the Aging in Place philosophy and those plans are reflected in recent advances to staffing, programming, and construction. These concepts are also embedded in the operational plans and construction of the new Gulfport facility, which will open this year.

In FY 2009, AFRH demonstrated its commitment to progress with solid achievements in ongoing strategies. Similarly, the Home is striving to ensure our actions meet the new targets by drawing links to this Administration's efforts in healthcare and caring for veterans. In the financial realm, AFRH received its fifth annual "unqualified" audit opinion and the Trust Fund balance has reached an all-time high of \$177 million – an increase of \$83 million since 2003. Our commitment to "Exceptional Service" focuses on providing "personalized" service by implementing Aging in Place concepts, and enlivening our military heritage. The successful Freedom Day event held on September 22 brought together old and new generations of military, linking the Soldiers' Home founder General Scott with President Lincoln on the 147th anniversary of the signing of the Emancipation Proclamation.

With the advent of this Administration's charge to name high priority performance goals, we quickly identified our prime concerns:

Goal 1: Healthcare (Resident Wellbeing)

Goal 2: Housing (Gulfport & Washington)

Goal 3: Stewardship (Corporate Effectiveness)

Testimony**Discussion**

We have set the groundwork to reduce operational costs in Washington as former Gulfport residents move back to Gulfport and we "rightsize" the campus.

Although the agency is reflecting a decrease in funding overall for FY 2011 as a result of reduced capital projects, the agency's annual operating costs will increase by \$7.2 million. The growth is associated with our new 660 thousand square foot facility in Gulfport, MS and a continuation of the growth, which started in 2010 with approximately \$9 million to stand up a workforce and initiate base year contracts for full operations beginning October 2010. FY 2011 may be the last year of growth as the new facility begins full operations at Gulfport, MS on October 1, 2010.

Although the last quarter of 2010 is targeted for the initial standup of the Gulfport facility, residents will not occupy the facility until first quarter of 2011. The Director for the AFRH-Gulfport was selected the middle of January and will report in late March 2010. As we standup the Gulfport Campus, we are transferring 52 Full-Time Equivalent (FTEs) from the Washington Campus. The Gulfport Campus will grow by 81 FTEs, producing a net growth of 29 FTEs in FY 2011. Key cost drivers are: Facility and Grounds Maintenance; Custodial; Dining Services; Subsistence; Utilities; Wellness Center; Dental and Optometry; Nursing; and Transportation.

We expect our Budget Authority to stabilize in 2011 as resources (funding and FTE) continue to shift from Washington to Gulfport. Although we are standing up Gulfport in 2011, the Assisted Living, Memory Support, and Long-Term Care (LTC) population will grow as resident's age in place. Initially in Gulfport we are planning for few beds in these levels of care, which will drawdown our costs across the agency.

We are working on multiple efforts to reduce costs and stay within funding in the out years. Our primary efforts are insurance coverage for all AFRH residents and an "Independent Living Plus" program to assist our residents with aging in place. We

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believe both of these efforts will reduce costs per year to the Trust Fund while enhancing the care and well being of our residents.

The greatest risk to the Trust Fund will occur over the next four transition years (e.g. 2010 - 2013) as we standup operations in Gulfport and transition to a reduced footprint in Washington. Many of the infrastructure and new facility changes occurring at AFRH will have a positive, direct impact on the solvency of the Trust Fund. Although we recognize negative growth will occur between the transition years as we expense the Scott Project, we expect positive growth to continue after 2013. Along with our insurance effort, we are also reviewing our sources of revenue and enhancing staffing at the agency level to meet growing demands of the transition years. As we move forward to our vision of a vibrant, economical operation at both AFRH campuses, we continue to work to use our funding wisely and in the best interest of our stakeholders.

Scott Project

The expenditures for the Scott Project of \$5.6 million in FY 2009 and \$70 million in FY 2010 from the Trust Fund provide a strong Return on Investment (ROI) of 29 percent, which will have a positive impact on all major cost drivers at the Washington Campus:

- Dining Services –the Agency will be able to provide dining to all residents in one facility or a home like environment for our higher levels of care (e.g. Assisted Living; Memory Support; and Long-term Care);
- Residents will no longer be required to use on campus transportation services to visit their friends in Long-term Care;
- Operational space will not need as many utilities and custodial requirements by reducing square footage (386,000 square feet) while shortening the distance traveled by residents to various programs or activities;

Testimony

- Newer facilities will minimize maintenance requirements and their associated impacts on residents;

Transition Years FY 2010-2011

Starting with the completion of construction in Gulfport in third quarter FY 2010, AFRH will be ready to open Gulfport for occupancy in October 2010 (FY 2011). Soon thereafter, the population of Washington will begin to reduce going from approximately 1,000 in FY 2010 to a target of 568. There will be a shift of FTEs from all working in Washington to a mix between Gulfport and Washington.

There will be natural cost savings associated with the Gulfport Stand-up:

- As residents age in place there will be no Long-term Care (LTC) costs for a few years;
- Dining services and subsistence will primarily focus on an Independent Living population;
- The new facility will have minimal maintenance costs (Preventive Maintenance Focus)

There are some risks, however, during the transition years, which we have identified and are working:

1-being able to attain the target reduced population in Washington

2-successfully rescoping contracts in Washington

- Facility Maintenance
- Grounds Maintenance
- Dining Services
- Custodial
- Transportation
- Pharmacy and Medical Supplies
- Nurse Staffing

Testimony

3-Contract strategy

- New contracts for transition years vice modifications for reduced scope
- Future contracts
- Balance costs at Gulfport and Washington for Dining Services and Custodial contracts

4-Insurance for all Residents

- Integrated primary and specialty care
- Medicare primary payer and augmented with Insurance
- Enhanced Pharmacy coverage

Management Challenges

1-Initiate Gulfport Stand-up

A major effort was involving residents in their return to Gulfport. So, focus groups meet monthly to discuss topics like the new building layout, rooms, communications, move transport and more. Plus Q&As were gathered, then compiled in the Communications Plan and posted on www.afrh.gov.

Residents were also involved in the Gulfport Standup Committee, which was formed and holds meetings to share news with residents and staff. They have chosen names for the resident towers and activity spaces.

Agency staff members are monitoring construction progress, which is on schedule. Planning for contracts, campus operations and hiring has begun.

2- Deploy and manage Scott Project

The Scott Project officially began in 2009. Funds for the design were expended, Bridging Architects/Construction Managers contracts were awarded, and development of the Program of Requirements (POR) began.

A resident focus group commenced, with Q&As compiled in the Communications Plan. Residents now meet monthly to hear about conceptual designs, transition plans and new amenities (like IT, communications and security).

Testimony**3-Advance wellbeing to residents and staff**

Resident wellbeing was singled out as a key High-Priority Performance Goal. Currently the Home is spearheading construction at both communities to fulfill resident wellbeing and Aging in Place – and promote fitness and Americans with Disabilities Act (ADA) compliance.

Aging in Place endeavors ramped up this year. We had ongoing management deliberations, and staff discussions. And using special presentations in Town Halls and Focus Groups, we actively sought resident input to refine preferences and amenities.

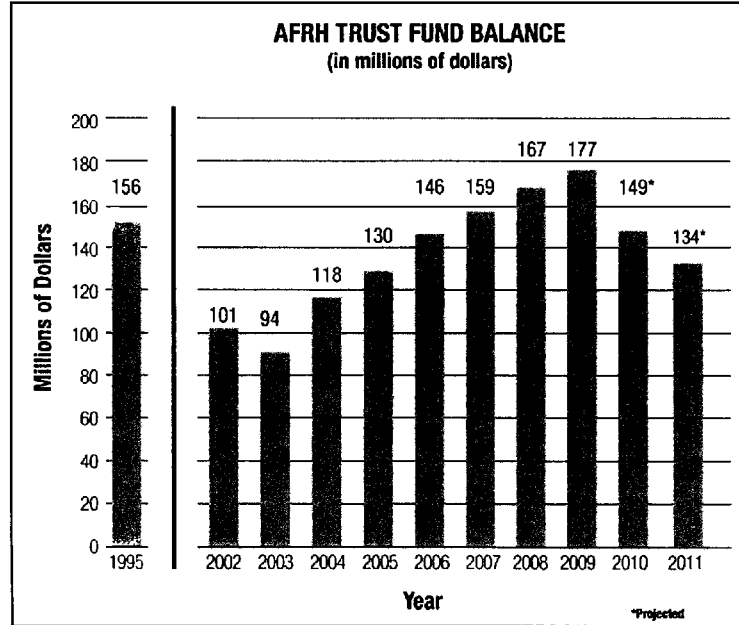
Aging in Place is also listed as a key action in our Business Plans. Yet it was identified as a “high risk” in our Risk Management Plan with mitigating actions.

Trust Fund Balance

The Trust Fund balance declined from \$156 million in 1995 to \$94 million in 2003. It became a critical mandate to retain the Home’s solvency. So, we concluded that our operating model had to change. We followed the Federal Government’s lead for an integrated strategy – linking planning with budget and performance. From 2003 – 2007, we aggressively developed a disciplined strategic plan that netted many gains. The result: the Trust Fund balance grew to \$167 million at the end of FY 2008 and reached \$177 million in FY 2009. However, with the Scott Project on the horizon, operating costs and capital improvements, taken out of the Trust Fund as projected, diminish it in 2010 to \$149 million and in 2011 to \$134 million.

Testimony

The Trust Fund Balance has been steadily increasing since 2003, but will decrease with withdrawals for Gulfport and the Scott Project in 2010:



[NOTE: The drop from \$171 million to \$149 million is a reflection of \$76 million approved and funded by Congress in 2009 and 2010 for the Scott Project.]

Conclusion

This Justification presents complete, reliable information that demonstrates our efforts to hold both programs and financial systems to the highest standards of accountability. We have an impressive record in reducing costs and fiscal management as seen over the past few years.

We thank Congress for its continued support of the AFRH Master Plan and funding support as a result of Hurricane Katrina. We hope that the Congress agrees that the progress the AFRH has made since 2002 has been remarkable and understands that continued funding is necessary for AFRH to continue serving those who so bravely serve us. Thank you.

Mr. EDWARDS. Mr. Cox, thank you very much.
 Mr. COX. You are welcome.
 Mr. EDWARDS. Any additional comments?
 Mr. COX. No, sir.
 Mr. EDWARDS. Okay.
 Mr. Wamp.

GULFPORT FACILITY

Mr. WAMP. I was there at your facility in Gulfport, and it is completely finished and will open when?

Mr. COX. October 2010.

Mr. WAMP. And it is unbelievable. Have you been there?

Mr. EDWARDS. I visited after the hurricane, but not since the construction—

Mr. WAMP [continuing]. Now that it is finished I want to go. So it is going to end up being about half and half, half here, half there.

Mr. COX. That is correct.

WAITING LIST

Mr. WAMP. And how long is the waiting list to become one of these 1,200 people that either live here or there?

Mr. COX. Well right now, because they can only be admitted to Washington, it is close to a year because we are only admitting through June because we are tearing down that building and our other building is 100 percent occupied, so we don't see the opportunity of anybody moving in. It might be one or two a month so it made our waiting list go past 9 months, closer to a year.

CRITERIA FOR ADMISSION

Mr. EDWARDS. Piggybacking to—could you refresh us on the criteria?

Mr. COX. Yes. The criteria are four, and each criterion stands on its own so a veteran only has to meet one. The first category is a retiree, 20 years of service, and that has an age limit attached to it, minimum 60, okay? All the others don't have age category. Our average age is 80.

Second category is you served in a theater of war and have a service-connected disability. Third category is you are 100 percent disabled and unable to earn a livelihood, and that is most likely because of a service-connected disability necessarily not a theater of war disability. The fourth category is a woman who served prior to 1948. Obviously women can come in the other three categories too, and obviously that one prediminish the—most women come in as a retiree.

Mr. WAMP. Your facility here is the one that has the nine-hole golf course attached to it?

Mr. COX. That is correct.

Mr. WAMP. Is it still operational?

Mr. COX. It is.

Mr. WAMP. What kind of shape is it in?

Mr. COX. It is in pretty good shape.

Mr. WAMP. Really?

Mr. COX. Yes. We—

Mr. WAMP. How many acres did you say, 272?

Mr. COX. Two-hundred seventy-two.

Mr. WAMP. Two-hundred seventy-two acres. So that has got to be 80 of it, is that it?

Mr. COX. I think that actually occupies about 60 to 65.

Mr. WAMP. Have you been there, Chet?

Mr. EDWARDS. It has been probably 3 or 4 or 5 years, but it is pretty thrilling to go out there and see 80-year-old retirees either carrying their bags or pulling their bags going around that golf course.

Mr. WAMP. I was kind of amazed. So none of that is going to be used in any of these campus reconfigurations?

Mr. COX. No, not in the campus reconfiguration. But our master plan that was approved to develop revenue, which, as I testified last year, was just put on ice even though we have a plan that is approved, we haven't put that forth. We didn't go into final negotiations with the developer, and they went bankrupt and the market, obviously, right now is only conducive to a developer getting a good return for us, because that is the most important. So two holes are going to be relocated—

Mr. WAMP [continuing]. Nine-hole—

Mr. COX. That is correct. That is correct.

Mr. WAMP [continuing]. You are not going to do away with—

Mr. COX. And we are going to go do that this next fall, after the season, right? It is after the season so we will do that next fall but they will have nine holes open all the time.

Mr. WAMP. So you go back and forth between these two places?

Mr. COX. I do. Two times a month I go down to Gulfport.

GULFPORT BARRIER ISLANDS

Mr. WAMP. Not that it directly impacts this, but I am interested—real close to your Gulfport facility was where everything was going to be rebuilt, all masonry with new rules coming off of the coast for the future in Gulfport. And there was a lot of talk about the barrier out in the ocean, because the barrier was all washed away. They were really concerned because of the surge, not necessarily building requirements like all masonry, et cetera, but all the casinos were floating. And then I think they changed the law where they are going to move them—

Mr. COX. They did.

Mr. WAMP [continuing]. Inside so that they don't just get blown away with boats that are floating out there. Storm surge was the issue coming a mile inland because there was no barrier out there, and the old barrier reef was gone.

And what did they do in Gulfport? Did they reconfigure or reconstruct part of the barrier, or is that a long-term plan, or did everybody just build with masonry and off the coast more?

Mr. COX. We are at the same site, and the building is located pretty much where the old building was. We have built to hurricane 5 standards, and we have built up 15 feet as well, so the first floor is parking so it would just wash through. And many of the new buildings—I should say all the new buildings, really—that were built right before Katrina are like that and they survived fine.

You know, glass didn't break. Again, our glass is all hurricane standard—hurricane 5 standard.

My understanding is Gulfport would like to redo some of the barrier islands but funding—

Mr. WAMP. I am just interested—

Mr. MCMANUS. Katrina came in at 25 feet. We are at 31 feet now with the new facilities.

Mr. WAMP. Thirty-one feet before you get above the parking lot?

Mr. MCMANUS. We will have our first floor of activities at 31 feet.

Mr. EDWARDS. At 31 feet, right. So it is above the parking lot, correct.

Mr. Crenshaw.

LESSONS LEARNED AT GULFPORT

Mr. CRENSHAW. Just a couple of quick things: One, since you built Gulfport and now you are kind of doing the renovations, are there any big lessons you learned, you know, from kind of ground-up at Gulfport that will impact the way you kind of redo the facility up here?

Mr. COX. Absolutely. You know, fortunately for us a lot of the same staff has participated in it and some of the same residents too, and one of the things is, for instance, bathroom configuration. You know, because we have 90 percent men, if they have trouble a lot of times the bathroom—the commode is in the corner, you know, at the end of the room, and we have realized now it has to be toward the center and we use lanito bars, which are bars that you can use left or right of the commode. They stand back up and go against the back wall so they are out of the way if you don't need that.

But we have had quite a few lessons learned like that, which have been very helpful. They are very practical.

GREENHOUSE RETIREMENT LIVING

Mr. CRENSHAW. How about, you know, up here you have the—is it called the greenhouse—the small houses where—

Mr. COX. Yes.

Mr. CRENSHAW. Are you doing some of that down at Gulfport as well?

Mr. COX. We are. What we are doing is we are looking at really neighborhoods, so they have 12 rooms—all private rooms—that then have a living area, a dining area, and I think that is very important for them to be able to have.

Mr. CRENSHAW. Great. Thank you. Thank you very much.

Mr. COX. You are welcome.

CRITERIA FOR ADMISSION

Mr. EDWARDS. Thank you.

You just asked about the criteria for admission—are they prioritized within those four categories or considered equally?

Mr. COX. Right now, as you apply you get on the waiting list, so it is just first come, first serve to wait, so we don't have a priority on those.

Mr. EDWARDS. So someone that is 100 percent disabled, for example, wouldn't be bumped up?

Mr. COX. At this point, no.

Mr. EDWARDS. Has there ever been any discussion about putting weights to those priorities?

Mr. COX. We have had discussion about that but because we would have to come back and legislate those changes we haven't gone forward with that.

Mr. EDWARDS. Take a look at that. I don't want to force you to set priorities within those four if you think it is inappropriate, but if you thought it was appropriate, you know, folks at the Congress, whether it is this committee or others, you know, we might take a look at that.

Mr. COX. Thank you.

Mr. EDWARDS. And in terms of Gulfport—I will tell you what, in terms of Gulfport you really answered the questions I had.

I will just conclude by saying I want to thank you for your leadership. It seems year after year you have been very, very innovative in your management and looking for efficiencies. And I think we all believe in this day and age it is especially important to let taxpayers know, even when it is for such a good cause as the men and women you serve, that we are trying to spend their dollars wisely. So we thank you for that effort.

Mr. COX. Thank you.

Mr. EDWARDS. Maybe one final question, and I really appreciate and I salute you for your innovative management. A couple of years ago there was the issue about the homeless vets that had temporary space there, and there were some issues that came up. Remind me of the final resolution of that.

Mr. COX. Final resolution was we worked with Community Partnership, which is a D.C. nonprofit that does coordinating efforts between housing vouchers and permanent placement for homeless vets, for veterans in transition, and we worked with them to place all of those persons in housing. D.C. council, first of all, passed through Marion Barry, giving all of those residents immediate housing vouchers—

Mr. EDWARDS. Right.

Mr. COX [continuing]. And then Community Partnership worked with us to be able to place all those people. They are all placed in the community.

Mr. EDWARDS. Great. Thank you for that update.

Mr. COX. You are welcome.

Mr. EDWARDS. I have no other additional questions.

If not, thank you, Mr. Cox.

Mr. COX. You are welcome. Thank you very much.

Mr. EDWARDS [continuing]. And we will stand adjourned.

[Questions for the Record submitted by Congressman Farr follow:]

Question. What is the deciding factor for what the "right size" is at the Washington campus?

Answer. There were many factors that determined the Armed Forces Retirement Home (AFRH) "right size" model. The Gulfport facility served as a proven model and was rebuilt for the same population, approximately 600 residents. For many years the Washington facility had a much larger population which required greater infrastructure and staffing costs; tended to produce a much larger, more costly popu-

lation for higher levels of care; and limited the AFRH's overall ability for financial growth.

Question. How are you planning on handling the increase in demand you will experience as eligible "Baby Boomers" retire?

Answer. The Home has set a course for financial solvency with new, right-sized facilities at both locations. However, with the new facilities not yet operational (AFRH-Gulfport reopens this year and AFRH-Washington will not be completed until 2013 with occupancy in 2014) and the Master Plan development at Washington still on hold, it is premature to speculate on future growth. We are mindful of the future challenges and will continue to review all possible options.

Question. As your current residents "Age In Place," do you anticipate this will impact your ability to accept new residents?

Answer. No. Although we may see some change in the mortality rate, we do not expect a negative impact in our ability to accept new residents. However, we do believe the program will significantly enhance the resident's quality of life through the aging process.

Question. How long is the waiting list for space in the DC facility?

Answer. Washington has a waiting list of 348 and Gulfport has a waiting list of 910. As we open Gulfport in October 2010, these numbers will change significantly.

[Question for the Record submitted by Congressman Wamp follows:]

Question. Last year when you testified before this committee you stated that you had proposals that the AFRH was working on through DoD regarding homeless veterans. As this subject is one of Secretary Shinseki's core initiatives, are there any proposals you are working on now with either DoD or VA in helping address this issue?

Answer. The AFRH won approval of a 77 acre mixed use development on its Washington, D.C. campus from the National Capital Planning Commission in July 2008 after a multi-year planning process that included consultation with hundreds of stakeholders including District of Columbia officials, environmentalists, preservationists, and neighbors. The project was placed on hold after complications related to the changing economy arose with the selected developer. The AFRH Master Plan brings a commitment to socially responsible development on the Home grounds. We have carefully crafted a socially responsible development plan that will allow the developer to deliver the following socioeconomic benefits to neighboring communities, and the District Columbia through a selected developer(s).

- Over 300 units of affordable private market income housing units dispersed throughout the residential units for residents with low and moderate income;
- A goal of significant participation by small and disadvantaged business enterprises with a target of \$112 million in projects;
- Innovative apprenticeship programs to promote local job creation—well over 25 percent of all construction related jobs going to apprentice and pre-apprentices (approximately 100 apprentices annually);
- An estimated 5000 construction and permanent jobs created;
- Over 60 percent of construction related subcontracts awarded to entities using registered apprenticeship programs;

We are continuing to work with organizations like Help USA and Wounded Warrior Project to see how the Home can best promote these worthwhile programs through the AFRH Master Plan.

THURSDAY, MARCH 4, 2010.

VETERANS AFFAIRS

WITNESS

ERIC K. SHINSEKI, SECRETARY OF VETERANS AFFAIRS

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Good morning, everyone. I would like to welcome everyone to this hearing, the purpose of which is to review the administration's budget request for the V.A. for fiscal years 2011 and 2012.

Secretary Shinseki, I want to once again thank you and welcome you back before our subcommittee, as well as thanking all of the V.A. management leadership that is working with you, and that are here today.

We are honored, Mr. Secretary, that you are here, because we are all grateful for your distinguished public service to our nation as an Army soldier, as chief of staff of the Army, and now as secretary of the Department of Veterans Affairs.

Members, I am going to forgo any lengthy opening statement, but I do want to make just one or two points.

First, Mr. Secretary, I salute the administration's budget request last year. It did not get a lot of attention in the press, but my understanding is that the president's budget request for the V.A. was the largest single budget request by any president over the last three decades. And that money, obviously, is needed and deserved by our veterans, and I salute the president for making that request. And I know you are a major part of putting that budget request together, and I salute you for that.

I also want to thank you and the administration for your leadership on the advanced funding for appropriations, something that was a singularly top priority for virtually all of our major veterans service organizations. That is now the law of the land, and it would not have happened without the administration, without Chairman Obey, who played a key role, and without our ranking member, Mr. Wamp, and the bipartisan support we had for that effort.

I think that is a great step forward in allowing us to spend taxpayers' dollars more efficiently and effectively for our veterans.

My final point before recognizing Mr. Wamp for any opening comments he would care to make is that, as we look at this year's budget, I think it is important to look at it in the context of what we have done over the past three years for veterans. The increase in funding for medical care and benefits has been unprecedented, to my knowledge, in the history of the V.A. And I think this subcommittee and the full committee can be very proud of its work, because the end result will be more veterans will receive better

care and benefits that they have earned through their distinguished service to our country.

With that, I would like to recognize Mr. Wamp for any opening comments he would care to make.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Well, thank you, Mr. Chairman. I want to open by thanking you for your excellent leadership of this subcommittee. This is one of those rare cases where, in a full bipartisan and cooperative way, we do the work of our nation, and especially the important responsibilities that we carry out to our nation's veterans and investing in our military construction needs around the world.

I want to thank the secretary. I think the President of the United States showed great judgment in asking you to serve. And then you showed once again your great dedication to our country by agreeing to serve at this critical time. I think you bring a unique set of experiences, life experience and patriotism at the highest level to come and do this. I am just grateful for your service.

I also want to say thanks to Undersecretary Muro for the work that he is doing and the responsiveness that he has demonstrated already to me and my office on important cemetery issues across the country, and say that Joan represents you very well in terms of the interface with our offices.

I want to thank you for the time that you give the chairman and I individually, so that we can address these needs outside of the hearing context, so we can dig a little deeper and talk about the challenges that you face. We all have the public view, and then we have some questions that may dig a little deeper into that we need to ask. So I want to thank you for your courtesy and for Secretary Grams, as well.

I want to thank the chairman, Mr. Obey, for pushing so hard on our committee to make sure we have the resources that we need to meet these responsibilities. I want to say that the ranking member, Mr. Lewis, is expected to join us. And, of course, Bill Young, who is somewhat iconic here in the military and veterans arena will join us, as well.

But there are many members that are at other hearings who wanted to stop by, get on the record, and then come here. So, I think we will see everyone come and go.

But I just want to thank you and just say this in closing, as I said to you as we stood at your desk a moment ago. I was reminded of this year, Mr. Chairman, of why it is important for this subcommittee to exist separately from the Defense Appropriations Subcommittee. The military quality of life, which is our piece on the MILCON side, and V.A. health care—specifically mental health—is so intertwined, that it is important that we maintain this specific subcommittee's focus and keep these two pieces together.

Whether it is PTSD, the suicide rate, the overall mental health of our troops and our veterans, the interface is inseparable. And it is so important, I think—this is my last year here—for the committee to keep these together, because it has to be a seamless, cooperative effort going forward, especially on this mental health

piece, because we are looking at the strain on the troops today with these ratios of deployment, which, in my view, are unsustainable. Then we look at the veterans coming home and the challenges that they face, and we have got to look at this.

The military looks at the fight as one force. We have to look at these problems together, as well—not active versus veterans, but all as one continuum of care, I think. And it starts as soon as they serve, and it does not end until they die. It is important that we keep all that together.

Again, I just want to thank you, Mr. Chairman, for the work, the courtesy, the respect. It is a privilege.

And I yield back.

Mr. EDWARDS. Thank you, Mr. Wamp, for your kind words, and even more importantly for your leadership. And your comments about the quality of life work of this committee are so well taken. I think it is one of the personally gratifying things about being on this subcommittee.

There are not a lot of business lobbyists running around on Capitol Hill fighting for a military construction site, better day care centers for military troops whose loved ones are on their fourth tour of duty in Iraq or Afghanistan, or better housing, and a whole continuum of care from the time they are on active duty, Guard or Reserves, to the V.A.

And supporting that quality of life is the primary responsibility of this subcommittee. And I thank you for your leadership and all the members for their work on that.

Chairman Dave Obey does not need an introduction as the full chair of the committee that meets in this room, but he deserves one. And I just want to very briefly say that the unprecedented progress we have made in the last three years in supporting financially and with new programs, health care and benefits and otherwise for our veterans, none of that progress would have occurred had it not been for the leadership of Chairman Obey.

In many ways, top veterans leaders know what he has done. In many ways, he is the unsung hero of America's veterans for what he has done.

I can tell you first-hand, whether it was at the Budget Committee process, or meeting with Speaker Pelosi and following through on her commitment to make veterans a top priority, or whether it was his singularly important leadership role in making allocations for this subcommittee, Dave Obey was there every step of the way for America's veterans.

Chairman Obey, thank you for that leadership. And I now recognize you for any opening comments you care to make.

Mr. OBEY. Thank you, Mr. Chairman. Clearly, a case of mistaken identity on your part. [Laughter.]

Mr. EDWARDS. Not at all.

Mr. OBEY. Mr. Secretary, I have got something that is bothering me. It concerns a constituent in my district and something that happened to him. And let me put it in context. Mr. Edwards has started to do that.

I cannot think of a portion of the budget which has received more favorable treatment over the last three years than has veterans health care. We have had a \$23 billion, 60 percent increase to the

V.A.'s discretionary budget since the beginning of the 110th Congress, advance appropriations for three medical accounts to give the V.A. more funding assurance for prudent management, and a 55 percent increase to the Veterans Health Administration. My understanding is that that has resulted in an additional 3,384 doctors, over 14,000 nurses, 145 community-based outpatient clinics and 92 veterans centers.

An increase in the patient travel reimbursement to 41.5 cents per mile—a reimbursement that had been frozen at 11 cents since 1979—8,300 more disability claims processors, resulting in a 31 percent increase in claims processed from 774,000 claims in 2006, to 1,015,475 in 2010; the re-opening of Priority 8 disability enrollments for veterans with modest incomes; the historic establishment of a new G.I. Bill that will provide—again, as I understand it—\$63 billion in additional benefits over the next 10 years for tuition assistance, and educational material; housing assistance for the newest generation of veterans; a 28 percent increase in V.A. research since the beginning of the 110th Congress; an additional \$250 million per year starting in fiscal 2009 for rural health initiative; more than doubling of the amount provided for homeless grants and per diem program from \$63 million in 2006 to a current level of \$150 million.

This subcommittee has led the way in providing all of that. And yet, if you are an individual veteran, if you do not get the benefit of those increases, all of that can be pretty meaningless at the ground level.

I received, a short time ago, a letter from a woman in my district, which she sent to the president of the United States last week. It involved her husband, Philip Wettstein, who died on September 30, 2009. He was a Vietnam veteran. And if you will read this six-page letter which she has sent to the president and copied to me, you will see that this man went through hell before he died.

I do not want to point an accusatory finger at anybody. We need to know what happened. And so, I would like to give your staff a copy of that letter.

And I would ask you to review this situation with all of the diligence that your people can muster, because, while I do not know the specific facts, based on the chronology of events that she put in her letter, it would appear to me that her husband confronted a great deal of casualness, and certainly less than the minimum attention to what was happening to him. It just seems to me that there was a lack of attention to detail which caused this fellow some very serious and eventually fatal problems.

So, end of speech.

I have a great deal of regard for the V.A. I understand people can make mistakes. But this woman needs to have an opportunity to have her story listened to and responded to by the agency.

Thank you. And I thank you for your service.

Secretary SHINSEKI. Mr. Obey, I assure that I will look into that personally with great diligence and get back to you, and provide you an answer to what happened.

Mr. OBEY. Thank you.

I will have to be leaving. I have to attend to a matter on the floor, and I have to go to a funeral. So, I do not want you to think

that it is something you said that caused me to leave. But I welcome you here anyway.

Secretary SHINSEKI. Thank you, Mr. Chairman.

Mr. EDWARDS. Mr. Chairman, thank you for being here and for all you have done for our veterans.

Mr. Secretary, once again, it is good to have you back before our subcommittee, and your full testimony will be submitted for the record. I would like to recognize you now for any opening comments you would care to make, and then we will get into the questions and answers.

STATEMENT OF THE HONORABLE ERIC K. SHINSEKI

Secretary SHINSEKI. Thank you, Mr. Chairman. To you and to Ranking Member Wamp and Chairman Obey as he departs, and to other distinguished members of the committee as well, thank you for this opportunity to present the President's 2011 budget and 2012 advanced appropriations request, which you remarked earlier what a hallmark this is in funding for the Veterans Affairs Department.

I am able to report to you that we had a good start in 2009. We have tremendous opportunity with a 2010 budget that represents the largest increase in 30 years, as proposed by President Obama, and the President's continued strong support of veterans and veterans' needs into 2011 and 2012.

I appreciate the generosity of time shared with me by members of this subcommittee prior to the hearing and regret that I was not able weather-wise to get around to all of the members. But I always find those opportunities so helpful for providing insights that are invaluable to me.

Let me also acknowledge the representatives from some of our veterans service organizations who are in attendance today. Again, their insights have been helpful to me as secretary in understanding and helping to meet obligations to all of our veterans throughout the generations.

By way of introduction, let me just introduce some of the leadership who are here with me today.

To my left is Todd Grams, our new Principal Deputy and Acting Secretary for Management. Also, here to my right, we have Mr. Mike Walcoff, the Acting Undersecretary for Benefits; Dr. Robert Petzel, our recently confirmed Undersecretary for Health; Steve Muro, who was mentioned earlier by Mr. Wamp, our Acting Undersecretary for Memorial Affairs; and Roger Baker, our long ball-hitting I.T.—Assistant Secretary for Information and Technology.

And for those specific questions that need some detail, with the chairman's permission, I would like to invite them to come up individually, and provide the additional detail the members of the subcommittee want.

Mr. Chairman, thanks for accepting my written testimony for the record.

Let me just note that this subcommittee's longstanding commitment to our nation's veterans has always been unequivocal and unwavering. Such commitment, and the President's own steadfast support of veterans, resulted in a 2010 budget that provides this

department the resources to begin renewing itself in fundamental and comprehensive ways.

We are well launched on that effort and determined to continue transforming well into 2011 and into 2012.

For over a year now, we have promoted a new strategic framework organized around three governing principles. It is about transforming V.A. into being more people-centric—and you have heard me use these terms before—people-centric, results-oriented—a lot of promises are made; we get graded on the results—and finally, to be forward-looking.

We know where we have come from. We have an idea where we have to go.

This new strategic plan delivers on President Obama's vision for V.A., and is in the final stages of review. Its strategic goals will improve the quality and increase access to care and benefits while optimizing value to veterans. It will also heighten readiness to protect our people—both our clients, our veterans, as well as our work force and our resources, every day and in times of crisis. That is a fundamental responsibility of any federal department, the protection of its space.

It will enhance veteran satisfaction with our health, education, training, counseling, financial and burial benefits and services. And finally, a little bit to Mr. Obey's comments—the plan invests in our human capital, both in their well-being, but more importantly, in their development as leaders to drive excellence in everything we do, from management, to I.T. systems, to support services.

This goal is vital to mission performance if we are to attain what transformation intends for V.A., and that is to be a model for governance over the next four years.

These goals will guide our people daily and focus them on producing the outcomes veterans expect and have earned through their service to the nation.

To support our pursuit of these goals, the president's budget provides \$125 billion in 2011—\$60.3 billion in discretionary resources and \$64.7 billion in mandatory funding. Our discretionary budget request represents an increase of \$4.2 billion, 7.6 percent, over the president's 2010 enacted budget.

V.A.'s 2011 budget focuses primarily on three critical concerns that are of importance to veterans—at least, these are the things I hear about as I travel: better access to benefits and services, not just faster, but higher quality outcomes; reducing the disability claims backlog and wait times for receipt of earned benefits; and finally, ending the downward spiral that often enough results in veterans' homelessness.

Access. This budget provides the resources required to enhance access to our health care system and our national cemeteries. We will expand access to health care through the activation of new and improved facilities, by honoring the President's commitment to veterans who were exposed to the toxic effects of Agent Orange 40 years ago, by delivering on President Obama's promise to provide health care eligibility to more Priority Group 8 veterans, and by making greater investments in tele-health to extend our delivery of care into the most remote communities, and where warranted, even into veterans' homes.

And then finally, we will increase access to our national shrines by establishing five new cemeteries.

The backlog. We are requesting an unprecedented 27 percent increase in funding for our Veterans Benefits Administration, primarily for staffing to address the growing increase in disability claims receipts, even as we continue to reengineer our processes and develop a paperless system, integrated with VLER, the Virtual Lifetime Electronic Record.

Ending homelessness. We are also requesting a substantial investment in our homeless program as part of our plan to eliminate veterans' homelessness over the next five years through an aggressive approach that is not just about beds, not just about providing beds, but includes housing, education, jobs and health care. It is about prevention as well as taking veterans that are homeless off the streets.

In this effort, we partner with other departments—the Department of Housing and Urban Development probably our closest collaborator, but others, as well—with Labor, Education, HHS and the Small Business Administration, to put a full-court press on this problem.

Taken together, these initiatives are intended to meet veterans' expectations in each of these three mission-focused areas: increase access, reduce the backlog, end homelessness.

We will achieve these objectives by developing innovative business processes and delivery systems that not only better serve veterans' and families' needs for the years to come, but which will also dramatically improve our own efficiency and help us control the cost of operations.

While our budget and advanced appropriations requests provide the resources to continue our pursuit of the President's two overarching goals for the department—one is to transform, and the second is to ensure veteran access to benefits and services—we still have much work to do. Our efforts are well begun, but there is still much more to be accomplished to meet our obligations to those who have defended the nation.

So, again, Mr. Chairman, thank you for this opportunity to appear before the subcommittee and for the unwavering support of all members of this committee. And I know there are going to be some committee changes here because of some announced departures. And I would just like to recognize the three that I am aware of.

Mr. Wamp, as he departs, his leadership in expanding the CBOCs we have, and also yeoman work in the advance appropriations opportunity. I think this is a hallmark piece of legislation, certainly for this department. And thank you for your leadership.

Mr. Berry, who has led the way in rural health and pharmacy benefits, again, my thanks and the thanks of veterans and the Department of Veterans Affairs for your leadership and support in that area.

And for Mr. Kennedy, who is not here at the moment, but his work in mental health, which has been a tremendous support for many of the programs we have been able to create.

So, with that, Mr. Chairman, we look forward to your questions. Thank you very much.

[Prepared statement of the Honorable Eric K. Shinseki follows:]

**STATEMENT OF
THE HONORABLE ERIC K. SHINSEKI
SECRETARY OF VETERANS AFFAIRS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES
FY2011 BUDGET FOR THE DEPARTMENT OF VETERANS AFFAIRS**

MARCH 4, 2010

Chairman Edwards, Ranking Member Wamp, Distinguished Members of the House Appropriations Committee, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies:

Thank you for this opportunity to present the President's Fiscal Year 2011 Budget and Fiscal Year 2012 Advance Appropriations request for the Department of Veterans Affairs (VA). Our budget provides the resources necessary to continue our aggressive pursuit of the President's two overarching goals for the Department—to transform VA into a 21st Century organization and to ensure that we provide timely access to benefits and high quality care to our Veterans over their lifetimes, from the day they first take their oaths of allegiance until the day they are laid to rest.

We recently completed development of a new strategic framework that is people-centric, results-driven, and forward-looking. The path we will follow to achieve the President's vision for VA will be presented in our new strategic plan, which is currently in the final stages of review. The strategic goals we have established in our plan are designed to produce better outcomes for all generations of Veterans:

- Improve the quality and accessibility of health care, benefits, and memorial services while optimizing value;
- Increase Veteran client satisfaction with health, education, training, counseling, financial, and burial benefits and services;
- Protect people and assets continuously and in time of crisis; and,
- Improve internal customer satisfaction with management systems and support services to achieve mission performance and make VA an employer of choice by investing in human capital.

The strategies in our plan will guide our workforce to ensure we remain focused on producing the outcomes Veterans expect and have earned through their service to our country.

To support VA's efforts, the President's budget provides \$125 billion in 2011—almost \$60.3 billion in discretionary resources and nearly \$64.7 billion in mandatory funding. Our discretionary budget request represents an increase of \$4.3 billion, or 7.6 percent, over the 2010 enacted level.

VA's 2011 budget also focuses on three concerns that are of critical importance to our Veterans—easier access to benefits and services; reducing the disability claims backlog and the time Veterans wait before receiving earned benefits; and ending the downward spiral that results in Veterans' homelessness.

This budget provides the resources required to enhance access in our health care system and our national cemeteries. We will expand access to health care through the activations of new or improved facilities, by expanding health care eligibility to more Veterans, and by making greater investments in telehealth. Access to our national cemeteries will be increased through the implementation of new policy for the establishment of additional facilities.

We are requesting an unprecedented increase for staffing in the Veterans Benefits Administration (VBA) to address the dramatic increase in disability claim receipts while continuing our process-reengineering efforts, our development of a paperless claims processing system, and the creation of a Virtual Lifetime Electronic Record.

We are also requesting a substantial investment for our homelessness programs as part of our plan to ultimately eliminate Veterans' homelessness through an aggressive approach that includes housing, education, jobs, and health care.

VA will be successful in resolving these three concerns by maintaining a clear focus on developing innovative business processes and delivery systems that will not only serve Veterans and their families for many years to come, but will also dramatically improve the efficiency of our operations by better controlling long-term costs. By making appropriate investments today, we can ensure higher value and better outcomes for our Veterans. The 2011 budget also supports many key investments in VA's six high priority performance goals (HPPGs).

HPPG I: Reducing the Claims Backlog

The volume of compensation and pension rating-related claims has been steadily increasing. In 2009, for the first time, we received over one million claims during the course of a single year. The volume of claims received has increased from 578,773 in 2000 to 1,013,712 in 2009 (a 75% increase). Original disability compensation claims with eight or more claimed issues have increased from 22,776 in 2001 to 67,175 in 2009 (nearly a 200% increase). Not only is VA receiving substantially more claims, but the claims have also increased in complexity. We expect this level of growth in the number of claims received to continue in 2010 and 2011 (increases of 13 percent and 11 percent were projected respectively even without claims expected under new presumptions related to Agent Orange exposure), which is driven by improved access to benefits through initiatives such as the Benefits Delivery at Discharge Program, increased demand as a result of nearly ten years of war, and the impact of a difficult economy prompting America's Veterans to pursue access to the benefits they earned during their military service.

While the volume and complexity of claims has increased, so too has the productivity of our claims processing workforce. In 2009, the number of claims processed was 977,219, an increase of 8.6 percent over the 2008 level of 899,863. The average time to process a rating-related claim fell from 179 to 161 days in 2009, an improvement of 11 percent.

The progress made in 2009 is a step in the right direction, but it is not nearly enough. My goal for VA is an average time to process a claim of no more than 125 days. Reaching this goal will become even more challenging because of additional claims we expect to receive related to Veterans' exposure to Agent Orange. Adding Parkinson's disease, ischemic heart disease, and B-cell leukemias to the list of presumptive disabilities is projected to significantly increase claims inventories in the near term, even while we make fundamental improvements to the way we process disability compensation claims.

We expect the number of compensation and pension claims received to increase from 1,013,712 in 2009 to 1,318,753 in 2011 (a 30 percent increase). Without the significant investment requested for staffing in this budget, the inventory of claims pending would grow from 416,335 to 1,018,343 and the average time to process a claim would increase from 161 to 250 days. If Congress provides the funding requested in our budget, these increases are projected to be 804,460 claims pending with an average processing time of 190 days. Through 2011, we expect over 228,000 claims related to the new presumptions and are dedicated to processing this near-term surge in claims as efficiently as possible.

This budget is based on our plan to improve claims processing by using a three-pronged approach involving improved business processes, expanded technology, and hiring staff to bridge the gap until we fully implement our long-range plan. We will explore process and policy simplification and contracted service support in addition to the traditional approach of hiring new employees to address this spike in demand. We expect these transformational approaches to begin yielding significant performance improvements in fiscal year 2012 and beyond; however, it is important to mitigate the impact of the increased workload until that time.

The largest increase in our 2011 budget request, in percentage terms, is directed to the Veterans Benefits Administration as part of our mitigation of the increased workload. The President's 2011 budget request for VBA is \$2.149 billion, an increase of \$460 million, or 27 percent, over the 2010 enacted level of \$1.689 billion. The 2011 budget supports an increase of 4,048 FTEs, including maintaining temporary FTE funded through ARRA. In addition, the budget also includes \$145.3 million in information technology (IT) funds in 2011 to support the ongoing development of a paperless claims processing system.

HPPG II: Eliminating Veteran Homelessness

Our nation's Veterans experience higher than average rates of homelessness, depression, substance abuse, and suicides; many also suffer from joblessness. On any given night, there are about 131,000 Veterans who live on the streets, representing every war and generation, including those who served in Iraq and Afghanistan. VA's major homeless-specific programs constitute the largest integrated network of homeless treatment and assistance services in the country. These programs provide a continuum of care for homeless Veterans, providing treatment, rehabilitation, and supportive services that assist homeless Veterans in addressing health, mental health and psychosocial issues. VA also offers a full range of support necessary to end the cycle of homelessness by providing education, jobs, and health care, in addition to safe housing. We will increase the number and variety of housing options available to homeless Veterans and those at risk of homelessness with permanent, transitional, contracted, community-operated, HUD-VASH provided, and VA-operated housing.

Homelessness is primarily a health care issue, heavily burdened with depression and substance abuse. VA's budget includes \$4.2 billion in 2011 to prevent and reduce homelessness among Veterans—over \$3.4 billion for core medical services and \$799 million for specific homeless programs and expanded medical programs. Our budget includes an additional investment of \$294 million in programs and new initiatives to reduce the cycle of homelessness, which is almost 55 percent higher than the resources provided for homelessness programs in 2010.

VA's health care costs for homeless Veterans can drop in the future as the Department emphasizes education, jobs, and prevention and treatment programs that can result in greater residential stability, gainful employment, and improved health status.

HPPG III: Automating the GI Bill Benefits System

The Post 9/11 GI Bill creates a robust enhancement of VA's education benefits, evoking the World War II Era GI Bill. Because of the significant opportunities the Act provides to Veterans in recognition of their service, and the value of the program in the current economic environment, we must deliver the benefits in this Act effectively and efficiently, and with a client-centered approach. In August 2009, the new Post-9/11 GI Bill program was launched. We received more than 397,000 original and 219,000 supplemental applications since the inception of this program.

The 2011 budget provides \$44.1 million to complete the automated solution for processing Post-9/11 GI Bill claims and to begin the development and implementation of electronic systems to process claims associated with other education programs. The automated solution for the Post 9/11 GI Bill education program will be implemented by December 2010.

In 2011, we expect the total number of all types of education claims to grow by 32.3 percent over 2009, from 1.70 million to 2.25 million. To meet this increasing workload and complete education claims in a timely manner, VA has established a

comprehensive strategy to develop an end-to-end solution that utilizes rules-based, industry-standard technologies to modernize the delivery of education benefits.

HPPG IV: Establishing a Virtual Lifetime Electronic Record

Each year, more than 150,000 active and reserve component service members leave the military. Currently, this transition is heavily reliant on the transfer of paper-based administrative and medical records from the Department of Defense (DoD) to the Veteran, the VA or other non-VA health care providers. A paper-based transfer carries risks of errors or oversights and delays the claim process.

In April 2009, the President charged me and Defense Secretary Gates with building a fully interoperable electronic records system that will provide each member of our armed forces a Virtual Lifetime Electronic Record (VLER). This virtual record will enhance the timely delivery of high-quality benefits and services by capturing key information from the day they put on the uniform, through their time as Veterans, until the day they are laid to rest. The VLER is the centerpiece of our strategy to better coordinate the user-friendly transition of service members from their service component into VA, and to produce better, more timely outcomes for Veterans in providing their benefits and services.

In December 2009, VA successfully exchanged electronic health record (EHR) information in a pilot program between the VA Medical Center in San Diego and a local Kaiser Permanente hospital. We exchanged EHR information using the Nationwide Health Information Network (NHIN) created by the Department of Health and Human Services. Interoperability is key to sharing critical health information. Utilizing the NHIN standards allows VA to partner with private sector health care providers and other Federal agencies to promote better, faster, and safer care for Veterans. During the second quarter of 2010, the DoD will join this pilot and we will announce additional VLER health community sites.

VA has \$52 million in IT funds in 2011 to continue the development and implementation of this Presidential priority.

HPPG V: Improving Mental Health Care

The 2011 budget continues the Department's keen focus on improving the quality, access, and value of mental health care provided to Veterans. VA's budget provides over \$5.2 billion for mental health, an increase of \$410 million, or 8.5 percent, over the 2010 enacted level. We will expand inpatient, residential, and outpatient mental health programs with an emphasis on integrating mental health services with primary and specialty care.

Post-Traumatic Stress Disorder (PTSD) is the mental health condition most commonly associated with combat, and treating Veterans who suffer from this debilitating disorder is central to VA's mission. Screening for PTSD is the first and most essential step. It is crucial that VA be proactive in identifying PTSD and intervening

early in order to prevent chronic problems that could lead to more complex disorders and functional problems.

VA will also expand its screening program for other mental health conditions, most notably traumatic brain injury (TBI), depression, and substance use disorders. We will enhance our suicide prevention advertising campaign to raise awareness among Veterans and their families of the services available to them.

More than one-fifth of the Veterans seen last year had a mental health diagnosis. In order to address this challenge, VA has significantly invested in our mental health workforce, hiring more than 6,000 new workers since 2005.

In October 2009, VA and DoD held a mental health summit with mental health experts from both departments, and representatives from Congress and more than 57 non-government organizations. We convened the summit to discuss an innovative, wide-ranging public health model for enhancing mental health for returning service members, Veterans, and their families. VA will use the results to devise new innovative strategies for improving the health and quality of life for Veterans suffering from mental health problems.

HPPG VI: Deploying a Veterans Relationship Management System

A key component of VA's transformation is to employ technology to dramatically improve service and outreach to Veterans by adopting a comprehensive Veterans' Relationship Management System to serve as the primary interface between Veterans and the Department. This system will include a framework that provides Veterans with the ability to:

- Access VA through multiple methods;
- Uniformly find information about VA's benefits and services;
- Complete multiple business processes within VA without having to re-enter identifying information; and,
- Seamlessly access VA across multiple lines of business.

This system will allow Veterans to access comprehensive online information anytime and anywhere via a single consistent entry point. Our goal is to deploy the Veterans Relationship Management System in 2011. Our budget provides \$51.6 million for this project.

In addition to resources supporting these high-priority performance goals, the President's budget enhances and improves services across the full spectrum of the Department. The following highlights funding requirements for selected programs along with the outcomes we will achieve for Veterans and their families.

Delivering World-Class Medical Care

The Budget provides \$51.5 billion for medical care in 2011, an increase of \$4 billion, or 8.5 percent, over the 2010 level. This level will allow us to continue providing timely, high-quality care to all enrolled veterans. Our total medical care level is comprised of funding for medical services (\$37.1 billion), medical support and compliance (\$5.3 billion), medical facilities (\$5.7 billion), and resources from medical care collections (\$3.4 billion). In addition to reducing the number of homeless Veterans and expanding access to mental health care, our 2011 budget will also achieve numerous other outcomes that improve Veterans' quality of life, including:

- Providing extended care and rural health services in clinically appropriate settings;
- Expanding the use of home telehealth;
- Enhancing access to health care services by offering enrollment to more Priority Group 8 Veterans and activating new facilities; and,
- Meeting the medical needs of women Veterans.

During 2011, we expect to treat nearly 6.1 million unique patients, a 2.9 percent increase over 2010. Among this total are over 439,000 Veterans who served in Operation Enduring Freedom and Operation Iraqi Freedom, an increase of almost 57,000 (or 14.8 percent) above the number of Veterans from these two campaigns that we anticipate will come to VA for health care in 2010.

In 2011, the budget provides \$2.6 billion to meet the health care needs of Veterans who served in Iraq and Afghanistan. This is an increase of \$597 million (or 30.2 percent) over our medical resource requirements to care for these Veterans in 2010. This increase also reflects the impact of the recent decision to increase troop size in Afghanistan. The treatment of this newest generation of Veterans has allowed us to focus on, and improve treatment for, PTSD as well as TBI, including new programs to reach Veterans at the earliest stages of these conditions.

The FY 2011 Budget also includes funding for new patients resulting from the recent decision to add Parkinson's disease, ischemic heart disease, and B-cell leukemias to the list of presumptive conditions for Veterans with service in Vietnam.

Extended Care and Rural Health

VA's budget for 2011 contains \$6.8 billion for long-term care, an increase of 858.8 million (or 14.4 percent) over the 2010 level. In addition, \$1.5 billion is included for non-institutional long-term care, an increase of \$276 million (or 22.9 percent) over 2010. By enhancing Veterans' access to non-institutional long-term care, VA can provide extended care services to Veterans in a more clinically appropriate setting, closer to where they live, and in the comfort and familiar settings of their homes.

VA's 2011 budget also includes \$250 million to continue strengthening access to health care for 3.2 million enrolled Veterans living in rural and highly rural areas through

a variety of avenues. These include new rural health outreach and delivery initiatives and expanded use of home-based primary care, mental health, and telehealth services. VA intends to expand use of cutting edge telehealth technology to broaden access to care while at the same time improve the quality of our health care services.

Home Telehealth

Our increasing reliance on non-institutional long-term care includes an investment in 2011 of \$163 million in home telehealth. Taking greater advantage of the latest technological advancements in health care delivery will allow us to more closely monitor the health status of Veterans and will greatly improve access to care for Veterans in rural and highly rural areas. Telehealth will place specialized health care professionals in direct contact with patients using modern IT tools. VA's home telehealth program cares for 35,000 patients and is the largest of its kind in the world. A recent study found patients enrolled in home telehealth programs experienced a 25 percent reduction in the average number of days hospitalized and a 19 percent reduction in hospitalizations. Telehealth and telemedicine improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes.

Expanding Access to Health Care

In 2009 VA opened enrollment to Priority 8 Veterans whose incomes exceed last year's geographic and VA means-test thresholds by no more than 10 percent. Our most recent estimate is that 193,000 more Veterans will enroll for care by the end of 2010 due to this policy change.

In 2011 VA will further expand health care eligibility for Priority 8 Veterans to those whose incomes exceed the geographic and VA means-test thresholds by no more than 15 percent compared to the levels in effect prior to expanding enrollment in 2009. This additional expansion of eligibility for care will result in an estimated 99,000 more enrollees in 2011 alone, bringing the total number of new enrollees from 2009 to the end of 2011 to 292,000.

Meeting the Medical Needs of Women Veterans

The 2011 budget provides \$217.6 million to meet the gender-specific health care needs of women Veterans, an increase of \$18.6 million (or 9.4 percent) over the 2010 level. The delivery of enhanced primary care for women Veterans remains one of the Department's top priorities. The number of women Veterans is growing rapidly and women are increasingly reliant upon VA for their health care.

Our investment in health care for women Veterans will lead to higher quality of care, increased coordination of care, enhanced privacy and dignity, and a greater sense of security among our women patients. We will accomplish this through expanding health care services provided in our Vet Centers, increasing training for our health care providers to advance their knowledge and understanding of women's health issues, and implementing a peer call center and social networking site for women combat Veterans. This call center will be open 24 hours a day, 7 days a week.

Advance Appropriations for Medical Care in 2012

VA is requesting advance appropriations in 2012 of \$50.6 billion for the three medical care appropriations to support the health care needs of 6.2 million patients. The total is comprised of \$39.6 billion for Medical Services, \$5.5 billion for Medical Support and Compliance, and \$5.4 billion for Medical Facilities. In addition, \$3.7 billion is estimated in medical care collections, resulting in a total resource level of \$54.3 billion. It does not include additional resources for any new initiatives that would begin in 2012.

Our 2012 advance appropriations request is based largely on our actuarial model using 2008 data as the base year. The request continues funding for programs that we will continue in 2012 but which are not accounted for in the actuarial model. These initiatives address homelessness and expanded access to non-institutional long-term care and rural health care services through telehealth. In addition, the 2012 advance appropriations request includes resources for several programs not captured by the actuarial model, including long-term care, the Civilian Health and Medical Program of the Department of Veterans Affairs, Vet Centers, and the state home per diem program. Overall, the 2012 requested level, based on the information available at this point in time, is sufficient to enable us to provide timely and high-quality care for the estimated patient population. We will continue to monitor cost and workload data throughout the year and, if needed, we will revise our request during the normal 2012 budget cycle.

After a cumulative increase of 26.4 percent in the medical care budget since 2009, we will be working to reduce the rate of increase in the cost of the provision of health care by focusing on areas such as better leveraging acquisitions and contracting, enhancing use of referral agreements, strengthening DoD/VA joint ventures, and expanding applications of medical technology (e.g. telehome health).

Investments in Medical Research

VA's budget request for 2011 includes \$590 million for medical and prosthetic research, an increase of \$9 million over the 2010 level. These research funds will help VA sustain its long track record of success in conducting research projects that lead to clinically useful interventions that improve the health and quality of life for Veterans as well as the general population.

This budget contains funds to continue our aggressive research program aimed at improving the lives of Veterans returning from service in Iraq and Afghanistan. This focuses on prevention, treatment, and rehabilitation research, including TBI and polytrauma, bum injury research, pain research, and post-deployment mental health research.

Sustaining High Quality Burial and Memorial Programs

VA remains steadfastly committed to providing access to a dignified and respectful burial for Veterans choosing to be buried in a VA national cemetery. This

promise to Veterans and their families also requires that we maintain national cemeteries as shrines dedicated to the memory of those who honorably served this Nation in uniform. This budget implements new policy to expand access by lowering the Veteran population threshold for establishing new national cemeteries and developing additional columbaria to better serve large urban areas.

VA expects to perform 114,300 interments in 2011 or 3.8 percent more than in 2010. The number of developed acres (8,441) that must be maintained in 2011 is 4.6 percent greater than the 2010 estimate, while the number of gravesites (3,147,000) that will be maintained is 2.6 percent higher. VA will also process more than 617,000 Presidential Memorial Certificates in recognition of Veterans' honorable military service.

Our 2011 budget request includes \$251 million in operations and maintenance funding for the National Cemetery Administration. The 2011 budget request provides \$36.9 million for national shrine projects to raise, realign, and clean an estimated 668,000 headstones and markers, and repair 100,000 sunken graves. This is critical to maintaining our extremely high client satisfaction scores that set the national standard of excellence in government and private sector services as measured by the American Customer Satisfaction Index. The share of our clients who rate the quality of the memorial services we provide as excellent will rise to 98 percent in 2011. The proportion of clients who rate the appearance of our national cemeteries as excellent will grow to 99 percent. And we will mark 95 percent of graves within 60 days of interment.

The 2011 budget includes \$3 million for solar and wind power projects at three cemeteries to make greater use of renewable energy and to improve the efficiency of our program operations. It also provides \$1.25 million to conduct independent Facility Condition Assessments at national cemeteries and \$2 million for projects to correct safety and other deficiencies identified in those assessments.

Leveraging Information Technology

We cannot achieve the transformation of VA into a 21st Century organization capable of meeting Veterans' needs today and in the years to come without leveraging the power of IT. The Department's IT program is absolutely integral to everything we do, and it is vital we continue the development of IT systems that will meet new service delivery demands and modernize or replace increasingly fragile systems that are no longer adequate in today's health care and benefits delivery environment. Simply put, IT is indispensable to achieving VA's mission.

The Department's IT operations and maintenance program supports 334,000 users, including VA employees, contractors, volunteers, and researchers situated in 1,400 health care facilities, 57 regional offices, and 158 national cemeteries around the country. Our IT program protects and maintains 8.5 million vital health and benefits records for Veterans with the level of privacy and security mandated by both statutes and directives.

VA's 2011 budget provides \$3.3 billion for IT, the same level of funding provided in 2010. We have prioritized potential IT projects to ensure that the most mission-critical projects for improving service to Veterans are funded. For example, the resources we are requesting will fund the development and implementation of an automated solution for processing education claims (\$44.1 million), the Financial and Logistics Integrated Technology Enterprise project to replace our outdated, non-compliant core accounting system (\$120.2 million), development and deployment of the paperless claims processing system (\$145.3 million), and continued development of HealthVet, VA's electronic health record system (\$346.2 million). In addition, the 2011 budget request includes \$52 million for the advancement of the Virtual Lifetime Electronic Record, a Presidential priority that involves our close collaboration with DoD.

Enhancing our Management Infrastructure

A critical component of our transformation is to create a reliable management infrastructure that expands or enhances corporate transparency at VA, centralizes leadership and decentralizes execution, and invests in leadership training. This includes increasing investment in training and career development for our career civil service and employing a suitable financial management system to track expenditures. The Department's 2011 budget provides \$463 million in General Administration to support these vital corporate management activities. This includes \$23.6 million in support of the President's initiative to strengthen the acquisition workforce.

We will place particular emphasis on increasing our investment in training and career development—helping to ensure that VA's workforce remain leaders and standard-setters in their fields, skilled, motivated, and client-oriented. Training and development (including a leadership development program), communications and team building, and continuous learning will all be components of reaching this objective.

Capital Infrastructure

VA must provide timely, high-quality health care in medical infrastructure which is, on average, over 60 years old. In the 2011 budget, we are requesting \$1.6 billion to invest in our major and minor construction programs to accomplish projects that are crucial to right sizing and modernizing VA's health care infrastructure, providing greater access to benefits and services for more Veterans, closer to where they live, and adequately addressing patient safety and other critical facility deficiencies.

Major Construction

The 2011 budget request for VA major construction is \$1.151 billion. This includes funding for five medical facility projects in New Orleans, Louisiana; Denver, Colorado; Palo Alto and Alameda, California; and Omaha, Nebraska.

This request provides \$106.9 million to support the Department's burial program, including gravesite expansion and cemetery improvement projects at three national cemeteries—Indiantown Gap, Pennsylvania; Los Angeles, California; and Tahoma, Washington.

Our major construction request includes \$51.4 million to begin implementation of a new policy to expand and improve access to burial in a national cemetery. Most significantly, this new policy lowers the Veteran population threshold to build a new national cemetery from 170,000 to 80,000 Veterans living within 75 miles of a cemetery. This will provide access to about 500,000 additional Veterans. Moreover, it will increase our strategic target for the percent of Veterans served by a burial option in a national or state Veterans cemetery within 75 miles of their residence from 90 percent to 94 percent.

VA's major construction request also includes \$24 million for resident engineers that support medical facility and national cemetery projects. This represents a new source of funding for the resident engineer program, which was previously funded under General Operating Expenses.

Minor Construction

The \$467.7 million request for 2011 for minor construction is an integral component of our overall capital program. In support of the medical care and medical research programs, minor construction funds permit VA to realign critical services; make seismic corrections; improve patient safety; enhance access to health care; increase capacity for dental care; enhance patient privacy; improve treatment of special emphasis programs; and expand our research capability. Minor construction funds are also used to improve the appearance of our national cemeteries. Further, minor construction resources will be used to comply with energy efficiency and sustainability design requirements.

Summary

Our job at the VA is to serve Veterans by increasing their access to VA benefits and services, to provide them the highest quality of health care available, and to control costs to the best of our ability. Doing so will make VA a model of good governance. The resources provided in the 2011 President's budget will permit us to fulfill our obligation to those who have bravely served our country.

The 298,000 employees of the VA are committed to providing the quality of service needed to serve our Veterans and their families. They are our most valuable resource. I am especially proud of several VA employees that have been singled out for special recognition this year.

First, let me recognize Dr. Janet Kemp, who received the "2009 Federal Employee of the Year" award from the Partnership for Public Service. Under Dr. Kemp's leadership, VA created the Veterans National Suicide Prevention Hotline to help Veterans in crisis. To date, the Hotline has received almost 225,000 calls and rescued about 6,800 people judged to be at imminent risk of suicide since its inception.

Second, we are also very proud of Nancy Fichtner, an employee at the Grand Junction Colorado Medical Center, for being the winner of the President's first-ever SAVE (Securing Americans Value and Efficiency) award. Ms. Fichtner's winning idea is

for Veterans leaving VA hospitals to be able to take medication they have been using home with them instead of it being discarded upon discharge.

And third, we are proud of the VA employees at our Albuquerque, New Mexico Clinical Research Pharmacy Coordinating Center, including the Center Director, Mike R. Sather, for excellence in supporting clinical trials targeting current Veteran health issues. Their exceptional and important work garnered the center's recognition as the 2009 Malcolm Baldrige National Quality Award Recipient in the nonprofit category.

The VA is fortunate to have public servants that are not only creative thinkers, but also able to put good ideas into practice. With such a workforce, and the continuing support of Congress, I am confident we can achieve our shared goal of accessible, high-quality and timely care and benefits for Veterans.

Mr. EDWARDS. Mr. Secretary, thank you again for your comments, and even more importantly for your leadership for the V.A. We know it is a labor of love, not just a job for you.

Members, we are going to follow the 5-minute rule.

And Mr. Secretary, I would just begin with one question after making a brief request.

And my request is this. After 3 years of significantly increasing funding for the V.A., we know there are still unmet needs out there. Each of you deals with those unmet needs every day.

I think it is vital to earn the trust of the American people, that we have not only done the right thing to increase funding for veterans, but that we are working hard every single day to see that every dollar that is being spent efficiently and effectively, and for the highest priorities. And I think that trust will be vital for us to have any opportunity to continue the kind of forward push we have been making for funding for the V.A.

And so, I would urge each of the leaders here to work, as I know you must be trying to do. But I would want to emphasize the importance of it, to see that we use these dollars effectively and for direct care—not overhead, not just extra administrative costs, but for direct care and benefits for our veterans.

CLAIMS BACKLOG

Mr. Secretary, my one question would be on the claims backlog issue. You referenced this briefly in your comments. We know it is an enormous challenge.

It is frustrating that we started three years ago increasing funding for claims processors dramatically above budget request, and I think actually funded an increase potentially of 8,300 new claims processors.

Could you summarize again just how we got here, and how do we get out? What have been the numbers in terms of increased claims coming in each year? What have been the numbers in terms of claims processed? And what is the endgame here? Is it going to get worse before it gets better?

Secretary SHINSEKI. Mr. Chairman, this is the one area that I spend a good bit of time on. And 2010 for me is dedicated to looking at this backlog issue.

I spent time on it last year, but the 9/11 G.I. Bill came along and required a little bit of my attention. So, I am fully onto the claims process this year.

Let me just say that last year we processed a record number of claims—977,000 claims were processed last year. And then, we received in return a million new claims.

Now, this is a numbers game we have to get out ahead of and that is why our efforts this year are important in several areas.

First of all, we have increased VBA's budget by a record 27 percent to give them the wherewithal to deal with the number of claims that are coming in. With that they will be able to hire about 4,000 additional claims processors.

Right now, because the Veterans Benefits Administration is essentially a paper-bound organization, we are in desperate need of information technology tools, and we are developing them. So, for

the time being, the 4,000 allows us to accelerate, to keep up with this increased surge.

Now, some would say there is something wrong with a million new claims coming in. My response is, I am not so sure, because we are making a big effort to outreach to veterans who have never used us, who do not know about us and there are sufficient examples of that when I travel. I see this as a response to a successful outreach program, that folks who have never applied for their benefits are suddenly beginning to do that.

But it is still a numbers game. We have to get out ahead of it. For the time being, we have no information technology tools that will absorb that surge, so we have to do it the old-fashioned way, sort of brute force. We hire people and we train them, and there is a period during the training where they are not fully up to the level of performance that they will be. We have to invest in that train-up period.

In time, we are able to address the numbers but at the same time, I.T. is a solution for us.

We are doing four pilots. These pilots have been underway for a bit. The first pilot in Pittsburgh is intended to develop high-quality claims that have the potential for passing through the system one time with a good outcome for the veteran, that the veteran will be pleased with and then, if the veteran feels there is a re-addressal need, it is still appealed. The appellate process is still there.

But this is a change for us. This is not handing the veteran a checklist of things to do and gather, and come back when your claim is complete. This is V.A. sitting down with the veteran, treating him as our client, much as you would preparing a legal brief, putting together the strongest argument to win that case. That is our claim at that point.

The VSOs are invited to be involved.

This is a change in the relationship. In time, I think this will have huge dividends in terms of advocacy being the culture that is accepted as V.A.'s way of doing business, as opposed to some of the adversarial circumstances we sometimes hear about.

A second pilot in Little Rock, Arkansas, is about business process reengineering. When this high-quality claim arrives, who touches it first? How many people have to touch it before we get to a decision? What is the efficient arrangement of the work force and their tools to get to a high-quality decision quickly?

Providence, Rhode Island, is a pilot on automated tools. What are the tools that are needed to automate these processes that I have just described?

We made the automation piece separate. We did not want to necessarily just automate processes that have been troublesome for some time and just get lousy decisions faster. We wanted to get efficiency here, and then automate it, so we have this thrust and improvement.

And finally the fourth pilot, which we think is next most important to the one in Pittsburgh, is to create the Virtual Regional Office of the future with new tools, a new working relationship with veterans and a reengineered business process. And then, how do we very quickly distribute those capabilities across the nation?

Today, of 57 R.O.s, I would venture to say there is a number one R.O. and a number 57 in terms of how they make their decisions. We do not necessarily want 57, but neither do we want one.

What we want is some massing around 29 and 30, so that we have achieved a standard across the nation, so that veterans whose claims are adjudicated in San Diego have a sense that there is fairness in the system, and that the same kinds of adjudications are being done on the East Coast. This is important for us, because without the electronic capability, it is difficult to manage that. This way, we can see what our performance is, where our variances are, and we can begin to home in on a standard.

So, we think there is good effort going to go into the backlog issue this year. But this is part of that larger discussion of transforming the Veterans Benefits Administration—good folks who come to work every day, who are paperbound, where, in the Health Administration we have probably the world's best electronic health record. We have just got to bring our capabilities to get there.

Mr. EDWARDS. Thank you, Mr. Secretary, for your focus on that. Let us know how we can work together.

Mr. Wamp.

Mr. WAMP. Mr. Chairman, as we consider the votes for the day, I just want you to know, I probably have three rounds as we go, with two questions each time.

Following up on the backlog claims issue, obviously, 27 percent increase gets your attention. I appreciate your commitment to this.

Short answer, please. With this increase, when this is funded, will we see a dramatic reduction in the backlog?

Secretary SHINSEKI. Mr. Wamp, you would have seen a dramatic decrease in backlog, if the Secretary of Veterans Affairs had not made, at the same time, a decision on Agent Orange last October that added three new diseases to the list of presumptions for Vietnam veterans.

We added Parkinson's, we added ischemic heart disease, and we added hairy cell B leukemia. That will add several hundred thousand cases. So, my sense is, there will be an increase in the inventory, total number of cases.

With the pilots and with the 27 percent additional resources for VBA, there will still be some increase in backlog and some increase in processing time but we intend to shape and control that, such that by 2013, we are back to where we are today. And where we are today is, with the investments we have already made, we have taken processing time from 190 days to 161, headed to 125.

We will be about back there in 2013, and headed to eliminating the backlog at that point.

Mr. WAMP. And that is what the subcommittee needs to be aware of as we go forward. Plus, if you are successful eliminating, but certainly reducing the number of homeless veterans, that is 135,000 potential new cases right there.

So, you are going to have an increase even though the funding is ramped way up, because of the new benefits and the outreach to make sure that all the veterans that have access to the V.A. are coming.

Now, you said 161 days, and that is what I have heard, as well. When will we have the 125-day assurance for a wait?

Secretary SHINSEKI. I will give you a target. It is 2015, Mr. Wamp. I will not put an assurance on that. Lots of things will happen between now and 2015.

Mr. WAMP. All right. Thank you, Mr. Secretary.

Others are watching today, not just those that are participating, because of our C-SPAN cameras. I was thinking heading into today, because of your life experience, what are the significant, big challenges for the Secretary of Veterans Affairs in 2010 that we did not experience 30 years ago?

What are the biggest differences between now and then?

Secretary SHINSEKI. Well, I can tell you what I am focused on this year, Mr. Wamp. It is taking this backlog and doing something about it. Even though I am not able to end it this year, I intend to put in place the systems and procedures that will give us that look at the end of the tunnel where we can see where we are headed.

The second focus of mine is to remind—and it goes back to your opening comments—very little that we do in V.A. originates here. And so, it is, for me, important to build good, strong working relationships—but beyond relationships, good procedures with DOD, so that we are linked in the important ways—not operationally, but certainly in the way veterans are transitioned from active service, whether they are active Guard or Reserve members, transitioned from their active service into veteran status.

We need to do that better. And the fact that we do not do that as well as we might contributes to the backlog problem, as well.

But there are other issues here. There are ongoing, everyday exposures that occur with military service. I think we have to be better in synchronizing with DOD our relationship to recognize it early, do the right thing in terms of establishing a profile, a base line on health care, whether that takes blood or tissue samples, or some kind of physical that will allow us to understand where that individual's health care exists at a given point. We will be treating that veteran well into the 70s and 80s years of age and that is a much longer span of time in which health care, continuity of care, prevention, all those things get to play, if we have a good base line.

I would just offer that currently on our list of beneficiaries, the V.A. still has two children of Civil War veterans today that we care for. There are 151 beneficiaries from the Spanish-American War. That was two centuries ago.

So, the decisions that are made operationally on behalf of the country have a long-term effect for these individuals. And V.A. is the organization that has to deal with it.

VETERANS HISTORY PROJECT

Mr. WAMP. And I do not want to lead you, but having been involved in the Veterans History Project at the Library of Congress, and having World War II, Korean veterans participate that never shared anything—I think all the way through the Vietnam era, our veterans were not encouraged enough to share their experiences and their mental challenges beyond their physical challenges. There was so much buried.

We ask today's veterans to come back and share what is going through their mind and their life, the challenges, and then meet

those needs so that they can return to productivity and normalcy as much as possible. This is a new era to me.

I see this every day, where this era is very different than the eras of our fighters in the past. I have been to funerals where they showed the World War II veterans visual testimony at the Library of Congress and the Veterans History Project, because their family had never heard it.

They had never, ever heard it, and they did not show it until they had died, while today's veterans are encouraged to come back and share this. This is the whole PTSD story. And I will get to that in the next round.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Wamp.

Mr. Salazar.

NEW CEMETERIES

Mr. SALAZAR. Thank you, Mr. Chairman.

And it is an honor to have you here today, Mr. Secretary. I just wanted to thank you for your consistent work on helping rural veterans, not only across Colorado, but across this country. And I also wanted to commend you on the change of policy where you can help rural veterans' access to cemeteries.

You mentioned about creating five new cemeteries this year. What are they? Which ones are they?

Secretary SHINSEKI. Let me get to my notes here, Mr. Salazar.

The five new cemeteries, national cemeteries—east central Florida, Omaha, western NY, southern Colorado and Tallahassee. I was sure about one of them. I had to check on the other four.

PHARMACEUTICALS

Mr. SALAZAR. Well, we appreciate your work for the southern Colorado veterans.

Let me just ask you briefly, as we continue this debate on health care, yesterday, Mr. Berry and I and others actually introduced legislation that would allow the Secretary of Health and Human Services to negotiate prescription drug prices, maybe even using the V.A. as a model. We understand that the V.A.'s pharmaceutical drug prices are about half of what Medicare pays. And this is a good way to save the American taxpayer money.

Do you and the Secretary of Health and Human Services work together? Maybe, do you give her any ideas, or can you give her any ideas as to how we can maybe make something like this work?

Secretary SHINSEKI. Congressman, I have not personally had the discussion with the Secretary of HHS, but I have had my people reach out to not just HHS, but to DOD as well, to demonstrate what we do, what we have been able to negotiate in terms of pharmaceutical prices, and offered where appropriate to put people on our system, but also to share what we have been able to achieve with other departments.

So, my guess is it is in the department. I have not personally discussed it with Secretary Sebelius.

Mr. SALAZAR. I would encourage you to offer advice to the secretary. You have a great model.

Let me just also ask you, in my district in Pueblo, Colorado, there are concerns about removal of a VSO from Pueblo. I guess he serves over 22,000 veterans.

And do you have any information, or does anyone in your organization know of the Pueblo VSO being removed for—I do not know for what reason—or the office closed, I guess?

Secretary SHINSEKI. I am not aware of that issue, but I will be happy to provide you a response for the record. I will follow up. I am not aware of a VSO being closed.

Mr. SALAZAR. Right. Thank you very much.

I yield back, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Salazar.

Mr. Crenshaw.

NATIONAL CEMETERIES—CHANGE IN POLICY

Mr. CRENSHAW. Thank you, Mr. Chairman. And Mr. Secretary, welcome back to the committee. I know you have got a long and distinguished career of taking care of the men and women in uniform. And I want to thank you just for your dedication and time to all the problems that are being faced by your department, not just the big problems, but the little problems. And thank you for that.

A couple of questions. First I want to ask you about, I saw in this year's budget, you have got kind of some money for a change in policy that relates to national cemeteries. As I understand it now, I guess the old policy was, if there were 170,000 veterans within a 75-mile radius, then they would be eligible for a national cemetery. You are going to change that to 80,000, which, as I understand it, is going to entitle an extra half-a-million veterans to be close to a national cemetery.

And I can tell you first hand, in my community in Jacksonville, Florida, the closest cemetery when I was first elected was about 200 miles away. A new cemetery was just opened last year. And I do not think many things in Congress that I have worked on have had as big an impact on me or the community that I represent as has this national cemetery. It is just magnificent.

And the way they have done it, as you know, they can fast-track. And while it is going to be a 500-acre facility, right now there are about 20 acres. There are 15 ceremonies taking place every week. There were 1,000 headstones.

So, I think an effort to make more national cemeteries available around the country is very, very laudable. I would love to help in any way I can. I know that the subcommittee would as well.

I would like to ask you just how you came to this conclusion that you were going to lower that requirement to just 80,000 versus 170,000. Is that going to require additional funds from time to time? And will that change the timeline as these are developed?

Can you touch on those three issues?

Secretary SHINSEKI. Mr. Crenshaw, we arrived at a point with the old standard, we were above 90 percent satisfaction for that old standard. We also looked around and realized that most states had a standard, as well. And they came up to, in varying locations, up to that 80,000 mark.

There was a gap between our number and theirs and so, we decided to serve states and also serve veterans by moving our standard in the direction of providing additional burial capability.

You are correct in the statement of the new standard, 75 miles of an 80,000 population. We intend to have a cemetery located in that population.

It will take us a while to get to all of those, but five cemeteries next year is the first installment. And then we will see what the requirements are, because, as you know, veteran populations tend to move as well. And we need to sort of stay abreast of that.

Mr. CRENSHAW. Let me just real quick. Are the five that are being built—or funded—this year, were they under the old 170,000? Or are they part of that, the new guidelines of 80,000?

Secretary SHINSEKI. They are under the new guideline.

Mr. CRENSHAW. Thank you very much.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. ISRAEL.

Mr. ISRAEL. Thank you, Mr. Chairman.

CLAIMS BACKLOG

Mr. Secretary, I am so pleased that the V.A. is under your leadership. And thank you for your service.

I have a quick question. I need a quick clarification on the claims backlog, and then I want to talk about veterans' homelessness in the time that I have.

I keep hearing different figures as to the total volume of claims dating back to the oldest claim. Can you tell us, what is the total number of claims in the system right now?

Secretary SHINSEKI. That varies from day to day, congressman, but I would say it runs around 400,000 to 450,000 claims in the whole inventory.

Mr. ISRAEL. In the entire system.

Secretary SHINSEKI. Yes.

Mr. ISRAEL. So, dating back to World War II, you know, World War II veterans who have put in claims.

Secretary SHINSEKI. I do not know how far back that estimate goes. Generally, the inventory for the last several years, at least, has been four—let me just broaden the aperture a little bit—someplace from 400,000 to 500,000.

Mr. ISRAEL. That is fair enough.

Secretary SHINSEKI. Of that number, usually 150,000 to 170,000 of them are backlogged. In other words, they are older than 125 days.

Mr. ISRAEL. Got it. Okay.

Secretary SHINSEKI. As I said last year, we pushed out 977,000 claims. So, with rare exception, the backlog usually is not the same set of claims. There may be some that are long-term issues where development of the claim is not complete. And so, usually there is turnover in the backlog.

HOMELESS VETERANS

Mr. ISRAEL. Thank you for that.

Let us turn to homeless veterans. Tonight, 131,000 veterans are going to go to sleep without a bed, without a roof, without a home. I consider this to be America's national shame. And I know you do, as well, and I thank you for the focus that you have brought to this issue.

You talked about the need for kind of a synergistic, holistic, integrated approach. It is not just the funding, it is the coordination and the collaboration that is vital.

Can you give us some specifics, however, as to what kind of investments? You talked about new investments for homeless veterans in order to achieve the goal of eliminating homelessness among veterans within five years.

Tell us specifically what you are proposing for this year and how you intend to use those funds.

Secretary SHINSEKI. This is a complex problem, congressman, and I am sort of learning as I go. I think if this was simple good people would have solved it.

I do think how our approach is different is, as you have indicated here, we do not look at this as finding 131,000 beds into which we can put people overnight. We have a prevention initiative, so that we are not adding to the 131,000, or backfilling the 131,000 as we are doing good work up front.

So, in developing this plan, it has been a comprehensive effort. We held two summits this year, V.A.-initiated or co-sponsored. The first one was on homelessness, and the second one was on mental health, which we co-sponsored with DOD. We participated in a third conference with DOD on suicides, because all of these things sort of roll together.

This year we put \$3.5 billion into homelessness in 2010. I would offer that 85 percent of that money is medical services. It is dealing with substance abuse, depression, PTSD, TBI, suicide ideation and a whole raft of requirements that go along with that.

And then out of this year's money, about \$500 million goes to the partners that we have out there on the ground, 400 to 500 of them, who are really the creative geniuses in dealing with homelessness. They know the veterans. They have dialogue with them. They can help us get them off the streets and then into safe shelter, which is what we work with them on.

And then we have to invest in other ways. Education, I would offer that the G.I. Bill is a huge part of being able to address the needs of returning veterans today, and allowing them to have a constructive program rather than finding themselves looking for work or fighting to survive.

So, a huge effort; 229,000 veterans have enrolled, and we are probably above 191,000 who are currently already on our payment plan where tuition, books and a living stipend is being provided to them. That is 229,000 veterans out of 565,000 veterans that are being educated by us in broad measure.

Second to the Department of Education, we provide education benefits to the tune of \$9 billion. So, that is a huge part of this.

If there is an opportunity to improve on the G.I. Bill, it would be to provide for veterans a chance to have vocational training. Not every youngster wants to spend four years, necessarily, sitting in a college seat, and they are tremendously talented and tremen-

dously dedicated to the work they do. Having an option to go vocational training would be a good adjustment here.

And then jobs. I mean, it is the ultimate requirement for us to provide good jobs. In V.A. we have a Veterans First program, where we seek to hire veterans, and contract with small businesses, and veteran-owned small businesses as part of our contracting mechanism.

We received about \$1 billion last year in the Recovery Act. We competed it, 99 percent of that, 98 percent of that and we got a 20 percent increase in our buying power, because we got competitive rates. Better than 80 percent of those contracts went to veteran-owned small businesses—important for us, because veteran-owned small businesses tend to hire other veterans, so that is the churn on jobs.

And then, finally, it is ensuring that there is a piece of this that figures for us, when 40,000 veterans come out of prison every year. And in order not to find them ending up on the streets, we need programs that reach into those facilities and ensure we have a good transition for them as well.

Many of them, the violent ones, are where they need to be but many of them ended up there, because of misdemeanors that led to a series of events that found them behind bars. And we are working to address those issues, as well.

Mr. ISRAEL. Thank you, Mr. Secretary.

Mr. EDWARDS. Thank you, Mr. Israel.

Members, let me just give you a quick floor update. We have three votes scheduled on the floor right now. We have seven minutes left in the first vote, but there have only been 16, now 17 members out of 435 who have voted. So, if you will trust me, I will watch this. And when we get to the point we need to leave, we will be sure we recess in time to get to the floor, so we do not miss that vote.

But it is certainly an honor to have Mr. Lewis, the ranking member of the full committee, former chairman of the full committee, who, as we all know, and as you know, Mr. Secretary, has spent a distinguished lifetime of service and support of our service men and women and our veterans.

Mr. Lewis, I would like to recognize you for any opening comments or questions you would like to offer.

Mr. LEWIS. Well, thank you very much, Chairman Edwards, for recognizing me. I must say, I was pleased to walk in just as my colleague, Mr. Israel, was beginning to ask questions about homeless veterans and what we may or may not be doing in connection with all of that.

If this subcommittee could commit itself to the direction that our secretary would take us relative to homeless veterans, I believe we can strike a major chord towards turning around a horrendous problem.

The homelessness problem began, I believe, many years ago in California, where we passed legislation that was designed to say too many of our citizens, because of illness and otherwise, are finding themselves in mental hospitals. And we had a tendency back then to just want to throw the key away. We put them in a mental

hospital, and that is taken care of. Society does not have to worry anymore.

We then passed legislation to make it harder to put people in institutions. And hand-in-hand with that was supposed to be a clinical process whereby those people—a very significant percentage being veterans—those people were supposed to go to clinics, get meds, et cetera. There was never the follow up that would allow us to make sure the meds were taken, and the like.

We would have a potential model here to deal with veterans who make up such a high percentage of this population. Patrick Kennedy and I have begun to talk about this issue, as well. And I would hope that the subcommittee would try to come together and focus, help the secretary focus on getting a handle on this.

It is a great opportunity for us, and we could make a real difference. So, other than that commentary, Mr. Secretary, I am proud to have you be my friend, and I am very anxious to work with you.

Thank you.

Secretary SHINSEKI. Thank you, Mr. Chairman.

Mr. EDWARDS. Mr. Lewis, let me just say thank you for emphasizing the importance of our responsibility in addressing the homelessness issue. I think it saddens all of us that there is even one homeless veteran anywhere in any community in this country. And what you saw in California, I think we saw to some degree in Texas, as well.

And I really look forward to working with you and the members of this committee to see if we can make a major push in solving that problem. Thank you for your emphasis on that.

Mr. LEWIS. Well, Mr. Chairman, if I could add. I think you know that, while our colleague Patrick Kennedy has suggested he is not going to run for re-election, there is no doubt he has a commitment to this arena. And there is a great contribution that can be made over these next several months with his assistance.

Mr. EDWARDS. And you just made one by emphasizing this ought to be a high priority. And I will follow up on that, and we will work on that.

Secretary SHINSEKI. Mr. Chairman, if I could—

Mr. EDWARDS. Yes, Mr. Secretary?

Secretary SHINSEKI [continuing]. Just take just a moment here and just thank Congressman Lewis for the observation.

I just want to offer, here is what I wrestle with every day. That is, I have two images of young people who serve, men and women who serve or have served in uniform. The one we are all familiar with, and that is, every year 60 percent—I think around 60 percent—of our high school graduates go on to college, junior college, university, some higher form of education.

Of the remaining 40 percent, a good many of them go into vocational training, some directly into the work force. A very small percent join the less than 1 percent of men and women wearing this country's uniforms.

And of that 1 percent, I am intimately familiar—I spent 38 years with them. They go through all the preparations, whether you call it basic training or boot camp. They prepare for joining high performing organizations that are well led, that are missioned.

And from the moment they join, they are trusted members of that organization. There is no apprentice period for them. If the unit deploys, they go, whether it is 2 months or 2 weeks. And they go off and they are given the toughest, most difficult, most demanding, sometimes impossible missions. And they do that without fail—better than we can expect.

A second image I will offer to you is the one that I am troubled with, and it is the one that Congressman Lewis raises. And it is a very much smaller population. But veterans are disproportionately amongst our homeless, amongst our depressed, amongst our substance abusers, amongst our jobless. And I offer, these are the same kids in both of those two images. There is no difference between them.

And we have to figure out—and that is what V.A. intends to do, how to keep the youngsters in image one continuing to be the high performers that they are, and to reach into image two and begin to solve some of those problems, so that over time we are not dealing with this.

The same youngsters. It is not about them. It is about us.

Mr. EDWARDS. Thank you, Mr. Secretary, and we look forward to working with you on that important challenge.

Mr. Wamp, let me ask you. We show 1 minute and 30 seconds left. Seventy-eight people have voted. Should we recognize Mr. Berry? Or do you want to recess and go vote and come back?

Mr. WAMP. You should ask Mr. Berry that question, not me.

Mr. EDWARDS. All right.

Mr. Berry.

If members feel they need to go to cast a vote, I would be happy to stay here with you, Mr. Berry, for you to ask your question. Or we can wait till after the vote. It is your call.

All right. Well, then, let me just say, I would like to underscore what Secretary Shinseki said. Thank you for your tremendous leadership, particularly in health care, on this subcommittee. We will miss you in the years ahead. But our veterans will be the beneficiaries of your work on this subcommittee.

SOUTHEAST ASIA

Mr. BERRY. Thank you very much, Mr. Chairman.

Mr. Secretary, I share the entire committee's and the country's appreciation of your distinguished service. And we thank you for what you do.

My question is—and you and I have talked about this before. But you mentioned earlier in your testimony that I believe you had administratively broadened the presumptions where veterans would be covered for certain things that had not been presumed earlier.

Is it possible to deal with the issue of the veterans that served in Southeast Asia, but cannot document that they were in Vietnam or Cambodia, or wherever it happened to be—is it possible to deal with that administratively?

Secretary SHINSEKI. Congressman, I am not sure that it is able to be dealt with administratively. I am researching that issue.

The majority of folks that operated in Cambodia I am aware had presence in Vietnam at some point. And to qualify, it does not require any stipulated number of days or location, or where. So, what

I need to do is narrow down the folks who may have only served in Cambodia, inserted by air, extracted by air, and find what that population is and get you a better answer. And if I might, I will provide that for the record.

Mr. BERRY. Thank you, sir.

Mr. EDWARDS. Mr. Berry, thank you.

Judge Carter, I want to give you the same opportunity we gave Mr. Berry. We have no time remaining, but there have only been 125 members who have voted, so I would be happy to recognize you now.

CLAIMS BACKLOG

Mr. CARTER. I will try to make it brief. And I have had a good visit with the secretary.

Mr. Secretary, I enjoyed the visit very much. We talked about a lot of these questions. And the first question I talked about is backlog, and you and I discussed that. That is what I have here.

But as a follow-up question to the backlog question, I am told that word is out among our veterans that if you are experiencing delay, with Post-9/11 G.I. Bill benefits, call your congressman, and you will be paid within three to five days.

While we appreciate the prompt response to our inquiries, I can only assume that this practice pushes everyone else further behind. Unfortunately at this point, we have cases of veterans being told their claims take up to eight weeks, which leaves the veteran little alternative but to involve their congressman.

I understand that this budget intends to help the problem. But in the near term, is there something the department can do to help veterans access their benefits in a timely manner and reduce Congress' role in the process?

Secretary SHINSEKI. Mr. Carter, let me just say, 9/11 G.I. Bill, we started without any automated tools. We still do not have any automated tools. The first tools arrive 1 April, 1 July, November. And I will think there will be a fourth set of tools. We will be fully automated this year.

Last year we began in August with zero veterans enrolled. We finished in December with 173,000 veterans in school being paid by us. A rocky start, we learned as we went.

By comparison, this spring semester, 1 February, 131,000 checks were flowing to veterans—zero versus 131,000. At that point there were 153,000 veterans enrolled. We were paying 131,000 of them.

We are knocking these claims down at about 7,000 a day. So, my sense is, the eight-week wait is an aberration, if it exists, or it may be old data.

Today, there are 229,000 veterans enrolled, and we are paying 190,000 plus of them—again, knocking down those claims at 7,000 a day. So, within a matter of days we are able to address this.

But for the 8-week wait, if they will get hold of me, I am happy to give it personal attention.

HOMELESSNESS

Mr. CARTER. Thank you. Thank you, Mr. Secretary. I appreciate it.

And we discussed this a little bit, in addition to the issue of mental health. Having sat on the bench for 20 years and dealt with all these issues, the courts and the states—the courts forced the states to turn loose people—back in the 1960s and 1970s. And the whole country failed the mental health community by putting people on the streets that needed additional help, and we continue to do that today.

It is a concept that was a freedom concept, but they did not have the backup to support these people once they are out on the street. And that is why we have so many confused, depressed and schizophrenic homeless people on the streets today, because we just failed as a country to take care of that problem.

And each state has to bear some responsibility, and Texas bears quite a bit of their own.

So, it is an issue. And if we started with veterans, it would be a big step to change a lot of criminality in this country. It really would, because then the states, we could possibly take and shame into taking care of their business, because they do not take care of it to this day.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Judge Carter. With your background as a judge dealing with mental health cases, you know, we would welcome your leadership. Maybe we will put together an ad hoc group of our subcommittee members to really focus like a laser on the homelessness issue.

Mr. CARTER. Love to do it. Love to do it.

Mr. EDWARDS. That would be great.

We will stand—we do have additional questions, Mr. Secretary, so we will stand recessed until the end of the third vote.

Thank you.

[Recess.]

Mr. EDWARDS. I would like to call the subcommittee back to order.

Mr. Secretary, thank you for bearing with us during those votes. And we would like to begin the second round with questions.

Why don't we begin by my recognizing Mr. Wamp?

Mr. WAMP. Thank you, Mr. Chairman. I was enjoying a bite of Snickers from your district, I understand, with almonds in it.

Mr. EDWARDS. Good product.

MENTAL HEALTH

Mr. WAMP. We do not want to encourage that—not too much, but just enough.

Mr. Secretary, I want to thank you for your willingness to consider a program—and I know programs are always hard to even sort through when you have got a big agency like yours.

But I had the privilege to get to know retired Marine Captain Carl David Hogsett, Jr., whose pen name is Silouan, because he wrote a book about his PTSD experience. It is compelling.

In Tennessee, Kentucky and Indiana, he is very well known now among the veteran community, because of the extraordinary depths of hell, so to speak, in his experience with PTSD and his recovery, and what he went through. He developed this entire program called The Ladder, and he speaks extensively now, because he is

an author. Many veterans have read his travails, his story and his recovery.

I think that is important, that as we add money and address this issue, as comprehensive as it is, that we get real, live veterans involved that have been through it, especially those that have dealt with it in the amazing way that he has dealt with it, in terms of restoring his life to a very productive level even though, as he told me, he was in a place where he did not want to be in a lit room. He wanted to be in a totally dark room where he could just completely withdraw from the world for days at a time. It was that bad with PTSD.

So, this is compelling. And I have provided the materials, and understand that your staff is really looking at it. I think the more we can engage people like him, and not assume that staffers, as competent as they are, or people that have not been there can even fathom what these veterans are going through.

And so, I raise that issue with gratitude that you are considering his work and others like him that could make mighty contributions to addressing this problem, because this problem, as you and I talked earlier today, is not just combat-related incidents, but it is non-combat. He actually was involved in a training crash where he was successfully ejected, but the co-pilot was ejected into a pole, which completely dismembered his body as he watched.

These challenges are enormous, and even today, I read stories of females and sexual abuse and all the different contributions to PTSD. I just want you to address what we are doing to make sure, first, with this fresh story, that females have full access to PTSD benefit like males, and that we also give attention to non-combat incidents as well as combat incidents with PTSD, because this is a very broad issue now.

And again, thank you for your commitment to this. But this is one on the mental health side that we really have to get to the bottom of, because a lot of our veterans are in a really bad way when they come home with PTSD.

Secretary SHINSEKI. Well, Congressman Wamp, I think you have put your finger on one of these issues that are generational. I can go back and pull an article out of the 1940s, and read about General Omar Bradley sitting at a testimony table like this as the secretary of then what is today Veterans Affairs, talking about the same issue here without using PTSD. It was a different name, different issues, but the similarities are striking.

I think this is a generational issue. I was down in University of Southern Florida and spoke to some of the young veterans, asked how many of them are combat veterans. Most of the hands went up.

In the dialogue I suggested to them that they are all carrying baggage, just like we all did. And there is a transition period that you have to go through coming from that hyper-vigilant, high precision, high risk, a lot of threat environment and work your way back down into what is the college campuses we all know.

One of the things we are doing is, at the University of South Florida and Cleveland State and San Diego State we have pilot VetSuccess offices there with a V.A. employee with voc rehab skills. This office becomes sort of the organization around which the vet-

erans come in, and they get all kinds of assistance and linking in with the administration of the school.

But on those tough days where they need more help, this is the conduit to get them into our V.A. hospital system where mental health professionals wait to provide them the help—just the help they need to get them through those tough days or two, so they can get back on their feet and do what we expect, and that is, graduate out of that institution.

I would just offer that, in 2011 we have put in the mental health budget \$5.2 billion. It is an 8.5 percent increase over the substantial monies we put in this big 2010 year. So, we continue to see mental health, which includes the PTSD and TBI, and depression and other things that result when treatment is not provided properly, early on, to deal with some of these issues.

In research, we have increased mental health research, specifically, 15 percent from 2009 to 2011, over this 2-year period. We are continuing to increase our investments in mental health research.

We have also initiated a comprehensive study of Vietnam era women veterans to explore the long-term effects of military service on mental as well as physical health.

So, this whole aspect of mental health is important to us, and we are reaching out in a number of ways.

Your comment about PTSD not necessarily being dependent on combat activity is an appropriate one. I have a similar experience of a youngster coming out of Bosnia, which was not a combat situation, but exposed to some of the horrible circumstances that had to do with the mass executions there. And he was part of the security force once those mass graves were discovered, securing a crime scene, and lived with that image and in that environment, from smell to the physical aspects of it for weeks. And there was impact.

So, very clearly, stress is the key word here, not combat, post-traumatic stress syndrome. And the stress comes in many different experiences.

Mr. WAMP. Just want to underscore in closing, the value, I think, as we try to reach out to these veterans of having someone who has actually been there is invaluable, versus the people who work for the V.A. who have not been in this condition.

And that is why I hope you can continue to identify people like Captain Hogsett who have actually experienced PTSD in a way that becomes so real. I think veterans are much more inclined to share and open up and participate with people who have been there than they are with just the public at large, or even the professional staff at the V.A.

So, thank you very much for your willingness to use people like Captain Hogsett—

Secretary SHINSEKI. We will reach out to—

Mr. WAMP [continuing]. To achieve this objective.

Mr. EDWARDS. Mr. Secretary, let me follow up on the mental health care issue, if I could follow Mr. Wamp's comments and questions.

Where are we in terms of research of and implementation of best practices on how to deal with sections that have PTSD and mental health care issues? Is their mental health system and our procedures pretty consistent from hospital to hospital? Or are we trying

radically different approaches from one hospital or one VISN to another? Where are we in that process?

Secretary SHINSEKI. Mr. Chairman, I am going to call Dr. Petzel up and ask him for that level of comparison. I would just tell you that, in the last several years we have hired something on the order of 6,000—

Dr. PETZEL. Additional mental health professionals.

Secretary SHINSEKI [continuing]. Additional mental health professionals we have added to the work force.

So, we now have their presence in all of our hospitals. And at all of our CBOCs we also have the capability to deal in this arena.

Because of the stigma associated with mental health, we have moved mental health into the primary care area, for the average, patient where they are seeing a primary care physician and having mental health—initial mental health discussions, as well. For the more serious cases, obviously, we have the formal program, mental health.

Let me ask Dr. Petzel to talk about the hospital-to-hospital comparisons. Thank you.

Dr. Petzel.

Dr. PETZEL. Chairman Edwards, the V.A. has embarked on an attempt to standardize and systemize the treatment of PTSD. There are two therapies that have a good evidence base published in the last several years. And we have embarked on a program to train our mental health professionals who treat patients with PTSD in these two cognitive-related therapies.

So, I think there is great progress being made in standardizing treatment and in making treatment available to veterans that is truly evidence-based.

And the other part of that is we are doing a very effective job of consistently screening all of those people that are returning from Iraq and Afghanistan for PTSD. In 2009, we screened over 26,000 veterans in the primary care setting, and that is growing every day. Right now, we have 397,000 veterans who are receiving care for PTSD within the V.A., and 69,000 of these are OEF–OIF veterans.

So, I believe we are making great progress in standardizing both evaluation and therapy of patients with PTSD.

Mr. EDWARDS. Great. Do you think, Dr. Petzel, that we need to do a lot of research in this area? Or are you using money within the V.A. medical accounts to test out different approaches?

Dr. PETZEL. We certainly do, Mr. Chairman, need to do a lot of research in this area.

As the secretary mentioned, our budget in 2011 for mental health research is going to be \$82 million. This represents 14 percent of the total research budget. And a large part of that is devoted to mental health research, PTSD research, some of the most important parts of which are these pre- and post-deployment studies.

We now have several pre-deployment evaluations of cadres of soldiers about to go and are in the process of now evaluating these groups as they have come back. We are learning a lot about the incidents of mental illness that occur in combat veterans and about

the things that are responsible during that combat experience for some of those issues.

So, yes, we need to devote a lot of money, we are devoting a lot of money to both PTSD research and mental health research in general.

Mr. EDWARDS. Are you working with the National Institutes of Health or the National Institutes of Mental Health? Are they doing any research that has direct application to the V.A. and how we can help our veterans?

Dr. PETZEL. Yes, Mr. Chairman. There are grants coming from the National Institutes of Health that do look directly at these issues. It is not a large amount of money, but there is money from both the National Institutes of Health and the National Institutes of Mental Health that is devoted to these types of problems.

Mr. EDWARDS. Okay. Thank you for that.

Secretary SHINSEKI. Mr. Chairman, I would just add, we are also reaching beyond just V.A. I mentioned earlier, we have conducted a mental health summit with DOD this year to synchronize our activities, as well. And then, as an extension of that, we have also had a co-conference on suicides, as well you know, a more serious issue that we have to deal with.

I would offer that V.A. has also stood up a suicide hotline that is nationally known. And it gets something on the order of 10,000 calls a month. And a good many of those calls are people in crisis. And we intervene and interrupt what could be a very serious outcome. So, it is the whole spectrum of mental health that runs to the very serious cases.

G.I. BILL

Mr. EDWARDS. Great. Thank you for that.

Secretary Shinseki, let me ask about the scholarship program that I have the privilege of being involved in. Frankly, probably the most humbling and gratifying privilege I have had in my time here in Congress was the work to pass the John David Fry scholarship program to provide a full G.I. scholarship, as you know, to all military children who have lost a mother or father in military service since September 11th of 2001.

Because we did not get that bill passed until the middle of last year, we agreed to work with the V.A. and not have that implemented at the very time you were trying to kick off the 21st Century G.I. Bill. It just would have slowed down the entire G.I. bill process. And we all know now how complicated that implementation has been.

But since these children, who may have started school or been in college last year, they qualified for the benefits last year. But the policy was they would not get their first checks until August or September of this year.

Can you give me some sense that the V.A. is really focusing on this? I can think of few people in this country that are more deserving of our nation's support than children who have lost mothers or fathers in military service. And I know no one would agree with that more than you.

But since they will have gone 1 year without receiving that college scholarship money, I just want to be comfortable that there is

no additional delay beyond the implementation date of this fall. Any sense of confirmation there that we are going to get this started on time and get those checks out rapidly when the program kicks in?

Secretary SHINSEKI. I will call on Mr. Walcoff here in a second.

Mr. EDWARDS. Okay.

Secretary SHINSEKI. Mr. Chairman, this is an issue I know you have given a lot of personal attention to and, in fact, carried this issue. We agree with you, and we are looking at the retroactive aspects of this. Let me get Mr. Walcoff here to provide a more detailed answer.

Mr. EDWARDS. Mr. Walcoff, for the record, will you please identify yourself, and then proceed?

Mr. WALCOFF. I am Mike Walcoff. I am the Acting Undersecretary for Benefits.

Mr. Chairman, I am able to tell you that we are on schedule for this. It is something we are very much aware of. We are working with the I.T. people and with all the supporting areas that have to be there for us to be able to process those claims. But we are on schedule to be able to implement as you said.

Mr. EDWARDS. Do you have any estimate as to how many children of military families actually were in college last year that would have qualified last year for this funding?

Mr. WALCOFF. I do not know off the top of my head. I believe we have that information. I will have to get back to you on that.

FUTURE VETERAN POPULATION

Mr. EDWARDS. Okay. Okay, good. Thank you very much.

And Mr. Secretary, one last question, then I will return back to Mr. Wamp.

In the big picture of looking at V.A. health care budgets in the years forward, do I understand correctly that 2010 will mark the first year of an actual decline in the aggregate veterans population? Is that correct or not?

Secretary SHINSEKI. I missed the question. Decline—

Mr. EDWARDS. In 2010—we have been seeing an increase year after year in the total number of veterans in the United States. Someone had indicated that perhaps 2010 is the first year that number has leveled out. And because of the passing of our World War II veterans, many of our Korean War veterans and other veterans, the total veterans population is actually decreasing now.

I do not know what—certainly, the Iraq and Afghanistan wars have had an impact on pushing those numbers up. But where are we demographically in terms of this year? Maybe more importantly than this year, where are we going over the next 5 to 10 years in the expectation of total number of American veterans?

Secretary SHINSEKI. I have seen the estimates that look out 20 years. And the veteran population over 20 years, one estimate says that they will decrease by 47 percent.

Mr. EDWARDS. Over 20 years.

Secretary SHINSEKI. Over 20 years.

Mr. EDWARDS. Can you shorten that timeframe, say, over the next 5 years? What do the numbers look like?

Secretary SHINSEKI. I do not know when we hit that knee in the curve where it starts down. It may very well be 2010. But I would like to provide you a better answer for the record.

What I would offer though is, even though the overall veteran population, 23 million today towards this 20-year decline, we are very aggressively outreaching to the veteran populations. And the fact that, as I indicated earlier, we process 977,000 claims and get a million new ones in return, suggests that whatever that larger population number is, we are still reaching out to veterans.

And the 8.1 million veterans who are enrolled today, I do not think those numbers are going to go down. We will continue to see the success of our outreach programs, and our numbers, I think, are going to grow over the next several years.

There is a knee in the curve. I just owe you a better answer when that happens.

Mr. EDWARDS. So, while the overall numbers may be starting to trend down, then the number of veterans enrolled in the V.A. health care system you do not expect to be reduced. And I think you said in your opening comment the fact that veterans are living longer, as most Americans are, adds more expense per veteran than we might have had a decade or two decades ago.

So, you do not see anything happening demographically in terms of the number of veterans that would dramatically reduce the need for funding for V.A. health care. Is that correct?

Secretary SHINSEKI. I would just point out the note I have been handed here, that the overall veteran population has actually been dropping for a couple of years now, and is expected to drop from roughly 23 million in 2010 to 21 million in 2015. But that is the larger population of veterans.

My focus is the 8.1 million who are enrolled with us. Our outreach efforts are demonstrating we are being successful. And I am very happy with that. And so, I see that our enrollment numbers, there is going to be a different dynamic here.

Mr. EDWARDS. Okay. Good. Thank you.

Mr. Wamp.

CHATTANOOGA, TENNESSEE

Mr. WAMP. Mr. Secretary, looking across the concerns of the disabled American veterans, we have touched on many of their concerns that they shared with me today, but two that I wanted to raise in closing.

I am hopeful, Mr. Chairman, to finish here in five minutes and maybe even stick my head in the Energy and Water nuclear hearing across the hall, since I represent Oak Ridge.

But one thing they raise that I want you to be sensitive to is that, when we increase dramatically funding, the feeling from certain veteran groups is that the money does not trickle down low enough to actually benefit them directly. And that is the bureaucracy that you inherited, which is a necessary part of delivering a big government program like V.A. benefits.

But just be as sensitive as you can, and your staff, in making sure that there is an accountability function of the money getting to the veterans, particularly the disabled American veterans.

They also are concerned about CBOCs. You and I have talked in my office about how certain things, even with increased funding, are not happening, or cannot happen, or will not happen as fast as you would like to see.

I come from one of those areas in Chattanooga, Tennessee, of somewhat degraded service because we are two hours by car from any inpatient facility. We have made great progress at our outpatient clinic in the past, and we are in line in 2012 for funding for a super CBOC, which is really needed.

We are one of the highest service areas without a hospital immediately available, and the transport is difficult, dangerous, and mostly done by volunteer veterans in old vans. There was a wreck a few years ago, and people died.

These super CBOCs are real important. And I just want you to speak to what you are doing to hurry the money into these programs to build these super CBOCs as quick as possible. I did not want to mess up your timeline or try to accelerate or expedite this. But I am very interested in these larger CBOCs and these investments in the outpatient clinic, so that you get as many functions of care to the veterans as possible, especially to avoid long travel to inpatient or overnight accommodations.

Secretary SHINSEKI. Well, Mr. Wamp, this is part of our effort of several decades now, to provide delivered health care to where veterans live. And you are familiar with our 153 hospitals and our 783 CBOCs, and our Vet Centers and our outreach clinics and mobile clinics, even to find veterans who are living in very remote areas.

Regarding the CBOC in Chattanooga, I believe is what you are talking about, we have the project being submitted in the FY 2012 major construction cycle. It is part of our plan to do this, and I will look to ensure that this stays on track.

Regarding the distribution of funds, we use something called the VERA model, which I think most are familiar with. It is the way we distribute, based on essentially veteran population. The model distributes 97 percent of the resources I receive in the health care budget. So, 97 percent is distributed out there.

Now, there is always unevenness between the various VISNs, and that requires them to come back in. And we go through an adjustment process of up and down. The 3 percent that is held in reserve is intended to take care of the headquarters sort of operations. But the majority of that is to adjust what the VERA model has put out there.

So, there is a process by which adjustments are underway. We have provided the monies out there. We are in the negotiation, if you will, with various VISNs who feel that they are a little bit short, and this may be the issue in this case. But there is some opportunity here to make right with them.

Mr. WAMP. I just want to thank again the undersecretary for his willingness to work with the City of Chattanooga, that is already identifying properties that may be made available, and their efforts to hold that property until which time the V.A. could potentially expand the Chattanooga National Cemetery. It is a cooperative effort, and your undersecretary is really responsive, and I am grateful for that.

Mr. Chairman, if I might slip out and try to catch that Energy and Water meeting. Nothing against Mr. Farr, but he came in. And if that is okay, I will just leave you with it.

And Mr. Secretary, thank you very much for your service to our country and your presence today.

Secretary SHINSEKI. Thank you, congressman.

Mr. EDWARDS. Mr. Wamp, you have my proxy on the Energy Committee, if you will go. Thank you for your time this morning. And I will commit to you that Mr. Farr and I will not do anything by unanimous consent that would undermine veterans care in Tennessee in your absence.

Mr. Farr, the vice chairman of our committee is here, and I know you, as all members, have had multiple hearings this morning and this afternoon. But thank you for your leadership on this subcommittee. We have already had two or three rounds, so I would like to recognize you for whatever time you would like to have to talk to the secretary and ask any questions you might want to ask.

CHILDREN'S HEALTH

Mr. FARR. Well, thank you very much, Mr. Chairman. It is an honor to serve with you as vice-chair. I am so proud of your leadership in this and for veterans in this country. And it is indeed a pleasure always to have my general, my secretary, Mr. Shinseki, here for this hearing.

It is interesting. One of the issues I am involved in is child nutrition. And the whole issue we are doing on child nutrition, the school feeding program, was started by Harry Truman in order to grow healthy kids, so they could qualify to get into the military. And we are back to that today, that an incredible percentage of American youth cannot qualify to be in the military because of obesity.

I think that we are going to try to raise healthier children for healthier soldiers and healthier veterans. And I appreciate your leadership in it.

You have discussed a lot of the questions about backlogs and how do we get people off the streets. We are doing a wonderful job of building in our communities locally—you know, paid for locally—homeless shelters. And we really have full services in those shelters, which are really helping people get back into recovery.

EXTENDING CALL CENTER HOURS

But one of the things we have found is the veterans coming in to enroll in the universities and everything have had difficulty in communicating with the call center, because the call center is in different time zones. And I know I mentioned this to you when you were in my office. Have you considered extending the call center hours to accommodate the West Coast veterans?

Secretary SHINSEKI. Mr. Farr, this is something that we are working, and I will have you a better answer when we have implemented it. But it is a good point, that our call center services need to address the time differences in this large country of ours. We will do better at it.

Mr. FARR. Well, thank you, because I do appreciate what you have done to clean up the administrative backlogs. And I think you

are being very management wise in that, and I appreciate that leadership.

CALIFORNIA STATE CEMETERIES

The other area which is really—it is one that the chairman is sick and tired of hearing about. I think the whole committee is. That is why they all left, because they know I would bring it up.

But when Fort Ord closed, which was the largest military training base in the United States—in fact, to this day, it is the largest military base to ever close in the history of this country—28,000 acres, there were about 33,000 people. And what we have tried to do is, with some of that land that the DOD owned and has transferred back to the community, is build a national cemetery.

But we can't on the Monterey Peninsula. That is where California government began, it is where the oldest presidio in the United States still operational exists. And so, you have this extensive history of military. And to this day, with the Naval Postgraduate School and the Defense Language Institute and a bunch of other service programs going on we still have a large military footprint, and we have been trying to convert this former base into a national cemetery.

But because there is one over in the San Joaquin Valley, which is within 70 miles as the crow flies, we are not eligible, because it is a geographical restriction.

You have the authority to look at this 70-mile radius and suggest that we squeeze it and make it, instead of a round circle, an elliptical circle, which would take in the entire coast of California, and from San Francisco. And certainly, that is where the people are. They want to come, because the cemetery in the San Joaquin Valley has no support services.

I did a town hall meeting last night. And one of the questions come from a woman, who says, "My husband died 12 years ago. I have his ashes in my closet. And I am just wondering, can I bury him in Monterey? Because I don't want to go over to Santa Nella."

And that is the thing that I hear over and over again.

They tell us that we cannot build a national cemetery there until you have fully filled the one in existence. That is going to take a long, long time.

This site is ready to go. We applied to have the plan B, the state option. But California, as you know, is not building cemeteries. I wish they were. I wish they were doing what your home state has nine, I think, state cemeteries. But California has chosen not to go that route, regardless of who the governor is.

It is not a partisan issue. It is just they have decided that their priority is in the housing of soldiers in the retirement homes and the rest homes. And they will put their money—and a lot of that money is federal money—into that initiative, and not into maintaining state cemeteries.

So, we have done a plan C, which was to try to raise the money locally for the state. It is having a lot of problems, because the economy is so flat.

But I would really appreciate it if you could look at this. A lot of talk in Washington is about bending the curve. Could we bend that circle? That is what I want to know.

If we bend that circle, we qualify. And I would really appreciate your help on that.

Secretary SHINSEKI. Mr. Farr, I assure you, I will go and look at this, personally, very closely. I think we have briefed you on where we are. And I think you are aware that the encouragement was to have V.A. work with California to create a state cemetery, as you have indicated. That is probably not going to happen.

So, let me go back, take a look at this, and see whether there is a solution we can come to that does not have a circle on it, and looks more like the elliptical that you suggest.

Mr. FARR. We have got the property. We have got title to it. We have a master plan for the cemetery built to federal standards, the national standards. And we are shovel-ready. So, if we can just get authorization and some money, we can go.

Secretary SHINSEKI. Okay. Well, I will be on the ground there in Monterey next month, and I will—or this month—and I will make it a point to look at this.

Mr. FARR. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Sam.

And let me just correct the record on one point. I will never get tired of hearing you fight for the veterans of your district and state.

And my mentor in this public service business was a great World War II veteran named Olin E. Teague. And while he is not buried in a V.A. cemetery, he is buried at Arlington National Cemetery. And he was the most decorated World War II veteran to serve in the House during his era. And I know, before he died, how proud he was that he was going to be buried in Arlington Cemetery. And I know those same deep emotions exist among so many veterans when it comes to being buried in the sacred land of a V.A. cemetery.

So, please keep up that fight.

HOSPITALS

Mr. Secretary, I just want to finalize one last question.

We have, as we talked about, given unprecedented increases over the last three years out of this subcommittee to the V.A. health care system. Anecdotally, I sometimes hear from individual hospitals, that while we were passing 10, 11, 12 percent per year VHA increases nationally, that the individual hospital's allocations were only going up 1, 2, 3 or 4 percent.

I know some of that answer, if that anecdotal information is correct, it may lie in the fact that we have V.A. programming money. But I would like to ask you or the VHA leadership if you have any information right now, either very specific or general, to tell me over the last two or three years, maybe compared to the total VHA increase, if it has been 10 or 12 percent?

What have the individual hospitals on average been getting in their increased allocations? And if they are not getting 10 or 12 percent to reflect the national increase, then where is that extra money going?

And if you would like to follow up with greater detail in writing after this hearing is over, that would be certainly appreciated.

Secretary SHINSEKI. Mr. Chairman, thank you. This is an important question.

I think, for all of our leadership out there in the health care facilities, certainly at the VISN level, they are far more familiar with the VERA model than I am. But I would like to assure them that the VERA model is the start point, and then we negotiate after that.

Ninety-seven percent of our resources are distributed. Three percent are retained at VHA level.

The average VISN funding growth is 10 percent. The average growth across the VISNs is 10 percent.

Mr. EDWARDS. Over what period of time?

Secretary SHINSEKI. This was for the year 2010—2009 to 2010, for this year's budget.

And so, out of that 10 percent average, you know, there is a portion of them that are above, and a portion of them who are below. And the lowest VISN comes in at a 5.3 percent increase, 2009 to 2010. And I will be happy to give more detailed information.

And some of the VISNs, or the VISNs that received a greater plus-up received it because of special things that were underway.

Mr. EDWARDS. Do you have that information, Mr. Secretary, on a hospital-by-hospital basis?

Secretary SHINSEKI. I am sure we can probably get it for 2010. I say we have distributed the monies for the VISNs. The VISNs are now doing the same thing we have done, and that is, array their cash to their hospitals. And they will go through the process of negotiating some VISN hold or reserve, as well. And at some point here, maybe about mid-year, we will have a lock on what those actual numbers are. And I would be happy to provide you then.

We are still in the process of cash being adjusted across the system. The average VISN funding growth on VERA only was 5.7 percent. And so, that is sort of the break-out.

Let me just—I may have answered—I may have provided more information than Dr. Petzel wanted me to provide. But let me see if he has anything to add here.

Dr. PETZEL. Thank you, Mr. Secretary.

Mr. Chairman, as the secretary has pointed out, while the budget increase on average, or the average VERA distribution, say, in 2010, was 10 percent that is an average. VERA distributes the money where the work has been.

And so, if a network has been growing in terms of its work, it is going to be receiving probably more than that average. And if a network has been growing less than the average, then they are going to receive less than that 10 percent.

The same thing would apply to a medical center. There are medical centers in our system whose work is not growing, whose work is actually declining. And they would be the medical centers that you might hear saying that we only got 1, 2, 3, 4, 5 percent, when the national distribution, on average, was 10 percent. So, I think that the general answer to your question is that it is related to the work load of those individual medical centers.

Now, the networks do not hold on to any money. They have a modest reserve. But all of the money that they get as part of the VERA distribution is distributed out to the medical centers.

And it is also true, as you pointed out, that there is, besides VERA, program-specific money that comes to each medical center.

So, as an example, in 2010, 5.7 percent was the increase in VERA, but there was another almost 4 percent that was related to other program monies that got out to the medical centers.

I think the general point is that the money goes to the medical centers, that it is not kept in Washington. It is not kept in the networks, because they have nothing to spend it on particularly, except to take care of veterans. And that the disparities that one sees in distribution at the medical centers is mostly related to the work.

VERA DISTRIBUTIONS

Mr. EDWARDS. Right. And I think it makes sense that the V.A. has flexibility to send the money where the work is going on, and where the growth is.

In fact, let me ask about that. If you have a VISN that is growing in the number of veterans receiving health care, do I understand there is a 2-year delay, or a 3-year delay in the funding model reflecting the increase in veterans population?

Dr. PETZEL. The VERA distribution is based on historic data. And I would have to turn to Todd and Paul, but I think it is about 18 months. Is that correct?

And VERA is based on a rolling average of the work load prior to that. So, yes, there is a delay. And that requires a network to give some cognizance to that when they are distributing the money.

Mr. EDWARDS. Right. But I would imagine that also creates challenges.

If you are in an area of the country and you have a significant increase in veterans you are caring for, those are real costs being incurred. If you had a 5 percent increase in the number of veterans you were providing health care for, and yet, you do not get that funding for 18 months to 2 years, I guess, are they having to cut corners? Do they have reserve funds? Do they just have to stretch in whatever way they can to maintain their services?

Dr. PETZEL. Mr. Chairman, there are several ways they would cope with that.

In the network that I came from in my prior life, Network 23 in Minneapolis, we had a fund that we called "new work load." We set aside money each year and would fund incrementally throughout the year each one of the medical centers for their new work load. And I know that there are a number of other networks that function in that fashion. There is a reserve in every network, and the opportunity for medical centers to come back and look at their reserve.

I know that each network reviews monthly their work load and their funding, so that there are opportunities throughout the year to see that the funding is not adequate for the new work and for the opportunity to provide additional resources.

I am not aware of, at this point in time, any network or facility that is having difficulties meeting their work load demands right now. We have enough money. It is a matter of getting it into the right places.

PROGRAM FUNDING

Mr. EDWARDS. On the program money, you said that represented a pretty significant part of a VISN's increase in funding.

Does that money, on average, come in the first quarter, second quarter? I have heard—again, this is anecdotal. So anecdotal feedback can be dangerous. I do not want to draw too many conclusions from that without looking at all the data.

But does that money generally—and it is Congress that designates this, I think, more than the V.A. But does that program money come sometimes later in the year? And can you use that money as effectively as the formula money?

For example, I wonder, if you get new program money for women's health care, can you hire physicians? Can a hospital hire physicians on a long-term basis, not knowing if that program money will continue? Or is program money—how does that work? What are the pluses, minuses or challenges there?

Secretary SHINSEKI. Mr. Chairman, this year we received our appropriation in December and distributed it in early February. And a little bit of weather got in the way, but settling things out. That is the reason we are now a little bit late in our negotiation, but it is underway.

And I think rightfully, VISN directors are a little concerned in getting their hands on their funds. It is out there now. The negotiation is underway. We are a little bit late in our usual cycle.

For the new starts, it could be up to two years for a new start. But as Dr. Petzel indicates, there are internal procedures for dampening some of the impact until the VERA model, which is looking backwards can anticipate what those costs might mean in the future, 18 months to two years for that model to catch up with that new set of costs.

Mr. EDWARDS. Right.

Secretary SHINSEKI. And so, there are internal work-arounds that dampen that. It is something that VISN directors are concerned about. And Dr. Petzel, coming from being a VISN director, has great familiarity with that. And we need to be sensitive to making sure that VISN directors are heard.

In April, probably the first time in this department, VISN directors are coming up to give a mid-year execution brief on the funds we have provided them, so that I can hear some of the same feedback that you are getting.

Mr. EDWARDS. And certainly, the V.A. cannot be held responsible when Congress does not pass its appropriation bills on time. That is one reason I am glad we have the advanced appropriations now.

On the program funding, it is always well-intentioned for high-priority causes. But is that more difficult to use efficiently versus formula money, because you are not sure, either VISN or an individual hospital is not sure whether it will receive that programming money beyond 1 year?

How do you hire new doctors and nurses and make commitments with 1 year of program money, if you do not know—or is some of that program money basically, while it is not guaranteed for the future, it is predictable, and so, you can go on and make some long-term commitments?

Is that, Dr. Petzel, in your experience as a VISN director, is that a challenge?

Dr. PETZEL. Well, Mr. Chairman, generally speaking, program money comes in 2-year bundles—not always, but very often it does.

And 2 years gives you an opportunity to have VERA kick in, if you will, to help to fund that new initiative.

So, I think sitting in this position now, one of the things that I want to do as much as I can do is ensure that there is 2-years' worth of funding with most of these new initiatives.

The rural health money, which Congress so generously gave us, is an excellent example. That is 2-year money. And we have rolled some of that into 2011 from—into 2010, rather, from 2009, because it was difficult to get it spent.

But there will be enough money to ensure that work load is taken care of until VERA will kick in.

Mr. EDWARDS. Good.

Mr. Secretary, did you want to add to that, or not?

Secretary SHINSEKI. I think Dr. Petzel answered the question. I was looking at some statistics here.

Mr. EDWARDS. Okay. Very good.

Well, let me conclude by thanking you all for your time today, and especially for your leadership for the V.A. And while we anecdotally as members of Congress hear about individual cases where someone did not receive the care he or she deserved, my experience overwhelmingly is that our V.A. employees, whether it is in VHA, VBA or other divisions of the Department of Veterans Affairs, are dedicated, hardworking employees that get up every day, trying to figure out how they can support our veterans. And that is why they are in the V.A. system.

So, I want to not just thank you, I want to thank the 200,000 plus V.A. employees that you represent for the hard work they do every day and the difference they are making in the lives of our veterans.

And Mr. Secretary, if you would like to have the final word, we will adjourn.

Secretary SHINSEKI. Just very simply to thank you once again, Mr. Chairman, for your leadership and your longstanding—and I know personally—longstanding support of our men and women in uniform, and in this new role, your commitment and dedication to those who have served, our veterans, and your insights into feedback that you receive. But it is not just that you receive as a member of Congress from Texas, but as the chairman of this committee feedback from all across the nation. And I appreciate that.

And thanks for the very kind comments to the 300,000 employees of this great institution called the Department of Veterans Affairs.

And when I look at the year that I have spent here, a little bit of what I have learned about this organization, it is described as the second-largest in federal government. That has some importance.

But I think more importantly, it is the work force that comes to work every day, trying to do the right thing. They are responsible for, as I mentioned earlier, \$9 billion of education benefits to 565,000 veterans who are pursuing a dream, which I think is important for the country—for the veterans, to be sure—but important for the country.

The work force in V.A. is the eighth-largest insurance entity in this country, \$1.3 trillion of coverage for over seven million clients. It guarantees home loans to 1.3 million veterans to the tune of

\$175 billion. And it has 96 percent success rate amongst those insured, a high response from them, but the lowest mortgage foreclosure rates of any financial institution in this country.

And so, what this organization does in health care—153 hospitals and great research programs that are going to serve veterans for years to come. It is a terrific organization. But its ability to be effective is very much a product of what Congress permits. And we thank you for your partnership and your leadership in helping us meet those obligations to our veterans.

Mr. EDWARDS. It is a privilege every day, Mr. Secretary. And, you know, we live in an age where the good stories do not often get told on the national level, so thank you for sharing some of the tremendous things that the V.A. is doing, even as we work together to face the challenges that are still out there.

Thank you all for being here, and the subcommittee will stand adjourned.

[Questions submitted for the Record by Chairman Edwards follow:]

Question 1. In the fiscal year 2010 bill we provided \$48.2 billion as an advance appropriation for fiscal year 2011 for VA health programs. We were clear at the time that we expected you to provide an update in the February budget of changes that would be needed to that number because of increasing caseload, medical price inflation, etc. Yet your budget does not identify any changes to the advance. I can't believe we were that accurate in our estimates. Can you please walk us through why you're not proposing any changes to the 2011 advance appropriation?

Answer. While the overall funding level of \$48.183 billion for VA medical care did not change between the Advance Appropriations request and the FY 2011 Budget, there were numerous funding adjustments made at the activity level due to more recent administrative actions, or the availability of more current workload and funding data.

For example, the FY 2011 Budget includes funding for new initiatives, not assumed in the Advance Appropriations request. The cost for these initiatives are covered under the overall medical care funding level through changes identified in: (1) Long Term Care (due to changes in 2009 actual workload and costs from the original estimates); (2) Ambulatory health care (savings which will be achieved due to a recently published regulation to lower VA's contract payments to Dialysis providers); and (3) deferring lower-priority infrastructure improvements. The Department will be able to increase funding for infrastructure improvements as additional resources, which are anticipated but not reflected in the budget, become available (e.g.: carryover funding from FY 2010; a Government-wide initiative to reduce contract spending).

Question 2. Your budget submission last year included funding for several programs that you identified as part of the Department's transformation process. Your transformation review has been completed and its implementation is reflected in your readjustment of fiscal year 2010 funding and your request for fiscal year 2011 programs. What major ideas came of your transformation review and how are those ideas reflected in the budget we are looking at this year?

Answer. The Department has established six high priority performance goals that support transformation and are an integral part of the 2011 budget. A summary of each is provided below.

The first high priority performance goal is Reducing the Claims Backlog. A major initiative to accomplish this goal is the development of the Veterans Benefits Management System (VBMS). This initiative will result in a paperless environment for Veteran claims processing and benefits delivery of compensation and pension, education, vocational rehabilitation and employment, insurance, and loan guaranty. VBMS will combine business process transformation and commercial-off-the-shelf information technology to process a Veteran's claim electronically from submission to payment. VBMS goal is to improve service to Veterans by providing the capability to apply for, monitor and manage benefits online and substantially contribute to the overall efforts to reduce average days to complete compensation and pension rating claims. The 2011 budget includes \$145.3 million in information and technology funds to support the ongoing development of a paperless claims processing system as well as \$43.4 million in Veterans Benefits Administration (VBA) funding to sup-

port the business transformation strategy that must accompany effective technological change.

The second high priority performance goal is to Eliminate Veteran Homelessness. VA's plan to end homelessness among Veterans includes helping Veterans acquire safe housing, needed treatment services, opportunities to return to employment, and benefits assistance. These efforts are intended to end the cycle of homelessness by preventing Veterans and their families from entering homelessness. This coupled with VA's philosophy of "no wrong door" means that all Veterans seeking to prevent or get out of homelessness are provided easy access to programs and services. VA has identified six strategies to achieve the goal of eliminating Veteran homelessness: outreach/education, treatment, prevention, housing/supportive services, income/employment/benefits and community partnerships. These six strategies encompass a wide continuum of interventions and services to end homelessness among Veterans. Homeless Veterans will benefit from the expansion of existing programs and treatment services, as well as the implementation of new programs focused on homelessness prevention and increased access to permanent housing with supportive services. VA's budget includes \$4.2 billion in 2011, including \$3.4 billion of treatment costs, to prevent and reduce homelessness among Veterans.

The third high priority performance goal is Automating the GI Bill Benefit System. The GI Bill initiative implements the business processes and automation to provide a client-centered approach to delivering the education benefits provided under the Post-9/11 GI Bill. This will allow VA to deliver educational benefits to all eligible service members, Veterans, and family members by (1) modernizing GI Bill processing and systems; (2) using GI Bill modernization as a model to migrate all educational programs onto an integrated, sustainable platform; and (3) proactively reaching out to ensure clients understand GI Bill benefits and are supported throughout the education enrollment process. The 2011 budget provides \$44.1 million to complete the automated solution for processing Post-9/11 GI Bill claims and to begin the development of electronic systems to process claims associated with the other educational programs.

The fourth high priority performance goal is Establishing a Virtual Lifetime Electronic Record. VLER is an interagency federal initiative, in collaboration with the private sector, to create a secure exchange for electronically sharing and proactively identifying the entire spectrum of health and benefits entitlements for our service members and Veterans, and their dependents. This virtual record will enhance the timely delivery of benefits and services to Veterans. VA has \$52 million in IT funds in 2011 to continue VLER development and implementation.

The fifth high priority performance goal is Improving Mental Health Care. This initiative encompasses five sub-goals; (a) consolidate VA's mental health programs into a sustainable, patient-centered, national subsystem; (b) sustain processes to ensure ongoing recruitment and retention of mental health staff; (c) enhance VA's capacity to deliver evidence-based psychosocial interventions; (d) use findings from the October 2009 VA-DoD Summit to inform planning, implementation, and operations using a public health model to enhance mental health services; (e) collaborate with the compensation and pension program to revise the disability rating schedule for mental health conditions, and to develop communications to minimize misunderstandings and tensions regarding the interactions between treatment for mental health conditions and ratings of disability. VA's 2011 budget provides \$5.2 billion for mental health.

The sixth high priority performance goal is Deploying a Veterans Relationship Management System. This is designed to improve the speed, accuracy, and efficiency in which information is exchanged between Veterans and VA, regardless of the communications method (phone, web, email, and social media). The focus will include modernization of voice telephone systems, unification of public contact representative desktops, implementation of identity and access management, development of cross VA knowledge management systems, implementation of customer relationship management systems, and integrating self-service capabilities with multiple communication channels. The 2011 budget provides \$51.6 million in IT funding for this initiative and \$3.8 million in VBA funding to support integration and implementation of the VRM components.

In addition to the high priority performance goals the Department has identified the following key focus areas for transforming the VA into a 21st century organization.

Expand health care eligibility and access for Veterans, including women and rural populations by eliminating disparities in access to care. VA will focus on the gaps for underserved populations, and on expanding their access so that every Veteran can get the care they need—at the right place and the right time. This includes outreach efforts to proactively identifying and communicate with Veterans who may be

eligible for services, but may be unaware of the benefits or do not know how to enroll.

Expand access to burial in VA national cemeteries by implementing a new policy that lowers the Veteran population threshold for establishing new national cemeteries from 170,000 to 80,000 Veterans living within 75 miles of a cemetery. This new policy will provide additional access to about 500,000 Veterans.

Question 3. The budget request for Departmental Administration has an increase of over 16% compared to the fiscal year 2010 appropriation, and an increase of about 8.5% in the number of full-time equivalent personnel. Since fiscal year 2009, the increases are 38% in funding and 27% in personnel for all of the offices in the General Administration account. What would justify such significant funding and personnel increases in administrative offices?

Answer. The increases in the General Administration account are part of the Department's overall effort to transform VA into a 21st Century organization. Many of the initiatives in this account will allow VA to improve services and transform the corporate management infrastructure through:

- Increased investment in training and career development through a corporate level human capital initiative;
- A significant realignment of the acquisition process through an enterprise-wide facilities management system;
- An effective financial management system to ensure accountability and transparency;
- Increased level of oversight and audits to ensure efficiencies and savings;
- Improved corporate analysis and evaluation to ensure programs are serving veterans as intended, providing maximum value;
- Increased emphasis and investment on in VA's "Green" programs;
- Improved safety and enhanced infrastructure security nationwide by implementing the President's HSPD-12 directive.

In addition, \$23.6 million in this account will be used for the President's acquisition reform initiative that will increase the capacity and capability of VA's acquisition workforce. This accounts for about 37 percent of the requested increase in 2011. Through this initiative VA will also develop an annual acquisition human capital plan that will be used in building VA's budgets in 2012 and beyond.

Question 4. Although it is not mentioned in your written testimony, the President's budget requests a supplemental of more than \$13 billion for compensation for Agent Orange exposures that are now considered presumptively eligible because of your October decision. Your budget office estimates that these claims will increase VA costs by \$38.8 billion over the next ten years for compensation and pensions. What do you project to be the additional cost of health care associated with the presumption decision? How many other conditions could you decide to make presumptively eligible, and what cost implications would they have?

The FY 2011 Budget estimates \$165 million in FY 2011 and \$171 million in FY 2012 for health care related to the new presumptions regarding Agent Orange.

VA is also taking steps to make it easier for Veterans to obtain disability compensation for certain diseases associated with service in the Persian Gulf War or Afghanistan. Additional details are discussed in the response to question 5.

Question 5. Aside from Vietnam War exposure to Agent Orange, do you have similar authority to make conditions presumptively eligible for disability compensation from exposures during other conflicts, such as the Gulf War? What exposures might justify such a designation? For example, we have heard that the VA and DoD are observing illnesses that may be linked to exposure to burn pits in Iraq and Afghanistan. We understand the Gulf War Veterans' Illnesses Task Force Report deals with this issue. What changes do you foresee as a result of that report?

Answer. Similar to 38 U.S.C. § 1116, which provides authority to establish presumptive service connection as a result of Agent Orange exposure, 38 U.S.C. § 1118 provides authority for VA to establish presumptions as a result of service in the Southwest Asia theater of operations during the Persian Gulf War.

Regarding current environmental hazards, such as burn pits in Iraq and Afghanistan, there are studies and reviews ongoing for these issues (e.g., Institute of Medicine). VA will review these studies when completed and make recommendations to the Secretary on any policy changes that may be warranted by these studies. As a result of Task Force efforts, VBA has issued a comprehensive training package to regional offices to promote awareness, consistency, and fairness in handling disability claims from Veterans with service in the Gulf War and Southwest Asia. This training package includes a training letter issued to all Regional Offices, followed by a national training broadcast.

In the near future, an additional training letter will be issued to regional offices. This training letter will cover other military environmental hazards, (e.g., burn pits,

sulfur fire, etc.) and how claims for disability compensation due to these hazards should be handled. The cumulative result of the VBA initiatives listed in the Task Force Report should be that VA will decide all disability claims generally resulting from service in Southwest Asia and from specific environmental hazard exposures in Iraq and Afghanistan more accurately and uniformly.

Question 6. Your budget documents indicate that the Department intends to hire 1,283 additional medical and medical support employees in fiscal year 2011, but then turn right around and decrease that staffing by 1,200 in fiscal year 2012. Is this really the way to go when you're predicting that you will have more than 150,000 additional unique patients, or a 2.5% increase, in 2012?

Answer. The decrease of 1,200 full-time employees is the result of a gradual, natural reduction such as through retirement. The 2012 budget provides a balanced program of staffing and other non-payroll needs, which will allow VA to continue to provide Veterans with high quality of healthcare.

Question 7. In a recent report from the Department's Inspector General concern is voiced about finding space for new claims processing staff. The report states: "Officials from each of the three VAROs we visited reported that space constraints were either already an issue or will be after filling ARRA-funded positions. Because of space issues, VARO Milwaukee started a second shift to fully utilize ARRA-funded employees and also rented additional office space for new employees." What provisions have you made to handle the space needs of the additional staffing requested in the FY 2011 budget? Do you foresee more Regional Offices using second shifts to address space issues, or will you be renting additional office space? Which offices are experiencing space problems?

Answer. The majority of regional offices are either at or near capacity for additional hiring during core operating hours. VBA is assessing the availability of space to accommodate the additional employees. A short-term solution will involve shift work in existing facilities until additional space accommodations can be arranged. Hiring for second-shift operations will be considered at several regional offices to meet hiring needs. A detailed plan to accommodate the additional employees, including reconfiguring existing space and/or expanding into new space, is expected to be completed by the end of May 2010.

Question 8. On February 18, 2010, the Department launched the "Veterans Health IT Innovation Initiative," and employee-based competition to spur the Department's transformation. The idea is that people on the ground closest to problems may have the best ideas to help solve those problems. Likewise, people working on similar problems in the private sector might have solutions that could work for VA. One of my concerns is that many times people from the private sector come to me with ideas that sound good, but I may not be qualified to judge them, so I need someplace to send them. Have you thought about expanding this competition to include ideas from the private sector as well as the employees of the Department?

Answer. VA agrees the private sector can provide valuable ideas and solutions to support VA's transformation efforts. Although the primary target for VHA and VBA innovation initiatives were the internal VA workforce, VA's Chief Information Officer (CIO) has also engaged industry to solicit their ideas for innovation on the Department's Strategic Priorities.

As part of VA's transformation, the Office of Acquisition, Logistics, and Construction (OALC) implemented a supplier relationship transformation initiative (SRTI) in August 2009. The SRTI recognizes VA's supplier community is a critical partner to VA's success in addressing the changing dynamic of providing services for Veterans in the 21st century. VA's current business environment does not facilitate an easy or open exchange of information and ideas with the supplier community and key VA decisionmakers. In an effort to improve and establish transparency in the processes, as well as increase VA access to the industry best practices and innovation, VA embarked upon a transformation of the acquisition process under the staff cognizance of Veterans, VA suppliers, and management at all levels. As part of this effort, OALC has and will continue to host meetings and Webinars with its industry partners. A web portal is now operational whereby suppliers may provide input and suggestions for VA's SRTI, as well as innovative ideas for implementing VA's strategic initiatives. Through March 19, 2010, industry partners, suppliers, Veterans, and citizens have forwarded 70 recommendations to the web portal for consideration. In addition, 71 concept papers were submitted with specific proposals and recommendations toward initiative achievement. VA is reviewing and carefully considering each submission.

Question 9. You recently announced that the VA will expand its evaluation tool, the Program Management and Accountability System (PMAS), to ALL information technology systems, beyond the 45 initially halted and reviewed last year. I must say the PMAS system seems like a badly needed, proactive approach to assure the

public that the VA is spending its IT dollars wisely. The IT Dashboard, which was developed by OMB as a sort of scorecard on agency IT efforts, indicates that the PMAS review may be overdue. The Dashboard scores 59 percent of the VA's major IT projects as "red"—of "significant concern." Do you anticipate halting more of these projects for review and termination or redevelopment?

Answer. PMAS gives project managers the tools to effectively manage their projects and avoid future project pauses or stops, but the continual, rigorous oversight of projects may uncover risks that result in a project being paused. VA will temporarily pause or completely stop, as appropriate, any IT project that is underperforming and does not meet VA's business needs.

Question 10. In the fiscal year 2010 budget submission for information technology, there was included \$144 million for development of the paperless claims processing system for benefits. That budget request was approved by the Congress. However, your current estimate for the program indicates that you will spend only \$63 million in fiscal year 2010. Can you explain what is happening with this program that would account for the 56% reduction in program execution expenditure in fiscal year 2010?

Answer. The VA FY2010 budget submission for the Paperless Initiative (now called the Veterans Benefits Management System (VBMS)) was based on an acquisition strategy that has since changed. Veterans Benefits Administration is now undergoing a business process transformation with respect to claims processing. Because the exact nature of the new business processes is not yet fully determined, and because the potential for new business processes is intertwined with innovative uses of information technology, VA has elected to (1) defer some of the proposed funding into FY2011, at which time additional business requirements will become sufficiently clear to move forward with the requisite software development, and (2) use an agile software development approach for VBMS. This agile approach allows VA to make progress in software development now for those business requirements that are clear, while allowing for evolution in additional business processes that will be incorporated rapidly into subsequent software development, using industry best practices. This agile approach to software development allows better resource alignment with emerging program requirements, better management of product delivery schedules, and better involvement of the technical, business, and customer community throughout the system development lifecycle. VA has not reduced its overall planned resource support for the re-engineering of claims processing nor for VBMS.

Question 11. We're pleased that you're making a personal effort to meet with groups of Veterans to learn their needs and their impressions of VA services. I imagine you have heard often from Vietnam and Gulf War Veterans on one topic in particular—their contention that VA needs to support more research that is geographically specific to learn the source and medical impact of the environmental exposures that they face in wartime. How are you modifying the VA research portfolio to respond to these urgent requests?

Answer. VA Research continues to enhance its responsiveness to Veterans and their health needs. More than 70 percent of VA researchers are active clinicians, making them the most keenly aware health care professionals of the unique health care issues our Veterans face. Since the start of Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF), VA's research portfolio has adjusted to respond to the specific needs of those Veterans while still addressing the specific needs of the Veterans of past conflicts such as the Vietnam War and Gulf War.

The cohorts of Vietnam War and Gulf War Veterans are by definition broadly associated with locations of military service for recent conflicts (Vietnam, Gulf War or Iraq, Afghanistan Theaters of Operation). VA has not historically had data to specifically identify exact locations of a military service member beyond where a unit was stationed within the Vietnam War, Gulf War, etc., nor is geographic data always available from Department of Defense (DoD) on specific exposures within-Theater. Improved collaboration between VA and DoD regarding precise geographic locations of military service and geographic air quality monitoring for potential exposures may help to more precisely define the cohorts if it is deemed beneficial to do so. The type of research that could potentially receive the greatest benefit from a more precise cohort would be long-term longitudinal studies to determine the common health outcomes of a specific group of Veterans.

Epidemiologic studies can define cohorts in several ways. While distinctions based on being in a particular geographic location is one option, the nature of the research question being addressed plays a more critical role in how a cohort is defined. Research Studies that look at Veteran cohort groups do not preclude the possibility of also collecting data on geographic location. Defining a cohort strictly on geographic location may result in limitations to conclusions. For example, it may be difficult to verify whether an individual was in a particular location except by the individ-

ual's self-report alone. Further, since individuals can move in and out of a given location, the timeframe for being in the location and an ability to verify it also need to be given specific consideration.

Epidemiologic studies should place a strong emphasis on defining the cohort being studied in order to provide meaningful results. The methodology for defining the cohort is usually driven by the research question being posed.

Question 12. In the FY2008 budget submission detailed information was provided regarding the replacement hospital planned for New Orleans. That detailed information indicated a 200-bed hospital was planned, consisting of 775,000 square feet at a cost per square foot of \$231.70. The FY2011 budget submission also includes detailed information on the planned hospital, in support of a higher cost. The current information is also for a 200-bed hospital, but the square footage is now listed as 1,250,000, an increase of almost 62%. And the cost per square foot is now estimated at \$380.03, an increase of 64%. In addition, the information included in the budget this year indicated that over 107,000 square feet of space will undergo renovation at a cost of about \$21.5 million.

Question a. Why has the size of the facility increased by 62%, when the number of beds will remain the same, at 200?

Answer. The FY08 authorization request identified 775,000 square feet to be constructed. The FY11 budget submission listing of 1,250,000 square feet reflects the projected requirement for space to meet future needs. This increase in space is primarily attributable to two factors. First is a significant rise in the workload projection. The space program generated in 2007 was based on a projection of 409,000 annual outpatient visits. The current projection is 637,000 annual outpatient visits, a 56% increase. Second, there have been changes to the space criteria for several departments, including a complete revision of the nursing home (community living center) design guide. There are 60 nursing home unit beds in this project.

Question b. What is the reason for the very significant growth (64%) in the cost per square foot for new construction?

Answer. The project cost is impacted by cost escalation due to schedule slippage— to date, the city of New Orleans still has not completed the land acquisition, originally scheduled to be complete in November 2009. The city proposed, and VA agreed to, an amended schedule to acquire the property by July 2010. Also, the massive size of this project, accompanied with the similar hospital project being constructed by the State of Louisiana on adjacent property, will require the import of skilled labor, requiring the construction firms to provide housing for a significant portion of the workforce. An additional design requirement impacting the project's overall cost is providing a facility that can continue operations for seven days in the event of hurricane or flooding. In an effort to mitigate the cost impacts, VA is using a new delivery method for this project, bringing the constructor onboard while design is being completed. The constructor is providing input to the design process to help determine ways to reduce construction costs.

Question c. Since this is a new facility, what is being renovated at a cost of \$21.5 million?

Answer. The property being acquired for the project includes two historic structures. As part of the NHPA compliance process, in negotiating historic preservation mitigation actions, VA agreed to renovate these structures and incorporate them into the campus.

Question 13. Please list the authorized political positions within the VA and identify if they are currently occupied. How does this number compare to fiscal year 2009?

Answer. The Department of Veterans Affairs (VA) is authorized to fill 15 positions by presidential appointment with Senate confirmation. The number of authorized positions was the same for FY2009, at which time 10 of these positions were occupied. The political positions are:

Position title	Fill status
Secretary	Occupied.
Deputy Secretary	Occupied.
Under Secretary for Health	Occupied.
Under Secretary for Benefits	Vacant.
Under Secretary for Memorial Affairs	Vacant.
General Counsel	Occupied.
Inspector General	Occupied.
Assistant Secretary for Public and Governmental Affairs	Occupied.
Assistant Secretary for Management	Vacant.
Assistant Secretary for Information and Technology	Occupied.

Position title	Fill status
Assistant Secretary for Human Resources and Administration	Occupied.
Assistant Secretary for Operations, Security and Preparedness	Occupied.
Assistant Secretary for Policy and Planning	Occupied.
Assistant Secretary for Congressional and Legislative Affairs	Occupied.
Chairman, Board of Veterans Appeals	Occupied.

Question 14. Identify the distribution of GS grade level staff in the VBA, VHA, and NCA?

GS grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
VHA	116	477	1566	7686	29758	31259	16302	6723	13129	2355	20128	14007	8958	2213	605	155282
VBA	0	0	88	893	1099	818	3686	72	2653	2317	2447	3245	1499	327	138	19282
NCA	0	0	0	4	99	104	129	8	11	0	64	46	100	60	18	643
GRADE TOTAL	116	477	1654	8583	30956	32181	20117	6803	15793	4672	22639	17298	10557	2600	761	175207

a. Data Source COIN PAI 115 TBL B1/B2 12/31/2009.
b. Full-time/part-time/intermittent employees.

Question 15. For the most recent fiscal year for which data are available, identify the percentage increase each VISN received compared to the overall appropriation. Then identify the percentage increase each hospital received within those VISNs. Describe briefly the guidelines each VISN followed to allocate the VA funding by hospital?

Answer. The requested data by Veterans Integrated Service Network (VISN) and hospital for FY 2008 and FY 2009 are reflected in the below attached spreadsheet.

Guidelines that VISNs must follow when allocating funds to VA Medical Centers are included in the annual Veterans Equitable Resource Allocation (VERA) handbook provided annually to all members of Congress and are reproduced here for convenience.

Network allocation systems must:

- Be readily understandable and result in predictable allocations.
- Support high quality health care delivery in the most appropriate setting.
- Support integrated patient-centered operations.
- Provide incentives to ensure continued delivery of appropriate Complex Care.
- Support the goal of improving equitable access to care and ensure appropriate allocation of resources to facilities to meet that goal.
- Provide adequate support for the VA's research and education missions.
- Be consistent with eligibility requirements and priorities.
- Be consistent with the network's strategic plans and initiatives.
- Promote managerial flexibility, (e.g., minimize "earmarking" funds) and innovation.
- Encourage increases in alternative revenue collections.

Question 16. The FY11 budget submission for the Denver Medical Center project indicates that the size of the facility is being reduced 33% when compared to the material provided with the FY2009 budget submission, yet the pre-design development costs have increased by 200% and the "total other costs, utilities, etc." cost category has a 50% increase. Likewise, the total cost of the project remains essentially unchanged despite the 33% decrease in size as measured by square footage. Please explain in detail the reason for the size decrease as well as the increases in pre-design development and "total other costs, utilities, etc." categories.

Answer. The reduction in space planned for the new facility is attributable to two reasons. First, as part of the planning process, it was recognized that some services were being provided to veterans who were traveling significant distances to Denver. The plan was revised to increase services in selected outlying areas through expanded outpatient clinic services, e.g. billings and Colorado Springs and in some cases the purchase of inpatient care in the communities. The second reason for the reduction was to lessen the total increase in cost that was occurring since the project was originally conceived.

The increase in the "total other costs, utilities, etc." cost category has increased because of the new requirement for renewable energy in the amount of \$30 million that was included in the FY11 cost estimate. It was determined as the project design progressed that the site does not accommodate as many surface parking spaces as originally anticipated and therefore a greater percentage of the parking needs to be provided in a garage, which is more costly. In addition, we did not anticipate the extent of the off-site utility and infrastructure improvements needed to support a medical center at the new site.

[Questions for the Record submitted by Congressman Wamp follow:]

NEW STRATEGIC FRAMEWORK

Your testimony reports that the VA recently completed development of a new strategic framework, and that the new strategic plan that will be presented is currently in the final stages of review.

Questions

1. How many stages of review are there?
2. Where is it in that review process?
3. When will this new framework be presented?
4. When will this Committee see this new strategic framework?
5. Specifically, what is new about this framework that the VA is not currently doing?
6. How is this framework different from the transformation that was so prevalent in your testimony last year?

Answer

The Department's new strategic framework is people-centric, results-driven, and forward-looking. The 5 year strategic plan for a large Department with three major service components is complex and requires careful and deliberate review. The review process includes collaboration with other federal agencies as well as careful internal and external review. The time it has taken to complete the review is testimony to its change. The plan is currently in the final review phase. As the plan is approved, the Department would be pleased to brief you and your staff on this plan.

The strategies included in our plan will guide the VA workforce to ensure that the Department focuses on producing the outcomes Veterans expect and have earned through their service to our country. The framework of our Strategic Plan supports the Secretary's vision to transform VA into a 21st century organization.

VETERANS' PERCEPTION OF THE VA

Question 1. What is your perception of what Veterans expect from the VA?

Answer. When the Secretary travels around the country the concerns he hears are important to Veterans are associated with these three themes:

- better access to benefits and services;
- reducing the disability claims backlog and wait times for receipt of earned benefits; and
- ending the downward spiral that, often enough, results in Veteran homelessness.

Question 2. Do you believe that Veterans expectations are in sync with the way the VA is delivering its programs?

Answer. Taken together, VA initiatives are intended to meet Veterans' expectations.

This budget provides the resources required to enhance access to our health care system and our national cemeteries. VA will expand access to health care through the activation of new and improved facilities, by expanding care to Veterans who were exposed to the toxic effects of Agent Orange 40 years ago, by expanding eligibility to more Priority Group 8 Veterans, and by making greater investments in telehealth to extend our delivery of care into the most remote communities. Finally, VA will increase access to our national shrines by establishing five new cemeteries.

VA is requesting an unprecedented 27 percent increase in funding for our Veterans Benefits Administration, primarily for staffing to address the growing increases in disability claims receipts, even as we continue to reengineer our processes and develop a paperless system that will be integrated with the development of the Virtual Lifetime Electronic Record.

The budget also requests a substantial investment in the homeless program over the next five years through an aggressive approach that is not just about beds but includes housing, education, jobs and health care.

VA's job is to serve Veterans by increasing their access to VA benefits and services, to provide them the highest quality of health care available, and to control costs to the best of our ability. Doing so will make VA a model of good governance.

Question 3. Given the expectations that Veterans have, when will Veterans have easier access to benefits?

Answer. The Veterans Relationship Management (VRM) Program is a business philosophy centered on client relationship management that leverages the latest in technology. VRM will provide internet and telephone capabilities with self-service options, increase VA's awareness of our clients' needs, and allow VA to react to them effectively.

Through these enhanced channels of communication, our clients will be able to find and obtain consistent information about VA's benefits and services, regardless of which access channel they choose. They will be able to conduct secured internet transactions seamlessly across multiple VA service lines, without repeating information. Our clients will be able to perform basic administrative services such as changing an address, reviewing the status of a claim, reporting changes in dependency, notices of death, and certification for educational and home loan purposes.

As of April 4, 2010, Veterans are able to review their benefit payments and check the status of their claims using VA's secure portal. VRM and e-Benefits will enhance VA's communication and services to Veterans and their families during 2010 and in the coming years.

VA partnered with SPAWAR to develop an end-to-end Post-9/11 GI Bill claims processing solution that utilizes rules-based, industry-standard technologies, for the delivery of education benefits. This is our long-term strategy for implementing the Post-9/11 GI Bill. The goal of the long-term solution is to automatically process as

many claims as possible with minimal human intervention. Replacing the interim solution, which is supplemented by job aids, the long-term solution will automate many of the manual processes currently required to process a claim. For example, claims processors will no longer manually enter payments in a separate system after processing claims. Payments will be automatically sent to a payment system when users enter claims. By December 2010, users will process all Post-9/11 GI Bill claims within the long-term solution.

VA's plan is to improve claims processing by using a three-pronged approach involving improved business processes, expanded technology, and hiring staff to bridge the gap until we fully implement our long-range plan. We will explore process and policy simplification and contracted service support in addition to the traditional approach of hiring new employees to address this spike in demand. We expect these transformational approaches to begin yielding significant performance improvements in fiscal year 2012 and beyond; however, it is important to mitigate the impact of the increased workload until that time.

REDUCING THE CLAIMS BACKLOG

Question. When a Veteran files a claim, are they told that it could take up to 161 days to process their claim?

Answer. VBA makes every effort to process each Veteran's claim in the most expeditious manner. Some claims are more complex than others and require additional development to meet our legal obligations to assist Veterans in obtaining all available evidence. As a result, processing time varies by individual case. We therefore do not provide projected timeframes for completion of processing when a Veteran files a claim.

DEPLOYING A VETERANS RELATIONSHIP MANAGEMENT SYSTEM/VETERANS BENEFIT MANAGEMENT SYSTEM (VBMS)

Question 1. Will the system allow the VA to focus more on processing claims?

Answer. The Veterans Relationship Management (VRM) Program will provide clients with self-service options for obtaining and submitting information related to their claims. As our clients migrate from telephone contact to web-based self-service, resources may shift from contact centers to the processing of claims.

The capability to receive claims for benefit and services electronically will allow VA to leverage data and invoke rules-based technologies to automate the processing of these requests. VRM will serve as the client interface to populate the Veterans Benefits Management System (VBMS) and allow rules-based processing to occur.

Question 2. What are the multiple methods that Veterans will be able to access the VA?

Answer. Clients will be provided access and self-service options through telephone (interactive voice response) and the web (portal access, chat, and messaging services). Traditional means of access, such as in-person contact, will greatly be enhanced by a robust customer relationship management (CRM) system that will maintain data on clients and enable more personalized customer service.

Question 3. Give us a sense of how this is going to benefit our Veterans?

Answer. VRM will leverage technological advances to learn more about the needs and preferences of our clients and allow VA to become more proactive in serving them in an integrated fashion. VRM will provide on-demand access to comprehensive VA services and benefits through a multi-channel (web-based, interactive voice response, etc.) CRM approach. The initiative will provide:

- Consistent information, anytime, anywhere: VA will increase access and efficiency by facilitating anytime, anywhere access to accurate and consistent information on benefits and services through one knowledge base. This knowledge base will facilitate the ability to capture, store, share, and search for information on general benefits and services across all VA organizations.

- Unified approach to managing Veteran-specific knowledge: VA will maintain a shared record of all contacts between all VA organizations and our clients through state-of-the-art CRM to achieve better understanding of our clients' needs to improve our ability to measure service quality, and provide personalized experiences and superior customer service. This data will be subject to rigorous client privacy and security protections.

- Completely integrated service processes and systems: VA will provide a unified desktop approach with access to integrated information management between all VA organizations to ensure continuity of service and to better resolve issues. VA will integrate major VA organizations' contact centers, allowing for a call received at one to be seamlessly resolved at another without losing the context of the issue. Veterans will receive care quicker and easier in VA medical centers, community-based

outpatient clinics (CBOC), and other authorized fee-based care centers through the implementation of a standard beneficiary identification card.

- Seamless client service access across channels: VA will ensure that all channels through which Veterans choose to access VA services are convenient, easy to use, and provide the same high level of quality service. VA will modernize our telephone services to enhance the experience of Veterans who together make 30 million phone calls to VA annually. VA will introduce identity and access management processes and systems to enhance our internet interactions and provide additional client service functionality.

Question 4. What will be different with this system from what a Veteran can do now via a telephone call with the VA?

Answer. VRM is business philosophy centered on client relationship management that leverages the latest in technology. VRM will provide internet and telephone capabilities with self-service options, increase VA's awareness of our clients' needs, and allow VA to react to them effectively.

Through these enhanced channels of communication, our clients will be able to find and obtain consistent information about VA's benefits and services, regardless of which access channel they choose. They will be able to conduct secured internet transactions seamlessly across multiple VA service lines, without repeating information. Our clients will be able to perform basic administrative services such as changing an address, reviewing the status of a claim, reporting changes in dependency, notices of death, and certification for educational and home loan purposes.

Question 5. How confident are you that the Veterans Benefit Management System (VBMS) will be rolled out nationally by 2012?

Answer. VA is developing VBMS to migrate from its paper-intensive claims process to an electronic process. Our strategy includes transformation of our business and operational processes as well as integration of commercial-off-the-shelf technology. Pilot sites are testing refined business strategies and new paperless processing processes. Additional pilots will be implemented in 2010 and 2011 as enhanced assimilations of both processes and technologies continue. We are confident nationwide roll-outs of expanded VBMS functionalities will occur during 2012.

Question 6. What services will be available to veterans through the Virtual Regional Office?

Answer. While the VRO is a simulation of paperless processing as a VBMS pilot, it does not directly serve Veterans. Veterans Relationship Management (VRM) is our external-facing, Veteran-centric program with numerous initiatives to include self-service capabilities through the e-Benefits web portal. As of April 4, 2010, Veterans are able to review their benefit payments and check the status of their claims using VA's secure portal. VRM and e-Benefits will enhance VA's communication and services to Veterans and their families during 2010 and in the coming years.

The Virtual Regional Office (VRO) was a short-term demonstration environment which began in January 2010 and ended in April 2010. The purpose was to solicit user/employee feedback while reviewing simulations of electronic claims file processing.

The goals of the VRO were to:

- Provide a living specification to drive VBMS development;
- Capture architecture, business rules, and infrastructure requirements; and
- Identify barriers to transitioning to a paperless claims processing environment.

At the conclusion of the VRO, a system specification document and the captured business requirements document were accomplished. VBA is currently in the acquisition process for the Pilot I software vendor, and updates to VETSNET are underway to support the Pilot 1 portion of the phased-development to deliver a production-ready system. Once a software vendor is selected and the VETSNET updates are complete, VBA will begin the pilot.

VA TRANSFORMATION

Last year your testimony highlighted with some significance how the VA was transforming itself.

Questions

1. Why does it take so much time to yield transformational results?
2. When the testimony says that these approaches will yield significant performance improvements, tell the Committee specifically what those performance improvements are and how will they be measured?

Answer. Transformation of a Department as large and complex as VA is a lengthy process and while that is occurring, the Department still must continue to perform

its mission and respond to changes in the environment, such as increases in claims, new presumptive disorders, and a new Post-9/11 GI Bill.

These are some of the performance outcomes the Department intends to achieve through transformation that Veterans will see:

- Reducing the claims backlog.
- Eliminating Veteran homelessness.
- Automating the GI Bill benefit system.
- Establishing a Virtual Lifetime Electronic Record.
- Improving mental health care.
- Deploying a Veteran Relationship Management System.
- Expand health care eligibility and access for Veterans, including women and rural populations.
- Expanding access to burial in VA national cemeteries.

The measurement and tracking of the major initiatives designed to accomplish these goals is done through a structured Operations Management Review (OMR) process. The OMR process tracks the progress of the major initiatives, and identifies interdependencies, and key issues that need to be resolved. Performance measures and project milestones are a key component of the OMR process. The OMR meetings are chaired by the Deputy Secretary and attendees include the principals associated with each major initiative under discussion. Progress on these initiatives will also be reported publicly in future Performance and Accountability Reports.

ELIMINATING VETERAN HOMELESSNESS

Question 1. How does VA come up with the number of 131,000 homeless Veterans on any given night?

Answer. VA's 2009 Annual Community Homeless Assessment Local Education and Networking Groups (CHALENG) report provided the estimated number of Veterans who are homeless on any given night. The CHALENG estimate is derived from a Point-in-Time (PIT) count that occurs during the last week in January and includes HUD Continuum of Care estimates.

Question 2. How much does the FY 2011 Federal Budget request include plans to increase the number and variety of housing options available to homeless Veterans?

Answer. VA has requested a total of \$799 million in targeted homeless assistance for a variety of programs that will help to prevent homelessness. Of the \$799 million, \$707 million of the FY 2011 budget request is targeted to programs that offer housing with services, including Housing and Urban Development—Veterans Affairs Supported Housing (HUD-VASH) where VA provides case management. This amount also includes prevention initiatives such as supported service grants for low-income Veterans and families. VA will offer a variety of housing with services to address the needs of Veterans. The other \$92 million goes to targeted homeless programs that may not have a specific residential component to them.

Question 3. What specifically are those housing options and why are they not part of your portfolio to address homelessness now?

Answer. Supportive service grants were authorized by Congress and expected to be provided in FY 2011. HUD-VASH case management is expanding as Congress adds 10,000 new vouchers. HUD is expected to announce sites for the at-risk of homelessness pilot this year and VA will provide support. All of these are new or expanded efforts that expand VA's portfolio of services.

Question 4. Does the VA have any data that shows any one of these housing programs working more effectively than others?

Answer. VA Northeast Program Evaluation Center (NEPEC) conducted a study on residential treatment for Homeless Veterans to assess 12-month post-discharge outcomes of VA funded residential services in programs including Domiciliary Care for the Homeless, Health Care for the Homeless, and Grant and Per Diem. The findings were that 80% of Veterans were appropriately housed one year after their discharge from each of these programs.

Question 5. What is the correct estimate VA is using for the number of homeless Veterans in FY 2009?

Answer. VA is using the recently updated estimate of 107,000 Veterans who were homeless on any given night in 2009.

Question 6. Comparing the same two charts, one reflects 95,000 homeless Veterans in FY 2010; the second chart reflects 110,000 homeless Veterans in FY 2010. Which is correct?

Answer. The chart that showed 110,000 homeless Veterans in FY 2010 was what VA estimated would be the one night point in time estimate for 2009. When VA completed its review the correct number was 107,000.

Question 7. The first chart shows the number of homeless Veterans falls to 65,000 in the budget year and the second chart shows the number falling to 95,000 in the budget year. Which one is correct?

Answer. The 65,000 was the estimate for FY 2011. That number will be verified and reported in FY 2012.

Question 8. The chart on 51–7 shows the number of homeless Veterans fell from 154,000 in 2007 to 131,000 in 2008 and then that number stayed steady into 2009. Please tell the Committee what accounted for that drop from 2007 to 2008?

Answer. When the chart was created the estimate for the information needed to report the number of homeless Veterans in 2009 was not complete; that is the reason why the lower number was not available.

From 2007 till 2009 VA significantly increased service for homeless Veterans. The single largest contribution to lower the number the awarding of more than 20,000 housing choice vouchers by the U.S. Department of Housing and Urban Development. This action to fund these vouchers helped to end homelessness for more than 10,000 Veterans by placing them into a permanent housing unit with a dedicated VA case manager. This housing option is attracting many chronically homeless Veterans including women Veterans with children. Our plan to end homelessness includes significant enhancements focused on improving the treatment services VA provides to homeless Veterans and specifically homeless Veterans with serious mental illness (SMI).

Beyond our plan to end homelessness, VA has significantly expanded mental health services in recent years to promote greater access to services and to ensure that Veterans receive evidence-based treatments that promote recovery. These efforts have enhanced VA's ability to meet the needs of Veterans with SMI, many of whom are homeless and/or at risk for becoming homeless. VA has funded Mental Health Intensive Case Management—Rural Access Network Growth Enhancement (MHICM RANGE) teams and expanded existing Mental Health Intensive Case Management (MHICM) teams. VA has also implemented Psychosocial Rehabilitation and Recovery Centers (PRRC) to provide a therapeutic and supportive learning environment for Veterans with SMI. In its residential and mainstream mental health services, VA has sought to codify and implement best practices at mental health programs throughout the country, thereby strengthening efforts to successfully treat the chronically homeless who are more likely to struggle with SMI. National VA policies on suicide prevention and medication management have improved safety, while the new VA Uniform Mental Health Services Handbook has expanded access by mandating that all Veterans, wherever they obtain care in the Veterans Health Administration, have access to needed mental health services.

HOMELESS INITIATIVE—IT ISSUES

Question 1. When will the National Homeless Registry be rolled out, either pilot-wise or nationally?

Answer. The target roll out date for the first phase of the Homeless registry is summer 2010. Within this first phase VA will have, for the most part, automated and integrated program information that addresses Veteran centric and program specific information and outcomes.

Question 2. What are the next steps for VA once this information is collected?

Answer. Once the first phase is fully operational VA plans to partner with other Federal agencies to develop the system to collect information regarding Veteran centric information and service utilization outside of VA. VA plans to utilize the information to produce reports that can be used by program staff and leadership for quality management purposes. Information obtained will also be utilized to identify and track long term efficiency and effectiveness outcomes of Veterans both inside and outside of VA so more efficient service models can be developed and tailored to meet the needs of special populations like OEF/OIF Veterans, Veterans with serious mental illness, dually diagnosed (psychiatric disorders and substance dependence) Veterans and women Veterans.

AUTOMATING THE GI BILL BENEFITS SYSTEM

Question 1. How much is VA spending in FY '10 on this automated solution?

Answer. VA's FY2010 IT appropriation includes \$32.5M to support development of the automated solution. An additional \$2.9M in prior year ARRA unobligated balances is also being applied this year. In addition, another \$28.6M in a prior year obligation for a multi-year SPAWAR support contract has not been expended and is committed to supporting development efforts in FY2010.

Question 2. Explain for the Committee exactly where the VA is in implementing this automated solution.

Answer. The first of four Chapter 33 releases was successfully deployed on March 31, 2010. This release provided significant functionality although reduced from what was originally planned because, as VA subject matter experts worked with the SPAWAR team, it became clear that the amount of software remaining to be developed exceeded what could be done by the March 31, 2010, milestone requirement. By only releasing to a pilot group of claims processors, Release 1 also serves to discover any unknown defects so they can be corrected before the deployment to the entire VCE population in Release 2.

Feedback from our end-users indicates that Release 1 of the Long-Term Solution offers ease of use and increased efficiency. Release 2, currently scheduled for June 30, 2010, will serve as the foundation from which the VA will retire the Interim solution and move toward automating the Education benefits business process. The scope of Releases 3 and 4 currently scheduled for September 30, 2010 and December 31, 2010 respectively, will contain interfaces to Education legacy systems in order to pre-populate data and automate payment. The final scope for these releases has not been set.

There are a number of challenges to fully implementing the Long Term Solution. It is important to recognize the methodology we are using to deliver this system to our Benefits Administration partners is based on agile approach. It is based on making tradeoffs between schedule and functionality. We have fixed the schedule such that there is a release every 3 months. To accomplish this we adjust the delivered functionality to what can be done in three months. This is a significant change to how the VA has run IT development projects in the past. As a result, today, we can report that the system works, it is in limited production, and we are getting positive feedback from our customers. The Chapter 33 automated solution is being implemented at the Terremark Data Center in Culpepper, VA.

Question 3. Your testimony says that the Post-9/11 automated solution will be implemented by December 2010. Given the rough start that this new program has endured, what level of confidence do you have Mr. Secretary that a solution will be in place by December?

Answer. Based on the project schedule, VA has full confidence we will deliver the system functionality expected by December 2010.

GI BENEFITS—IT ISSUES

Question 1. With the full system deployment of the automated GI benefits system expected in December 2010, does this mean all Post-9/11 GI Bill claims and payments will go through an automated system?

Answer. The goal of the long-term solution is to automatically process as many claims as possible without human intervention. Replacing the interim solution, which is supplemented by job aids, the long-term solution will automate many of the manual processes currently required to process a claim. For example, users will no longer manually enter payments in a separate system after processing claims. Payments will be automatically sent to a payment system when users enter claims. By December 2010, users will process all Post-9/11 GI Bill claims within the long-term solution.

IMPROVING MENTAL HEALTH CARE

Question 1. What is VA doing to decrease stigma to those who may want to seek mental health care but refuse to seek care because of the perceived stigma attached to it.

Answer. VA is working with the Department of Defense to develop a DoD-VA Integrated Strategy for Mental Health to increase collaboration and joint programming with a focus on the care of Service members and Veterans returning from OEF and OIF. The goal is, as much as possible, to coordinate mental health services between the two Departments to develop a continuum of care that extends from the time of each Service members oath of service until the end of his or her life. Viewing VA services as part of an integrated system should reduce the stigma associated with help-seeking.

Finally, it is important to recognize that VA has two interacting strategies for addressing mental health concerns for returning Veterans. Mental health services in VA Medical Centers and Clinics offer evidence-based mental health care as part of overall health care. In these settings, VA offers the Nation's most comprehensive system of mental health services. However, it complements this system with another strategy, the delivery of problem-focused counseling for combat Veterans for problems with readjustment in Vet Centers. Together, these two strategies offer meaningful choices to Veterans about how to access care, and, together, they offer access to more individuals that either strategy alone. The Vet Center program, with its

focus on problems, not diagnoses, and its emphasis on peer support, is attractive to many individuals who are concerned about the stigma of mental health services. However, once Veterans seek care, there are extensive collaborations to ensure that all of their needs are met. Following a “no wrong door” policy, there are extensive cross referrals between the two programs. The goal is to provide care to all Veterans who need it.

Question 2. Are you seeing an increase in the number of Veterans seeking treatment for PTSD and other mental health issues?

Answer. Yes, the numbers of Veterans seeking mental health services is increasing. Between FY 2006 to 2009, the number of Veterans who were treated for mental disorders increased from 1,183,839 to 1,737,566 unique Veterans. The number of Veterans treated for PTSD in this period increased from 271,976 to 397,252 individuals.

Question 3. Is the increase in Veterans seeking mental health care commensurate with the increase in budget for these programs?

Answer. Yes, the number of Veterans who are seeking VA mental health care is increasing and VA’s budget for mental health services also has increased. The increased budget primarily has been used to support increased staff so that mental health care can be provided at an appropriate level for the increased population of Veterans we serve. VHA’s total number of mental health staff has increased by 5,075 over the last three years (2006–2009). This is an increase of over 1/3 in mental health staff. In the same time period, the number of Veterans seen for mental health concerns increased from 1,183,819 to 1,428,858, a 21% increase. The higher proportion of increase in staff reflects that staff not only is needed to see more Veterans, but to provide more intensive care. In addition, skills of VA staff are also increasing. For example, VA has more than 3,000 mental health providers in VA facilities and clinics trained in evidence-based psychotherapy for PTSD.

VA/DOD ELECTRONIC HEALTH RECORD INTEROPERABILITY

While progress has been made in the development of interoperability between VA/DOD medical records, GAO has stated that the IPO still lacks the capacity to be the single point of authority on electronic health records between the two departments.

Question 1. When will the interagency Clinical Informatics Board be done identifying the IPO’s next set of objectives? It is my understanding that VA/DOD is sharing one-way data on separated service members and seriously ill and wounded patients, and sharing data bi-directionally in viewable and computable format on shared patients.

Answer. The Interagency Clinical Informatics Board or “ICIB” does not identify IPO objectives. The ICIB identifies VA and DoD objectives to support joint electronic health data sharing needs. The objectives identified by the ICIB are subject to approval by the DoD/VA Health Executive Council (HEC). The ICIB has identified a set of FY 2010 health data sharing objectives known as “target capabilities” that were approved by the HEC in January 2010.

The role of the IPO is to provide management oversight of the Departments’ activities to ensure the Departments meet the data sharing objectives identified by the ICIB.

Question 2. How do these different levels of operability affect the general population of veterans using VA medical facilities/services?

Answer. The Interagency Clinical Informatics Board (ICIB) has determined that a level of interoperability that permits VA and DoD providers to view each other’s data is sufficient to provide quality care at VA medical facilities and for VA services. For some types of data, such as allergy, pharmacy and laboratory data, the ICIB has determined that computable data would provide an enhanced level of care for Veterans by supporting automatic alerts and reminders in these domains.

Question 3. When do you expect to have bi-directionally computable data for all veterans?

Answer. VA and DoD share electronic health information based on the business requirements of those who use the information (i.e., clinicians, claims staff, etc.) to deliver care to Veterans (and Service members and their dependants) at VA and DoD facilities. VA and DoD clinicians, including the ICIB, have validated that not all information needs to be shared in computable format to support direct clinical care and claims adjudication. For example, VA and DoD are currently sharing allergy and pharmacy data in computable format because it enables automatic decision support for drug interactions and drug allergies when VA and DoD clinicians order medications for shared patients. Next, the ICIB has identified computable laboratory data as a target capability to better improve efficiency with which laboratory

results support clinical decisions. Beyond these clinical domains, VA and DoD clinicians have expressed that viewable text data that is made available to them is sufficient for clinical care and activities related to disability claims. Based on currently identified business requirements, there are no plans to make all bidirectional data computable.

DoD and VA currently have the ability to share computable pharmacy and allergy data on all veterans who are active dual consumers of both health care systems currently exist. To date, VA and DoD have activated this capability on over 57,000 patients. VA and DoD anticipate that computable laboratory data will be available for all Veterans who are active dual consumers in July 2011.

DEPARTMENTAL ADMINISTRATION

The FY 2011 Budget Request for Departmental Administration (DA) is \$463 Million, excluding the Office of Inspector General. This represents a \$65.7 Million increase [+17%] above the FY 2010 funding level of \$397.5 Million. Since FY 2009, DA has increased \$127.4 Million or 38%. Total FTEs have increased by 260 [+9%] compared to FY 2010 and by 706 [+27%] compared to FY 2009. Some examples from FY 2009 v. FY 2011:

- Office of Secretary—51%
- Office of Management—29%
- Office of General Counsel—22%
- Office of Human Resources—23%
- Office of Policy and Planning—97%
- Office of Operations—84%
- Office of Public and Intergovernmental Affairs—137%
- Office of Congressional and Legislative Affairs—70%

Question 1. For the record, please provide the FY 2011 pay cost increase amounts for each of these offices:

Answer. The below amounts are the personnel compensation increases for each office between FY 2009 and FY 2011. These increases include pay raises, normal personnel benefits increases as well as payroll funding for increased FTE.

- Office of Secretary—35%
- Office of Management—21%
- Office of General Counsel—17%
- Office of Human Resources and Administration—19%
- Office of Office of Policy and Planning—89%
- Office of Operations, Security & Preparedness—46%
- Office of Public and Intergovernmental Affairs—26%
- Office of Congressional and Legislative Affairs—56%

RURAL HEALTH INITIATIVE

Question 1. The Committee was told in May 2009, that the VA would be spending about \$60 million of the \$250 million for the Rural Health Initiative. How much did the VA spend in fiscal year 2009 on this initiative? Provide a list of projects that were funded in fiscal year 2009 to include funding amount awarded, by VISN and by location.

Answer. In Fiscal Year 2009 VA allocated \$213,170,766 of rural health initiative funding towards programs and initiatives for Veterans in rural and highly rural areas (see attachment 1). Additionally, \$27 million of those allocated funds were obligated in FY09. Attachment 1 includes a list of projects funded in FY 2009.

Question 2. How much of the fiscal year 2009 fund was allocated to the program office and what is the justification of the use of these funds? How much of the fiscal year 2010 funds were allocated to the program office, and what is the justification for the use of these funds?

Answer. In FY09, Public Law 110-329 provided \$250 million to support the implementation of programs and initiatives for Veterans residing in rural and highly rural areas. Additional funding of \$24 million was allocated by the Department to support program office operations. In total the Office of Rural Health (ORH) manages \$274 million. ORH utilized the additional \$24 million for the support of: (8) full-time Veterans Integrated Service Network (VISN) Rural Consultants, (3) regional Veterans Rural Resource Centers, the Veterans' Rural Health Advisory Committee, funding of rural Outreach Clinics, (4) Rural Health Mobile Clinics and (2) management support contracts. In FY10 ORH will utilize the same approach towards program office funding as in FY09.

Question 3. How much of the \$250,000,000 that was appropriated in fiscal year 2009 carry into fiscal year 2010? How much is available for this initiative in fiscal year 2010? What is the projected end-of-year balance for this initiative?

Answer. In FY2009, ORH received \$250 million in two-year funding. At the end of FY09 VISN and Program Offices obligated \$26,784,617 with \$223,215,383 carried over into FY2010. \$440,000,000 will be utilized as sustainment dollars for previously funded projects as well as available for new FY10 initiatives. ORH intends to obligate all funds by the end of FY10.

Question 4. Does the VA have a spend plan for the fiscal year 2010 for the Rural Health Initiative?

Answer. The FY10 ORH spend plan focuses on funding initiatives in: Purchased Care, New FY10 proposals, and Community Based Outpatient Clinics. The ORH spend plan is currently in the final review and approval process.

Question 5. Provide a list of projects for which funds have been requested, but not awarded to, including amount requested by VISN.

Answer. See attachment 2 for the list of projects for which funds were not awarded in FY09.

The Office of Rural Health (ORH) received 161 individual proposals totaling \$500,000,000 in requests. A rigorous review process was established, which included three single blind independent reviews of each proposal. Selection factors included:

- Reviewer scores (mean of 3 reviews),
- % rurality within VISN enrollees,
- % VISN within national rural enrollees,
- VISN action on initial fund distribution,
- Allocation balance across 21 VISNs,
- Diversity of project types,
- Consistency with intent of P.L. 110-329, and
- Consistency with ORH areas of focus/priorities.

From this review process, initiatives totaling \$215 million were identified for two-year funding for both VISN and Program Office initiatives. VA was able to fund projects that had merit, met the appropriate criteria, and scored the highest.

The VISNs and Program Offices whose projects were not funded were informed that they may receive additional consideration in the future, providing them with the opportunity to strengthen their proposals.

Attachment 1 – Rural Health Initiative - List of Projects Funded in FY09

VISN	Station	State	Total Allocated	Total Obligated
1	TOGUS	ME	\$3,353,152	\$541,249
1	WHITE RIVER JCT	VT	\$3,566,084	\$1,027,660
1	BEDFORD	MA	\$1,202,438	\$12,692
1	VA BOSTON HCS	MA	\$1,063	\$0
1	PROVIDENCE	RI	\$541,368	\$8,190
Total			\$8,664,105	\$1,589,791
2	UPSTATE NY HCS	NY	\$6,420,168	\$661,313
Total			\$6,420,168	\$661,313
3	BRONX	NY	\$123,260	\$12,692
3	VA NEW JERSEY HCS	NJ	\$139,770	\$0
3	VA HUDSON VALLEY HCS	NY	\$692,770	\$0
3	VA NY HARBOR HCS	NY	\$83,179	\$720
3	NORTHPORT	NY	\$114,770	\$0
Total			\$1,153,749	\$13,412
4	WILMINGTON	DE	\$341,958	\$0
4	ALTOONA	PA	\$511,234	\$0
4	BUTLER	PA	\$135,254	\$0
4	CLARKSBURG	WV	\$369,590	\$59,590
4	COATESVILLE	PA	\$335,776	\$1,206
4	ERIE	PA	\$806,031	\$0
4	LEBANON	PA	\$1,456,283	\$0
4	VA PITTSBURGH HCS	PA	\$1,620,259	\$0
4	WILKES BARRE	PA	\$608,596	\$0
Total			\$6,184,981	\$60,796
5	VA MARYLAND HCS	MD	\$7,910,475	\$4,923,671
5	MARTINSBURG	WV	\$5,892,544	\$23,813
5	WASHINGTON	MD	\$223,600	\$0
Total			\$14,026,619	\$4,947,483
6	V06 NETWORK	NC	\$8,769,866	\$0
6	BECKLEY	WV	\$998,078	\$0
6	DURHAM	NC	\$716	\$716
6	FAYETTEVILLE, NC	NC	\$681,000	\$0
6	HAMPTON	VA	\$613,000	\$0
6	ASHEVILLE	NC	\$698,000	\$156,404
6	RICHMOND	VA	\$731,000	\$257,700
Total			\$12,491,660	\$414,820
7	AUGUSTA	GA	\$3,145,512	\$0
7	BIRMINGHAM	AL	\$905,078	\$0
7	CHARLESTON	SC	\$4,698,660	\$0

7	COLUMBIA, SC	SC	\$24,430	\$24,430
7	DUBLIN	GA	\$776,000	\$0
7	TUSCALOOSA	AL	\$3,462,664	\$0
Total			\$13,012,344	\$24,430
8	BAY PINES	FL	\$672,473	\$0
8	PALM BCH GRDNS	FL	\$476,758	\$0
8	N FL/S GA HCS	FL	\$4,466,451	\$445,128
8	SAN JUAN	PR	\$2,369,257	\$3,216
Total			\$7,984,939	\$448,344
9	HUNTINGTON	WV	\$63,336	\$0
9	LEXINGTON	KY	\$317,078	\$0
9	MEMPHIS	TN	\$89,493	\$0
9	MOUNTAIN HOME	TN	\$1,371,200	\$509,457
9	MID TENN HCS	TN	\$2,788,325	\$3,755
Total			\$4,629,432	\$513,212
10	CHILLICOTHE	OH	\$2,962,689	\$942,100
10	CINCINNATI	OH	\$1,437,516	\$159,985
10	DAYTON	OH	\$496,314	\$349,692
Total			\$4,896,519	\$1,451,776
11	VA ANN ARBOR HCS	MI	\$1,109,138	\$15,412
11	DANVILLE	IL	\$1,229,662	\$224,250
11	INDIANAPOLIS	IN	\$153,250	\$0
11	VA N INDIANA HCS	IN	\$261,250	\$261,250
11	SAGINAW	MI	\$1,327,155	\$361,250
Total			\$4,080,455	\$862,162
12	HINES	IL	\$664,883	\$883
12	IRON MOUNTAIN	MI	\$929,328	\$589,000
12	MADISON	WI	\$3,397,189	\$58,178
12	TOMAH	WI	\$23,250	\$0
Total			\$5,014,650	\$648,061
15	VA HEARTLAND WEST	KS, MO	\$3,301,561	\$242,167
15	VA HEARTLAND EAST	KS, MO	\$3,722,576	\$491,217
Total			\$7,024,137	\$733,384
16	ALEXANDRIA	LA	\$1,984	\$1,984
16	VA GULF COAST VHCS	MS	\$620,185	\$25,426
16	FAYETTEVILLE, AR	AR	\$698,268	\$0
16	HOUSTON	TX	\$6,230	\$0
16	JACKSON	MS	\$813,000	\$25,750
16	LITTLE ROCK	AR	\$5,481,070	\$165,455
16	MUSKOGEE	OK	\$4,260,078	\$0
16	OKLAHOMA CITY	OK	\$1,252	\$1,252
16	SHREVEPORT	LA	\$934,776	\$4,631
Total			\$12,616,843	\$224,498
17	VA N TEXAS	TX	\$7,503,603	\$333,334

17	VA CENT TEXAS HCS	TX	\$1,093,078	\$0
Total			\$8,596,681	\$333,334
18	NEW MEXICO VAHCS	NM	\$4,376,720	\$0
18	AMARILLO VAHCS	TX	\$317,078	\$0
18	BIG SPRING	TX	\$1,094,150	\$278,452
18	PHOENIX	AZ	\$639,721	\$40,000
18	PRESCOTT	AZ	\$5,023,337	\$174,522
18	TUCSON	AZ	\$8,371,585	\$1,091,100
18	EL PASO VAHCS	TX	\$44,300	\$44,300
Total			\$19,866,891	\$1,628,374
19	VA MONTANA HCS	MT	\$232,310	\$0
19	CHEYENNE	WY	\$550,691	\$245,280
19	E COLORADO HCS	CO	\$15,449,122	\$2,867,326
19	GRAND JUNCTION	CO	\$399,160	\$98,275
19	SALT LAKE CITY	UT	\$949,106	\$88,971
19	SHERIDAN	WY	\$358,034	\$0
Total			\$17,938,423	\$3,299,852
20	ANCHORAGE	AK	\$511,031	\$76,000
20	BOISE	ID	\$317,263	\$311,251
20	PORTLAND	OR	\$16,282,169	\$842,596
20	ROSEBURG	OR	\$198,784	\$198,784
20	PUGET SOUND HCS	WA	\$699,026	\$313,932
20	SPOKANE	WA	\$9,146	\$9,146
20	WALLA WALLA	WA	\$755,566	\$23,453
20	WHITE CITY	OR	\$810,400	\$426,050
Total			\$19,583,385	\$2,201,211
21	SIERRA NEVADA HCS	NV	\$1,724	\$0
21	SAN FRANCISCO	CA	\$591,000	\$0
21	VA PALO ALTO HCS	CA	\$1,437,601	\$2,805
21	HONOLULU	HI	\$1,843,533	\$8,028
21	FRESNO	CA	\$325,468	\$271,627
21	N CAL HLTH CARE	CA	\$1,239,719	\$47,938
Total			\$5,439,045	\$330,398
22	LAS VEGAS	NV	\$1,119,932	\$0
22	LONG BEACH	CA	\$39,804	\$3,946
22	LOMA LINDA	CA	\$20,348	\$20,348
22	SAN DIEGO	CA	\$14,678	\$14,678
22	LA HCS	CA	\$729,296	\$88,821
Total			\$1,924,058	\$127,793
23	FARGO	ND	\$622,537	\$622,537
23	SIoux FALLS	SD	\$1,711,982	\$481,271
23	VA BLACK HILLS HCS	SD	\$2,347,704	\$1,013,651
23	MINNEAPOLIS	MN	\$16,682,076	\$110,836
23	NEB-W IOWA HCS	NE	\$4,690,909	\$3,383,295

23	ST CLOUD	MN	\$872,081	\$177,081
Total			\$26,927,289	\$5,788,670
99	101	Office of Public Health and Environmental Hazards	\$2,500,000	\$0
99	776	Office of Health Information, Chief Health Informatics Office	\$2,194,393	\$481,502
Total			\$4,694,393	\$481,502
Grand Total			\$213,170,766	\$26,784,617

Attachment 2 – Rural Health Initiative - List of Projects Not Funded in FY09

PO/VISN	Project Name	Total Not Funded
CHIO	Health information exchange in rural southwest Virginia in support of safe medication orders and continuity of care for rural Veterans	\$ 852,496
CHIO	Use of open source software to improve the quality of health care for rural veterans	\$ 804,241
CMSW	VA: Caring for those Who Care: Across the Nation – Powerful Tools for Caregivers	\$ 1,115,415
CMSW	Communicating Effectively with Healthcare Professionals: Evaluation of a Curriculum for Rural Family Caregivers	\$ 1,049,383
GEC	Providing Rural Veterans Access to Proactive Memory Care	\$ 2,200,000
GEC	CLC Virtual Social Interaction	\$ 340,000
GEC	Expanding Functional Assessment of Older Adults	\$ 786,000
GEC	Advancing Geriatric Education through QI	\$ 503,000
PCS	Rural Surgery Initiative	\$ 1,958,000
PCS	eMOVE!– Web-Based Weight Management Intervention	\$ 990,925
PCS	My HealthVet Health Appraisal Project	\$ 4,020,000
PCS	Education Initiative for Primary Care Rural Health Providers	\$ 781,942
PCS	Respiratory Therapy Outreach	\$ 3,149,720
PCS	A Continuum Of Care In Blind and Vision Rehabilitation For Veterans Residing in Rural and Highly Rural Areas	\$ 1,086,443
1	Substance Abuse & Co-Occurring Services Expansion: Aroostook & Washington Counties	\$ 1,373,516
2	North Country Rural Health Specialty Care	\$ 2,225,242
4	Expansion of specialty care	\$ 11,734,751
4	Rural behavioral health care management program	\$ 1,909,390
4	Outreach clinics	\$ 15,165,613
4	WV community and rural health care program	\$ 1,938,338
4	Nurse case managers	\$ 851,572
4	Expansion of home based primary care	\$ 981,981
5	Expand the Cambridge Community Based Outpatient Clinic	\$ 4,998,746
5	Create a MHICM-RANGE for Eastern Shore MH and Outreach Clinics	\$ 3,216,256
5	Expand Home Based Primary Care in Charlotte Hall Area	\$ 963,864
5	Teleradiology Initiative	\$ 961,400
6	VRC and Care Coordination	\$ 5,283,641
6	VISN 6 Rural Health Call Center	\$ 7,096,712
6	Access to Specialty Care	\$ 4,140,880
6	Telemanagement of Chronic Conditions	\$ 798,129
6	Telemental Health	\$ 738,730
7	Rural MOVE! Initiative	\$ 372,000
8	Rural Expansion of CCHT Partnering with HBPC	\$ 1,289,617
9	Mountain Home VAMC Outreach Clinic Program	\$ 1,381,600
9	VISN 9Telehealth	\$ 2,588,750
9	VISN 9 Mobile Clinic Project	\$ 3,980,000
9	Rural Metabolic Syndrome Program	\$ 871,000
9	Rural Transportation Specialist Program	\$ 70,000
10	VISN 10 HBPC Home Based Primary Care	\$ 9,414,832
10	VISN 10 Tele-Retinal Imaging TRI Expansion	\$ 2,106,920
10	VISN 10 CCHT Expansion	\$ 2,145,886

10	VISN 10 Wilmington -Washington CH Outreach Clinic	\$ 1,260,300
10	VISN 10 Williamstown KY Outreach Clinic	\$ 1,705,894
10	VISN 10 Mobile Outreach Clinic	\$ 762,397
10	VISN 10 MHICM Expansion	\$ 876,000
11	Telemedicine Expansion	\$ 2,746,365
11	VISN 11 HBPC Expansion	\$ 5,902,601
11	Northern Michigan CBOC Expansion	\$ 5,179,063
11	Expand Home Health Purchased Care	\$ 450,000
11	Improve Physical Activity of Rural Patients	\$ 549,000
12	Southwest WI Outreach Clinic	\$ 1,579,338
12	North Central IL (Streator) Outreach Clinic	\$ 1,619,694
12	Northern WI Outreach Clinic	\$ 1,446,464
12	Expand telehealth retinal cameras to CBOCs	\$ 195,540
12	Wisconsin Rapids CBOC – Enhanced Services (Eye, Audiology, PT, OT, Podiatry)	\$ 968,493
12	Mental Health Service Expansion – Northern Wisconsin	\$ 794,383
12	Iron Mountain MHICM RANGE	\$ 629,657
15	Marion VA HBPC Expansion	\$ 2,499
15	HSTMVH HBPC Team #2	\$ 1,742,000
16	Rural Health Access – Collaboration with IHS/Choctaw Nation	\$ 4,540,394
16	Muskogee Mobile Clinics	\$ 4,303,396
17	Rural Mobile Medical Unit	\$ 2,181,544
17	MHICM Range for VCBHCS	\$ 1,044,523
17	CCHT for the Valley Coastal Bend Health Care System	\$ 1,417,238
17	Contract CBOC Proposal	\$ 985,208
18	Rural Health Outreach, Care Coordination, & Education Centers and Enhanced Care Proposal	\$ 5,801,997
18	Contracted or Fee Basis Services For Medical Care	\$ 23,730,010
18	Pharmacy and Disease Management Services	\$ 500,000
18	Southwest Data Center for Rural Programs	\$ 1,733,284
19	VISN 19 Home Telehealth for Rural Veterans: CCHT Expansion Initiative	\$ 3,658,927
19	Electronic ICU to Improve Veteran Outcomes in Rural Areas	\$ 2,845,260
19	Rural Outreach for Prevention and Treatment of PTSD	\$ 1,693,182
19	VISN 19 Rural Peer Support Program	\$ 1,206,065
19	Primary Care to Native American Veterans in Rural Montana	\$ 1,785,763
20	Coordination of Patient Registries, Roseburg; VISN wide approach	\$ 1,897,616
20	Expansion of Suicide Prevention Program	\$ 999,441
20	Patient Transportation System, VISN wide approach	\$ 745,210
20	Coordination of Patient Registries, Walla Walla	\$ 979,255
21	Bringing Care Closer to Home in Kern County, CA	\$ 13,145,338
21	SFVAMC (San Fran) Comprehensive Rural Specialty Health Care Initiative	\$ 2,225,522
21	CCHCS (Central Cal.) Deployable (Mobile) Medical Clinic w/ pharmacy and advance telehealth and EMR technology	\$ 1,163,676
21	VANCHCS (N. California) CCHT Expansion to Feather River Tribal Health (FRTH) Clinic in Rural Northern California	\$ 573,724
21	VAPIHCS (Pacific Islands) Expansion of CCHT through the use of POTS	\$ 567,000
22	Expansion of El Centro Clinic Services in Imperial Valley, CA	\$ 715,000
23	Rural Health Community Collaboration	\$ 15,000,000
23	Nebraska-Western Iowa Health Care System Polytrauma Support Clinic	\$ 1,385,500

CBOC - Community Based Outpatient Clinic
CCGT - Care Coordination General Telehealth
CCHT - Care Coordination Home Telehealth
CCSF - Care Coordination Store-and-Forward Telehealth
CHIO - Chief Health Information Office
CLC - Community Living Center
GEC - Geriatrics and Extended Care Service
HBPC - Home Based Primary Care
HCS – Health Care System
ICU - Intensive Care Unit
IHS – Indian Health Service
MFH- Medical Foster Home
MHICM - Mental Health Intensive Care Management
OCCS - Office of Care Coordination
OMHS - Office of Mental Health Services
OPHEH - Office of Public Health and Environmental Hazards
OTS - Office of Telehealth Services
PCS - Office of Primary Care Services
POTS - Plain 'ole Telephone System
OI – Quality Improvement
VISN – Veterans Integrated Service Network
VRC - Veterans Recovery Center

WEDNESDAY, MARCH 10, 2010.

U.S. NAVY, U.S. MARINE CORPS BUDGET

WITNESSES

ADMIRAL GARY ROUGHHEAD, CHIEF OF NAVAL OPERATIONS
GENERAL JAMES T. CONWAY, COMMANDANT OF THE MARINE CORPS

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I would like to call the subcommittee to order.

And I want to welcome once again to the subcommittee Admiral Roughhead and General Conway. Thank you. Thank you both for your distinguished service to our country, and we are deeply grateful for your continued leadership in a very, very important time in our nation's history.

Our purpose of the hearing today is to review the 2011 budget request for the Marine Corps and Navy for military construction appropriations, as well as any related questions that we might have. As you both know—you have gone through this process many times—we have got multiple hearings going on, so there may be members coming in and coming out. We like an informal process for this subcommittee and look forward to hearing your testimony.

Before we get into that, I would like to recognize Mr. Crenshaw for any opening comments that he would care to make.

STATEMENT OF CONGRESSMAN CRENSHAW

Mr. CRENSHAW. Thank you, Mr. Chairman. I will just add a couple of things.

You know, today I am here instead of Zach Wamp, our ranking member. He is attempting to serve the people of Tennessee in a different capacity, so he misses meetings from time to time, and I sit in his place as the ranking member. And he said that is fine, just do not get too used to it. [Laughter.]

But it is a particular pleasure today because of who is testifying before us. Some of you all may know, from my home district in northeast Florida, in Jacksonville, is kind of known as a Navy town. We have got three military bases. We have got Naval Station Mayport. We have got NAS Jacksonville. We have got a big Marine facility called Blount Island that is becoming more and more important.

So I want to welcome you all back. You are obviously not strangers to this committee. I thank you for your leadership. I do not think, frankly, that we would be meeting the challenges that the Navy and the Marines face were it not for you all's leadership. And whether it is in Afghanistan, in Iraq, or whether it is fighting the pirates off the Somali coast or chasing down the drug guys and

catching them in the Caribbean or just offering the humanitarian aid that we are doing down in Haiti, I do not think it would be happening without your leadership.

And one thing I would like to say, because I think a lot of people do not understand, when you think of Afghanistan or Iraq, you do not typically think about the Navy. You think about the Marines. You think about the Soldiers. And I think a lot of people would be surprised to learn that we have got over 7,000 Navy men and women that are on the ground in combat, which, again, the Marines and the Army do a great job, but thank the Navy for their involvement that, again, a lot of people would not realize.

I just came back from Afghanistan and Pakistan this weekend. Congressman Dicks, who sits on our subcommittee, who is going to be the new chairman of the Defense Subcommittee, was leading a Congressional Delegation. And after we spent an hour with General McChrystal talking about Afghanistan, we went onto Pakistan and, lo and behold, the head of that operation is a Navy admiral, Vice Admiral Mike LeFever.

So, again, it is really a joint effort. So thank you all for being here.

Thank you, Mr. Chairman, for the work you do to kind of get our work done on a timely basis and a bipartisan basis. And we want to help you all, as we listen to your testimony, just make sure that we can put you in a position to do the job that you need to do, number one, to take care of the men and women of the Marines, the Navy, and then, number two, help you be in a position to defend our country.

So thank you, Mr. Chairman.

Mr. EDWARDS. Mr. Crenshaw, well said, and thank you for that.

Before we begin the testimony, let me just apologize in advance. At 11 o'clock, there is a presentation in the rotunda where the Women Air Force Service Pilots, the WASPs of World War II, who gave this country such distinguished unselfish service, with virtually no military benefits in that war. They are being honored, and I have a constituent of mine—two, actually—that are members of the WASPs.

So I may be slipping out, and Mr. Farr will continue if we still have any additional questions. I just want you to know the reason for my slipping out, if we are still continuing in the hearing.

But let me just begin by saying that your full testimony will be submitted for the record, as you know, but I would like to recognize each of you now for any opening comments that you care to make, and we will get into the discussion. Thank you.

Admiral.

STATEMENT OF ADMIRAL GARY ROUGHEAD

Admiral ROUGHEAD. Chairman Edwards, Representative Crenshaw, and distinguished members of the committee, it is my honor to appear before you again representing our dedicated Sailors, Navy civilians, and families. I appreciate the opportunity to testify on our Navy shore infrastructure and its essential role in carrying out our Navy's mission.

Although we are a deployed force, our families thrive, our Sailors deploy, and our ships sail from our infrastructure ashore. This

year's military construction budget prioritizes Navy and joint mission readiness, ensuring nuclear weapons security, improving our bachelors quarters, and improving energy efficiency, while funding only our most critical needs for mission-essential facilities that are in the poorest conditions.

As I described last year, high operational demands, rising manpower costs, and an aging fleet have come at the cost of shore readiness, putting future shore readiness, particularly the recapitalization of our facilities infrastructure, at high risk.

We have refined our capital investment plan and aligned governance to target our ashore investments where they have greatest impact to our strategic and operational objectives, warfighting effectiveness, and family support. With your unwavering support, we have made essential progress and improvements in increased childcare spaces by 900, improvements to the Homeport Ashore program, and further ensured nuclear weapons security.

In this Future Years Defense Plan (FYDP), we have programmed funding for six bachelor housing projects that would eliminate our Homeport Ashore deficit by 2016. We also continue to experience positive results to public-private venture housing in which over a fifth of our families reside. Additionally, your tremendous support through the American Recovery and Reinvestment Act of 2009 allowed us to fund 127 projects, including investment in hospitals, child development centers, and energy improvements that are stimulating employment and the economy in regions all over the country.

As part of our guiding principles, we continue to eliminate and consolidate excess in underutilized infrastructure. While previous Base Realignment and Closures (BRACs) have reduced a large portion of our excess infrastructure, BRAC alone cannot achieve the infrastructure reductions and the strategic positions that address our needs and our resources.

Our 2011 budget requests funds to reduce approximately 2 million square feet of the 40 million square feet our Navy has targeted for elimination. As the Navy continues to develop and acquire its future force and prepare for future challenges, we must ensure that our shore infrastructure is ready to support new ships, aircraft and systems, and resilient enough for a changing security environment.

To this end, our budget includes funding for 30 projects. We thank you for your support to upgrade the carrier port of Mayport to be nuclear-capable and thereby strategically positioning our East Coast carrier fleet as we have done with our West Coast carrier fleet.

With the 2011 budget, we will have the necessary resources to maintain the readiness of the Fleet, provide for the quality of life of our Sailors and their families, and prepare for the future.

I thank you again for your time and for your continued support of our 600,000 Sailors, Navy civilians, and our families. Thank you, sir.

[Prepared statement of Admiral Gary Roughead follows:]

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UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS
(MILCON)

**STATEMENT OF
ADMIRAL GARY ROUGHEAD
CHIEF OF NAVAL OPERATIONS
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
OF THE
COMMITTEE ON APPROPRIATIONS**

10 MARCH 2010

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS (MILCON)

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Chairman Edwards, Representative Wamp, and esteemed members of the committee, I am honored to appear before you for my third year representing the dedicated men and women, Sailors and civilians, of our great Navy. I appreciate the opportunity to testify about our Navy's shore infrastructure program and the essential support it provides to our warfighting readiness and the quality of life of our men and women who serve.

As I described last year, high operational demands, rising manpower costs, and an aging Fleet of ships and aircraft have led our Navy to take risk in shore readiness and, instead, invest in our people, afloat readiness, and future force structure. Our military construction budget request for this year continues that trend, but prioritizes our most critical needs.

Our FY 2011 budget request places a priority on supporting Navy and Joint mission readiness, ensuring nuclear weapons security, and improving our bachelor's quarters, including sustained funding for our Homeport Ashore initiative. We are taking risk in other areas. This risk results in additional maintenance, sustainment, restoration, and modernization requirements and continued reliance on old and less efficient energy systems. These factors increase the cost of ownership of our shore infrastructure and outpace our efforts to reduce costs through facilities improvements and energy upgrades. Our future shore readiness, particularly the recapitalization of our facilities infrastructure, remains at high risk.

We continue to pursue a Shore Investment Strategy underpinned by a top-down, data-driven, capabilities-based process that aligns shore investments with required Navy warfighting capabilities, improved quality of life, and Joint requirements. Now in the last year of the strategy's three-year spiral development, we have refined our capital investment plan and aligned governance to target our shore investments where they will have greatest impact to our strategic and operational objectives, warfighting effectiveness, and family support.

With your unwavering support, we have made essential progress and improvements in increasing child care spaces, adding bachelors quarters through the Homeport Ashore program, and ensuring nuclear weapons security. These projects will greatly facilitate our ability to meet Initial Operational Capability of new systems and platforms, support Global Posture and Combatant Commander initiatives in Djibouti and Bahrain, gain shipyard efficiencies, and enhance training, force protection, and quality of life and quality of service for our Sailors and their families.

Additionally, I want to thank you for your tremendous support and assistance through the American Recovery and Reinvestment Act of 2009 (Recovery Act). We have worked very hard to ensure these funds are immediately applied and that they achieve maximum effect in creating jobs and stimulating the economy in multiple regions of the country where we have Navy infrastructure. Through the Recovery Act, you provided the Navy \$207 million in Military Construction funding (including \$74 million in Energy projects), \$29 million in Energy Conservation Investment Program (ECIP) funding, and \$712 million in Operations and Maintenance, Navy (OM,N) and Operations and Maintenance, Navy Reserve (OM,NR) funding. We identified Military Construction projects for Child Development Centers and barracks and

prioritized them according to operational need and the ability to obligate funds quickly. We selected OMN/OMNR and energy projects based on mission requirements, quality of life impact, environmental planning status, and our ability to execute quickly. Our aggressive execution schedule is on track and construction outlays are ramping up swiftly. Our Recovery Act investments fully meet your intended economic impact and our Navy's commitment to serve as a steward of our Fleet communities and the environment.

As we address the needs of our shore infrastructure in FY 2011, our guiding principles will be to:

- Aggressively identify and create opportunities to eliminate excess and underutilized infrastructure to reduce the cost of the Navy's shore infrastructure
- Stabilize Base Operating Support to provide improved Family Readiness through consistent Quality of Service standards across all of our installations, maximize efficiency and effectiveness, and reduce costs through acquisition initiatives
- Continue transitioning to a condition-based maintenance program that adequately invests and sustains facilities to achieve their designed service life at the lowest life-cycle cost.
- Continue to refine, strengthen, align, and integrate our shore planning capabilities and processes to ensure optimum investments, mission accomplishment, and Quality of Service for our Sailors, civilians, and their families.

Our FY 2011 budget requests \$470 million for sustainment, restoration, and modernization special projects. This investment is directed towards our mission-essential facilities that are in the poorest condition, including repairs to and restoration of critical airfields or hangars, piers, dry docks, and shoreline. It also funds energy-related projects tied to Navy energy goals.

Our budget includes a moderate level of risk in our Base Operating Support output levels. We are taking additional risk in critical maintenance on transportation equipment and in bachelor housing operations by deferring necessary equipment replacement, such as room furnishings. We have minimized risk in Fleet and family support and in child development and youth programs.

MILCON Program

Our FY 2011 budget requests \$1.1 billion in Military Construction funding, including \$55.8 million for planning and design and \$20.9 million for unspecified minor construction. It also requests \$41.3 million in Military Construction Navy Reserve funding, including \$1.4 million for planning and design and \$2.2 million for unspecified minor construction. This is a slight increase over the amount we requested in FY 2010.

Overall, our FY 2011 Military Construction budget focuses on:

- Targeting investments to provide maximum readiness in support of current and future mission requirements
- Quality housing for our Sailors and reducing homeport ashore deficits
- Supporting new mission and system requirements

- Enhancing Combatant Commander's capabilities
- Eliminating Nuclear Weapons Security deviations
- Increasing energy security through reduced consumption and improved sustainable design
- Recapitalization of critical shore infrastructure

Appendix I provides a brief overview of Navy projects funded by the FY 2011 Military Construction Program, but some highlights follow.

As the Navy continues to develop and acquire its future force, we must ensure that our shore infrastructure is ready and capable to support new ships, aircraft, and systems as they enter the Fleet. To this end, our FY 2011 MILCON budget includes funding for 30 projects that will include new and/or improved piers, wharves, hangars, and training and RDT&E facilities.

Thank you for providing funding in FY 2010 to dredge the channel at Mayport to allow aircraft carrier access to this port. Hampton Roads is the only nuclear carrier capable port on the East Coast and a catastrophic event in the Hampton Roads Area affecting port facilities, shipping channels, supporting maintenance or training infrastructure, or the surrounding community has the potential to severely limit East Coast Carrier operations, even if the ships themselves are not affected. Consistent with today's dispersal of West Coast aircraft carriers between California and Washington State, the QDR direction to make Naval Station Mayport a nuclear carrier-capable homeport addresses the Navy's requirement for a capable facility to maintain aircraft carriers in the event that a natural or manmade disaster makes the Hampton Roads area inaccessible. While there is an upfront cost to upgrade Naval Station Mayport to support our nuclear aircraft carriers, Mayport has been a carrier homeport since 1952 and is the most cost-effective means to achieve strategic dispersal on the East Coast. The national security benefits of this additional homeport far outweigh those costs.

We remain on track in our Homeport Ashore initiative to provide sufficient bachelors Quarters accommodations to our Fleet Sailors by 2016. Your support through the Recovery Act allowed us to make significant progress in the elimination of our Homeport Ashore deficit. In FY 2011, we will construct a Bachelor Quarters at Naval Base San Diego to add additional spaces toward our goal.

We have placed a priority on the security of our nuclear weapons, and we are aggressively pursuing projects to optimize security at our Strategic Weapons Facilities in the Pacific and Atlantic. Our FY 2011 budget requests funding for four projects: three to improve emergency power capability and one to enhance physical security at our strategic weapons facilities.

Per the President's Executive Order on greenhouse gas reduction, and in concert with the Department of Defense and Secretary of the Navy Energy Strategies, our FY 2011 Military Construction projects will pursue opportunities during project design and execution to improve our energy security, efficiency, and stewardship. Specifically, we will direct investments to critical infrastructure improvements and decreasing our energy consumption and greenhouse gas emissions. We will emphasize energy-related factors in our acquisition processes to encourage innovative approaches from our construction partners. This strategy will maximize use of

cutting edge technologies in sustainable design, advanced metering, smart building systems, and renewable energy systems, improving the quality and value of our construction projects.

This budget request is in compliance with the Office of Management and Budget's explicit direction to fully fund all capital projects. I request your support and assistance to sustain full funding for our Navy projects as you review and approve this and future budgets.

BRAC and Infrastructure Reduction Program

The Base Realignment and Closure (BRAC) legislation helps us align our infrastructure with our defense strategy, take advantage of joint opportunities, and reduce excess and underutilized infrastructure. In FY 2011 our Navy will begin to realize \$883 million in annual recurring savings.

To date, 253 of 488 realignment and closure actions have been completed and 105 of 117 planned BRAC construction projects have been awarded, totaling about \$1.8 billion; this represents an increase of 15 projects and about \$400 million since my FY 2010 testimony. All remaining BRAC construction projects will be awarded in FY 2010, and we are on schedule to achieve all statutory BRAC 2005 milestones by September 2011. Our FY 2011 budget requests \$342 million for operational movements at key closure and realignment locations, outfitting of newly constructed buildings, environmental restoration, and military permanent change of stations related to BRAC 2005 implementation.

Additionally, per BRAC law and since my last appearance before you, our Navy completed the alignment of Phase 1 Joint bases at Joint Expeditionary Base Little Creek/Fort Story and Joint Region Marianas (on October 1, 2009). The remaining Navy-led Joint bases at Anacostia-Bolling and Pearl Harbor-Hickam will be fully aligned on October 1, 2010.

Previous BRACs have reduced a large portion of our excess infrastructure and our sale of excess BRAC property resulted in more than \$1.1 billion in Land Sales Revenues, which we have reinvested in environmental clean up, caretaker, and early property transfers that benefit both our Navy and local communities. Beginning in FY 2010, our major land conveyances will be complete, limiting our Land Sales Revenue opportunities and we will require \$162 million in appropriated funding in FY 2011.

As you know, BRAC alone cannot achieve the infrastructure reductions required to optimize our limited resources. We continue to evaluate our shore inventory for opportunities to:

- Optimize all Navy's shore infrastructure requirements
- Identify and eliminate excess and underutilized infrastructure at the lowest life-cycle cost
- Identify and implement innovative changes to our operational and business practices to reduce our facility costs

We continue to eliminate and consolidate excess and underutilized infrastructure. Our FY 2011 budget requests funds to reduce approximately two million square feet of the 40 million square feet our Navy has identified for elimination. We will lay-up infrastructure for future

demolition and will continue to seek opportunities to reduce footprint in conjunction with our Military Construction and restoration and modernization recapitalization and consolidation efforts.

Housing Program

With your support, our Navy continues to make progress in our housing program. Our FY 2011 budget request addresses our continued commitment to improve living conditions and to provide safe, affordable, and comfortable housing for our Sailors and their families. High-quality and affordable housing is essential for Sailors and their families during shore duty and long-term deployments or separations. It has a significant impact on retention, productivity, and individual and mission readiness. We continue to pursue a three-part housing strategy:

1. Reliance on the Private Sector: We make every effort to house our Sailors in the local community first. Proper resourcing of our Basic Allowance for Housing (BAH) ensures our Sailors have the opportunity to buy or rent homes of their choosing in the communities in which we operate and live. In FY 2009, local communities housed approximately 75 percent of our family population and 65 percent of our single Navy Sailors.

2. Public/Private Ventures (PPV): With your support, we privatized over 95 percent of our units in the U.S. This initiative has greatly improved the quality of housing for our Sailors and their families. It also allows us to sustain these units at the lowest life-cycle cost. With the Bachelor Housing PPV pilot authority provided by Congress, we executed projects in San Diego, CA and Hampton Roads, VA, providing high-quality market-style quarters for 6,600 Sailors. We are pleased with these projects, which have contributed to our single Sailors' quality of life.

3. MILCON: We continue to rely on Military Construction funding for bachelor and overseas family housing. We are committed to ensuring our Fleet Sailors are afforded the opportunity to have housing ashore when they are in homeport through our Homeport Ashore initiative. Additionally, in keeping with our overseas quality family housing needs, we have recently awarded seven overseas family housing projects in FY 2009 and are on track to award six in FY 2010.

Family Housing

Our FY 2011 family housing budget request includes \$68.2 million for family housing construction, improvements, planning, and design. This amount includes \$37.2 million for replacement construction of 71 homes for naval base personnel at Naval Base Guantanamo Bay, Cuba and \$28.3 million for 116 Navy-owned housing units in Japan. In addition, our FY 2011 budget request includes \$340.3 million for the operation and maintenance of 10,000 Navy-owned homes and 3,800 leased homes.

Utilizing a combination of increased recapitalization funding and PPV authorities, the Navy met the Secretary of Defense's goal to fund by FY 2007 the elimination of all inadequate military family housing units, which Navy defined as Q4-rated units. To introduce standardization across all four Services, the Secretary of Defense redefined family housing

condition ratings in 2009 so that any unit in a Q3 or Q4 condition would be considered inadequate. We have identified in our inventory approximately 3,000 government-owned Q3/Q4 units, most of which are overseas. While this number represents six percent of the total Navy family housing inventory, it represents 32 percent of the Navy-owned housing inventory. The Navy will program to the Secretary of Defense's 2012 goal for 90 percent of family housing to be in adequate (Q1/Q2) condition during 2015.

Summary of Family Housing Conditions					
	FY11	FY12	FY13	FY14	FY15
Adequate (Q1 / Q2)	68%	72%	75%	82%	92%
Inadequate (Q3 / Q4)	32%	28%	25%	18%	8%

Our portfolio management program collects and analyzes financial, occupancy, construction, and resident satisfaction data to ensure our PPV projects are optimized and performing as required and the services provided meet expectations. We regularly host PPV focus groups to assess the quality of privatized housing and housing services delivered to Navy families and make changes in Navy policies and procedures as required. We continue to receive very positive feedback from our Navy families. This enhanced oversight of our PPV partners meets required Congressional reporting and ensures Navy Sailors and their families continue to benefit from quality housing and services.

Bachelor Housing

Our bachelor housing program is currently focused on two goals: providing Homeport Ashore housing for our junior sea-duty Sailors by 2016 and eliminating our Q4 barracks by 2020.

I remain committed to our Homeport Ashore initiative, which provides improved quality of life for our junior Sailors on sea duty (E1 through E4 with less than four years of service). We continue to make progress toward our goal of providing housing ashore for all our junior sea duty Sailors by 2016 at the Interim Assignment Policy standard (55 square feet of space per person). Our long term goal is to achieve the OSD private sleeping room standard (90 square feet per person). We currently have one Military Construction bachelor housing project, in Coronado, scheduled to complete in FY 2011 that will provide an additional 1,056 spaces to our inventory. Additionally, we are requesting \$75 million in FY 2011 for a new construction project on Naval Base San Diego and five other Military Construction projects in the 2011 President's budget FYDP that will provide the 4,300 spaces required to complete the Homeport Ashore initiative by 2016.

I am also committed to eliminating our Q4 bachelor housing. Similar to family housing, the Secretary of Defense charged the Services with achieving 90 percent Q1/Q2 bachelor housing by 2017. While we do not have sufficient resources to meet the Secretary of Defense's objective by 2017, we are committed to eliminating the worst barracks conditions in the most expeditious manner possible. Our FY 2011 bachelor housing budget requests \$127 million in sustainment and modernization funding to begin the elimination of our Q4 bachelor housing and I am committed to investing about \$125 million annually to remedy conditions at our remaining Q4

units by 2020. We will also continue to follow our policy of not assigning Sailors to rooms with serious environmental, health, or safety concerns. Our FY 2011 budget requests funding for projects in the following areas:

- San Diego
- Pearl Harbor
- Great Lakes
- Pensacola
- Kitsap
- Whidbey Island
- Lemoore
- Norfolk
- Ventura County
- Diego Garcia
- Atsugi

Finally, our Navy continues to develop innovative methods to improve living conditions for our single Sailors. Thanks to your legislative support we have been able to leverage family housing privatization legislation and private development funds to build first class living quarters for our single Sailors. We opened Pacific Beacon, our new unaccompanied housing privatization project in San Diego. We are on track to open the final sites of our other unaccompanied housing privatization project in Hampton Roads, VA by the end of FY 2010. Both of these projects feature private bedrooms with walk-in closets, bathrooms, a shared common living room, and a kitchen with full-size refrigerators, ranges, dishwashers, and washer/dryers. As I reported to you last year, these are the finest enlisted bachelor's quarters I have seen in my career.

Family Readiness & Quality of Life

Family readiness and quality of life are critical components of our warfighting readiness. Navy family readiness is a network of services, programs, commands, agencies, and individuals designed to support and advocate for our Navy families and their quality of life. Family readiness encompasses preparing our Navy families for deployment, relocation, and emergencies while building self-sufficiency and resiliency in all aspects of their lives.

Through our Fleet and Family Support Centers, our Sailors and their families have access to deployment support, relocation and transition assistance, personal financial management, life skills education, new parent support, family employment, clinical counseling, sexual assault prevention and response services, and child and domestic abuse prevention and response services. Our Navy also has active ombudsmen that liaison between the Sailor's command and his or her family and we continue to utilize new communication technology and off-base sites to reach out to active duty and Reserve Navy families in remote or isolated locations.

For our active duty and reserve Sailors returning from combat deployments and their families, we have implemented Returning Warrior Workshops, which assist with reintegration into life at home, raise awareness about the symptoms associated with combat stress, and provide increased resources for mental and physical health assessment and referrals. These workshops fall under the umbrella of our Safe Harbor program, the Navy's lead organization for coordinating non-medical care of wounded, ill, and injured Sailors, Coast Guardsmen, and their families.

Our Navy Child and Youth Programs provide high-quality educational and recreational programs for our Navy children. We are leveraging Military Construction funding, Recovery Act funding, commercial contracts, and military-certified in-home care to continue to execute the FY 2010 funding you approved to increase child care spaces by about 7,000 and meet our goal of placing children under care within three months of their request. I am pleased to report that by the end of 2011, we will meet this goal and we will be in compliance with the Office of Secretary of Defense's direction to provide child care to at least 80 percent of our military population. In addition to increasing child care spaces, we are also sustaining the 25,000 additional hours of respite child care and youth services for families of deployed Sailors you approved in our FY 2010 budget. Our child care and youth programs are a highly valued resource by our Sailors and their families.

CONCLUSION

Our Navy remains the world's finest Navy through your strong and continued support. Our naval stations, bases, and forward operating locations are the logistic hubs, gateways, workplaces, and homes for our Sailors, Navy civilians, and their families. Our Military Construction and Quality of Life programs enable these installations to remain ready to deliver scalable, agile, and adaptive capabilities in support of our Navy's warfighting mission and the quality of life of our people. Through the disciplined use of our Shore Investment Strategy, we are targeting our investments on the most critical shore needs to provide this Nation with the world-class maritime force it demands and requires.

Again, I am most grateful for your continued support and I look forward to working with you to ensure our Navy's warfighting readiness and the quality of life of our dedicated Navy men and women and their families.

Mr. EDWARDS. Thank you very much.
General Conway.

STATEMENT OF GENERAL JAMES T. CONWAY

General CONWAY. Mr. Chairman and distinguished members of the committee, thank you for the opportunity to report to you on the posture of your Marine Corps. Our pledge as it has been over the years is to provide you a candid and honest assessment.

Having recently returned from a trip to theater, I am pleased to report to you on the magnificent performance of our Marines and Sailors in combat. If you count the 4-year enlistment as a generation of Marines, we are now experiencing our third generation of great young patriots since our nation was provoked on 9/11.

Our first generation broke trail, leading the strikes into Afghanistan and Iraq. The second generation quelled the once volatile province of Anbar. Today, while there are less than 130 Marines in Iraq, our third generation has more than 15,000 serving in Afghanistan.

Your Marines are fighting a skilled and determined enemy, but with the Afghan security forces, they are once again proving that they are the strongest tribe in the Taliban stronghold of Helmand.

Let me assure you from what the Sergeant Major and I witnessed firsthand, the highest morale in our corps resides in those units that are posted to Afghanistan.

Our military construction accounts in the fiscal year 2011 budget and the FYDP are sufficient to help maintain the recent promise we have made to our young Marines and the great Sailors who support us, that they will have quality housing, living spaces while they are at home in between their deployments.

One need only visit some of our major bases and stations to realize that we waited too long to begin that effort. Similarly, we believe that in wartime we must continue the heavy emphasis placed on education of our officers and our staff Non-Commissioned Officers. A strong reservoir of strategic and operational thinkers is a must on a sophisticated and joint battlefield.

Therefore, a quality Marine Corps University with facilities to match our already world-class student body, faculty, and curriculum is a major priority. We trust we will receive your full support on our MILCON investments that will repay your dividends in those years to come.

Distinguished members of the committee, I must admit my own surprise that our corps of Marines and their families have remained so resilient over the years of conflict. They have been incredibly determined, loyal, and courageous in an effort to see those two wars to a successful close.

Much of the credit goes to you in the Congress for providing them with the finest in terms of quarters, warrior care, quality of life for families, and compensation. The number-one question in the minds of our troops is always, "Is the country behind us?" The members of Congress have answered that question in spades, both by your apportionment of the nation's precious resources and also through personal efforts on the part of many of you to visit troops in theater and our wounded at Bethesda and Walter Reed.

As a result of those things mentioned and the natural tendency of Marines to stick around for a fight, our recruitment and retention are both at all-time highs. I predict, for the second year in a row, we will close our re-enlistment opportunities for both the first term and the career force halfway through the fiscal year. Clearly, such a phenomenon would not be possible if Marines and their families were not happy in the service of their country.

One day, this long war with terrorism and Islamic extremists will be over. Your Marine Corps will cease being a second land army and will gladly rejoin our Navy brothers aboard amphibious ships in order to protect America's global presence and demonstrate American goodwill and, if need be, protect America's vital interests.

Until that day comes, however, your Corps will continue, as we say, to do windows. That is, we will continue to take aboard the indomitable youth of America and make them Marines, with the absolute conviction that as a result they will one day be better citizens.

We will be trained and equally as prepared to route Taliban fighters in Marjah as we are to feed beleaguered Haitians outside Port-au-Prince. With your continued support and that of our loyal countrymen, we will do whatever the nation asks us to do and do it exceedingly well.

Thank you. And I look forward to your questions.

[Prepared statement of James T. Conway follows.]

Not public until released by the
House Appropriations Committee

STATEMENT OF

GENERAL JAMES T. CONWAY
COMMANDANT OF THE MARINE CORPS

BEFORE

THE HOUSE APPROPRIATIONS COMMITTEE

MILITARY CONSTRUCTION, VETERAN AFFAIRS, AND
RELATED AGENCIES SUBCOMMITTEE

ON

MARCH 10, 2010

Not public until released by the
House Appropriations Committee

Chairman Edwards, Congressman Wamp, Members of the Committee, thank you for the opportunity to provide a written report for the record. My pledge, as always, is to provide you with a candid and honest assessment. On behalf of all Marines, their families, and our civilian employees, I want to thank you for your concern and continued support.

INTRODUCTION

Characteristics. Your Marine Corps is a young force that provides great value to the Nation.

- The average age of a Marine is 25 years old. Almost 70 percent of your Marines are on their first enlistment, and some 30,000 have been in uniform for less than a year.
- Almost half of the enlisted force is between the ranks of private and lance corporal (pay grades E1 - E3), and the ratio of officers to enlisted Marines is 1:9 — the lowest of all the services.¹
- For 6.5 percent² of the baseline 2010 Defense budget, the Marine Corps provides:
 - 17 percent of the Nation's active ground combat maneuver units
 - 12 percent of the Nation's fixed wing tactical aircraft
 - 19 percent of the Nation's attack helicopters

Near-Term Focus. The near-term focus of the Marine Corps is as follows:

- The current fight in Afghanistan and the responsible drawdown in Iraq
- Readiness and reset of equipment
- Modernization of the Marine Air Ground Task Force (MAGTF)
- Preparing for the next contingency and the uncertainties of the future

Enduring Priorities. Through the future years defense plan and beyond, we are focused on:

- Providing the Nation a naval expeditionary force fully prepared for employment as a MAGTF across the spectrum of operations
- Remaining the most ready when our Nation is least ready
- Providing for our Marines and their families

PERSONNEL

Our people — the brave men and women who wear our uniform and the spouses, children, and the parents who support them — are our most valuable resource. In 2009, your Corps lost 65

1. FY 2010 authorized endstrength 202,100 = 21,230 officers + 180,870 enlisted Marines = 1:9.
 2. 6.5 percent of DoD budget represents FY10 USMC Green dollars and Direct Blue (Navy) dollars.

Marines to enemy action in combat. We also lost 52 Marines who died by suicide — this serious issue, which will be discussed later in this report, has my personal attention.

- **Operation IRAQI FREEDOM.** Since testimony before your committee last year, the Marine Corps has transferred authority for Anbar Province to the U.S. Army and is near completion of a responsible drawdown from Iraq.
 - From 2003-2009, our force levels in Iraq averaged 25,000 Marines.
 - As of February 19, 2010, there were 159 Marines in Iraq. By spring of this year, our mission in Iraq will be complete and your Marines will redeploy.
- **Operation ENDURING FREEDOM.** In Afghanistan, the mission has expanded.
 - As of September 23, 2009, there were more Marines in Afghanistan than in Iraq.
 - By March 2010, there will be more than 18,500 Marines in Afghanistan, and by mid-April, that number will grow to a robust MAGTF of 19,400 personnel with equipment, and will be commanded by a Marine two-star general.
- **Endstrength.** Current authorized endstrength is 202,100 Marines in the active component and 39,600 Marines in the Selected Reserve.
 - During fiscal year 2007, the Marine Corps requested and received authorization to grow 27,000 additional personnel by the end of fiscal year 2011. We completed our growth during fiscal year 2009 — two years ahead of schedule.
 - With this personnel increase, we will improve training, upgrade readiness, and enhance the quality of life for all personnel and their families. The goal is to build the equivalent capacity of three Marine Expeditionary Forces — the largest MAGTF and principal Marine Corps warfighting organization.
 - We are continuing to shape the Marine Corps with the right mix of units, grades, and occupational specialties.
- **Recruiting.** In fiscal year 2009, we exceeded goals in numbers and standards for the active component and the Selected Reserve. The active component accessed 31,413 personnel, and the Selected Reserve accessed 9,627 personnel. Including the active and reserve components, the high school graduation rate of our recruits exceeded 98 percent.
- **Reenlistments.** In fiscal year 2009:
 - 8,011 first-term Marines reenlisted — 109.2 percent of the goal.
 - 7,985 subsequent-term Marines reenlisted — 107 percent of the goal.
- **Reservists.** As of January 2010, there were 39,164 Marines in the Selected Reserve and another 55,233 in the Inactive Ready Reserve. Marine Forces Reserve includes 183 training centers in 48 states, the District of Columbia, and Puerto Rico. The contributions of our Reserve have been invaluable.
- **Officers.** The quality of officers accessed and retained remains high. In one example, the share of Marine-option United States Naval Academy candidates in the top third of their graduating class greatly exceeded representative levels in 2008. The number of Naval

Academy graduates who chose to become Marine Corps officers last year was 270 — the highest number in history for the second year in a row.

- In fiscal year 2009, our officer retention rate was 93 percent and during fiscal year 2010, we expect officer retention to remain stable.
- **Reservists.** The Marine Corps Reserve is a full partner in the total force. As of January 2010, there were 39,164 Marines in the Selected Reserve and another 55,233 in the Inactive Ready Reserve. Marine Forces Reserve includes 183 training centers in 48 states, the District of Columbia, and Puerto Rico.
 - The extensive contributions of the Reserve have reduced deployment requirements for the active component, thereby improving the health of the total force. More than 54,000 Marines from the Selected Reserve and the Inactive Ready Reserve have mobilized and deployed in support of Operations IRAQI FREEDOM, ENDURING FREEDOM, or other operational commitments around the globe.³
- **“Every Marine into the Fight.”** The majority of your Marines joined the Corps after our Nation was already at war. They expect to train, deploy, and fight because that is what they believe Marines are supposed to do. At the same time, we monitor carefully the frequency and duration that units and individual personnel spend deployed.
 - As of January 2010, 100,760 Marines had deployed for at least 120 consecutive days in the last two years, and 73 percent of the available Marines have deployed in support of Operations IRAQI FREEDOM and ENDURING FREEDOM, or other operational commitments around the globe.
- **“Deployment to Dwell.”** The metric we use to measure unit operational tempo is the ratio of “deployment to dwell” — months deployed to months at home station. We limit the duration of deployments for units and individual Marines to no more than seven months for battalions and squadrons. Higher headquarters units deploy for one year.
 - Our goal is to achieve a 1:2 deployment to dwell ratio in the active component and a 1:5 ratio in the reserve component. Our reserve units are currently operating at a ratio that more closely approximates a ratio of 1:4, while many of our active component units, on average, are nearing the goal of 1:2
- In summary, Iraq and Afghanistan have not adversely affected personnel readiness or the resiliency of the force. The Marine Corps continues to recruit and retain the highest quality people. Your Marines want to make a difference; they understand being a Marine means deploying and fighting our Nation’s battles. Indeed, the highest morale in the Corps resides in those units posted in in Afghanistan.
- **Suicide Prevention.** The number of Marines who have died by suicide in recent years is shocking and unacceptable. **This issue has my personal attention, and we have multiple programs at work to reverse this trend.**
 - **Causes.** Our studies have shown that regardless of duty station, deployment, or duty status, the primary stressors associated with Marine suicides are problems in romantic relationships, physical health, work-related issues, such as poor performance and job

3. As of 3 January 2010.

dissatisfaction, and pending legal or administrative action. Multiple stressors are typically present in a suicide. This is consistent with the findings of the other services and civilian agencies.

- **Deployments.** We analyze suicides monthly and annually for combat-related trends such as the number of deployments and dwell time. Although it is reasonable to assume that one or more deployments may cause an increase in suicides, to date, we have been unable to establish a direct correlation between deployments and suicides.
- **Sexual Assault Prevention and Response.** Sexual assault is a crime, and it tears at the very fabric of our ethos. We continue to train and educate all Marines on the warning signs and the situations that lead to sexual assault. To our commanders, we have reinforced their responsibility to investigate all allegations of sexual assault and take the appropriate actions consistent with their findings. Finally, we continue to take aggressive strides toward improving our Sexual Assault Prevention and Response Program.

Families. While we recruit Marines, we retain families. More than 45 percent of your Marines are married, and we believe that investing in military families is critical to the long-term health of the institution. When Marines know that their loved ones at home station have access to quality housing, healthcare, child development services, and education, they are better prepared to face the rigors of deployment and more inclined to stay in uniform when they return home. Toward this end, we are grateful for the new hospital forthcoming at Camp Pendleton.⁴

- **Family Readiness Programs.** Our baseline budget in fiscal years 2010 and 2011 for family programs is \$399 million per year. We have reformed our family readiness programs at every level of command at all of our installations. As an example, we have created more than 400 full-time positions for family readiness officers down to the battalion and squadron level.
- **Child Care.** Today, we are currently meeting 64 percent of potential need for child care spaces. To meet the DoD standard of 80 percent of potential need based on the current population, we would require approximately 3,000 additional spaces. With your support, we have programmed an additional 2,615 spaces that will open over the next 18-24 months.
- **Families with Special Needs.** With an increase of \$11 million for the Exceptional Family Member Program in this year's baseline budget, we have made great strides improving the programs that support special needs family members. More than 8,900 exceptional family members are in the program. The Marine Corps assigns a caseworker to each family. Moreover, the Marine Corps now underwrites the cost of up to 40 hours of respite care per month for families in the program.⁵

Wounded Warriors. About 9,000 Marines have been injured or fallen seriously ill while serving in support of Operations IRAQI FREEDOM or ENDURING FREEDOM. We are

4. This is a \$563 million U.S. Navy facilities project funded by the 2009 American Recovery and Reinvestment Act for a new 511,000 square foot hospital at Camp Pendleton, California. The construction contract is expected to be awarded during September 2010.

5. To date, the Marine Corps has provided more than 250,000 hours of respite care for families enrolled in the Exceptional Family Member Program.

deeply committed to their care as well as the welfare of their families. Since activation in April 2007, the Wounded Warrior Regiment has provided a wide range of non-medical care for the injured and ill. The Marine Corps now also has wounded warrior battalions at Camp Pendleton and Camp Lejeune.

- **Infrastructure.** The Marine Corps is investing \$50 million from the 2009 Overseas Contingency Operations supplemental for the construction of resource and recovery centers at Camp Pendleton and Camp Lejeune. These recovery centers will provide spaces for counseling, physical therapy, employment support, financial management, and other training and outreach programs in support of our wounded.
- **Outreach.** With a 24-hour call center for wounded Marines and their families, the Wounded Warrior Regiment has contacted 99.4 percent of all Marines (7,654 out of 7,703) who were wounded since the beginning of Operations IRAQI FREEDOM and ENDURING FREEDOM, in order to determine their health status. We also maintain a toll-free number to the medical center in Landstuhl, Germany for families to contact their loved ones who have been wounded.
- **Recovery Care.** The Marine Corps has 42 recovery care coordinators, who coordinate non-medical services for Marines and their families during recovery, rehabilitation, and transition.
- **Mental Health**
 - **Traumatic Brain Injury.** Naval medicine remains at the forefront of researching and implementing pioneering techniques to treat traumatic brain injury. One technique, Hyperbaric Oxygen Treatment, is showing great promise. We anticipate a study to begin this spring that tests the efficacy of this revolutionary treatment. The Marine Corps has a formal screening protocol for Marines who suffer concussions or who are exposed to blast events in theater.
 - **Post-Traumatic Stress Disorder (PTSD).** We are attentive to the mental health of our warriors and we are dedicated to ensuring that all Marines and family members who bear the invisible wounds caused by stress receive the best help possible. We developed the Combat Operational Stress Control (COSC) program to prevent, identify, and holistically treat mental injuries caused by combat or other operations.
 - With the increased workload, we do have concerns about the capacity of mental health care in military medicine. Operational support and current treatment facility demands continue to stretch our mental health professional communities, even though DoD has taken many steps to increase mental health services. Our shortages of mental health professionals are a reflection of Nation-wide shortages of this specialty. We are actively engaged in discussions about possible solutions.

MILITARY CONSTRUCTION

Bachelor Housing. Our number one priority in military construction is barracks. In years past, due to fiscal constraints, we had focused on operational concerns. We now have a program under way that will provide adequate bachelor housing for our entire force by 2014. Table 1 depicts Marine Corps fiscal year 2011 investment in new barracks.

Table I. USMC Fiscal Year 2011 Barracks Construction

<u>Location</u>	<u>FY11 Investment</u>	<u>New Barracks Spaces</u>
Twentynine Palms, CA	\$53.2 million	384
Camp Lejeune, NC	\$326.6 million	2,794
Cherry Point, NC	\$42.5 million	464
Camp Pendleton, CA	\$79.9 million	860
MCB Hawaii, HI	\$90.5 million	214
MCB Quantico, VA	<u>\$37.8 million</u>	<u>300</u>
Total	<u>\$630.5 million</u>	<u>5,016</u>

- The Marine Corps is committed to funding the replacement of barracks furnishings on a seven-year cycle and to funding the repair and maintenance of existing barracks to improve the quality of life of Marines.
- Our personnel growth has outpaced our growth in infrastructure, and your continued support is needed to provide the additional barracks, messing, and office spaces required.

Family Housing. Under our current plan, we will eliminate all inadequate family housing by 2014. Moreover, we support the privatization of family housing.

- We have found that private sector projects result in better quality homes, community support facilities, and maintenance services than the Marine Corps can provide through the traditional Military Construction and Operations and Maintenance processes. Thus, we have privatized the majority of family housing.
- Less than 6 percent of Marine Corps families still live in government-owned housing.
- Over 94 percent of families now live in private sector housing, including housing privatized under the Military Housing Privatization Initiative, long-term leases, and rental guarantee housing.

Future Realignment of Marine Forces in the Pacific. The governments of the United States and Japan have agreed to invest in a realignment of forces that will result in Marine Corps forces postured in the Pacific for a long-term presence on Japan, Guam, and Hawaii. Critical requisites to the implementation of this realignment are:

- Japanese construction of a replacement for Marine Corps Air Station Futenma that meets both operational and safety requirements.

- An appropriate force laydown that supports the operational requirements of the Commander, U.S. Pacific Command.
- Adequate available airlift and sealift within theater to transport Marines to training areas and partner countries.
- Adequate training areas and ranges in Guam and the Northern Mariana Islands that can maintain readiness as well as support security cooperation with our regional partners.
- An enduring, sustainable “live where you work,” base on Guam that maximizes operational effectiveness, minimizes encroachment, accommodates future development, and provides a quality of life on Guam commensurate with any other U.S. base.
- Continued political and financial support by the governments of the United States and Japan.

Refined planning and staff interaction processes within the Department of Defense have made significant contributions to our efforts to align these requirements. Planned and executed properly, this realignment effort will result in an enduring solution that provides forward deployed combat ready Marine forces to uphold our Nation’s commitment to the security and stability of the Pacific region.

Energy and Water Initiatives. We believe energy and water are two of our Nation’s most valuable resources. We are focused on improving our stewardship at our installations and on the battlefield. Since 2003, the Marine Corps has used over \$625 million to implement new technologies to (a) reduce energy consumption, and (b) increase our use of alternative and renewable energy.

- ***Our Installations.*** We have already gained efficiencies and achieved savings at all our major installations. We have three major goals:
 1. From 2003-2015, reduce energy consumption by 30 percent
 2. Through 2020, reduce water consumption by 2 percent per year
 3. By 2020, increase the use of alternative energy at our installations to 50 percent of the total energy consumed
- ***On the Battlefield.*** Operations in Afghanistan have forced us to reevaluate energy and water distribution and usage in expeditionary environments. We believe the future security environment will again require the Marine Corps to operate over long distances in austere environments, and we are actively pursuing a wide range of solutions to:
 - Lighten the combat load of our Marines and Sailors
 - Reduce our overall footprint in current and future expeditionary operations
 - Lessen energy consumption and dependence on fossil fuels
 - Achieve resource self-sufficiency in expeditionary environments

PROFESSIONAL MILITARY EDUCATION

- **“Two-Fisted Fighters.”** The report from the 2010 Quadrennial Defense Review calls for increased capacity for irregular warfare in the general purpose forces of the United States.⁶
 - The Marine Corps has long recognized the special skills required to operate with host nation forces and among local populations.⁷
 - Today, we are institutionalizing the lessons learned in Iraq and Afghanistan in training, education, organization, doctrine, and capability development. One of the ways we are doing this is through the *Marine Corps Center for Lessons Learned*. Moreover, through standing Marine Corps organizations such as the *Center for Advanced Operational Culture Learning* and the *Center for Irregular Warfare*, and programs such as the *International Affairs Officers Program*, we continue to build capacity in foreign language, and regional and cultural skills.⁸
- **Leadership Development.** We recognize the need for a diversity of skills and specialties, and our standing guidance to promotion, command, and special selection boards is to give due consideration to personnel with special skills and non-traditional career patterns.
- **Marine Corps University.** Annually, a percentage of Marine Corps officers from the rank of captain through colonel attend year-long resident courses in professional military education at Marine Corps University in Quantico. The Marine Corps University is regionally accredited to award postgraduate degrees and, in 2009 alone, University schools awarded 200 master’s degrees.⁹
 - Facilities are an integral part of supporting professional military education. To that end, the Marine Corps fiscal year 2011 military construction budget request includes funding for additions in Quantico to the General Alfred M. Gray Research Center and the Staff NCO Academy. These projects will support our plan to upgrade the infrastructure of the Marine Corps University.

6. Department of Defense, *Quadrennial Defense Review (QDR Report)* (Washington, DC: Feb 2010), pp. 20-26.

7. Evidence of this dates back to the Marine Corps publications of *Small Wars Operations* (1935) and the *Small Wars Manual* (1940), both comprehensive texts on counterinsurgency operations and irregular warfare.

8. Each year, the Marine Corps selects officers for the **International Affairs Officer Program**, which consists of two professional tracks: Foreign Area Officer (FAO), and Regional Area Officer (RAO). The International Affairs Officer Program provides graduate-level study and language training for nine geographic areas. There are 329 international affairs officers on active duty (262 FAOs, 67 RAOs). The officers in this program possess advanced knowledge and expertise in the language, culture, and political-military affairs of a given region. Since 2008, the Marine Corps has doubled the number of accessions in the FAO program, and accessions will continue to increase through 2015. Moreover, the Marine Corps provides mid-grade officers (major – lieutenant colonel) for the **Afghanistan-Pakistan (AFPAK) Hands Program**. Our current requirement is to provide 63 officers — three cohorts of 21 officers each.

9. The Marine Corps also has a separate, voluntary graduate education program, through which officers attend **Naval Postgraduate School** and other secondary institutions to obtain advanced degrees. There are 300 officer billets in the Marine Corps that require master’s degrees. The Marine Corps also maintains an active **fellowship program**.

- **Acquisition Professionals.** The Marine Corps has an active acquisition professional program in place to meet the need identified in the QDR “for technically trained personnel — cost estimators, systems engineers, and acquisition managers — to conduct effective oversight.”¹⁰
- There are about 520 acquisition billets in the Marine Corps — 400 are entry and mid-level positions filled by enlisted Marines and officers, and 120 are senior-level acquisition professional positions filled by field grade officers who oversee our major ground and aviation programs.
- Our acquisition professional officers are members of the Defense Acquisition Community; they possess Level II certification, four years of acquisition experience, at least 24 undergraduate credit hours in business.

CONCLUSION

As a naval expeditionary force in the form of an elite air-ground team, the Marine Corps is ready and willing to go into harm’s way on short notice and do what is necessary to make our country safe. America expects this of her Marines. In the complex and dangerous security environment of the future, the Marine Corps stands ready for the challenges ahead. We appreciate the continued support of Congress. Thank you again for this opportunity to report on the posture of your Marine Corps.

10. DoD, *QDR*, p. 76.

MARINE GUNNERY SERGEANT JOHN DAVID FRY

Mr. EDWARDS. General Conway, thank you. And as I listen to your testimony and think about the servicemen and women and their families that this committee is committed to supporting in a meaningful way, I cannot help but think about Marine Gunnery Sergeant John David Fry, who grew up in my district, and you know his story well.

That is a father, three children under the age of 10, had virtually finished his service in Iraq, had his bags packed, 7 days from coming home, and a call came in from Anbar province that there were three IEDs in the road. And he went out and volunteered when he did not have to, to defuse those bombs. And the third one had a fourth one, unfortunately, hidden by the terrorists beneath it. And that went off and killed him.

And this great Marine, who had saved so many lives, gave his life that day. And as you know, the scholarship for all military children who have lost parents now is named in his honor, rightfully so. But it is a reminder of what your leadership is about and the magnificent men and women that you have the privilege to lead. And, again, we thank you both for that.

OKINAWA TO GUAM MOVE

Let me begin questions, if I could, regarding Guam and Okinawa. Obviously, there is a great deal of interest in where we are here, as there is across the Pacific. I believe we have Japanese media represented here today as a reflection of that interest.

Could I ask you, where are we in terms of our negotiations in Okinawa? And where are we in terms of our plans to move forward in Guam?

General CONWAY. Sir, I will be happy to start, sir. And, essentially, the new Japanese government has indicated to the highest levels of our government that they want to review the agreement that both governments previously had in place for the removal of 10,000 Marines off of Okinawa onto Guam by 2014.

And now we await word coming from that Japanese government. Their promise to us has been that they would give us a response by May of this year.

In the meantime, I think the answer to your question, sir, is that we are on hold with a number of projects that were perhaps underway. I will say that both the monies the U.S. government and the Japanese government have put towards the efforts on Guam, \$452 million on our part and \$498 million on the part of the Japanese government, are being applied to the infrastructure—to enhancements on island to allow 10,000 additional Marines to come into there.

But in other areas, we are at a stop halt. And our understanding is—goes back to the original agreement, and that is a quote from the treaty says that significant developments with regard to the team of replacement facilities must be underway for us to begin our portion of the execution of the move. So that is—

Mr. EDWARDS. Did the FY 2010 military construction budget take into account the status of the negotiations and discussions with the Japanese? Or will we perhaps need to adjust the military construc-

tion numbers as the year goes on before we get to final passage of—

General CONWAY [continuing]. I think certainly the monies that are being spent are being put against enhancements on the island to facilitate the move. Some on Guam would probably argue that those enhancements are needed whether or not we conduct a move, enhancement of the infrastructure, the wharf is made more capable, and those types of things.

But I think the answer to your question is that there may be adjustments between governments after we begin negotiations again, after the Japanese government gives us a response in May, and that we would be wise to see what those final determinations are.

Mr. EDWARDS. All right. It is very good. Thank you.

Mr. Crenshaw.

MAYPORT NAVAL SHIPYARD

Mr. CRENSHAW. Thank you, Mr. Chairman.

And I have got some questions that kind of relate to my own district, as well as some broader questions, so I will—and I imagine Admiral Roughead probably would anticipate I might ask if you would mention the Mayport issue. And I would say this: I would thank him for his leadership, because it is a question that sometimes gets portrayed as a political question, but I think the bottom line is, it is what is in the best interest of America. What is the best interest of our national security?

And I think that decision probably was one of the most well-thought-out, well-researched, well-reviewed decisions in terms of all of the assessments that were made, all the announcements that were made. Mr. Chairman, you may know that they spent 2.5 years doing an Environmental Impact Study, and the Admiral, rather than making a recommendation right after that, had a strategic laydown of all the ships that we have before he made the final decision.

And then the Record of Decision, which was 218 pages long, again, well-researched, well-thought-out, well-justified, that made that final decision. And it is really not anything new. We have always had two deepwater ports on the East Coast for our carriers. But when they were conventional, that made it easy. When they all became nuclear, then—Mayport to just be consistent.

And as the Record of Decision pointed out, in addition there to having a backup maintenance facility on the East Coast, because on the West Coast we have three, but we would only have one now that we are all nuclear.

So I think it was in the best interest of the country. And I appreciate your leadership there. I did not think it needed to be reviewed again, but, Mr. Chairman, you may know that, after the Record of Decision came down, it was not really a Record of Decision. It was a recommendation that the Department of Defense looked at again for a year.

So I do not think anybody can say this has not been well-thought-out, well-reviewed, well-vetted, and so we are there.

And so the question is, just as we implement that, it is going to be expensive. And the question becomes, when I saw the 5-year plan, I think in 2012 and 2013 and 2015, there are some projects

listed. And I wondered a couple of things, kind of a two-part question.

One, are those projects, are those the main ones that are going to be needed to be implemented that are in that 5-year plan? And if there are others, are they going to be added?

And the second part of that is, the reason they are kind of phased in, is that primarily because of budget restraints? I know when they did San Diego, it was all in one lump sum, but I think in these difficult economic times, I imagine to a certain extent that they are phasing over 2012, 2013 and 2015 just based on budget restraints.

So if you could comment on two—if those are the major items that need to be kind of taken place, and then, two, the question of whether it is an operational or more a budgetary restraint.

Admiral ROUGHEAD. Sure. Thank you very much, Mr. Crenshaw.

And before I begin on that, I would like to thank you for recognizing the thousands of Sailors we have on the ground in Iraq and Afghanistan who have been there for years doing absolutely terrific work, and I appreciate your recognizing them. Thank you for that.

As you pointed out, Mayport is something that—a decision that I did not take lightly. I think our process that we put ourselves through validated the importance of that strategic dispersal of enhancing the carrier port at Mayport to be nuclear-capable so that we have the dispersion, that we have the flexibility that we enjoy on the West Coast.

Aircraft carriers are the only ships on the East Coast of the United States that I do not have an alternate port for to provide maintenance and support. Every other class in the United States Navy I can move to multiple ports on the East Coast to do repair and to have a place for them to go, should they be shut out of a particular port. So I believe it is in the strategic interest of the country that we have that.

The plan that we put together, oftentimes the figures that we are using for military construction tend to grow in the discussion, but we are very confident in the cost of this plan. When I came forward with the plan, I knew that the numbers would be closely scrutinized. I am very comfortable with what we have laid out.

But as you pointed out, in the Navy, we have a lot of competing demands in our budgets for ships, for airplanes, for supporting our people, for investing in new technologies. And so as we laid this in, even though it is a priority, we had to space it out over time.

We have the money in the budget this year to do the planning so that we can have a good, efficient and effective investment strategy, so that we get the most out of the money that we are investing in, in this enhancement to Mayport. But we did spread the money out, because we had to.

Mr. CRENSHAW. Got you. Just one quick follow up, Mr. Chairman. I know that you mentioned the \$2 million—or I think it is \$2 million—that is in the 2011.

Admiral ROUGHEAD. Yes, sir.

Mr. CRENSHAW. And that is for planning the design that is already—we already appropriated, I guess, about \$76 million to start the dredging, which is just about ready to begin, and to upgrade one of the wharfs. That money is in the bank, and so, again, I

thank the subcommittee for recognizing that, even short of the final decision.

But there is money to be spent. But that—I would imagine that \$2 million for planning and design is probably more critical than most planning and design, because when you have got a major project like this, that you want to be sure that you can do it, you know, as efficiently as possible and as safely as possible. So that money is in the budget now.

And tell me how that—you know, how will that be used? What kind of process goes into that planning and design?

Admiral ROUGHEAD. Well, what we will do is we know what the facilities are going to be required in order to enhance the capabilities of the port. But the planning money will be on the design of some of those projects, but also on how we phase the entire effort to make sure we get the most efficient expenditures.

There is not—in my mind, there is not a lot of risk in the projects that we are calling for, and that is why I have such great confidence in the numbers, because, for example, in the case of the maintenance facility and the control facility, it basically replicates what we did in San Diego.

The parking garage is nothing exotic or out of the ordinary. So this allows us to put in place the proper planning for the design and the phasing of the projects. And so we believe we have a good plan. We believe the numbers are good. And I appreciate your support in letting us go forward with this.

Mr. CRENSHAW. Thank you. And then just as a comment, I went out to San Diego and saw what they did there and, as you pointed out, I think, learned a great deal that the controlled industrial facility, which is one of the major projects, I think they learned a lot when they built that, that maybe you may not need to be that big.

I mean, you know, once you do something, you kind of learn a lot from it. So I think that is why, when you look at those numbers, I think it is a lot less than people thought it might be.

Admiral ROUGHEAD. Yes, sir.

Mr. CRENSHAW. Great. Thank you.

Mr. EDWARDS. Mr. Crenshaw, thank you.

Mr. Bishop.

IMPACT OF DEPLOYMENT ON FAMILIES

Mr. BISHOP. Good morning, gentlemen. Welcome. I have got a couple of questions—a couple of categories. The first one has to do with families and personnel.

As you both know, deployments can cause children to become depressed, angry, and some studies are documenting that the Department of Defense has had—children have undergone significant outpatient counseling since 9/11. And of course, with the recent deployments over the past few years, dealing with the parents' absence is pretty difficult, particularly for teenagers that are going through adolescence anyway, and those growing pains are pretty severe.

What installations do you have available to provide initiatives for programs for teens and for children that are impacted by their family's deployments or their family's service? That is the first.

The other one has to do with installations and probably would fall on the commandant. And that is whether or not the budget request in your opinion is sufficient to provide for the maintenance, the reset, and the repositioning function needs vis-a-vis the warehouses, the maintenance facilities, the buildings that will house those functions.

General CONWAY. Sir, with regard to the children, first of all, our research shows exactly the same thing that you cite, that, you know, we were initially concerned about counseling for our Marines, those that may have seen some of the horrors of war and the effect that it could have on them as they return home. Post-Traumatic Stress Disorder (PTSD) is the common phraseology.

And so we have gotten tremendous support from the Navy with regard to mental health specialists, psychologists, psychiatrists to help us identify and treat what—with the duration of what we have seen—and this is the first time we have seen an all-volunteer force of the size of what we have experienced in war over such a prolonged period.

We are starting to see the impact on families. And I would say it is spouses, as well as children in some cases, but what we are seeing is where Marines are assigned to the operating forces for an extended period of time. Those children are growing up without one of their parents, normally only the father.

It is showing in their grades. It is showing in their conduct at school. It is showing in just their general attitudes as they grow up.

So we have acknowledged the need. As you know, of course, we get those health services from the United States Navy. And, again, I would not change a thing about the priority. We want that kind of capacity forward, first of all, to support Marines in conflict, but we also bear a responsibility to our families.

And I think the Navy has responded adroitly to the need. They are attempting to, I think, recruit more into the Navy uniform. They are attempting to contract where that is not possible. We work through TRICARE, where, you know, immediate capacity at a hospital or a clinic is not available.

It is a little bit disproportionate. It is easier, I think, for the Navy to contract someone to live in San Diego than it is in Havelock, North Carolina, where we have major bases and stations and Marines deployed.

But we are working our way through it. And I think the first step in the problem-solving process is identifying the problem. We certainly have that. And at this point, we are working with the Navy and with, again, our natural TRICARE kinds of support mechanisms to—

Mr. BISHOP. Sir, I really was—I understand that, and I appreciate what you are doing there and the initiative is great. But I was really concerned about initiatives that would require our committee to fund, for example, buildings on the installation, whether it is a gymnasium, a family center, or where you could have structured programs, whether you needed facilities constructed for that purpose. And that was really the nature of my question.

General CONWAY. I appreciate that. And I was leaving that portion of it to my Navy brother, who, again, gives us those kinds of

capabilities. We do have a lot of things. I would simply add, from a family services perspective, that we think are helping to make that better, all kinds of family readiness initiatives that try to enhance the quality of life for our families at bases and stations while our Marines are deployed so that we are able to keep the children building, keep them in athletic programs, all those manner of things, absolutely.

But, again, I will defer—

Mr. BISHOP. So your funding is sufficient for that?

General CONWAY. I think so, sir. We have identified what we think we need in the budget. We have not seen, based on previous years' experiences—and this has been with us now for a couple of years—where the enhanced family readiness kinds of bills do not provide for that.

We have got \$442 million against it in FY 2011 alone. So I think we have acknowledged the need, but I would say that I actually have more faith in the ability of the counselors to help us identify that. And, again, that gets to the Navy.

With regard to—I will just answer quickly—warehousing for those types of things—you know, last year, we at the Blount Island facility tried to run that into the OCO (Overseas Contingency Operations) account. The rules were such that it did not fit quite correctly in the minds of the people that determine such things. So this year, we put it in the baseline, \$75 million, to enhance our warehousing, our parking garaging, maintenance, and mechanical facilities.

So we do think that that is going to be enough phased in over time to keep us ahead of the triage that has to take place with our equipment.

Mr. BISHOP. Is that both at Barstow and at Albany?

General CONWAY. Yes, sir.

Mr. BISHOP. And Blount Island?

General CONWAY. Yes, sir.

Mr. BISHOP. All three facilities?

General CONWAY. What happens is we do the triage at Blount Island, and then Barstow, and Albany are our maintenance facilities where that gear is then shipped or various echelons are prepared—

Admiral ROUGHEAD. Thank you, sir. And we obviously take this very seriously, not just to support the Marine Corps, but also for our own families, because we have been a deploying force for centuries.

And so we have made improvements and we have increased our capabilities at our family—Fleet Family Service Centers, adding counselors and, more importantly, tailoring to the type of activities that we are currently doing today.

Mr. Crenshaw remarked on the number of individual deployers that we have, and those folks need a little bit of a different awareness and touch. But we have also put in place some more youth counselors. And since 2005, we have actually been able to increase the number of counseling sessions, some groups, some individuals, by 27,000 kids. So this is not an insignificant effort.

We have also taken a good look at what skills we require, and we have increased the number of clinical psychologists and social

workers that we are working to recruit, but, quite frankly, nationally they are in great demand, but we really have a good focus on them.

And then for our child development centers, we are pleased that by 2012 we will meet the Office of the Secretary of Defense (OSD) goals for that. So it is on our scope, and we pay a great deal of attention to it.

Mr. BISHOP. With maintenance go out to—you have got a Kings Bay facility down on the Atlantic—on the coast of Georgia. It is a relatively new facility, but it is probably at the stage now where they have got to do some reviews in terms of maintenance, renovations, or replacements of buildings.

Is that in your plan in this budget? Are there any plans for reviews of facilities there at Kings Bay?

Admiral ROUGHEAD. Absolutely, sir. And you mentioned that Kings Bay is relatively new, but the last visit I had there, I was shocked at exactly how old Kings Bay is. I mean, time marches on, and we are a little older than we all think, I guess, but we are looking at that not simply by what may be required for renewal, but as you know, we place the highest priority on our nuclear weapons enterprise and making sure that we are making the right investments there at Kings Bay is also very important, too.

Mr. BISHOP. Thank you, Mr. Chairman.

INADEQUATE HOUSING

Mr. EDWARDS. Thank you, Mr. Bishop.

Let me ask you about housing and barracks. This is a standard question I like to ask each year, and that is, how many of the servicemen and women under your command are living in, according to Department of Defense (DOD) standards, inadequate housing?

And let me say, in preface to your answer, that I salute the DoD for finally—at long last—standardizing a definition across services of inadequate housing. It was frustrating to me in years past that one definition—I think, Admiral, in the Navy was that if the Navy were to spend \$50,000 fixing up a family home, then it is defined as adequate, whether or not that \$50,000 was ever spent. That seemed to be a very inadequate definition of inadequate housing.

If I am not mistaken, we have a more standard process, as Q1, 2, 3, 4. Could I ask you to, first, just give us a brief overview for the record of what the definition of Q1, 2, 3 and 4 are and if you think this is a reasonable way to honestly figure out what the unmet needs are out there?

And, secondly, could you then answer the question of how many, according to that definition, are living in inadequate barracks and how many are living in inadequate housing? And then we can go from there.

Admiral ROUGHEAD. The definition essentially is a formula that takes into account the value of the property, the repairs that are required, and then put it through a formula, and then there are also—particularly if we get into some of our single Sailor issues, some square footage requirements, and it is all factored into that.

Mr. EDWARDS. Right.

Admiral ROUGHEAD. So I think the definition is a good one. I think it is—as you pointed out, it is a standard definition that we

can all work from. And it is my hope that we can kind of stay with that one for a while—

Mr. EDWARDS. Right. Right.

Admiral ROUGHEAD [continuing]. Because it is sometimes challenging. And in the case of our family housing, that is the situation that we found ourselves in, where we were down to about 60 homes that would have been in the inadequate category. Applying the new definition, it is slightly over 3,000 that we have.

Many of those are overseas. Some will not be reused. Others will be refurbished, and then some will be replaced. But it will be by 2017 before we can get to that. And so we are making the investments that require us to get there.

Mr. EDWARDS. Admiral, could I ask, is inadequate defined as Q3 or Q4?

Admiral ROUGHEAD. Three and four.

Mr. EDWARDS. Either one?

Admiral ROUGHEAD. Three and four—inadequate.

Mr. EDWARDS. Okay.

Admiral ROUGHEAD. The goal is to get us to Q1 and Q2—

Mr. EDWARDS. Okay.

Admiral ROUGHEAD [continuing]. Which we will be at in 2017 for our family housing.

Mr. EDWARDS. Okay.

Admiral ROUGHEAD. For our Homeport Ashore, regrettably, we are not moving as quickly there. That will be 2016 before I get there. And then in my overall bachelor housing program, I will not clear Q4 until 2020, and that is even with investing \$125 million a year in that.

Mr. EDWARDS. How many are living in inadequate barracks, according to the new standard?

[The information follows:]

NAVY BARRACKS

Question. How many are living in inadequate barracks, according to the new standard?

Answer. Based on March 2010 data, approximately 30,000 Sailors are living in Q3/Q4 buildings.

Admiral ROUGHEAD. What I would like to be able to do, sir, is get that number back to you, because we are constantly deploying. Sometimes they are back on the ship and then back in. So if I could give you a better qualification of that.

Mr. EDWARDS. I agree with you. We need a standard; we need to stick with it, so from year to year, we can honestly determine whether we are making progress or falling behind. And I am not here to criticize anyone. Tough decisions have to be made during a time of war to support our warfighters in harm's way.

But nevertheless, what we have seen is over the years—I think initially all housing was going to be adequate by fiscal year 2007, and that was moved to 2009, and now we are talking about 2020 for barracks?

Admiral ROUGHEAD. That is for bachelor housing overall in the Navy, yes, sir, to get out of Q4.

Mr. EDWARDS. Do I understand in the Navy that, according to your testimony, 40 percent of the Navy barracks are not only de-

defined as inadequate according to the new standard, but 40 percent are actually Q4, the very worst level?

Admiral ROUGHEAD. Yes, sir.

Mr. EDWARDS. You know, I just hope, Admiral, we can work together to find some way to push that up. That is another 10 years of inadequate housing. And Congress has to see you have the resources to do it. You cannot make those improvements without the appropriation.

But I do hope we can get together on that. And if you could give us the numbers—because next year, I would like to ask the same—

Admiral ROUGHEAD. Yes, sir.

Mr. EDWARDS [continuing]. Same question and see what kind of progress we are making. And while to some it may look as if we have gone backwards, I think this is a more honest approach. To have said there were 30 homes that were inadequate, it probably would not have passed the common sense test. Would you assume—would you stand behind the idea that the 3,000 homes being inadequate probably is a more realistic, straightforward statement?

Admiral ROUGHEAD. Yes, sir. I think it is a good assessment, but I think the fact that, relative to, for example, the bachelor housing, that we are closing down on that much more quickly at less cost, I think, shows that we are not that far out of the bend on the family housing piece, because it is not going to require the significant investment that we have to have for the bachelor housing.

So I think the number is good, but I think it is kind of pretty close to the limit that we could get to for a lesser investment to get them into Q1.

Mr. EDWARDS. Well, that 3,000 homes for the families, what percent would that be? How many homes does the Navy have for its—

Admiral ROUGHEAD. I would say that that is going to—

Mr. EDWARDS. Ballpark number? Just—

Admiral ROUGHEAD. Ballpark number, I would say that it—the total number of homes—I am trying to do some quick mental math here.

Mr. EDWARDS. Right. Right.

Admiral ROUGHEAD. Probably about 30,000—maybe about 30,000—

Mr. EDWARDS. So maybe—in ballpark. And obviously, you can fine-tune that. But 10 percent—

Admiral ROUGHEAD. Ten percent.

Mr. EDWARDS [continuing]. Whereas, you know, in barracks, it is 40 percent at the—do you know what the number is, if you take Q4? And since Q3 is also defined as inadequate, do you know what that 40 percent would go to if you counted Q3 and Q4?

Admiral ROUGHEAD. Not off the top of my head, sir. I will get those numbers back to you.

[The information follows:]

NAVY BARRACKS

Question. Since Q3 is also defined as inadequate, do you know what that 40% would go to if you counted Q3 & Q4?

Answer. Approximately 70% of our barracks are rated Q3/Q4.

Mr. EDWARDS. Okay. Okay. And, again, you know, our goal is not to be critical of anyone but to say, during a time of war, we have got to find a way to get the resources to support the quality of life back home. Especially given what we are asking of our Sailors and Marines and their families. I know none of us would want a single one of those servicemen and women or their families living in inadequate housing.

And I at least think we have a foundation for addressing this problem honestly now that we have a new definition. So I think that is a very good step forward.

General Conway, do you have any—

General CONWAY. Sir, I would echo support for the Q system. It removes a lot of the subjectivity from the evaluations that we have to place on the quarters. And so we support it.

In terms of our barracks, first of all, I would say to you, Mr. Chairman, that we are in the middle of a building boom with regard to our Bachelor Enlisted Quarters (BEQs). We put ourselves in extremis because for decades we neglected those accounts in lieu of other priorities, operations, and maintenance, and training, and in those types of things.

But along about 2005, we realized that we were in extremis, and so we budgeted for and have been receiving dependably over the last few years money to build out our BEQs. This year, we have 13 projects and \$631 million, for instance, put into—we still have about 2,000 billeting spaces in the barracks that we would consider inadequate and about 3,900 that we would call substandard, Q2, for all intents and purposes. That said—

Mr. EDWARDS. Q2 would include—the 3,900 would include Q2.

General CONWAY. Yes, sir. That is right.

Mr. EDWARDS. The 2,000 would be Q3 or Q4?

General CONWAY. Yes, sir. By that evaluation. But the good news is, based upon our building rate—and, again, the monies that we have budgeted against it through the rest of the FYDP—by 2014, we are going to be where we want to be in our barracks.

Now, there has been a blip in that plan in that we were allowed to grow some 27,000 additional Marines, and it has caused us to go back and ask for more resources, but we have gotten those allocated, and we feel pretty good about it.

In terms of family housing, I would simply say to you, sir, that the Public-Private Venture (PPV) has been a true windfall for us. It is a godsend, in that it has rapidly put our family housing into much better shape than I think we could have ever done through military construction accounts.

We have invested over the last, I guess, 3 years now—really, since 2007—some \$757 million, but that has brought forward over \$3.3 billion in terms of tangibles that we can provide to our—to our families.

We still have about 3,400 sets that we would say are Q2 that we have got to take off that quality standard. But, once again, 2014 is kind of a magic year for us, because based upon what we are doing with those—with those PPV accounts, we are going to see ourselves in pretty good shape by then.

Mr. EDWARDS. Would you note the numbers 3,400 for Q2—technically, Q2 is not defined as inadequate, but not at the highest level—

General CONWAY. Substandard is what we—yes, sir.

Mr. EDWARDS. Any number—what the number is, if you just count Q3 and Q4?

General CONWAY. Well, sir, I am going to have to do some math, too. I do not know that. I will have to get that back to you, in terms of the actual breakdown of the Q4 system.

[The information follows:]

Question. How many barracks are inadequate? (Q3 & Q4) How many family housing units are inadequate? (Q3 & Q4)

Answer. The Marine Corps has 3,900 (7%) substandard bachelor housing spaces (Q3)* and 2,000 (3%) inadequate bachelor housing spaces (Q4).** There is one substandard family housing unit (Q3)* and one inadequate (Q4).**

**Units considered substandard (Q3)—condition such that they can be fixed with O&M.*

***Inadequate (Q4)—condition such that they can only be replaced with MILCON.*

Mr. EDWARDS. Okay. That would be fine. Thank you.

Mr. Crenshaw.

LITTORAL COMBAT SHIPS

Mr. CRENSHAW. Thank you. I wanted to ask a question about the Littoral Combat Ships. There was—the USS FREEDOM was in Mayport for about 10 days before it deployed down to Southern Command, and there was quite a buzz. You know, it seems to be just the future of the Navy. It kind of revolutionized a lot of missions that you have.

And as I understand it, on the West Coast, they will be homeported at San Diego. And so my question is about what is going to happen on the East Coast, two or three questions.

One, when will they be expected to kind of arrive on the East Coast? Are you considering any bases on the East Coast? Do you have a preferred base? What are kind of the criteria that you use?

And then I know you were making the final decision about kind of the final ship that will be made this year. How long will it be before you decide about the homeport? And this is—I know it is kind of in the future a little bit, but what kind of military construction projects might we be looking at? So kind of just overall about the LCS and how and where and when they fit on the East Coast.

Admiral ROUGHEAD. Sir, thank you. And the LCS 1 FREEDOM, we deployed it 2 years early to begin to learn the lessons that I think would allow us to answer some of these infrastructure questions even better than we could have estimated without that deployment.

The plan that we have is initially to have LCSs in San Diego and then, in 2016, we begin the movement to the East Coast. And where we are right now is that Mayport is the primary site that we are looking at because it really is the replacement for the FFG 7 class, which Mayport enjoys a pretty significant population of those.

And, also, I think that, as we are finding out with FREEDOM, it is very optimized for the types of operations down in the southern hemisphere littoral areas. In fact, in the first couple of weeks of its deployment, it seized over half a ton of cocaine. There was

a go-fast that tried to go faster than an LCS, and it did not kind of work out that way, so we are quite pleased with that.

But I think the types of infrastructure that we will need, the pier infrastructure is fine. Depending on what class we choose, there may be some unique features with one over the other. And I have to be very careful what I say about the two types right now, because we are in request for proposals on that.

But, clearly, there will be need for facilities that provide for the simulators, because with a multiple crewed concept, the crews that are not actually embarked in their ships are going to have to be training on the types of systems that the ship has.

And so it would be things like that, some—the maintenance facilities that are in Mayport can be modified to deal with the types of equipment that would be coming on and off. So not that much, but probably in the simulator areas where there would have to be some either new construction or renovations and modifications to existing buildings that could take some of these simulation—or capabilities in, so mainly training facilities.

Mr. CRENSHAW. Well, thank you. Mr. Chairman, I just have one more question. I know that with an 11 o'clock deadline, if I could ask that question—

Mr. EDWARDS. Absolutely.

BLOUNT ISLAND

Mr. CRENSHAW. And it really—General Conway, just it is about Blount Island. I think there is \$55 million for some MILCON projects. And as you know, Blount Island has—it was described by one of your predecessors as a national treasure, and I think since 2003, with Operation Iraqi Freedom, with the prepositioning ships, it is busting at the seams. It has been, you know, just a great, great facility.

And I just—maybe you could just comment on—because I think the materiel that is gone, you know, to Iraq initially was—most all of it went through Blount Island. We were just in Ramstein this—on the way to Afghanistan and because of the—kind of their hurrying up, they were about 25 planes a day taking off, you know, in Germany, it is a little quicker than a ship.

So they are doing a lot of that with the surge there. But I imagine still there are an awful lot of things going through Blount Island. And so comment on how you—these new projects are going to kind of enhance the ability to do the things that are doing so well at Blount Island.

General CONWAY. Sir, the biggest thing is throughput. And the fact that, based upon what we have right now, in terms of storage facilities, in terms of ramp space, in terms of just parking areas, we can only put so much in there at one time.

You are right about the Maritime Prepositioning Force (MPF) ships. It is where we come in for our maintenance rehab and stand-down of our ships. We have recently put all 3 squadrons through there and have brought that national capacity, that national reserve capacity, if you will, up to an average of about 94 percent readiness in those squadrons.

That, at the same time, we are bringing back gear from Iraq and to some lesser degree from Afghanistan for triage. So you can see

there is a huge volume, as your comments indicated, that has to go almost exclusively through Blount Island. And we look at it as sort of the narrow neck of the hour glass, that we can expand that and make it more complete is going to facilitate what then has to be done at places like Albany and Barstow.

So it is really important to us. I understand, again, the rules to say that it is not necessarily exclusively related to Iraq or Afghanistan, therefore, it cannot be counted in Overseas Contingency Operations (OCO). But it was certainly important to us enough that when that was rejected, we put it in the baseline this year to get it accomplished.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you.

I assume you would not be disappointed if, in order to honor the World War II WASPs, we did not keep you until noon and finish by 11:00. Other members come in. But I do want to just take a couple more minutes on the housing issue, if I could.

PUBLIC-PRIVATE PARTNERSHIP PROGRAM

First, it is the nature of this process to always focus on the unmet challenges ahead, because we all want to solve problems and help our servicemen and women and their families. I do think it is worth taking just a moment to salute what has been a real partnership accomplishment. This subcommittee worked with DOD on the public-private family housing program that, General Conway, you mentioned.

This was not easily done to get the bureaucracy to do something differently. I know I worked for about 8 years on this, along with others. There were all fronts of opposition who said you cannot do it differently. And now I think 90 percent, 95 percent of our family housing is coming through that public-private partnership program.

Admiral, speaking for the Navy, is that program on the family housing side working well? And we want to continue to monitor it, that it was not just successful in the first couple of years when new homes were built, but where you have seen maintenance and the upkeep and reinvestment in the those homes.

Admiral ROUGHEAD. PPV has fundamentally changed the quality of life of our people. They, our Sailors, live better today in Navy housing, which is PPV, private predominantly, than they ever have. And we continue to see the satisfaction on the part of our families increasing. We are satisfied with the partners that we have and how they are approaching the task.

We have also in the Navy been very pleased with the single Sailor or PPVs that we have in place in San Diego and in Norfolk, extraordinary facilities. And even though we did not exercise our third option, because of the demands that it places on my manpower account, I really do believe that for the services to have the flexibility that should circumstances allow to have authorization, to be able to engage in single PPVs, I think that would just put another tool in our kitbag to better take care of our Sailors.

Mr. EDWARDS. Well, you foresaw my next question, because I was going to ask if we could take this public-private partnership con-

cept that the Navy—and I do not think the other services have—that you have actually tested out. And I assume it would work in some sites, not work in other sites.

Admiral ROUGHEAD. Absolutely.

Mr. EDWARDS. But this realistic challenge you face of not having adequate barracks for all of our Sailors until 2020 really bothers me and concerns me. And, again, the Congress needs to be a partner in solving this problem, if we want to be constructive about it.

And so maybe we need to look at alternative financing. I think that is really what drove me to believe that we had to go to a new form of funding, military family housing, in the last decade, because I was looking at the numbers, and the numbers projected out for a decade or two were just going to get worse and worse on military family housing. And we have had to try something new.

And maybe we use this 2020 problem, 40 percent Q4 number as an impetus to try to be bold and look at some new ways of doing it. You would need additional authorization?

Admiral ROUGHEAD. What happens with PPV is that the cost is borne in my manpower account, because I have to pay the housing allowances out of that. And as you know, in joining the retention and the fiscal environment that we are in, that account, if this is pressurized, our manpower accounts are the most pressurized, and you have to make payroll.

But having the flexibility to use that option in places where it makes sense at times when we can absorb that in a manpower account, I think would give us much more flexibility. I think it would be good for the partnerships that really have benefited the quality of life for our families.

Mr. EDWARDS. Okay, good, thank you. And I hope we can continue to maybe focus on the issue of Navy barracks.

Admiral ROUGHEAD. That is right.

Mr. EDWARDS. Again, 2020 is the farthest out projection I have heard in all my years on the subcommittee of trying to get this number down to zero, and let's find a way for us to work with you and be supportive of your efforts on that.

Mr. Farr, I tantalized them with the possibility of maybe finishing up early, but I am going to go to the WASP ceremony. And I would like to turn the gavel over to you, and certainly take whatever time you would like if you need to address questions. I have had my questions addressed.

Mr. Crenshaw, I do not know if you have additional questions or not, but so the gavel is yours, the questions are yours.

Mr. FARR. Well, I will not ask for any unanimous consent—

Mr. EDWARDS. You could do a lot in this subcommittee by unanimous consent.

Mr. FARR. When I am the only one here.

Mr. EDWARDS. So thank you. As I leave, let me thank you again, both of you, for your leadership for our country. We look forward to working together with you.

Admiral ROUGHEAD. Thank you for everything you do.

Mr. FARR [presiding]. Thank you very much, Mr. Chairman.

STABILIZATION AND RECONSTRUCTION

And I want to thank both of you for incredible service to our country and real leadership. The questions I want to get into are essentially some things I have had discussions with Admiral Mullen about.

Frankly, I think in your careers one of the most significant things that has happened to DoD, is this whole concept of reconciliation and stabilization as a part of your mission.

And so the questions that I have, you know that I represent the Naval Postgraduate School in Monterey, which both services obviously are heavily engaged in sending officers there. What that school set up was a center for stability, security, transition and reconstruction.

But there has never really been a commitment to that, because it is kind of segued into the Foreign Area Officer (FAO) training that is there. At the Naval Postgraduate School, they have a joint FAO skills sustainment program.

Essentially, Mr. Crenshaw, DoD is gearing up to answer that question, "We can get in, but how do we get out?" By stabilizing the situation through essentially a lot of community development and things like that, but it is much deeper than that.

Since that program has been established there, I am wondering if you are going to formalize it, either getting FAOs to take some courses in stabilization, reconstruction, or to create a sub-specialty code designated for stabilization, reconstruction, for career positions. What the Army has done in developing FAOs, I think the Navy and the other services need to do a better job using the Army model.

But the problem is that, even with that, when you get a degree, a master's degree in stabilization security, which is different than the FAO, you do not have any—there is no rank for it. There is no position assignment, a job classification.

And I guess that is what I am asking is, are you interested in creating a sub-specialty code or designation for stabilization in career positions? And with that, certainly encourage Navy and Marine officers to earn a security studies master's degree in stabilization and reconstruction, and put the funding into it.

We have a lot of interest in it, but we have not followed through on the details. And that is my question, what does it take to follow through on those details?

Admiral ROUGHEAD. Well, thank you, Mr. Farr. It has been my pleasure in the time since I have been the Chief of Naval Operations (CNO) to make some fundamental changes that I think have benefited—the Postgraduate School, creating the naval activity, bringing its resourcing up to the level of the other educational institutions within the Navy, and then making sure that there are some significant projects that we address every year to really bring the Postgraduate School to the stature that I believe it deserves globally, not just in the United States.

Mr. FARR. Thank you.

Admiral ROUGHEAD. I thank you for your support in making a lot of this happen. I think on the issue of security and stabilization,

it really does encompass all the services and how we fit into that, it really is a joint endeavor, if you will.

But that said, with regard to the specialization of something in security and stabilization, we as a Navy use our general purpose force wherever it may be to go out and be part of security force assistance, theater security cooperation.

So even our young men and women on our ships—for example, we have the Africa Partnership Station off the coast of Africa, which is—I can say it is engaged in that very type of activity, but at the same time, those young men and women have to swing and be able to support the Marine Corps in forcible entry operations.

So we use our forces very, very flexibly. It is oftentimes the men and women of our amphibious ships that respond to the natural disasters such as Haiti or Indonesia. And I even have a team down in Chile right now working with our Chilean friends. So—

Mr. FARR. Thank you for that. You are more capable first responder needs than the Federal Emergency Management Agency (FEMA). And I appreciate that.

Admiral ROUGHEAD. Well, I am proud of what our Sailors do, sir. But so what we seek are people who can respond and do this globally. And that really applies to the entire Navy, not unlike—I was recently in Afghanistan, and one of our provincial reconstruction team commanders, the Navy commands 6 of the 12 teams that are in Afghanistan, met with them on a very cold mountain in Afghanistan, and he was a nuclear submarine commanding officer. He was having the time of his life. So it is really the utility—

Mr. FARR. But you have specialized with FAOs?

Admiral ROUGHEAD. We do. We have aggressively—and FAOs are a very high priority for me, because of my background and what I have done in my life and how I grew up. And we have a program that we are growing the FAO force. We are, for the first time, we have made it possible for a foreign area officer to rise to flag rank, which I think will be significant for that community to realize that there is a career path that can take them all the way to the top.

And so our FAOs, I think, can benefit from participation in courses and curricula that home in on those types of activities.

Mr. FARR. There is more. I think you understand that there is more to this new concept of trying to work in the stability and reconstruction. How do you stabilize and how do you sustain stability?

Admiral ROUGHEAD. Exactly.

Mr. FARR. That is more than just the traditional FAO training. This is a lot of other foreign aid-type work. The military command is the only system that is in total command. You know, that is why you are so good at being the capable responder.

And I really believe that the directive that Secretary Gates issued, 3000.05, for the military be trained to be culturally aware and linguistically capable of responding anywhere in the world, that we are going to have officers, personnel that can do this, and now that you have created these curriculums to do it, but yet we have not put any emphasis into trying to get people trained in those specialties.

Here the program is set up at the Naval Postgraduate School, good place to set it up. It could have been done anyplace, but that was a good place to do it, because of all the language capabilities in Monterey, with the DLI, Defense Language Institute.

I am just concerned that we have created the framework, but we have not put any directives in or money to support that framework.

Admiral ROUGHEAD. But I also think that it really spans all of the services. And I could even make a case that it goes beyond the military and the benefits that would accrue to personnel in the State Department, USAID—

Mr. FARR. Yes, well, the State Department has created a new program on stability and reconstruction, but it is a difficult cross-over. We have people in Afghanistan now, and these are career USAID or State Department personnel who say, "Yes, I would like to go to Afghanistan, and here is my specialty. I am an AG specialist. I think I could help you there."

So they go to a training program. And with other folks who have indicated they would like to go. And how many, Debbie, in Afghanistan, 60 or 70?

But nonetheless, they are not carrying any weapons. You have heard the NGOs a little bit concerned of how much of this school building and community development is going to be done by military officers, which is not their mission.

But I think there is always going to be unstable places and we need to have dual capabilities. We ought to be able to train our officers to know the languages and the culture so that they can help stabilize it.

General CONWAY. Sir, I certainly agree with your premise, and the Marine Corps since 2001, 2003, have certainly realized that we have got to do a better job understanding the culture, respecting the pride, being able to speak the language, to a point where we have integrated into our own school systems.

And although I am aware of the one at Monterey, we have got something that is similar to it at Quantico, with virtually all of our schools, because we see that what you are describing is a natural part of counterinsurgency response. And those requirements for stabilization and security are taking place at the same time. You may have a kinetic conflict going just a few kilometers away. It gets back to General Krulak's sort of three-block-war kind of design.

And so we have incorporated it. We tried to take advantage, I think, of schools everywhere that give us that capacity, language in addition to some level of specialization.

But I would offer that, you know, we say as a Marine Corps we do windows. We do whatever the nation asks us to do. We do not consider stabilization, security into nation-building necessarily a Marine Corps mission, and yet we have been asked to do that a good bit of the time, both in Iraq and arguably in Afghanistan, realizing that we have tried to broadly base our people in the concepts and designs and the successful models that we have seen employed to the point that it becomes a part of the DNA of all of our conventional forces.

Mr. FARR. But what I have learned from talking to the workshops that you have had at the Naval Postgraduate School, where

you bring in all the actors, the international actors, from U.N. and State Department, USAID, and NGOs, the Red Cross, so on, what they tell us now is that the only two units that are in the street, the only people that are on the street with the natives are the military and the NGOs.

We have our traditional embassy folks and our USAID folks locked up behind the walled city of the American embassy and not out there on the streets. Of course, you know, they get shot at on the streets.

But I think that is the crossover that we know we are going to need.

General CONWAY. We have what we call an Emerald Express exercise every year. It used to be in California, when General Zinni was out there, and now we do it at Quantico just to make it more accessible to NGOs, the interagency, governmental representatives, volunteer organizations of any sort, in addition to a large military involvement, both U.S. and our partners, that gets after exactly what you are talking about.

And it is very successful. And there is a great deal of interchange over a period of a full week. We have presenters come in and talk to sort of the emergent issues. So I think, sir, we are—in agreement. It is just a matter of methodology and how we go about making it most effective.

Mr. FARR. Well, I would appreciate it if you could look back at what you are doing to add some value to the training and to developing the knowledge career to make it sustainable. I think if you do not reward people for getting that specialty, it is an unmet need, yet the desire to go into S&R is strong. I have friends who served in Iraq and Afghanistan. And what they have come back and said, "Now that I have lived overseas, I really get this cross-culturally. I wish I could go into a career that would allow me to continue that." And I said, "Well, there is. There is this." And they say, "Oh, that is real hard to get into the Naval Postgraduate School."

But the other thing from the officers that are there, they say, "Why should I get a master's degree here? There is no assignment for me afterwards."

Admiral ROUGHEAD. I would say, sir, that there are opportunities to employ the knowledge and those skills in, I could argue, in the FAO community. I think it could be, as we have stood up our expeditionary combat command, there are groups, units within that combat command that can benefit from it, and would be valued for it. But I would also say that it goes beyond the Navy—

Mr. FARR. Yes, I—

Admiral ROUGHEAD [continuing]. Really becomes a joint opportunity for men and women of all services and the interagency, as well.

Mr. FARR. But you are in charge of the school that does the jointness, because the Naval Postgraduate is a joint, as the DLI is a joint training. You know, although it is operated by the Army, it is still joint training. And the Marines are the first ones that come to the DLI with any kind of new language. They are the ones that show up and say, "Teach us Dari or Pashtun."

I know this is an emerging issue.

Admiral ROUGHEAD. Absolutely.

Mr. FARR. Stabilization and reconstruction is a new dialogue in Washington, is relatively new. And I am just hoping we can professionalize it.

I am sorry to take up your time. Mr. Crenshaw, do you have any—

Mr. CRENSHAW. No.

Mr. FARR. Well, if there are no further questions, We will follow up with some written material.

Admiral ROUGHEAD. Yes, sir.

Mr. FARR. And I appreciate, again, your service and thank you for coming.

Admiral ROUGHEAD. Thank you, sir.

General CONWAY. Thank you, sir.

Mr. FARR. Committee is adjourned.

[Questions for the Record for Admiral Roughead, submitted by Chairman Edwards follow:]

NAVY BARRACKS

Question. Why is the Homeport Ashore program targeted to E1–E4 with less than four years experience? Is this a different target population than the original Homeport Ashore Program?

Answer. The Homeport Ashore (HPA) initiative is targeted to single E1–E4 Sailors with less than four years experience because these junior Sailors are currently living aboard our ships and they are not authorized to receive Basic Allowance for Housing (BAH), which would give them the means to live in the local community. To improve quality of life for these Sailors, our goal is to provide them living quarters ashore at the Interim Assignment Policy (55 square feet per person) by 2016. E1–E4 single Sailors are the same population we targeted in the original HPA program established in 2002.

Question. How will the Homeport Ashore deficit be addressed through 2016, by year, location, spaces, and cost?

Answer. Six MILCON projects are required to achieve our Homeport Ashore goal of providing single E1–E4 Sailors with less than four years of experience with living quarters ashore at the Interim Assignment Standard ([90] 55-square feet per person) by 2016. Requested details on the six projects follows.

Installation	Estimated cost (\$K)	Beds	Budgeted FY	Completed FY
Naval Base San Diego, CA	75,342	772	2011	2013
Naval Station Norfolk, VA	84,260	1,238	2012	2014
Naval Base Coronado, CA	58,438	1,272	2013	2015
Fleet Activity Sasebo, Japan	26,786	173	2013	2015
Fleet Activity Yokosuka, Japan	47,312	661	2014	2016
Naval Station Everett, WA	47,038	189	2014	2016

Question. When will the Navy develop a policy to go beyond the “interim” assignment policy?

Answer. The Navy is developing a comprehensive plan to address all of our condition and capacity shortfalls and our barracks endstate. A senior Flag level review of the plan is scheduled for mid CY2010 and will influence future budget submissions.

Question. How will the Navy prioritize inadequate barracks for replacement—for example, by “worst first”? Will the replacement program be centrally managed, or will it be incumbent upon installation commanders to put their barracks priorities forward?

Answer. We will prioritize our investment in inadequate barracks by eliminating barracks in the lowest state of readiness first. We will centrally manage our maintenance and modernization program.

Question. Does the figure of \$125 million annually refer to MILCON only, or does it include restoration and modernization funding as well? If it includes R&M, how much MILCON is anticipated to be required on an annualized basis?

Answer. The \$125 million Navy annually programmed over the FYDP to reduce our number of inadequate barracks will be funded predominately by restoration and modernization funding. We will rely exclusively on restoration and modernization funding to reduce inadequate barracks in FY 2011 and FY 2012; the mix of MILCON and restoration and modernization funding required for FY 2013 and beyond is currently under development as part of POM-12.

Question. You note in your testimony that Navy is taking risk in shore infrastructure. How are you balancing this risk among facility categories? Are there any categories in which you are taking particular risk?

Answer. The Navy is balancing and prioritizing risk through a top-down, data-driven, capabilities-based Shore Investment Process that links shore investments to Navy and Joint warfighting requirements and Total Force Quality of Life and Quality of Service. In our FY 2011 budget request, we accepted particular risk in administration buildings, warehouse and logistics facilities, and common support infrastructure, such as roads.

Question. The QDR makes numerous references to the need to increase the resiliency of U.S. bases overseas. For example, the Air Force FYDP includes \$275 million in unspecified "resiliency" costs in Guam or any other overseas location. Does the Navy FYDP account for "resiliency" costs in Guam or any other overseas location.

Answer. No. The Navy FYDP does not include any resiliency costs for overseas locations.

[Questions for the Record for General Conway submitted by Chairman Edwards follow:]

FUTENMA REPLACEMENT FACILITY

Question. What, in your estimation, are the *minimal* operational requirements for the Futenma Replacement Facility (FRF)?

Answer. For the FRF at Camp Schwab, the Marine Corps has determined that within the configuration of the current design, the operational allocation of the 1800 meters (1190m runway with two 305m overruns) will allow for planned aircraft to operate safely and acceptably for routine daily flight operations. Impact on contingency operations would be mitigated by use of alternate airfields.

Question. What are the *optimal* requirements?

Answer. To realize the unconstrained operational capability of planned tilt-rotor operations from the FRF, the Marine Corps requires a runway that is 2146m (1536m with two 305m overruns) to safely land an MV-22 during a worst case single-engine emergency scenario (wet runway at maximum gross take-off weight).

GROWING THE MARINE CORPS AND TEMPORARY FACILITIES

Question. The Marine Corps has relied on a significant amount of temporary facilities to bridge the gap between growing end strength and the establishment of permanent facilities to accommodate that growth. What is the Marine Corps plan for ending the use of these temporary facilities?

Answer. To meet the Commandant's aggressive growth plan, Marines may need to work and live in non-permanent facilities until construction of the new facilities is complete. Construction of new facilities will continue through 2015. Marines can expect to remain in temporary facilities for roughly 2-4 years from their 202K unit stand up date or until new construction/existing space becomes available.

The Marine Corps has relied on a significant amount of temporary facilities to bridge the gap between growing end strength and the establishment of permanent facilities to accommodate that growth. What is the Marine Corps plan for ending the use of these temporary facilities?

[Questions for the Record for Admiral Roughead submitted by Ranking Member Wamp follow:]

TAKING RISK IN SHORE INFRASTRUCTURE

Question. Please elaborate in more detailed terms to the Committee the significance of the risk that the [MILCON] budget request places the Navy under, and how is the Navy addressing these risks as it develops its budget request for FY12?

Answer. Our FY 2011 budget request accepts risk in shore infrastructure, particularly in the recapitalization of our facilities, to fund high operational demands, rising manpower costs, and critical maintenance for our ships and aircraft to reach their expected service life. As a result, we will experience additional maintenance, sustainment, restoration, and modernization requirements and continued reliance

on old and less efficient energy systems. To address these risks in our FY 2012 budget request, we continue to pursue a Shore Investment Strategy underpinned by a top-down, data-driven, capabilities-based process that aligns shore investments with required Navy warfighting capabilities, improved quality of life, and Joint requirements. We have refined our capital investment plan and aligned governance to target our shore investments where they will have greatest impact to our strategic and operational objectives, warfighting effectiveness, and family support.

AFRICOM (DJIBOUTI) PROJECTS

Question. The budget request is asking for funding for four projects in support of AFRICOM at Camp Lemonier, Djibouti. The total cost of these projects is \$51.6 million. We have seen similar requests in the past, but for some reason these projects have not enjoyed bicameral support. Please tell the Committee why these projects are required in the FY 2011 budget cycle. What is the risk of not funding these projects?

Answer. The projects requested in our FY 2011 budget improve operational, logistic, and force protection functions at Camp Lemonier, Djibouti, and provide improved Quality of Life for our forward-deployed Service members stationed on the base. The specific enhancements provided by each project and the impact of not funding the projects follows.

P230, HOA Joint Operations Center (\$28.1M)—The Navy plans to construct a Joint Operations Center, to include an operations center, Sensitive Compartmented Information Facility, planning rooms, office spaces, storage, and a receiving and shipping area. Construction of the center will bring together in one location functions that are currently dispersed throughout the base. This consolidation will optimize the ability of the Joint Task Force (JTF) Commander to execute JTF missions. Without the project, the JTF Commander would continue to work from dispersed locations with less efficiency and effectiveness than if the functions were co-located.

P232, Camp Lemonier Headquarters Facility (\$12.4M)—The Navy plans to construct an 18,880 square foot consolidated administrative headquarters facility for supply, public works, administration, and contracting functions. The facility will include offices, conference rooms, a secure information technology system, briefing rooms, and anti-terrorism/force-protection (AT/FP) infrastructure requirements. Construction of the headquarters facility will bring together in one location functions that are currently dispersed throughout the base. Without the project, the functions would continue to be performed at dispersed locations with less efficiency and effectiveness than if the functions were co-located.

P912, Pave External Roads (\$3.8M)—The Navy plans to conduct road grading, paving, and drainage improvements to provide access for military vehicles around the camp's fenced perimeter. The existing gravel road is costly and cumbersome to maintain. Without the project, deteriorating gravel roads could impact security mission accomplishment by limiting speed of response and causing unnecessary damage to vehicles.

P219, General Warehouse (\$7.3M)—The Navy plans to construct a storage warehouse to accommodate supply materials, two offices, classified material staging, and a refrigerated medical space. This warehouse will consolidate storage operations, decrease congestion in offload operations, and provide proper climate control for the preservation of supplies. Without this project, these functions will continue to take place at dispersed and congested locations that do not provide protection against exposure to HOA's extreme heat conditions, which can destroy supplies and significantly impact mission readiness.

HOMEPORT ASHORE

Question. I read in testimony that the Navy remains on track to provide sufficient bachelor quarters by 2016 through the Homeport Ashore initiative. Please tell the committee what your current bed deficit is, and what would be the FY11 cost if the Committee were to try to move that goal up to 2015? Does the Navy have the capability to execute bachelor housing projects beyond what is requested in the budget?

Answer. The Homeport Ashore bed deficit, considering currently funded projects, is 4,300. The Navy is capable of accelerating the three remaining CONUS projects (Norfolk, Coronado, and Everett) into FY11 at a cost of \$198 million. The two remaining OCONUS projects (Sasebo and Yokosuka) are not executable in FY11. However, earlier execution of the CONUS projects would facilitate acceleration of the OCONUS projects and would enable the Navy to complete the Homeport Ashore initiative by 2015. The Navy has the capability to execute bachelor housing projects beyond what we requested in our budget.

NUCLEAR WEAPONS SECURITY

Question. The Navy is placing a priority on the security of nuclear weapons. Please tell the Committee what the emphasis is of this priority, and what the cost of this initiative is going to be to the Navy within the current FYDP. Are there projects related to this initiative that go beyond the FYDP? If so, what is the cost?

Answer. Our Nuclear Weapons Security (NWS) program is a high priority for our Navy. The program eliminates identified security deviations from national and DoD security requirements at our Atlantic and Pacific Strategic Weapons Facilities. The Navy FYDP includes nine MILCON projects in the amount of \$288 million to eliminate 21 NWS deviations. No additional MILCON is anticipated for deviation remediation beyond the FYDP.

THURSDAY, MARCH 11, 2010.

EUROPEAN COMMAND

WITNESS

**ADMIRAL JAMES E. STAVRIDIS, UNITED STATES NAVY, COMMANDER,
UNITED STATES EUROPEAN COMMAND**

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I would like to call the subcommittee to order.

And, Admiral, welcome back with a different hat on.

Admiral STAVRIDIS. Yes, right.

Mr. EDWARDS. Good to have you back before the committee.

Admiral STAVRIDIS. Sure.

Mr. EDWARDS. And we appreciate both your leadership on behalf of our country. We are thankful to you and all of those under your command.

The purpose of this afternoon's budget committee hearing and our subcommittee hearing is to look at the budget implications of military construction for fiscal year 2000 for all those projects under your command.

And rather than offering a lengthy opening statement, I think I will save time for you to make your comments in a moment, and we will have more time for questions and answers.

And I do want to recognize Mr. Wamp.

And then I believe, Mr. Crenshaw, you have a constituent here today.

Mr. CRENSHAW. Actually, actually, Mr. Chairman, I not only have a constituent, I have my most famous constituent, or at least my constituent with the fanciest title, which is the gentleman sitting in front of you.

So, Admiral, welcome.

Admiral STAVRIDIS. Sir, it is good to be here. And I want you to know I am getting on an airplane tomorrow and flying to Atlantic Beach, Florida, to give a couple of speeches and then take a couple of days on the beach.

Mr. CRENSHAW. That is great.

Mr. EDWARDS. Even a supreme allied commander—

Admiral STAVRIDIS. Gets 3 days off.

Mr. EDWARDS. A couple days—every decade he gets at least 3 days off.

Mr. Wamp, I would like to recognize you for any opening comments.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Well, thank you, Mr. Chairman.

As I said to each of you, because tomorrow is a very light day and I have responsibilities in Tennessee and here, I will not be able to stay for the whole hearing. That actually makes Mr. Crenshaw happy, because he gets to slide into this role of ranking member on a very important day when you come back.

As I said to you in my office, and we had a lengthy discussion about all the different issues that you face, to have the first admiral in this position and to break the protocol of where you go from your last command to this important position, to me speaks to Secretary Gates' wisdom and new dimension.

Again, as I said last year when you were at SOUTHCOM, the intellect that you bring to this task is, I think, unprecedented. I do not know all the history of the United States military, but I cannot think of a person who brings more knowledge of the world, a deep understanding of history, and an extraordinary education to the job that you have. I just want to thank you for your public service, which is just extraordinary.

You are a lot of fun to be around, even though you are incredibly smart, and you have done awesome work around the world now. I know this is a whole new frontier for you and one that you have jumped into headfirst.

You and I talked a lot about the extraordinary progress that is being made particularly in Eastern Europe and in the Balkans because of actions that our nation took, the incredible goodwill that is there and this thirst for a new way forward for these countries and how positive that is in the middle of a lot of other negative things in the world.

This is something that we should really build on, not just for the goodwill that our country can gain, but for global peace and the notion that countries can engage in self-determination and open markets and free systems. That is how important the United States military is in places like this, to come in and bring stability. Everything that really comes under your command today is really important to global security, and you are exactly the right person for the job.

While there will be a host of questions today about different priorities and things that you need, I just want to thank you from the bottom of my heart on behalf of everyone, both in my district and state and in the Congress, for your extraordinary service and the skill set that you bring. I have not seen anything like this anywhere else in my 16 years in Congress, a person that is so well-equipped in diverse ways to be in the place that you are at this time.

And I mean that. I am not trying to butter you up. I do not need anything from you. I just really respect you, sir.

Admiral STAVRIDIS. Sir, thank you.

Mr. EDWARDS. Thank you. Well said, Mr. Wamp.

Mr. Crenshaw, do you have further comments you care to make about your distinguished constituent?

Mr. CRENSHAW. You know, he is also the smartest constituent. [Laughter.]

Often reminded me of that—two Ph.Ds. But, no, I just want to thank him as well. And I think the fact that he is from the 4th

Congressional District kind of, you know, just speaks for itself. And we do thank you for all that you do.

Admiral STAVRIDIS. Sir, thanks.

Mr. CRENSHAW. And welcome back. I know you have been here before with a different hat on.

Admiral STAVRIDIS. It is great to be back.

Mr. CRENSHAW. Yes, it is great to have you back before the committee.

Admiral STAVRIDIS. Sir, thank you.

Mr. EDWARDS. Thank you both.

Admiral, again, it is great to have you back.

Admiral STAVRIDIS. Sir.

Mr. EDWARDS. And, obviously, your full remarks will be put in the record, but we would like to recognize you now for any opening comments you care to make.

STATEMENT OF ADMIRAL JAMES G. STAVRIDIS

Admiral STAVRIDIS. Sure. Okay. Thank you, Mr. Chairman, Ranking Member, Congressman Crenshaw, Congressman Farr. It is great to see you. We had a nice chance to practicamos nuestro espanol. Es muy bueno. Gracias, si.

It is a real privilege to be here with you. This is a committee that is (a) bipartisan, (b) totally supportive of our men and women, and (c) incredibly hard-working. And I mean every word of that.

And as I said to the chairman a few moments ago, a lot of times these days in uniform people say to us, "Thank you for your service. And we appreciate it." I want to say to all of the members, thank you for your service. It is hard work up here. You spend a lot of time on the road. You are separated from your families, and you are working hard for this country every single day. And your soldiers and sailors and airmen and Marines know that, and they would want me to say thank you to you.

Mr. EDWARDS. Thank you.

Admiral STAVRIDIS. I have got a great new job, as you mentioned. It is kind of a transatlantic job. I think a lot about bridges these days, about how U.S. European Command can be a bridge between Europe, our oldest and I think our most reliable pool of allies still, and ourselves on this side of the Atlantic.

So we work very hard at making connections. Just as we tried to do at U.S. Southern Command, we try and do that internationally. We try and do that in the interagency and connect all of the different interagency partners. And indeed, we try and reach out into the private sector and look at private-public connections, because we think those are important as we do humanitarian operations, as we do anything involving technology, as we do anything that is in this business of connection.

The big things on my plate that I would love to talk to you about today are from a European perspective, what are the keys to security? First, there is the relationship with Russia, which is complicated. And I am a believer that we need to seek zones of cooperation with Russia, but at the same time we need to be reassuring to our allies, some of whom are very concerned about Russian behavior.

They are concerned in Europe about Iran, about the potential for Iran to obtain a nuclear device, for the growing ballistic missile threat. So we can talk a little about the potential for missile defense.

I am also concerned about cyber. There is a great deal of vulnerability to cyber attack in Europe and here in the United States, and we can learn from each other in that regard.

Representative Wamp talked a little bit about the Balkans. In Europe there is a sense that the Balkans are going well, and I agree with that. It is in my view a successful application of international security efforts. If we look back at where we were in the Balkans 10 years ago, the progress is just extraordinary. We need to make sure we do not fall back in the Balkans.

And in Europe, of course, there is concern like there is here in the United States about Afghanistan, how that is going.

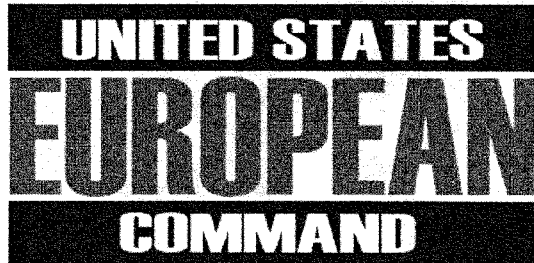
From a U.S. European Command perspective, our forces in Europe are engaged in a variety of ways in all the things I just mentioned. So we do have in front of you just around \$850 million in a MILCON request. We can talk about pieces and parts of that, but what I would like to focus on for you today is the broad picture of why that is important, what we are doing to try and make some of these challenges that I mentioned, and how we approach doing that.

So I will stop there as well so we can have plenty of time for questions. And again, I want to conclude by saying thank you to the Congress for what you do for our men and women. And thank you for taking the time to spend this afternoon to talk about U.S. European Command, Mr. Chairman.

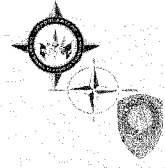
[Prepared statement of Admiral James G. Stavridis follows:]

HOUSE APPROPRIATIONS COMMITTEE
Subcommittee on
Military Construction, Veterans Affairs, and Related Agencies

TESTIMONY OF
ADMIRAL JAMES G. STAVRIDIS, UNITED STATES NAVY
COMMANDER, UNITED STATES EUROPEAN COMMAND
BEFORE THE 111TH CONGRESS 2010



United States
European Command
"Stronger Together"



Admiral James G. Stavridis

*Commander, U.S. European Command and
NATO Supreme Allied Commander, Europe*

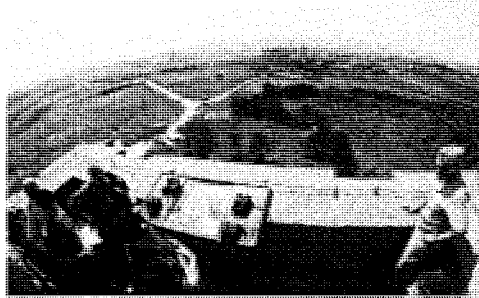
Admiral James Stavridis assumed duties as Commander, United States European Command and as the Supreme Allied Commander, Europe in early summer 2009.

Stavridis is a 1976 distinguished graduate of the U.S. Naval Academy and a native of South Florida.

A Surface Warfare Officer, he commanded the Destroyer *USS Barry* (DDG-52) from 1993-1995, completing UN/NATO deployments to Haiti, Bosnia, and the Arabian Gulf. *Barry* won the Battenberg Cup as the top ship in the Atlantic Fleet under his command.

In 1998, he commanded Destroyer Squadron 21 and deployed to the Arabian Gulf, winning the Navy League's John Paul Jones Award for Inspirational Leadership.

From 2002-2004, he commanded Enterprise Carrier Strike Group, conducting combat operations in the Arabian Gulf in support of both Operation Iraqi Freedom and Operation Enduring Freedom.



From 2006-2009, he commanded U.S. Southern Command in Miami, focused on Latin America and the Caribbean.

Ashore, he served as a strategic and long-range planner on the staffs of the Chief of Naval Operations and the Chairman of the Joint Chiefs of Staff. He has also served as the Executive Assistant to the Secretary of the Navy and the Senior Military Assistant to the Secretary of Defense.

Stavridis earned a PhD and MALD from The Fletcher School of Law and Diplomacy at Tufts University in International Relations in 1984, where he earned the Gullion Prize as outstanding student. He is also a distinguished graduate of both the Naval and National War Colleges.

He holds various decorations and awards, including the Defense Distinguished Service Medal, the Defense Superior Service Medal and five awards of the Legion of Merit. He is author or co-author of several books on naval shiphandling and leadership, including *Command at Sea* and *Destroyer Captain*.

Mr. Chairman, Ranking Member Wamp, and distinguished Members of the Committee, I thank you for the opportunity to appear before you today to share with you the challenges and successes achieved by the men and women of both European Command and Allied Command Operations. Although I have only been at the helm of these Commands for less than a year, I am happy to report we are making great progress and we are moving assertively toward stronger partnerships for our shared security. Truly, the most important activities we have undertaken in the past year have been those in which we worked together with our allies and partners to build their capacity, as well as our own, to ensure security in the European theater and defend our homeland forward. These kinds of activities demonstrate the three essential pillars I believe are necessary for success.

First, we must understand the military is but one link in the chain anchoring our national security. Those of us in uniform are well trained and capable of performing a wide range of duties, but many of the dangers posed to our national security elicit more than just a military response. Instead, they call for a "whole of government" approach that requires partnering with other agencies such as the Department of State (DoS) leading diplomacy, U.S. Agency for International Development leading development, Department of Treasury, Department of Energy, Department of Homeland Security, and other departments and agencies of our government to ensure we use all the means available to ensure our national security. Several U.S. Departments and Agencies either have representatives at our headquarters in Stuttgart or will have them in place this fiscal year. More than a tool or a method, "Interagency Partnering" is an expanding paradigm at EUCOM and we are intent on serving as a model of interagency cooperation.

Second, not only must we work with our interagency partners, we must also cooperate closely with our international partners as. Our aim is to undertake international security cooperation in a way that recognizes and leverages the histories, cultures, and languages of our allies and partners, and enhances our collective capability.

Finally, it is important that we employ effective strategic communication in everything we do. Our deeds and words should communicate clearly and credibly our values and priorities to allies, partners, friends, and even enemies.

Our partnerships in Europe are strong. We share a great deal of history and culture based on democratic values. Our own democracy was born of the great European thinkers from Plato to Voltaire, and great works that shaped our own Constitution, like the Magna Carta. Waves of immigrants from Europe have helped build our country, and many of the families of those immigrants still have strong ties to societies on the European continent. These strong personal transatlantic ties unite us in common goals and enduring partnerships.

European Command

Mission

U.S. European Command conducts military operations, international military partnering and interagency partnering to enhance transatlantic security and defend the homeland forward.

Vision

An agile security organization with a "whole of government" approach seeking to support enduring stability and peace in Europe and Eurasia.

Themes

- Ready forces provide regional security.
- Mutual security challenges require cooperative solutions.
- EUCOM is committed to enduring partnerships.

Motto

"Stronger Together"

During the past year, European Command's 80,000 Soldiers, Sailors, Airmen, Marines, and Civilians have executed many programs, side-by-side with our allies and partners, which have truly made us "Stronger Together." Let me summarize some key European Command accomplishments and initiatives:

- Provided pre-deployment training to thousands of Europe-based U.S. forces and over 100 North Atlantic Treaty Organization (NATO) Operational Mentoring and Liaison Teams slated for deployment in Afghanistan
- Provided forces and critical support for the movement of equipment and personnel between the Continental United States and the Central Command Region in support of overseas contingency operations
- Provided a world class medical center, Landstuhl Regional Medical Center, which serves as the primary trauma facility supporting U.S. forces in Europe and the Middle East
- Executed 38 major exercises involving nearly 50,000 U.S., allied, and partner nation personnel and 45 partner nations
- Conducted 151 security assistance projects in 19 countries
- Re-organized to better engage and collaborate with NATO, the interagency, academia, the private sector, think tanks, and international and non-governmental organizations

We must use what has been called smart power: the full range of tools at our disposal – diplomatic, economic, military, political, legal, and cultural – picking the right tool, or combination of tools, for each situation.

Secretary of State Hillary Rodham Clinton, January 2009

PROGRESS

Think of U.S. European Command as part of a bridge; one that spans the broad North Atlantic. Our fundamental purpose is to defend the United States of America. To do so, we must keep that trans-Atlantic bridge strong.

In a dynamic region, European Command continues achieving success by partnering with allies to increase their capacity and ours to contribute to international security-enhancing solutions. Below are some examples highlighting this approach:

Joint Multi-National Readiness Center. The Joint Multi-National Readiness Center supports European Command and Central Command operations by providing pre-deployment training to Europe-based U.S. forces and North Atlantic Treaty Organization (NATO) Operational Mentoring and Liaison Teams slated for deployment to Afghanistan. Currently, the Center provides enduring Observer/Controller support to the United States Security Coordinator (USSC), Israel to train the Palestinian National Security Forces. Joint Multi-National Readiness Center observer/controllers were also instrumental in the successful pre-deployment training of the Jordanian 2nd Ranger Battalion for operations in support of Afghanistan's national elections. To date we have trained almost 4,000 soldiers thus far. Through these training efforts, EUCOM enabled partner nations to make contributions to the effort in Afghanistan. However, we require expanded long-term authorities and funding to enhance and continue these efforts.



Georgia Deployment Program-International Security Assistance Force. Marine Forces Europe directly supports the Republic of Georgia's two-year program to deploy Georgian forces alongside Marine Forces to Afghanistan. The Georgia Deployment Program-International Security Assistance Force will deploy four rotations of a Georgian battalion with a Marine Corps Marine Expeditionary Brigade to Afghanistan. As capabilities improve, Georgian forces are expected to be able to operate independently. By using Georgian shadow instructors, Marine Forces Europe will create a Georgian training group that will largely take over the Partnership Training Program by their fourth rotation.

The National Guard State Partnership Program. The National Guard State Partnership Program links individual state National Guard organizations with a particular European nation. The National Guard of Illinois, for example, partners with Poland. The State Partnership Program makes large multi-faceted contributions to security both within



and outside Europe. The twenty-one European State Partnerships undertake a broad range of projects, including a capacity-building program generating four enduring European Command State Partnership Program Operational Mentoring and Liaison Teams conducting combat operations in Afghanistan. This program has the additional benefit of building critical long-term personal and professional relationships between the states and European nations because many of the same personnel return year after year to train with their counterparts.

Support to NATO Response Force. We are providing personnel to support multiple 2009 training and certification events through U.S. European Command. This effort enhanced the training and

certification of the Land Component Command and assisted the NATO Response Force's Joint Logistics Support Group in reaching advanced operational capability. This high level of operational acumen is key to ensuring the Force maintains the deployment capability required to execute its core mission.

Support to OPERATION JOINT GUARDIAN, Kosovo. The United States' continuing support to NATO's Kosovo Force OPERATION JOINT GUARDIAN helps maintain stability in Kosovo and advances security progress alongside our NATO and European Union partners. European Command supports Kosovo Force through our land component, US Army Europe, and leverages National Guard Bureau forces to source Task Force Falcon (Multi-national Task Force-East), Regional Mentoring and Liaison Teams, NATO Training Teams, elements of the Kosovo Force Headquarters, as well as augmenting the Kosovo Force Military-Civilian Advisory Division by providing mentors and advisors. In June of last year, the North Atlantic Council approved the plan to begin a drawdown from Focused Engagement (current force structure) to a Deterrent Presence. Accomplishment of Deterrent Presence, which will reduce NATO force presence from approximately 14,000 to 2,500, began in January 2010 and, based on a coordinated review of political and security conditions on the ground may occur in three phases. Today Kosovo remains stable and secure - a real allied success, but NATO'S North Atlantic Council will continue to evaluate further drawdown.

Reduction of U.S. presence in Bosnia-Herzegovina. European Command has played a significant role in Bosnia's progress since the 1995 implementation of the Dayton Accords. At the height of OPERATION JOINT ENDEAVOR in 1996, more than 20,000 U.S. service members served in Bosnia. The September 2009 deactivation of Task Force Dayton, the last U.S. entity operating in Bosnia-Herzegovina, marked a significant milestone for U.S. European Command. Less than twenty U.S. personnel now remain in Bosnia assigned to the NATO Headquarters-Sarajevo and the United States Balkans National Support Element. European Command continues building partnership capacity with

Bosnia through focused security cooperation initiatives to include International Military Education and Training, Foreign Military Financing, Joint Contact Team Program familiarizations, and the State Partnership Program with Maryland's Army National Guard. In a show of its increasing capacity, Bosnia assumed a key leadership role during European Command's 2009 COMBINED ENDEAVOR exercise involving 39 countries and 1200 personnel. European Command is also developing a bilateral exercise program to further focus on defense reform, Euro-Atlantic integration, support to Overseas Contingency Operations, and capacity building. Because of the progress in Bosnia, the nation contributed consistently to the coalition effort in Iraq between 2005 and 2008 and will deploy personnel to Afghanistan in the near future.

Multi-National Joint and Interagency Exercises. The most intensive form of peacetime interaction with our allies and partners occurs in the conduct of joint exercises. European Command maintained a robust bilateral and multilateral exercise program last year, executing 38 major exercises involving nearly 50,000 U.S., allied, and partner nation personnel and 45 partner nations. The exercises focused on preparing partner nations for ongoing coalition operations to include International Security Assistance Force in Afghanistan, NATO interoperability, and improving our military capability and interoperability with Israel. In support of NATO, European Command provided forces for 12 NATO and NATO Partnership for Peace events in the Baltics. U.S. Naval Forces Europe also executed Exercise BALTIC OPERATIONS, a long-standing multinational maritime exercise including 14 nations focused on maritime and amphibious interoperability. In the Balkans, two major exercises, MEDICAL CENTRAL AND EASTERN EUROPE EXERCISE '09 and COMBINED ENDEAVOR, discussed above, bolstered partner capabilities and eased regional tensions. MEDICAL CENTRAL AND EASTERN EUROPE EXERCISE '09, U.S. European Command's first large scale exercise in Serbia, included 14 nations and focused on medical readiness and disaster response. This exercise also supported the U.S.

Agency for International Development's Preparedness, Planning and Economic Security program that has been making Serbian municipalities more resilient to crises and disasters.

Of particular note, European Command conducted a theater-wide Exercise, JACKAL STONE, a Special Operations Headquarters and Field Training Exercise executed in Croatia and distributed locations throughout the theater involving more than 10 nations and 1500 partner nation Special Operation Forces personnel. This event, along with other special operations exercises and Joint Combined Exchange Training events in over 30 countries, directly supported U.S. and partner Special Operations Forces readiness and contributions to International Security Assistance Force and other endeavors.

European Command continues a high level of engagement with Israel, conducting 500+ theater security cooperation events annually and chairing four bi-lateral, biennial conferences spanning planning, logistics, exercises, and interoperability. The US-Israel exercise portfolio also includes eight major recurring exercises. European Command leadership and staff maintain uniquely strong, recurring, personal and direct interactions with counterparts on the Israel Defense Force. These regular and direct relationships have paid dividends as the placement of the AN/TPY-2 radar in Israel resulted in a dramatic uptick in both senior level and operator level interaction. European Command Headquarters executed AUSTERE CHALLENGE 09, the premier joint force headquarters exercise in the European Command Theater, with a crisis action planning phase in January 2009 and an operations phase in May 2009.

Building on the success from Southern Command's exercise BLUE ADVANCE 08, European Command benefitted from the participation of an Integration Planning Cell with representatives from the US Department of Agriculture, the Department of Justice, and the U.S. Agency for International Development. The Department of State's Office of the Coordinator for Reconstruction and Stabilization led the Integration Planning Cell, which also featured the first-time participation of the newly formed Advance Civilian Team, which was co-located with EUCOM's Joint Task Force headquarters. Together,

the Integration Planning Cell and Advance Civilian Team comprised the largest interagency involvement to date in any Combatant Command exercise. The benefits of this structure are clear: most real-world challenges require an inter-agency approach to solve and our robust exercise program reflects this understanding.

AUSTERE CHALLENGE 2010 will feature multiple event-driven scenarios requiring multiple joint task forces and will involve a Combined Joint Air Coordination Center led for the first time by the French Air Force. On a smaller scale, FLEXIBLE LEADER is a Command Post Exercise, focusing on Foreign Consequence Management and Humanitarian Assistance / Disaster Relief planning and operations, and strengthening our "whole of government" approach through engagement with various U.S. agencies as well as partner nations and non-governmental organizations.

None of these events would be possible without Commander Exercise Engagement and Training Transformation Funding. The support from Joint Forces Command Joint Warfighting Center is also a keystone to this Command's capability to plan, manage, and execute these challenging joint exercises. In addition to the extensive engagement European Command has with partner nations, there are additional major projects.

Logistical Support to Contingency Operations from Spain. In support of ongoing overseas contingency operations, European Command continues providing critical coordination and support for the movement of key U.S. equipment and personnel between the Continental United States and the Central Command region.

Exercising Nuclear Command and Control. In May 2009, the Joint Staff conducted a Staff Assessment Visit on the European Command Joint Operations Center and Joint Nuclear Operations Center, and the Joint Staff inspectors rated both centers' performance as "excellent," a repeat from last year's positive assessment.

Assistance to Turkey.

Increased intelligence sharing with the Turkish General Staff has increased the effectiveness of Turkish cross-border counter-terrorism operations in Northern Iraq, leading to more precise Turkish action that reduces potential



collateral damage and increases stability in the region.

Humanitarian Assistance Programs. European Command's Humanitarian Assistance programs directly benefit the nations where they are executed and consist of the Humanitarian and Civic Assistance Program, the Humanitarian Assistance-Other Program, and Humanitarian Assistance Program-Excess Property.

Projects funded through these resources complement United States Agency for International Development efforts, enhance regional security cooperation, and advance U.S. interests throughout the region. They also bolster a country's own capability to respond to disasters, thereby diminishing the need for future U.S. involvement, and provide an example of the value of a military during times of peace. While the European Command Humanitarian Assistance budget is relatively small, it has a disproportionately high and positive impact. Last year, the command executed over \$9 million in Humanitarian Assistance Project funding for 151 security assistance related projects in 19 countries.

Whole of Government/Whole of Society Approach. Our nation's success in developing conventional combat power has driven our adversaries to other forms of warfare, necessitating a whole of government/whole of society approach. Interagency and international military partnering is the "heart of the enterprise" for this Command.

Embassy Country Teams, a perfect example of interagency partnering, are our primary engagement entities for the 51 countries in our region. At the theater or regional level, however, the Geographic Combatant Commands can serve as a platform for hosting interagency partners wishing to coordinate their activities with the U.S. military. European Command presently hosts interagency representatives from the Department of State, Department of Treasury, Agency for International Development, Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Global Center for Security Cooperation. We will soon add representatives from Department of Homeland Security, Customs and Border Protection, Department of Energy, and the Drug Enforcement Administration. This cooperation helps us interact with Allied and partner militaries who perform many non-traditional military activities: patrolling borders; responding to natural disasters; providing coastal security; and performing civilian air traffic control.

We recently changed the organizational structure of European Command to better facilitate integration of our interagency partners. Starting at the top, we established a civilian deputy, an office now filled by Ambassador Kate Canavan, who in addition serves as European Command's Political Advisor. Additionally, European Command's newly formed J9 Interagency Directorate engages and collaborates with international and Non-Governmental Organizations, academia, the private sector, think tanks, and military organizations. We gain many advantages by leveraging the knowledge and fresh thinking of academics and business professionals, and international organizations and non-governmental organizations have capabilities, access, and credibility in areas where the military does not.

For example, we are in the very early stages of pursuing a whole of government/whole of society approach in addressing regional narcotics and terrorism threats in Europe and Eurasia, similar to the interagency effort led by Joint Interagency Task Force-South in Key West. This would synchronize multiple combatant commands (European Command, Central Command, Africa Command) and the multitude of agencies working border control, counter-narcotics, counter-terrorism and trafficking of weapons of mass destruction, creating synergies that would add considerable capability and trust for our international partners while defending our Homeland forward.

EUROPEAN COMMAND SERVICE COMPONENTS

United States Army Europe, United States Marine Corps Forces Europe, United States Naval Forces Europe, United States Air Forces in Europe, as well as European Command's functional subordinate unified command for special operations, Special Operations Command Europe, are responsible for supporting our Theater Campaign Plan and implementing our Theater Security Cooperation programs across the region. The Service Components provide the capabilities necessary to build military capacity among our partners and allies, conduct military operations, and promote vital national security interests. Reductions in their forces imposed by budget constraints necessarily diminish what they can accomplish.



United States Army Europe

In 2009, United States Army Europe supported European Command's essential security objectives through Building Partner Capacity by promoting the transformation of European ground forces into effective expeditionary partners through military to military engagement activities, exercises, and personnel exchanges. It was a force provider to Operation Iraqi Freedom and International Security Assistance Force, and supported both through its own organizations as well.

With over 69,000 active-duty, reserve and civilian employees operating in ten main Army communities, United States Army Europe leads and supports eleven brigades postured in geographically-separated locations throughout Central Europe, from Mons, Belgium to Livorno, Italy. United States Army Europe provides key tactical and operational forces to include full spectrum combat units and strategic enablers for European Command, Operation IRAQI FREEDOM, Operation ENDURING FREEDOM, and the International Security Assistance Force. The command currently has 25% of its Soldiers operationally deployed but still continues to lead daily to build partner capacity and execute Theater Security Cooperation activities in support of USEUCOM's strategy of active security. U.S. Army Europe directly participates in cooperative efforts with over 80% of the countries that have forces actively serving in partnership with the U.S. in Overseas Contingency Operations.

Activities with Allies and Partners. United States Army Europe's Joint Multinational Training Command in Germany is pivotal to the Building Partner Capacity mission. Joint Multinational Training Command builds expeditionary competencies and increased interoperability between partner nations' militaries through collective multinational training and through certifying U.S. and coalition forces for deployments to International Security Assistance Force, Operation Iraqi Freedom, and Kosovo Force missions. Additionally, Joint Multinational Training Command has qualified over 500 soldiers from 21

nations in Counter-Improvised Explosive Device training and conducted mission rehearsal exercises for International Security Assistance Force North, South, and Central Regional Commands.

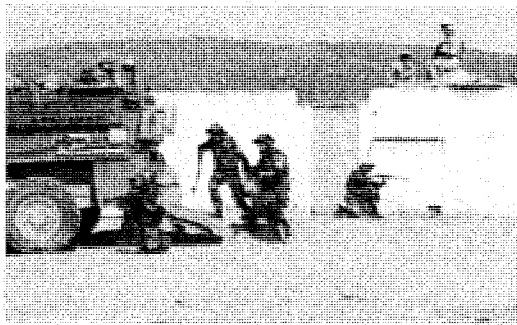
United States Army Europe leads Task Force-East as a European Command vehicle for fulfillment of the Theater Security Cooperation mission requirements set forth by the Defense Department and to reaffirm the U.S. commitment to our Black Sea allies. The Command continuously



maintains Task Force-East facilities and support services, and can quickly transition the facilities to support an increased posture for all European Command components and partners. Task Force-East provides important training opportunities not only for the U.S. military, but also to new allies close to their forces' home station. U.S. Army Europe's forward presence in Romania and Bulgaria continues to facilitate NATO efforts to build and maintain an Alliance for the 21st Century.

This year, United States Army Europe participated in 26 major exercises in 22 different countries with 34 participating nations, of which six were in direct support to U.S. Africa Command. These exercises enabled United States Army Europe to meet European Command's priority of sustaining the relevance of, and U.S. leadership within, NATO; assisting NATO countries with the capability to conduct out-of-area operations and ensuring a successful transition of U.S. Africa Command into a fully operational combatant command. United States Army Europe also acted as the lead organization in AUSTERE CHALLENGE 09, a comprehensive command post exercise involving over 3,400 European Command forces, which certified European Command's Combined Joint Task Force.

United States Army Europe continues supporting Operations IRAQI FREEDOM and ENDURING FREEDOM. In 2009, over half of United States Army Europe's units trained and deployed to or returned from these operations. Currently, the 1st Armored Division Headquarters, 173rd Airborne Brigade Combat Team, and 2nd Stryker Cavalry Regiment are deployed in support of Overseas Contingency Operations. V Corps inactivation was delayed in order to deploy to Afghanistan,



where it currently forms the core of International Security Assistance Force's 3-Star level command and control headquarters. United States Army Europe also continues contributing significant operational support and sustainment forces in

support of Overseas Contingency Operations in the U.S. Central Command and U.S. Africa Command region. Additionally, the 2nd Stryker Cavalry Regiment provided rotational forces for Task Force East in Romania and Bulgaria while at the same time supporting Denmark in their train-up for NATO Response Force-14. The 172nd Brigade Combat Team and 2nd Brigade, 1st Armored Division, which recently reflagged as the 170th Brigade Combat Team, redeployed from Iraq and are preparing for possible future rotations while completing their reset and dwell.

Activities Conducted Unilaterally. United States Army Europe continues executing its Title 10 responsibilities through transformation planning initiatives in support of modernization and efficient basing. This past year, United States Army Europe transformed into a Theater Army functional staff configuration. This restructuring will result in European Command losing one of its Full Spectrum Joint Task Force/Joint Forces Land Component Command capable headquarters. This loss, combined with

significant force requirements in support of Overseas Contingency Operations outside the European Command region, makes retaining one Tactical Intermediate Headquarters and four Brigade Combat Teams critical to fulfilling United States Army Europe's and European Command's mission. Without the four Brigade Combat Teams and one tactical intermediate headquarters capability, European Command assumes risk in its capability to conduct steady-state security cooperation, shaping, and contingency missions. Deterrence and reassurance are at increased risk.

While United States Army Europe is transforming, it is also optimizing its footprint and gaining basing efficiencies by consolidating across six Main Operating Bases in Germany and Italy by 2015. In support of this initiative, this past year United States Army Europe returned eight sites to host nation control. United States Army Europe projects a decrease in 1,400 Soldiers this year as it continues to consolidate forces.

United States Marine Corps Forces Europe

In 2009, Marine Forces Europe focused on individual training programs, building partner capacity through combined activities utilizing expeditionary force to contribute to conventional deterrence, and supporting operations in Afghanistan.

With only a small service component headquarters, Marine Forces Europe very effectively leverages the capabilities of the Marine Corps in support of European Command objectives. Marine Forces Europe's engagement in the region follows three lines of operation: (1) building partner capacity, particularly through combined exercises; (2) utilizing expeditionary forces to contribute to conventional deterrence; and (3) supporting operations in Afghanistan. The primary focus of Marine Forces Europe Theater Security Cooperation activities is defense sector reform and professionalization of partner nations' militaries in the Caucasus.

Collective Training Programs:

Engagements in Task Force East, Bulgaria and Volos, Greece. Marine Forces Europe, in coordination with U.S. Naval Forces Europe, employed over 2,000 Marines and Sailors of the 22d Marine Expeditionary Unit between May and June 2009 on a scale not seen since OPERATION IRAQI FREEDOM.

Maritime Prepositioning Force exercise, LOYAL MIDAS. LOYAL MIDAS improved prepositioning equipment in support of expeditionary operations; a core competency. LOYAL MIDAS experimented with procedures for tracking offloaded cargo from a prepositioning ship using new wireless technologies, and significantly improved European Command's ability to rapidly deploy and assemble expeditionary forces in the region.

Marine Corps Prepositioning Program-Norway. Using this program, the Marine Corps worked with the Norwegian Defense Staff and Headquarters U.S. Marine Corps, and the European Command staff to develop a plan that enhances access to prepositioned equipment ashore. Participants analyzed joint U.S.-Norwegian agreements, and initiated a long-range plan for instituting an operating concept for the prepositioning facility.

Georgia Deployment Program – International Security Assistance Force. This program supports the sustained deployment of a Georgian infantry battalion to Afghanistan to operate as part of the Marine Expeditionary Brigade for two years. The initial deployment occurs this coming spring.

Coalition Embarkation Support. Personnel from the Marine Forces Europe Strategic Mobility section used this European Command-led International Security Assistance Force effort to familiarize partner nations with U.S. embarkation procedures. Partner nation self-deployment to Afghanistan or other regional contingencies is the overall goal of the program.

Marine Forces Europe is planning for a company-sized rotational force to deploy to Task Force East this summer. This force, which is a proof of concept for the Marine Corps' Security Cooperation Marine Air Ground Task Force, plans to accomplish in only 90 days what previously required a full year of Theater Security Cooperation activity by forward-deploying and utilizing the forward operating site in Romania.

Force Posture. Despite these successes, the lack of a sustained Amphibious Ready Group/Marine Expeditionary Unit in the European Command region curtails engagement opportunity with allies and partners and detracts from active deterrence. Resuming a sustained presence in the European Command region would deter adversaries and assure allies and partners of our commitment to stability in Europe.

United States Naval Forces Europe

In 2009, United States Naval Forces Europe conducted numerous activities to build partnership capacity, improve ballistic missile defense, strengthen anti-submarine warfare capability, respond to piracy, and assist with explosive ordnance disposal on land.

With more than 8,000 active-duty, reserve, and civilian employees operating from five main installations supporting rotational surface, air, submarine and expeditionary forces, United States Naval Forces Europe conducts the full range of maritime operations and Theater Security Cooperation in concert with coalition, joint, interagency and other partners to advance security and stability in Europe. NAVFAC continues to strengthen relationships with enduring allies and emerging partners while maintaining naval leadership and combat readiness. United States Naval Forces Europe leverages its maritime expertise to support and improve regional maritime safety and security. Through ballistic missile defense, anti-submarine warfare, expeditionary force engagement, a continuing surface presence, and other activities, United States Naval Forces Europe enhanced maritime safety, security and cooperation throughout the European Command region in 2009.

Theater Security Cooperation and other Activities with Allies and Partners. Through military-to-military activities demonstrating our naval commitment, United States Naval Forces Europe promotes maritime domain awareness, maritime security operations, security assistance, NATO interoperability, and information sharing.

Taken together, United States Naval Forces Europe's anti-submarine warfare program, Ballistic Missile Defense initiatives, and partner capacity building efforts are improving maritime stability and ensuring U.S. and partner access to the maritime domain. Theater Security Cooperation highlights include:





Afloat Ballistic Missile Defense. A survivable sea-based ballistic missile defense system is an important component of the phased adaptive approach to defend the Homeland, as well as allies and partners in Europe and Eurasia. United States Naval Forces Europe is developing the necessary ballistic missile defense command and control architecture while mitigating vulnerabilities to the sea-based ballistic missile defense network with air and undersea capabilities. A United States Naval Forces Europe Flag Officer commanded JUNIPER COBRA 2010, a joint missile defense exercise with Israel, incorporating all aspects of both land and sea-

based missile defense and stands as a hallmark of the future of our ballistic missile defense program.

Enhanced Theater Anti-Submarine Warfare Capability. In partnership with our allies, United States Naval Forces Europe continues upgrading procedures, training and qualifications to enhance theater anti-submarine warfare capability through Commander, Task Force 69.

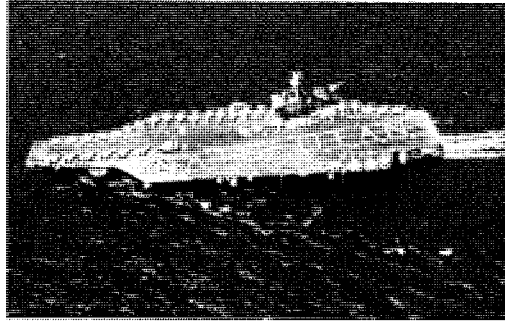
Explosive Ordnance Disposal. Naval Forces Europe's Explosive Ordnance Disposal Mobile Unit Eight provides extensive military-to-military training programs with the partner nations' expeditionary forces and provides explosive ordnance disposal support to International Security Assistance Force contributors. In addition to supporting U.S. and NATO exercises throughout the region, the unit provided real-world explosive ordnance disposal to several European nations.

Response to Piracy. Maritime Expeditionary Security Detachment provides shipboard security teams to U.S. military support vessels, participates in exercises and contributes to theater security cooperation engagements.

Construction Support. Naval Construction Forces (Seabees) completed a diverse array of construction projects emphasizing humanitarian civil assistance and military-to-military engagements as well as construction support to exercises BALTIC OPERATIONS, MEDICAL TRAINING EXERCISE IN CENTRAL AND EASTERN EUROPE, SEABREEZE and JACKAL STONE. The Seabees completed construction of operation centers, training infrastructure, and quality of life projects, including a Military Operation Urban Terrain facility used for Close Quarters Combat training in Zadar, Croatia and renovation of the Padarevo Kindergarten facility in Padarevo, Bulgaria.

Maritime Domain Awareness.

U.S. NAVAL Forces Europe-Sixth Fleet continues actively developing and validating advanced maritime domain awareness procedures. Several maritime domain awareness exercises, including AUTUMN BLITZ 2009, were conducted with NATO's



Maritime Component Command-Naples to advance the interoperability and information processing necessary for effective planning and conduct of maritime operations, such as NATO's Operation ACTIVE ENDEAVOUR, between NATO and U.S. commands.

Eurasia Partnership Capstone. In 2009, United States Naval Forces Europe's primary Black Sea-Eurasia region engagement vehicle took place at Souda Bay, Crete. Personnel from 11 nations participated.

Port Visits: Ship visits demonstrate United States Naval Forces Europe's commitment to improving maritime safety and security and strengthen partner relationships through training activities with host nation militaries. For example, following JOINT WARRIOR 2009, the three participating U.S. ships conducted Theater Security Cooperation port visits in six countries.

Exercises with Allies and Partners. United States Naval Forces Europe participated in 19 exercises with 25 allies and partners covering the full range of maritime activity. Highlights include:

Exercise BALTIC OPERATIONS 2009. United States Naval Forces Europe -Sixth Fleet sponsored and executed the 37th annual BALTIC OPERATIONS with 43 ships from 12 participating nations. This European Command-directed multinational exercise enhanced maritime safety and security in the Baltic Sea by increasing interoperability and cooperation among regional allies.

PHOENIX EXPRESS 2009. Members of the United States Naval Forces Europe -Sixth Fleet Staff, USS MOUNT WHITNEY and USS ROBERT G. BRADLEY along with several European and North African navies conducted the two-week Exercise PHOENIX EXPRESS 2009, leveraging the capability of European and African partnerships in order to enhance stability in the Mediterranean region through increased interoperability and cooperation.

Exercise FRUKUS 2009. United States Naval Forces Europe -Sixth Fleet staff and USS KLAKRING participated in Exercise FRUKUS 2009 (France, Russia, United Kingdom, and United States). This confidence-building exercise focused on resuming the maritime partnership between NATO's major navies and the Russian Federation Navy.

RELIANT MERMAID 2009. USS *Stout* and members of the United States Naval Forces Europe -Sixth Fleet staff participated in the tri-lateral maritime search and rescue exercise RELIANT MERMAID 2009 with maritime forces from Turkey and Israel. This annual exercise contributed to overall joint readiness in response to possible humanitarian assistance efforts or maritime search and rescue operations in the Eastern Mediterranean Sea and helped improve engagement between Turkey and Israel, key U.S. allies and partners in the region.

Way ahead. Our efforts will remain focused on the Black Sea-Eurasia and eastern Mediterranean regions and follow European Command Country Campaign Plans. United States Naval Forces Europe is also embarking on an effort to establish a Mediterranean Sea Fleet Commanders Forum to enhance interoperability among capable allies and partners and increase efficiencies in the international military partnership realm.

United States Air Forces in Europe

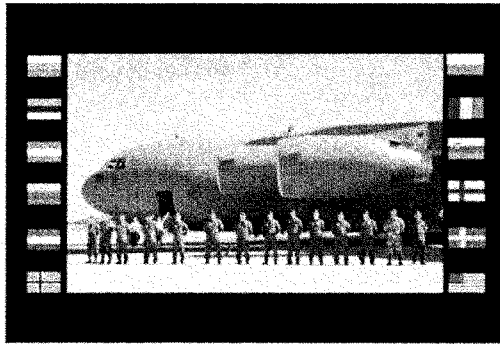
In 2009, United States Air Forces in Europe worked with allies and partners on a daily basis to increase their aerospace capability, including individual and collective training, and provided full-spectrum air, space, and cyberspace capabilities to our own and allied forces.

With more than 42,000 active-duty, guard, reserve, and civilian employees operating from seven main installations supporting nine wings and 80 geographically separated locations, United States Air Forces in Europe is a key force provider of tactical combat air forces, tanker, and airlift assets for European Command, Operations IRAQI FREEDOM (OIF), ENDURING FREEDOM (OEF), and the International Security Assistance Force. Crucially, it also provides a large number of forces for building partnership capacity on a daily basis, with approximately 740 annual events that promote enduring relationships and increase security within and beyond Europe.

Additionally, United States Air Forces in Europe provides full spectrum air, space, and cyberspace capabilities promoting regional stability through focused theater engagement and supporting combat operations, humanitarian assistance, and Ballistic Missile Defense. United States Air Forces in Europe is also European Command's lead agent for personnel recovery, theater air mobility, and aeromedical evacuation. They execute the Command's mission with forward-based air power to provide forces for global operations, ensure strategic access, assure allies, deter aggression, and, key to our approach overall, build partnerships.

Provide Forces for Global Operations. United States Air Forces in Europe's top priority is to partner with the Joint and Combined team to win today's fight. They do this by providing expeditionary forces as well as a war-fighting headquarters that can plan, deploy, command, control and coordinate air, space and cyberspace activities across the full range of military operations.

Ensure Strategic Access. Forward basing of air assets and the establishment of mobility hubs in the European theater ensure strategic access for operations in Europe as well as to the US Central Command and US Africa Command regions. United States Air Forces in Europe maintains robust support for US Transportation Command's en-route locations, enabling global operations by permitting the full spectrum of passenger and cargo movement through bases throughout Europe. In addition,



the command has enhanced strategic flexibility by opening new access points through engagement with new NATO partners.

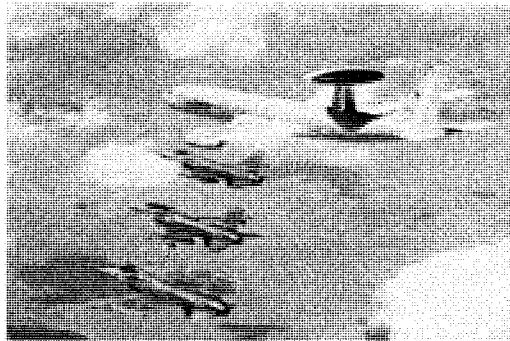
The activation of the Strategic Airlift Consortium at Papa Air Base, Hungary exemplifies this, with NATO members Bulgaria, Estonia, Hungary, Lithuania, the Netherlands, Norway, Poland, Romania, Slovenia and the U.S., as well as Partnership for Peace nations Finland and Sweden. The result was the creation of a 12-member Heavy Airlift Wing consisting of three C-17 Globemaster IIIs. The Strategic Airlift Consortium is a watershed event in international military cooperation.

Assure Allies and Deter Aggression. United States Air Forces in Europe continues building and sustaining a credible capability to dissuade aggressors. Its interoperability with Alliance partners through exercises and operations remains crucial for ensuring primacy of the Alliance and the US leadership role.

United States Air Forces in Europe is EUCOM's lead agent for Integrated Air and Missile Defense. It operates a Command, Control, Battle Management, and Communication suite to provide the commander with Ballistic Missile Defense situational awareness, early warning, and possible defensive counter-measures. The suite is designed to be interoperable with NATO systems in order to support the Presidential decision to employ a Phased Adaptive Approach to the Ballistic Missile Defense of Europe.

NATO remains the primary security institution in Europe. Forward US presence and interoperability with Alliance partners is crucial for ensuring primacy of the Alliance and a US leadership role. The planned basing of new systems such as Global Hawk, 5th generation fighter capabilities on schedule with our allies, and the potential for a future Light Attack/Armed Reconnaissance aircraft capability in theater will provide opportunities for the US to display its commitment and resolve, provide critical tools for engagement, and enhance allied and partner contributions to global operations. In accordance with NATO's strategic concept, the United States Air Forces in Europe fulfills the U.S. commitment to allied extended nuclear deterrence with Dual Capable Aircraft, and personnel who ensure the custody, safety and reliability of U.S. nuclear weapons in Europe.

Build Partnerships. In a program with long-term benefit, United States Air Forces in Europe's efforts build partner capabilities, increase their ability to counter terrorism, protect homelands and common interests, and counter emerging threats. Their "Building Partnerships" program contributes to the building of key relationships, promoting U.S. strategic interests, providing for essential peacetime and contingency



access and en-route infrastructure, and improving information exchange and intelligence sharing. Within the past twelve months, the command conducted approximately 740 building partnership events with 51 partners and allies, including theater security

cooperation events, exercises, aerial events, and military-to-military engagements. In addition to partner engagement, they actively engage, in accordance with European Command direction, to advance regional stability.

Exercises with Allies and Partners. United States Air Forces in Europe develops increased Alliance capability to support Overseas Contingency Operations through participation and leadership in 20 combined exercises and operations, including UNIFIED ENGAGEMENT, MEDICAL TRAINING EXERCISE IN CENTRAL AND EASTERN EUROPE, COMBINED ENDEAVOR, AUSTERE CHALLENGE, JUNIPER COBRA, and the BALTIC REGION TRAINING EXERCISES, as well as the Tactical Leadership Program. Key cross-border programs include:

Baltic States Air Capability Development. United States Air Forces in Europe led a series of 4-nation symposia with Latvia, Lithuania, and Estonia to develop the basis for establishing fundamental air combat capabilities leading to ministerial-level buy-in of a concept of operations and a long-term strategy for aviation excellence and eventual self-reliance.

Enhancing Nordic States interoperability with NATO. In 2009, United States Air Forces in Europe led and fostered efforts to enable the Swedish and Finnish Air Forces to participate in NATO and coalition air operations.

Developing capability of “near-4th generation fighter” nations. United States Air Forces in Europe placed strong emphasis on helping these partner nations transition smoothly to 4th-generation operations. To support Poland’s new force of 48 F-16s, a very successful sister-wing relationship between the 52nd Fighter Wing, Spangdahlem Air Base, Germany and the Polish Air Force was established. It is now instrumental in spreading lessons-learned and best practices, as the Polish Air Force strives toward its goal of expeditionary F-16 operations. Additionally, deployments to Bulgaria and Romania fostered those countries’ efforts to adopt NATO-interoperable tactics, techniques, and procedures.

Build/Sustain Joint Terminal Attack Controllers capability. Working to increase the number of Joint Terminal Attack Controllers available to deploy to International Security Assistance Force, U.S. Air Forces in Europe trained 25 new partner nation controllers in 2009 and estimates training 30 more

in 2010. Work with Poland will provide an organic regional Air Ground Operations School training capability. Continuing training relationships with French pilots enable them to train with native English speakers prior to deploying into Afghanistan.

United States Air Forces in Europe's forward-based forces provide the nation a three-for-one efficiency by providing forces for global operations, promoting regional stability (with capabilities to deter aggressors and assure allies), and building partnerships. Unfortunately, the reduction of twenty-four fighter aircraft will significantly limit the resources available for these activities. As we move forward, we must ensure that our forward-based posture is adequate to support our nation's strategic objectives.

Special Operations Command, Europe

In 2009, Special Operations Command Europe generated increased Special Operations Force capacity in support of overseas contingency operations; contributed to U.S., allied, and partner nation efforts to defend against transnational threats; and prepared for unforeseen contingency operations.

Special Operations Command, Europe, comprised of more than 1,600 active-duty, reserve, and civilian employees operating from two main locations, remains the preeminent U.S. Special Operations Force provider to the International Security Assistance Force; provides such forces for Operations IRAQI FREEDOM (OIF) and ENDURING FREEDOM (OEF); contributes significantly to the development of Allied and partner special operations forces; and stands, prepared and ready, to defend against transnational threats and rapidly respond to unforeseen contingencies within the EUCOM Area of Responsibility.

Special Operations Command, Europe's capacity building efforts relies on three elements: the Partner Development Program, support to the NATO Special Operations Forces Coordination Center—now evolving into the NATO Special Operations Headquarters—and deployments in support of NATO International Security Assistance Force operations. Special Operations Command, Europe remained heavily engaged throughout 2009, conducting 29 Joint Combined Exchange Training events, eight bilateral training activities, nine military-to-military engagements, and six counter-narcoterrorism missions in 18 countries. Along with these activities, the Command conducted numerous staff and key leader engagements. These events focused on developing more capable and professional American and allied Special Operations Forces, while building the relationships required to increase the support and commitment of European political and military leadership.

Activities and Exercises with Allies and Partners:

Partner Development Program. Partner Development Program allows Special Operations Command, Europe to link disparate programs and training venues to build partner Special Operations Forces capacity. It focuses on those allies and partners that demonstrate willingness to deploy Special Operations Forces in support of NATO operations in Afghanistan and the capability over time to sustain their increased Special Operations Forces capacity. Poland, Romania, Hungary, and Lithuania are a few of the countries that have participated in this program and have deployed Special Operations Forces for the benefit of the Alliance.

The Command's exercise program exemplifies Partner Development Program's utility. The annual Special Operations Command, Europe capstone exercise, JACKAL STONE 2009, brought together approximately 1,500 Special Operations Forces service members from 10 countries—nine out of ten currently contribute Special Operations Forces to International Security Assistance Force operations, or have indicated a willingness to do so in the future.

Special Operations Command, Europe Support to the NATO Special Operations Headquarters. The second critical element of American Special Operations Forces capacity building objectives in Europe is Special Operations Command, Europe support to the NATO Special Operations Headquarters. The NATO Special Operations Headquarters, now being established from the NATO Special Operations Forces Coordination Center, is already making significant contributions to Special Operations Command, Europe and allied efforts by developing common NATO Special Operations Forces standards and encouraging allied integration.

Special Operations Command, Europe Support to International Security Assistance Force. Since 2007, Special Operations Command, Europe has maintained a Special Operations Task Group (one U.S. Special Operations Company and associated staff officers) under NATO command in Afghanistan,



separate from Operation Enduring Freedom. Special Operations Command, Europe deployments to International Security Assistance Force also showcase “best practices” to our Special Operations Forces partners and encourage equally capable Special Operations Forces allies to mentor other developing partners.

As a direct result of Partner Development Program and NATO Special Operations Headquarters initiatives, European national Special Operations Forces contributions to International Security Assistance Force have steadily increased providing strategic relief for already committed U.S. and allied Special Operations Forces. Special Operations Command, Europe, through European Command, Special Operations Command, and the Department of Defense, continues to work with the Department of State and Congress to develop the mechanisms necessary to advance to the next stage of partnership cooperation.

Defense Against Transnational Threats. Special Operations Command, Europe contributes to American, allied, and partner nation efforts to defend against transnational threats through sharing information, building capacity, reinforcing strategic communication messages, and, if required, conducting or supporting kinetic special operations. For example, throughout 2009, Special Operations Command, Europe sponsored a weekly video teleconference, allowing Department of Defense and other government agencies from around the globe to share intelligence and evidentiary information that closed intergovernmental and international seams and synergized law enforcement and military operations against complex non-state global networks.

Preparation for Contingency Operations. Though the European continent is relatively stable, it has numerous potential flashpoints from the Balkans to the Caucasus. In 2010, the Command plans to increase regional security through 36 different engagement events with 30 countries. The Partner Development Program will begin to focus on filling collective rotary wing aviation gaps, combining efforts with Department of State to take a lead role in the development of interoperable Special Operations Forces aviation capacity.

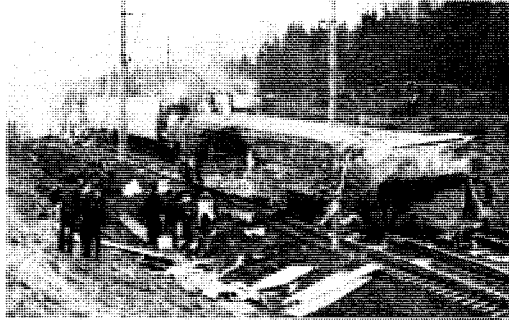
CHALLENGES

Afghanistan. Of the 43 nations contributing forces to the International Security Assistance Force besides the U.S., 80% of them (36 nations) come from the European Theater and those 36 nations represent approximately 42% of the operation's personnel. Many nations are making particularly large contributions of forces and have suffered high casualty rates relative to their population. Our partners understand the importance of this mission and they are willing to send their sons and daughters in harm's way alongside our own to bring peace, security, and prosperity to the people of Afghanistan. Many of these nations wish to contribute more capability and other nations have the will to join the International Security Assistance Force but lack the capacity to do so. Within the European Theater itself, European Command's primary focus is to lend whatever support it can to these other nations as they seek to contribute to security and stability efforts in Afghanistan. Within the framework of contributing to international efforts in Afghanistan, and within the boundaries and authorities set by law and regulation and by international agreements, this support involves providing training, equipment, logistical assistance, and personnel augmentation to nations that desire to contribute to the International Security Assistance Force.

Terrorism in Europe. Our role in the fight against trans-national terrorism in the region is primarily one of engagement and intelligence sharing. Terrorist networks use Europe principally to recruit fighters, garner financial and logistic support, and provide sanctuary. They cooperate closely with criminal networks and engage in numerous illegal activities as fund raising mechanisms. Well-established and commendable European civil liberties and the loosening of border controls provide opportunities for terrorist support and logistic activities. Nonetheless, Europe is not immune to Al-Qaida affiliated terror attacks or the threat of them. Al-Qaida has consistently and recently stated a desire to strike directly

The violent extremism that threatens the people and governments of Afghanistan and Pakistan also undermines the stability of the wider region and threatens the security of our friends, allies and interests around the world. All of us whose shared future is at stake must take responsibility for securing it.

Secretary of State Hillary Rodham Clinton, December 2009



against our European allies. The reverse flow of foreign fighters out of Iraq and Afghanistan coupled with the bona fides and experience these fighters will have gained there may increase the terror threat in Europe in the future.

The possibility of a terrorist attack using weapons of mass destruction adds another dimension. Al-Qaida has consistently striven to incorporate weapons of mass destruction into their attacks and the majority of the world's nuclear weapons are within the European Command's area of responsibility. The security of these weapons and weapons material is a significant aspect of European Command's efforts to counter weapons of mass destruction.

The biggest impact we can have on terror networks in Europe is through enabling and partnering with our friends and allies. A good example of this is our intelligence sharing with Turkey regarding Kurdistan Workers' Party (PKK) terrorist. In addition to partnering with other nations in Europe, we are also closely partnering with other arms of the U.S. government, where appropriate, to ensure all the levers of our national power are applied against these networks in a coordinated fashion.

Potential Regional Conflicts. In spite of European integration, European Command continues to face an environment in fluid transition, and we are coping with the insecurity associated with 21st Century challenges and unsolved 20th Century security problems. The outbreak of conflict between Georgia and Russia served as a reminder that war has not disappeared from the European Command Theater.

Secessionist pressures, unresolved or suspended conflicts, and ethnic and religious tensions make European Command's Black Sea and Eurasia regions the most conflict-plagued area along the

Euro-Atlantic perimeter. Russia's North Caucasus remains an area of persistent conflict. Armenia and Azerbaijan are at a stalemate over Nagorno-Karabakh. The South Ossetia and Abkhazia regions of Georgia are a continuing source of tension between Georgia and Russia, the more so given the Russian military presence in those regions and Russian recognition of their independence from Georgia. Little progress has been made toward a settlement of the Transnistrian conflict, which divides Moldova and hinders sorely needed economic development. Conflict persists between Israel and Palestinian groups. The sources, complexities, and significant tertiary effects of these regional conflicts require an integrated interagency approach in concert with our European partners and security organizations.

Russia. The complexities of managing a military-to-military relationship with Russia are many. On one hand, there are many areas of potential cooperation and partnership, including Afghanistan, arms control, counter-terrorism, counter-piracy, counter-narcotics, and eventually missile defense. On the other hand, many of our allies and friends in the region remain somewhat concerned about Russian actions, including the conflict with Georgia in the summer of 2008, exercises on their borders like the Zapad series in 2009, and Russia's continuing suspension of implementation of the Conventional Armed Forces in Europe (CFE) Treaty.

Working with Russia is about balance and seeking to find the potential for cooperation, while maintaining an honest and open dialogue about all aspects of our relationship, including where we disagree. While a great deal of engagement with Russia is handled either by State Department in the diplomatic realm or directly by the Joint Staff and Office of the Secretary of Defense, we at European Command are ready to pursue military-to-military communication, engagement, and even training and operations with Russia where and when appropriate.

Energy Security. A massive amount of energy is produced in or transits through European Command's region. Russia, Azerbaijan, Norway, and other countries produce large amounts of hydrocarbons. Approximately 3 million barrels of oil transit the Bosphorus and the Dardanelles each day.

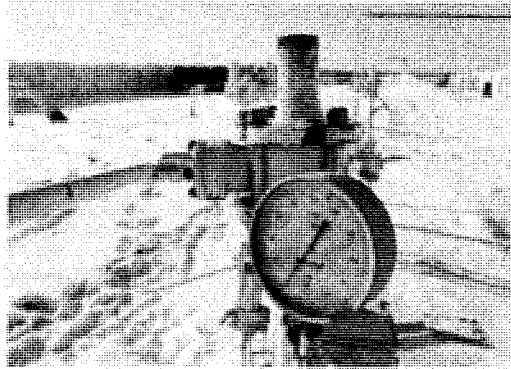
European Command is and must be a major participant in the interagency efforts to ensure the security of energy flows to, from, and through our region. The Command already has several interagency representatives on staff to better synchronize our efforts. We are already working to promote integrated planning and exercises and build up the capabilities of our European partners through technical assistance, the Partnership for Peace program, and other train and equip efforts. The Command is also collaborating with other U.S. government partners and like-minded NATO allies to develop a framework to develop common solutions for major energy security issues. Finally, we view Russia as a key partner in these efforts and will work with Moscow in areas of common interest. However, where our interests do not intersect, we will work with other European partners to develop solutions for all of Europe.

The Arctic. Changes in the Arctic create both challenges and opportunities. Climate changes may result in open shipping routes, which link Asia to Europe, cutting the distance on these routes by up to 40 percent and transit time by 10 days.

The Arctic is emerging as a complex but potentially productive region for oil, gas and new industrial activity. Unresolved issues will become more pressing as economic activities expand. For example, there are eight bilateral boundary issues involving all states in the region, and the northernmost extension of the continental shelves in the Arctic is unresolved.



States, particularly the traditional great powers, will play a key role in determining patterns of cooperation and tension within the Arctic. Russia's activities in the Arctic include producing and modernizing icebreakers, resuming submarine and long-range aviation patrols, stationing



more researchers throughout the region, and asserting extensive territorial claims. Russia's latest Arctic policy paper states that the Arctic must become Russia's top strategic resource base by 2020. It further states that they must complete geological studies to prove their claim to Arctic resources and create a new group

of forces to ensure military security under various political-military circumstances.

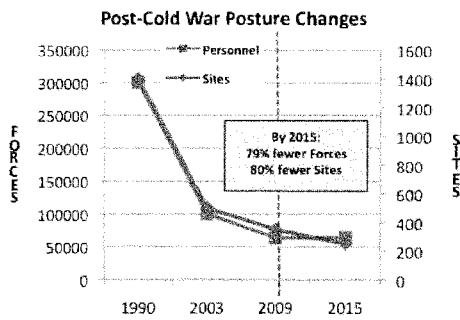
As the Arctic emerges as a region of economic significance and we develop our relationship with Russia, there may be opportunities for increased military activities with Russia to directly support U.S. policy initiatives. We see the Arctic as not an area of confrontational challenges but one of shared opportunities for cooperation and partnership that will benefit all states of the region. Early investment in an open and meaningful interagency dialog with Russia in the very near future, could avoid potential conflict in the more distant future.

Force Posture. The interrelationship of U.S. forces, their footprint, and our relationships with other nations, is key to achieving national objectives in the European Command Theater. The presence of U.S. forces – air, land, and sea – in Europe fosters relationships and deepens partnerships in multiple ways, including the shared use of training facilities and other building partner capacity and international military partnering events.

The nations within the European Command region are of significant importance to U.S. global strategic interest as evidenced by the overwhelming number of ISAF troop contributing nations from the

EUCOM AOR. Our ability to develop coalitions and the capabilities of European coalition partners are central to advancing our national security priorities. Building partnerships and building partnership capacity is therefore our highest priority at European Command.

The forces stationed in Europe today are a key element of America's strength and they promote our values, protect our interests, and are tangible reminders to friends and foes alike of our dedicated commitment to a strong trans-Atlantic relationship based on cooperation and adherence to fundamental ideals. As the post-Cold War security environment changed, the size of our forces required to maintain



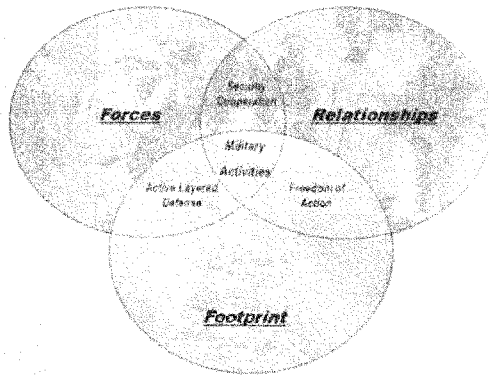
our leadership role also changed. The number of U.S. personnel in Europe has declined from 300,000 during the Cold War to less than 80,000 today. European Command forces assure our allies and deter and dissuade our adversaries, and are the most visible indication of the ongoing U.S. commitment to the NATO Alliance.

European Command's footprint is pivotal to U.S. global operations. Sites and installations in Europe provide superb power projection facilities for the support of coalition operations and overseas contingency operations. Installations in the European Command region coupled with long-standing and emerging relationships contribute to assured access and strategic reach to and from Europe.

Force posture initiatives for European Command support building the capability and capacity of partner nations in Europe, increased expeditionary capability from Europe, and achieve basing efficiencies. Our posture initiatives support two major categories: operational capability development and improvements for basing efficiencies in sustainment and Quality of Life. Operational capability development initiatives include assessments for stationing of forces anticipated to deploy to the European

theater and a new prepositioning strategy that transforms portions of European Command prepositioning equipment to support soft power employment for missions such as Humanitarian Assistance and Disaster Response.

Other force posture initiatives focus on achieving basing efficiencies through coordinated review of infrastructure capacity as well as supporting service component efforts to optimize resources supporting of European Command forces. Sustainment initiatives include the continuous review of Quality of Life requirements such as education and housing services for European Command personnel and their families.



European Command has aligned its posture planning processes to support the Department's efforts in addressing global force posture. The European Command staff coordinates strategic assessment, implementation feasibility, and theater prioritization of force posture issues through a posture forum that maximizes outreach and integration in posture development among Combatant Commands, our European Command Service Component Commands, and our interagency partners. Our posture planning necessarily involves coordination across the whole of government, as we integrate Defense Department posture overseas with State Department representatives and ultimately our relationships with European hosts.

OPPORTUNITIES

Many of our challenges also present opportunities for international military partnering that bring benefit to today's issues such as our operations in Afghanistan but also for those that we will face tomorrow.

Afghanistan. Supporting the International Security Assistance Force has given European Command the opportunity to deepen its relationship with our allies and partners using our expertise and experience to inculcate an expeditionary mindset and train deploying partnered-country forces in irregular warfare. The contributions and sacrifice of Eurasian and European nations in Afghanistan have



demonstrated the credibility, legitimacy, and effectiveness of international military cooperation. The scale of allied and partner force contributions to the International Security Assistance Force has allowed the hand-over of significant responsibility for regional operations

to coalition partners. NATO's Operational Mentoring and Liaison Teams program directly supports the development of the Afghanistan National Army and the Police Operational Mentoring and Liaison Teams program supports the expansion of the Afghan National Police. Under these programs, European allies and partners are currently providing approximately 50% of the number of teams required to train Afghanistan's security forces. Right now, U.S. Forces assigned to European Command are deployed to Afghanistan and make vital contributions on a daily basis. However, within the European theater itself, European Command's primary focus is to support other nations as they seek to contribute to the security and stability efforts in Afghanistan.

Engagement with Russia. In 2009, European Command authored a framework document to resume military-to-military cooperation with Russia in an equal, pragmatic, transparent, and mutually beneficial manner. This framework not only addresses crisis response operations, but also seeks to promote interaction and ensure mutual support in conducting counter-terrorism and counter-piracy operations; peacekeeping; missile, space, and ballistic missile-defense; as well as search and rescue. This framework document was signed by the Chairman of the Joint Chiefs of Staff and the Russian Chief of Defense during the July 2009 Presidential Summit in Moscow. This framework begins to rebuild a structure for our bilateral defense relationship with Russia that allows wide-ranging and candid engagement on all issues of concern.

In rebuilding the bilateral relationship with Russia, however, European Command will work with NATO and partners to develop an integrated and inclusive security cooperation architecture beneficial to all participants that does not come at the expense of allies and partners.

European Missile Defense. European Command looks forward to operationalizing the recently announced Phased Adaptive Approach, a complete revision of how the U.S. manages ballistic missile defense of Europe. The phased implementation of the proposed network of sensors, interceptors and associated Command and Control structures will provide a regional capability that is flexible, scalable, and responsive. The architecture aims to provide the right level of capability, at the right time, in the right location based on the emerging threat. The new approach provides increased opportunity for interagency and international military partnering. European Command is actively cooperating with the Department of State, Department of Defense, Missile Defense Agency, and others as the United States builds the plan for international engagement in the region. The capabilities delivered with the new phased, adaptive approach will serve as a catalyst to develop a cooperative solution with our allies and partners in the region.

Balkans: Bosnia-Herzegovina and Kosovo. Today, almost 15 years after the Dayton Peace Accords and 10 years after the NATO military campaign to end atrocities in Kosovo, Bosnia-Herzegovina and Kosovo still evince the problems present throughout this volatile region: endemic corruption, organized crime, deep-rooted ethnic divisions, decrepit infrastructures, and weak economies with little foreign direct investment. Such an environment invites organized criminals and limits the capabilities of governments to effectively provide essential services. Despite these challenges, the United States remains committed to bringing lasting stability to the Balkans and, we have been making steady progress in the region overall, as exemplified by the April 2009 admission of Croatia and Albania into NATO and recent democratic elections in Kosovo.

In this region, European Command focuses on enhancing transatlantic security through defense modernization and reform efforts; defense institution building activities to improve the organic capacity of countries to recruit, train, and sustain their own military forces; humanitarian assistance operations; and demilitarization of unexploded ordnance to eliminate the threat to lives, property, and government stability.

Significant political and cultural divisions remain in both Bosnia and Herzegovina and Kosovo. In Bosnia, uncompromising, ethnic-based rhetoric continues to stall reform efforts. While the “Butmir Talks” last fall were a step in the right direction, Bosnia will need to progress politically toward stability. Although many problems in Kosovo are simply growing pains of a new state, the institutions in Kosovo face stark challenges to strengthen weak government institutions, combat corruption and illicit trafficking, and improve provision of essential services. Most of our military-to-military engagement is at a basic level, such as training the Kosovo Security Force and the provision of personal equipment like boots and uniforms. The programmed reduction of NATO and European Union Forces in the Balkans may induce additional risk and requires continued monitoring to guard against others in the region from exploiting weaknesses.

Despite these challenges, there are solid prospects for success given that we are prepared to devote the necessary attention and resources to the region. Bosnia and Kosovo, like the vast majority of their Balkan neighbors, generally hold the United States in high regard. To be effective, we must continue to coordinate our efforts with our European allies and partners. We must expand our efforts to persuade NATO and European Union partners to persevere in these efforts. Maintaining stability in the Balkans remains an important transatlantic interest.

Cyberspace. Cyberspace enables and supports all of the efforts, challenges, and opportunities above. The cyber domain and the ability to operate freely in Cyberspace are of great importance to European Command. The 21st Century and many events of the 20th Century will be defined or re-defined by the development, movement, and consumption of information in a holistic and collaborative environment. Our ability to freely operate and shape that environment has significant implications on both our leadership and partnerships in Europe.



European Command is already building that advantage and defining that success. Access to reliable networks has become imperative to our national security, economics, and way of life. We must gain greater visibility of disruptive activities, determine how and to what extent these actions increase the risk to security and stability, and build the ability to maintain freedom of maneuver in the cyber domain for ourselves, our friends, and the voices of truth. We have established a Network Warfare Center to provide a fused cyber operations, intelligence and defense capability. We have also reached out to NATO and other partners to establish cyber information sharing agreements. These agreements provide

great value by enhancing awareness, building common understanding, and developing operational trust. Finally, European Command continues to see the need for continued investment and development of both Joint and Multi-National cyber capabilities. These capabilities must be integrated, layered, responsive, and assured. U.S. European Command sees great promise in the continued development and use of cyberspace in Europe both as a mission enabler and as a common interest area with European allies and partners.

Innovation Cell. Because innovation is so important to maintaining effectiveness, we have established a small, dedicated innovation cell. In the first six months, this team closed a gap in US-foreign partner security cooperation. As a result, it uncovered an interesting human detection technology in the Slovak Republic, accelerated a project with the French Armaments Agency to put a wireless internet router in space, and connected over a dozen different organizations together to demonstrate innovative ways to build partner nation and public-private partnerships to counter piracy.

Building Partner Capacity Center. Building Partner Capacity is at the heart of EUCOM's mission and the key to strengthening stability in our region and the regions to which we project military forces. It requires, however, complex and astute interactions with our allies and partners, and the application of lessons learned in many different regions. For those reasons, we are investigating the establishment of a Building Partner Capacity Center that will bring together subject matter experts in a way that makes their knowledge accessible to all and facilitates an in-depth examination of the issues.

Counter Narcotics Task Force. In another very critical area, EUCOM and its naval component conducted a full mission analysis for a Counter Narcotics Task Force and have begun establishing one. United States Naval Forces Europe is initially staffing the Task Force from its intelligence directorate. The Task Force has initiated preliminary outreach to the Maritime Analysis and Operations Center-Narcotics in Lisbon and with the Center for Combating Smuggling in the Mediterranean (CeCLAD) in Toulon. To accelerate establishment, Naval Forces Europe will resource the task force with its own personnel and funding and has set aside additional funding for FY10 as start-up money.

Regional Approach to Stockpile Reduction. In the last decade, Albania, Bulgaria, Croatia, Serbia, and Ukraine have experienced accidental explosions of their aging conventional munitions, destroying infrastructure and causing military and civilian casualties. The amount of unexploded ordnance (UXO) excess, and unstable munitions in our theater is great and of serious concern. We are working with the Department of State, the federal lead for weapons removal and abatement, to enhance their recent stockpile reduction initiative and address with a greater sense of urgency these stockpiles that are aging, destabilizing, and exploding unintentionally. Together we want to preclude another incident that would threaten lives and decrease stability.

TAKING CARE OF EUROPEAN COMMAND PERSONNEL

Quality of Life. European Command is committed to supporting and maintaining a quality of life for our assigned personnel commensurate to the nation we serve and defend. We also recognize that forward deployed forces are better able to focus on the mission when their families are properly cared for through quality living quarters, educational opportunities for their children, and medical care.

Deployment, Behavioral Health and Compassion Fatigue Support. Protracted combat operations, multiple deployments, insufficient dwell time and casualties have critically increased the immediate and future demand for Behavioral Health Specialists for our service members and their families. Multiple studies, for example the Department of Defense Mental Health Task Force, have identified the need for increased behavioral health support to military and family members. Component commanders have identified the need for additional behavioral health providers and technicians for European Command military and family members.

As we continue to maintain mission readiness, our warriors and families require access to these vital programs and services without stovepipes in a stigma-free environment. A 360-degree review of programs and the connection between at-risk indicators and catalysts is needed to eliminate gaps in support. The goal is alignment of focused care-giver teams with corresponding indicator data systems to ensure the health of our force and family.

European Command community caregivers providing warfighter and family support continue to show signs of stress, burnout and compassion fatigue. European Command, with funding from European Regional Medical Command, contracted to develop and deliver a comprehensive compassion fatigue program titled Providing Outreach While Enhancing Readiness – Caring for the Caregiver, which focuses on providing caregivers with tools and strategies to prevent the risk of burnout, stress and compassion fatigue.

Dependent Education. The quality of the President's school system, managed by the Department of Defense Education Activity, is a major contributor to the Quality of Life of European Command members. European Command's system is a benchmark for other school systems and we need your continued support and funding to ensure we maintain high educational standards.

We continue to work collaboratively with the Department of Defense Education Activity to ensure funding for programs such as The Virtual School for our approximately 2,000 students in the European Command region located in areas with no Department of Defence schools. Because funding for educational support in remote areas has not kept pace with new mission requirements, we need your support for this leading edge educational system for our youth. We are now just beginning to see the effect of nearly \$100M to replace our schools, many of which are 1950s barracks. We must continue funding this endeavor in future years.

We look forward to sustaining the recent accomplishments in Quality of Life and base infrastructure. Taking care of people enhances readiness. In the short term, this includes ensuring the capability of the community support base to deploy Service members and support their families. In the long term, it enables the military services to attract and retain the high quality force our mission demands.

As a country, I would hope we keep our focus on our people, particularly those who have been wounded, and their families, and the families of the fallen. These are people who have paid, in many cases, the ultimate price. And I think we as a country must repay that debt.

ADM Mike Mullen, Chairman of the Joint Chiefs of Staff, July 8, 2009

EUROPEAN COMMAND INFRASTRUCTURE AND LOGISTICS

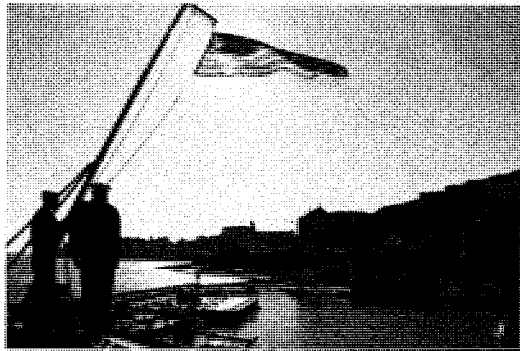
As a large organization with responsibilities spanning Europe, European Command has major infrastructure and logistics responsibilities.

Theater Infrastructure. At enduring locations, we must continue to sustain and recapitalize our infrastructure through responsible use of both the Sustainment, Restoration, and Modernization program and the Military Construction program. At non-enduring locations, we must optimize use of all available resources to ensure these installations remain fully mission effective until the installations are removed from the inventory.

Thanks to strong Congressional support, previous annual Military Construction authorizations and appropriations have enabled European Command to address a balanced mix of our most pressing mission, mission support, quality of life, and housing requirements. The Kaiserslautern Military Community Housing project is nearing completion and is one of several showcase examples of the impact that Military Construction program support has for our community. Continued support of these investments will enable us to eliminate inadequate housing and this will pay dividends as we divest non-enduring bases and consolidate our forces into more efficient communities. European Command's future requirements will appear in our Theater Posture Plan and military construction requests.

Strategic Mobility and Maneuver. Because facilities and forces must be effectively linked, dependable and available sealift, strategic and tactical airlift, and ground transportation systems are essential elements of European Command's strategy. The fielding of the Joint High Speed Vessel and its assignment to the region will significantly enhance our capability to deploy and transport forces along sea lines of communication. The ability of the Joint High Speed Vessel rapidly to transport large volumes of material will provide a critical engagement platform to support Military Partnership activities and improve our ability to respond to potential contingencies such as non-combatant evacuation operations.

European Command's fleet of C-130s is currently undergoing an important upgrade from 17 older C-130E aircraft to 14 new, more capable C-130Js. The payload, capacity, and range constraints of even these aircraft limit European Command's ability to rapidly deliver forces or materiel across our theater.



Strategic airlift is also an important force enabler in the region. We applaud the stand-up of the Strategic Airlift Consortium - Heavy Airlift Wing that commenced operations July of 2009 at Papa Air Base, Hungary. The wing operates three C-17 aircraft, shared by a consortium of ten NATO

and two Partnership for Peace nations, and is the product of a groundbreaking building partner capacity initiative that provides European Command with access to robust theater-based strategic lift capability. European Command will continue to pursue increased organic lift capability to enable the full range of engagement and contingency activities.

European Command's principal contribution to global logistics throughput in support of ongoing operations is to the Central Command region. For example, lines of communication and distribution routing for logistics support through the European region should be able to support all of the International Security Assistance Force logistics requirements in the event other routes are unable to maintain the required capacity. European Command continually coordinates logistics planning with Transportation Command and the Defense Logistics Agency as well as Central Command to ensure global air, sea and land lines of communication are identified and maintained to support global operations.

Pre-Positioned Equipment. Pre-positioned equipment reduces demands on the transportation system and appreciably shortens crisis response time by providing a scalable capability and enabling the assembly of deploying forces with equipment already staged in the European Command's region. Continued support of the Services' Pre-positioned War Reserve Materiel programs also demonstrates commitment through presence and preserves a broad spectrum of response options, from that of traditional crisis response through support of Humanitarian Assistance and Disaster Relief. As we transition to a more expeditionary posture, there is a heightened need for Pre-positioned War Reserve Materiel equipment configured to support both kinetic and non-kinetic operations, positioned in strategically flexible locations, and enablers such as the Joint High Speed Vessel. Exercising prepositioned stocks also builds military partner capacity with allies and provides ready assets for units arriving in theater for training/engagement and security cooperation missions.

All four Services maintain Pre-positioned War Reserve Materiel in the European Command's region, either on land or afloat. United States Air Forces, Europe maintains Pre-positioned War Reserve Materiel at main operating bases within the theater, with centrally managed storage sites in Norway and Luxembourg. U.S. Marine Forces Europe maintains Marine Corps Pre-positioning Program-Norway and assets afloat in the Mediterranean via Maritime Pre-positioned Force ships. United States Army Europe maintains propositioned stocks via the Department of the Army's Heavy Brigade Combat Team pre-positioned set at Camp Darby near Livorno, Italy.

Pre-positioned War Reserve Materiel currently requires upgrade. Over two-thirds of the Marine Corps's Pre-positioning Program-Norway stocks were withdrawn in direct support of Operations IRAQI FREEDOM and ENDURING FREEDOM. Army preposition stocks at Camp Darby have also been reduced to support these operations as well as the International Security Assistance Force. We do not expect this equipment to reset until at least 2015.

European Command is actively involved in Defense Department-led studies examining the global disposition of Pre-positioned War Reserve Materiel and is working to ensure that these studies incorporate our strategic direction and operational requirements.

NATO/SHAPE

"NATO continues to be the essential Trans-Atlantic forum for security consultations among allies. Article 5 of the Washington Treaty and collective defense, based on the indivisibility of allied security, are, and will remain, the cornerstone of our Alliance."

- Declaration on Alliance Security, the Heads of State and Government of the North Atlantic Council in Strasbourg / Kehl on 4 April 2009

NATO has been the anchor of Trans-Atlantic security for more than 60 years ensuring the security of its members, enhancing peace and stability throughout Europe, and countering threats across the globe. It is inescapable in any alliance that differences will emerge, consensus becomes difficult, and perpetual challenge makes members weary; thus making NATO's success that much more impressive, though not surprising. The Alliance endures because the principles it defends are timeless and the determination to safeguard freedom is boundless.

In the relative comfort of this success, set against an extraordinary amount of post-Cold War challenges, it would be tempting to address European security as a less pressing matter. U.S. commitment, distinguished by force levels in Europe and leadership positions throughout the NATO command structure, will remain a critical piece in Trans-Atlantic security in the 21st century.

"...NATO's most important days and most significant contributions still lie ahead..."

- Gen James Jones, 2006

The NATO Secretary General began a multi-faceted review of NATO's Strategic Concept with an eye to the future—the results of which will ensure NATO continues being relevant and responsive to future security needs and clearly acknowledge that its most significant contributions still lie ahead. Thanks to the efforts of former Secretary of State Madeleine Albright and the 12-member Group of Experts, who at the request of the Secretary General are leading an exercise of reflection and consultation among Allies, partner nations, NGO's and others interested in the future of NATO, careful examination of threat perceptions, future challenges to our security, and NATO's role in meeting them is underway.

Whatever the Alliance's level of ambition, we need to align policy and resourcing simultaneously. NATO does not maintain permanent forces; as such, our ability to carry out operations is defined by the armed forces the member nations develop and maintain. Regardless of the willingness of members to contribute, the burden of deployed operations is, and will be, borne by those nations whose armed forces are structured for expeditionary warfare.

NATO needs to be capable of making decisions that may defuse a crisis. There are an infinite number of challenges we may face in the next decade and we must be ready to respond with appropriate capability across the full spectrum. This does not mean we should be looking first for military solutions; instead, we will require creative work, unparalleled cooperation, and active partnerships. Whatever the solutions, there is no substitute for clear objectives and an honest commitment to achieve them.

"The Alliance is part of a broader system working on problems of peace, justice, development and humanitarian response. Accordingly, we should draw a distinction between what NATO must do and what others can do - and between situations where the Alliance must act on its own and where a team approach is preferable."

- Madeleine K. Albright at the 1st seminar on
NATO's Strategic Concept

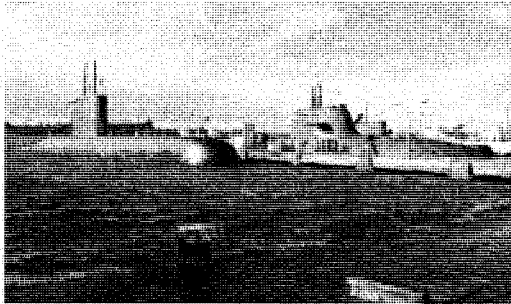
Comprehensive Approach. Since the Riga Summit in 2006, NATO has become increasingly committed to implementing a Comprehensive Approach towards crisis management. The mission in Afghanistan, in particular, has emphasised the necessity to align security, governance, and development activities to achieve holistic effect. Governance, development, and security are inextricably linked and cannot succeed without complementing each other through the collaboration between military and civilian agencies and organizations. However, while the aspiration for a Comprehensive Approach is noteworthy and the principle agreed universally, it is somewhat more difficult to realize.



The principle of cooperation is universally accepted, however, without enlightened and firm leadership, will not be realized and optimal progress enjoyed. As the most widely accepted and legitimate international organization, the United Nations must be encouraged to take a greater

and more robust lead in a truly Comprehensive Approach. While there is cooperation on the ground between NATO, Security, Governance and Development organizations and agencies at national, regional and global levels, senior United Nations leadership must act with determined resolve. I would encourage our government to advocate for a High Commissioner who is willing to embrace the leadership necessary to see this critical mission through.

NATO-EU Relations. The European Union is another potential partner for NATO in its Comprehensive Approach. However, political differences continue to hamper greater collaboration. There is a genuine need to enhance NATO-EU cooperation, whether within or beyond the 2003 'Berlin Plus' framework. Currently, NATO and the European Union may conduct parallel military and civilian operations with no established or formalized mechanisms for coordination and cooperation. Field commanders then resort to informal but pragmatic ad hoc arrangements to harmonize their missions. Although these arrangements are a means to an end, they cannot fully harness the true potential effects of NATO-European Union collaboration during all phases



of crisis management. NATO and the European Union may offer capabilities that are complementary for addressing a given situation. The challenge is to find an appropriate mechanism for achieving unity of effort without unnecessary duplication.

From a military perspective, we do our very best to collaborate both in terms of planning and execution. However, we will not be able to deliver a complementary, holistic effect without high level political agreement between NATO and the European Union. While I am confident that NATO's Secretary General and his European Union counterpart are doing their utmost to resolve the matter, it will take time and patience before we reach a meaningful and efficient level of cooperation.

While paving the way to the future, NATO must balance the urgent with the important. Since its first military intervention in 1995, NATO has been engaged in an increasingly diverse array of operations. Today roughly 100,000 military personnel are engaged in NATO missions around the world, successfully managing complex ground, air and naval operations in all types of environments.

Kosovo. Today, approximately 10,000 troops from NATO's Kosovo Force are deployed in Kosovo to help maintain a safe and secure environment, preserving the peace that was enabled by NATO nearly a decade earlier. Following Kosovo's declaration of independence on 17 February 2008, the Alliance reaffirmed that KOSOVO FORCE shall remain in Kosovo on the basis of UN Security Council Resolution 1244. NATO and KOSOVO FORCE will continue to work with the authorities and will cooperate with and assist the UN, the EU, in particular EULEX, the EU Rule of Law mission in Kosovo, and other international actors, as appropriate, to support the further development of a stable, democratic, multi-ethnic and peaceful Kosovo.





NATO and Iraq. At the Istanbul Summit in June 2004, the allies rose above their differences and agreed to be part of the international effort to help Iraq establish effective and accountable security forces. The outcome was the creation of the NATO Training Mission in Iraq (NTM-I), which to date has trained over 14,000 Iraqi security sector

personnel. NTM-I is involved in police training, establishing and mentoring Iraq's military academies, and facilitating substantial equipment donations and regular out-of-country training hosted by NATO Allies. All NATO Allies contribute to the training effort through deployment of trainers, provision of equipment, or NATO's financial contributions. The Government of Iraq regularly praises NTM-I, and continues to request its continuation and expansion.

ACTIVE ENDEAVOR. Under Operation ACTIVE ENDEAVOUR, NATO ships are patrolling the Mediterranean and monitoring shipping to help detect, deter, and protect against terrorist activity. The operation evolved out of NATO's immediate response to the terrorist attacks against the United States of 11 September 2001 and, in view of its success, is continuing. As the Alliance has refined its counter-terrorism role in the intervening years, the experience that NATO has accrued in Active Endeavour has given the Alliance unparalleled expertise in the deterrence of maritime terrorist activity in the Mediterranean Sea. NATO forces have hailed over 100,000 merchant vessels and boarded 155 suspect ships.

By conducting these maritime operations against terrorist activity, NATO's presence in these waters has benefited all shipping traveling through the Straits. Moreover, this operation is also enabling NATO to strengthen its relations with partner countries, especially those participating in the Alliance's Mediterranean Dialogue.



Supporting the African Union. Well beyond the Euro-Atlantic region, the Alliance continues to support the African Union (AU) in its peacekeeping missions on the African continent. Since June 2007, NATO has assisted the African Union Mission in Somalia (AMISOM) by providing airlift support for African Union peacekeepers. Following renewed African Union requests, the North Atlantic Council has agreed to extend its support by periods of six months on several occasions. NATO also continues to work with the African Union in identifying further areas where NATO could support the African Standby Force. NATO's continuing support to the African Union is a testament to the Alliance's commitment to building partnerships and supporting peacekeeping and humanitarian efforts beyond the Euro-Atlantic region.

Operation OCEAN SHIELD. Building on previous counter-piracy missions conducted by NATO beginning in 2008 to protect World Food Program deliveries, Operation OCEAN SHIELD is focusing on at-sea counter-piracy operations off the Horn of Africa. Approved on 17 August 2009 by the North Atlantic Council, the current operation continues to contribute to international efforts to combat piracy in the area. It is also offering, to regional states that request it, assistance in developing their own capacity to combat piracy activities.

NATO Special Operations Forces. The U.S.-led NATO Special Operations Forces Coordination Centre has continued to serve as a dynamic engine of transformation within the Alliance. As a result, in September 2009, the North Atlantic Council approved its reorganization into the NATO Special Operations Headquarters. The NATO Special Operations Headquarters, projected to be fully operational in 2012, will continue to provide coordination, support, training, and enabling functions for NATO SOF, but will also fill a void in the Alliance's crisis response options, establishing an assured, rapidly deployable SOF command and control capability, by providing the core elements of a deployed special operations headquarters. Evolving to a headquarters will better enable the synchronization of SOF across the Alliance, enhance NATO SOF unity of effort, and provide Allied SOF with a multinational out of area command and control capability.

The NSHQ's SOF Communications Network underpins allied and partner SOF collaboration by providing an unprecedented vehicle for command, control, communications, and intelligence sharing for networked operations. The NSHQ's Special Operations Forces Fusion Cell (SOFFC) in Kabul, Afghanistan is demonstrative of the operational impact among Allied and Partner SOF. This stakeholder run enterprise, manned by some 40 personnel from 11 nations and several agencies, focuses on garnering information from a multitude of allied and partner sources, fusing that information with operational requirements to produce and disseminate actionable intelligence to ISAF SOF Special Operations Task Groups (SOTGs) and our Afghan partners.

The NSHQ is building enduring operational capabilities, collaborative policies and procedures, and networked command, control, and communications mechanisms among NATO SOF. Collaborative training and exercises reinforce this framework to ensure Allied and Partner SOF are interoperable in order to operate more effectively in designated combined operations well into the future.

Afghanistan:

NATO's operation in Afghanistan currently constitutes the Alliance's most significant operational commitment to date. America's allies in NATO have shared the risks, costs, and burdens of this mission. They have contributed to International Security Assistance Force and the Afghan National Security Forces, as well as significant non-military contributions.

The situation in Afghanistan today is complicated and challenging. As the President has stated, Afghanistan is the epicenter of the violent extremism practiced by al Qaeda. For this reason, I strongly support the President's new strategy for Afghanistan and I will continue to work with our allies as we all contribute to this challenge. Our allies have already contributed a great deal to this war, fighting, bleeding, and dying side-by-side with our own troops. And many have committed further contributions following President Obama's announcement, strengthening their resolve and partnership.

"This is not just America's war, this is an Alliance mission..."

-- NATO Secretary General, Anders Fogh Rasmussen

I believe there are four areas in which we must succeed in order to win in Afghanistan. First, we must strike the right balance between our civilian and military efforts. Success cannot be achieved solely by the military. In addition to strong military and police forces to ensure security, Afghanistan needs a credible government taking active, visible steps to show that it is stamping out corruption, improving efficiency and delivering necessary services to its people effectively. This is where concentrated civilian efforts are needed the most, for it is they who have the expertise and credibility on topics such as rule of law, economics, and agriculture – three areas that are critical to Afghanistan's reconstruction and development.

Second, if Afghanistan is to become a secure and stable nation, the Afghans themselves must be at the center of this effort. Our allies must partner with Afghan security forces and civilian personnel to mentor and develop their own capabilities to conduct these critical activities on their own. The Afghan people must assume responsibility for the well-being of their country and they must feel confident in their own government's ability to provide basic security and services absent of corruption and tribal favoritism.

Third, strategic communication will be a key method of ensuring that the Afghans, as well as our enemies, understand the United States and our allies are committed to a secure and stable Afghanistan.

Finally, the most important role that the military can play in this strategy is to increase the size and capability of the Afghan National Security Forces (ANSF), through training and mentoring, to be able to take the lead responsibility for securing their country.

Again, the challenges facing Afghanistan today are serious and complex. However, I am confident that the Afghan people will prevail. We have the right strategy and resources in place to partner successfully with the Afghans to develop their capacity to self-secure.

A recent survey conducted in Afghanistan by the Afghan Center for Socio-Economic and Opinion Research underscores how our strategy is indeed bringing us closer to our goals in Afghanistan. That survey revealed that nearly three out of four Afghans interviewed expect things to be either somewhat better or much better in a year. That sentiment reflected a 51% improvement over the year prior and is indicative of a spreading feeling of hope, not hopelessness.

The survey also revealed that 85% of Afghans interviewed rate the work of Afghanistan present government as either fair, good, or excellent, and nearly 90% also rated their provincial governments as fair, good or excellent. Both the Afghan National Police and the Afghan National Army received an 89% approval rating, indicative that our investments in training these security forces are paying off. 90% of Afghans interviewed also said they would rather have Afghanistan's current government in place than the Taliban or another government and 69% said they considered the Taliban the biggest danger to Afghanistan.



These are all good news indicators that validate our effort to put the Afghan people at the center of the equation in Afghanistan. We need to continue giving the Afghan people hope that they are not destined to live under the yoke of tyranny and offering them every opportunity to live in an Afghanistan with a future worthy of their sacrifices.

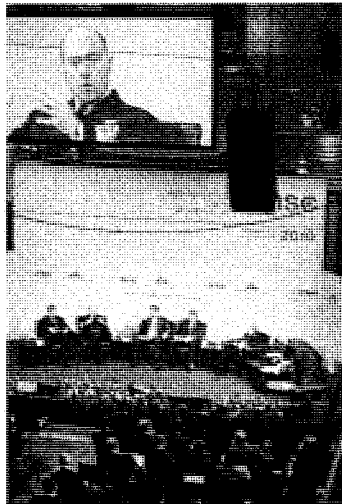
The members of this command are of many nations working together in unity and harmony for the cause that lies nearest our hearts today -- the preservation of peace

General Dwight D. Eisenhower, First Supreme Allied Commander Europe,
Statement for British Broadcasting Corporation Series "Atlantic Alliance" February 1, 1952

CONCLUSION

The Soldiers, Sailors, Airmen, Marines, and civilians at European Command and Allied Command Operations contribute to our national security everyday with their professional engagements with our allies and partners. As we look forward to continued success, I ask for your continued support of these men and women and their families to ensure they receive the care and benefits they deserve.

Operationally, we must continuously strive to find flexible authorities and funding mechanisms to build the capacity of those partner nations willing to fight side-by-side with us. This has become increasingly important because of the recent surge in activities in Afghanistan and the need to get our allies and partners more involved. Your continued support and expansion of authorities like NDAA Section 1206, particularly allowing their use for partner nation forces deploying to Iraq and Afghanistan, has been absolutely pivotal in enabling our strategic efforts in the European theater. With these programs, we are able to provide our allies and partners with the training and equipment necessary to achieve interoperability with our own forces engaged in on-going overseas contingency operations. They will



be able to arrive in theater better prepared to assume the responsibilities they have committed their forces to undertake, further reducing the risk of injury and loss of life.

Furthermore, our efforts to fulfill this short-term task of building enduring capability are vital to ensuring the long-term stability and security of Europe. In addition to increasing the contributions of our allies and partners to operations outside Europe, building partner capacity allows us to make significant progress toward achieving strategic objectives within the AOR. For example, we have been able to conduct security

sector reform assessments in Albania, an inter-agency effort critical to integrating Balkan countries in the European community. We also have numerous programs targeted at countering the proliferation of weapons of mass destruction throughout the theater such as the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism. But we cannot stop there. With greater flexibility, these authorities can achieve greater strategic goals in support of our theater and national objectives.

European Command and Allied Command Operations serve as important links between the United States and our friends in Europe, effectively "bridging" the Atlantic. We are building and strengthening relations with our European partners that will help us ensure the security of the United States at home and abroad.

Our friends have fought and bled and died alongside us in Afghanistan. And now, we must come together to end this war successfully. For what's at stake is not simply a test of NATO's credibility -- what's at stake is the security of our allies, and the common security of the world.

President Obama, 1 December 2009

"STRONGER TOGETHER."



Mr. EDWARDS. Admiral, thank you. Thank you for your leadership, your kind comments. And I know we know on this subcommittee who the real heroes are, and they are the men and women you are representing, and we appreciate that.

I do not know what Mr. Wamp's timetable is, so why don't we begin with Zach? Why don't you start the questions?

Mr. WAMP. Yes, and thanks for your courtesy.

Mr. EDWARDS. And if you need to go a little bit longer, because you might not have a second round, that is okay.

Mr. WAMP. You are a trouper, Mr. Chairman. I really appreciate your courtesy. And I know we are in different parties, but you sure are a fair person.

FRANCE

We talked a little bit, Admiral, in our office about France, because we went through this period in this country where even in this very building they tried to change the name of our potatoes.

Admiral STAVRIDIS. Right. I remember that.

Mr. WAMP. We have been through this cycle, but you and I talked about how that has improved as well. I want you to kind of expound on that today—

Admiral STAVRIDIS. Sure.

Mr. WAMP [continuing]. Because that is an important long-term relationship, which I think, listening to you, is improving.

Admiral STAVRIDIS. Sir, thank you.

You mentioned this building where freedom fries for a period of time replaced french fries. It was also in this building that President Nicolas Sarkozy came and spoke in front of this Congress and gave, I thought, a superb speech about the depth of the relationship between the United States and France, our oldest ally, the nation who came to our succor in the 1700s and really helped us find our way to independence, the nation from which the intellectual underpinnings of the Revolution came from Locke and Rousseau.

Sarkozy's speech drew that forward to the present and did two very fundamental things about security. And one was he pledged a return to NATO by France, a full return. NATO has had a relationship with France where they sat outside of the military structure, of the command structure of NATO for many, many years after Charles de Gaulle pulled them out.

President Sarkozy committed in his speech to Congress and then followed up with bringing France fully back into this alliance, so now France is politically, militarily and operationally engaged across the board with us.

Secondly, President Sarkozy pledged France's support in our efforts, our collective alliance efforts, in Afghanistan. And the French contribution in Afghanistan has been significant. They have over 2,000 troops there. They have taken significant casualties. They stand shoulder to shoulder with us.

I believe that President Sarkozy has delivered on the promises that he made here in front of the Congress, and I believe that as we go forward, this relationship will continue to deepen with France as they become more fully engaged in the NATO side of the house.

GEORGIA

Mr. WAMP. Your easternmost territory we discussed is Georgia. And I was just there a year and a half ago with part of the Helsinki Commission, our delegation in Astana, Kazakhstan. At that time through that OSCE meeting, there was great concern in Georgia about too much fatherlike involvement in Georgia by Russia, much like the days of the USSR.

I want you to speak to the security issues in Georgia. I know the underlying issue is oil still, but how much is Georgia threatened in terms of security from your standpoint because of their constant relationship with Russia?

Admiral STAVRIDIS. I think the Georgians and I have had high-level conversations with my opposite numbers and other interlocutors in Tbilisi. The Georgians remain extremely concerned about pressure from Russia. They are very concerned from their perspective. The Russian presence in two parts of what they perceive as Georgian territory are a very real ongoing concern for them.

What we are doing to ameliorate that concern is working with the Georgian military in very sensible, appropriate ways. And I will give you a couple of examples, if I may.

First and foremost, the Georgians have recently committed to sending 800 troops to Afghanistan, which is a terrific contribution, and puts them near the very top of all nations in terms of troop contributions on a per capita basis, because their population, as you know, is quite small.

So we have U.S. Marines from U.S. European Command are over training these 800 Georgians in counterinsurgency, counter IED, preparing them for what they will face in Afghanistan. That gives them a real sense of confidence and helps them as they look at their security challenges going forward.

Secondly, we conduct through our state partnership program—and I am smiling slightly, because the state partner for Georgia is Georgia—and the Georgia National Guard is doing a terrific job in the Republic of Georgia, doing the kind of normal military to military training that we offer any of the republics in Europe.

So I think we are working very hard to show our friendship and our balance. Vice President Biden went through Georgia recently. I have visited Tbilisi. We have an ongoing program to demonstrate friendship and security with our friends in Georgia, who do feel concerned by pressure from Russia.

Mr. WAMP. What is your schedule to get into all of the countries under your command?

AREA OF FOCUS

Admiral STAVRIDIS. I have been in command for 9 months. I have visited 37 countries. I have a total of 51 countries that are in the area that we focus on in European Command. And I anticipate having visited all of them by approximately 1 year into my tour, which is a very, a very aggressive schedule.

But it is extremely worth doing, because as we all appreciate, personal contact trumps everything. You can write messages. You can send e-mails. You can cut videos. You can phone people. But personal contact trumps everything.

Mr. WAMP. Are the leaders of those countries aware that you are the first admiral ever in charge of European Command?

Admiral STAVRIDIS. They are, and to some of them it is quite perplexing. They are almost literally taken aback to see an admiral walk into the room. And I have had several kind of amusing conversations about it.

Probably the most amusing conversation I had about it was—this may surprise you—it was President Karzai in Afghanistan, who just could not quite understand why an admiral would be in charge of NATO. Of course, Afghanistan's a landlocked country, and so when I met with him, we had to go several rounds and kind of have that conversation, but I am happy to report they all seem satisfied when I am done chatting with them.

Mr. WAMP. How did you speak?

Admiral STAVRIDIS. Well, speaking is a relative term, but I have a good working knowledge of Spanish, of French, studying Portuguese. My Greek is passable, and English is reasonable.

BALKANS

Mr. WAMP. One last question. With the Balkans, what kind of presence do we have in places like Macedonia and Albania that are really doing well and show great promise in terms of these emerging democracies? And how much capital do we have, the United States military there?

Admiral STAVRIDIS. Well, this is really a good news story in my opinion. If we look at the Balkans in the 1990s, the mid-1990s, we can all recall those days. There is almost a classic book about it called "Balkan Ghosts" by Robert Kaplan. The Balkans were aflame in the mid-1990s. There were massacres, bitter hatreds. We heard things on the news like they had been killing each other for centuries, and they always will. It was difficult to see a path forward in the Balkans.

Yet today, to your excellent point, we see vibrant democracies emerging. We have no active war fighting in progress. We certainly have political tension in Bosnia. We have tension between Serbia and the breakaway republic of Kosovo.

But countries like Slovenia, Croatia, Montenegro, Macedonia, Albania—these are all nations with strong, growing economies, very capable small security forces that we are working with. And I point in particular to Albania and Croatia, who just joined NATO.

I think we have every possibility of seeing Macedonia come into NATO when it can resolve the main dispute that it currently faces with Greece, which is an administrative issue that must be corrected.

And I think over time we will see what are called MAP programs, which are the start of membership action plans, for Bosnia, eventually for Kosovo. I do not think Serbia is beyond the pale, so overall I am very pleased with the progress.

How much U.S. capital is involved—and here is the other part of the good news—in the mid-1990s we had between 20,000 and 30,000 troops in Bosnia and in Kosovo. Today we have only 1,500 troops in all of the Balkans. Our allies have stepped up, and we see over 10,000 allied troops that are helping maintain the peace here and there. But this is in a place where the allies have more

than pulled the weight. We have been very much a part of the equation, and we are seeing real success.

And I must say, sir, as I look at Afghanistan, you know, it gives me hope that these kinds of problems can be met and faced and overcome when coalitions come together to work on these challenges.

Mr. WAMP. Thank you, Admiral.

Thank you, Chairman.

Mr. EDWARDS. Thank you, Zach.

Sam, in English or Spanish, Sam Lejos.

Mr. FARR. Samuelito, I hope.

Thank you, Admiral, for coming. I want to echo the thoughts of Mr. Wamp, and add that it is a good thing you are not running for governor of Tennessee—

Admiral STAVRIDIS. I do not think I would have much chance on that one.

INTERAGENCY COOPERATION

Mr. FARR. I am really impressed with your ability to bring these interagency partners.

Admiral STAVRIDIS. Thank you.

Mr. FARR. I think the next growth is going to be in collaboration and consolidation. I think the old stovepipes, just giving me what you gave me last year, we cannot do that anymore. We do not have enough money to do that.

Admiral STAVRIDIS. Yes, right. I agree.

Mr. FARR. We are going to have to have a better collaboration.

Admiral STAVRIDIS. Right.

Mr. FARR. What I think is remarkable about your collaboration is not only collaborating with the services, which is not always easy, but the collaboration with the rest of the federal overseas agencies. And your statement points out all that, and particularly in selecting as your deputy an ambassador, Ambassador Kate Canavan—

Admiral STAVRIDIS. She is terrific. Yes, she is terrific.

Mr. FARR [continuing]. And establishing this interagency directorate.

My question is is this done in other commands, or is this just in the EUCOM?

Admiral STAVRIDIS. Sir, it is going on in other commands. In fact, at U.S. Southern Command there was in the 2006, 2007 timeframe a very substantive reorganization along interagency lines. U.S. Africa Command, which the Congress approved several years ago—

Mr. FARR. That was a great hearing.

Admiral STAVRIDIS. Yes, put General Ward—yes, yes, I bet you did. And—

Mr. FARR. We were excited. This committee was very—

Admiral STAVRIDIS. I know that. And the support of this committee has been fundamental to Africa Command, and Africa Command is built from the ground up as an interagency command, and that is exactly the right approach to take in that continent.

At U.S. European Command, as you mentioned, I am taking a number of steps, including a civilian ambassador deputy, elevating to a high level a directorate that focuses on interagency. And I am

also—and I think this is important, too—it is the international, the interagency, and it is also private-public. It is starting to understand how the private-public mechanisms can work.

How can we coordinate the good work of, say, the Gates Foundation in Africa handing out malarial nets with the work of USAID building schools with the work of DOD training police forces and doing security and building the clinic? I mean, all those things need to be harmonized in some way. So at U.S. European Command, we are putting a small number of people to focus on this private-public connection in addition to the interagency.

I know Pacific Command is looking at some of these things, and I do not know for a fact, but my guess is the other combatant commands are moving in this direction as well, based on conversations I had with my peers.

Mr. FARR. Well, I know the committee is supposed to be focusing on building, you know, capital outlay. But we are also very interested in mission. And one of the things that I picked up in your testimony that really struck me is—and you have said it many times—about international security.

What we only hear about here is homeland security. You would think that we are the only country in the world when we try to go and fortress America—

Admiral STAVRIDIS. Right.

Mr. FARR [continuing]. So that if there are problems offshore, you know, it does not happen to us. But if we are going to have a global war on terrorism, then it has got to be global partners.

Admiral STAVRIDIS. Yes.

Mr. FARR. And in the long run, where it comes back to this committee as those partnerships are developed, it seems to me we will have to have less and less personnel established overseas.

Admiral STAVRIDIS. Right.

Mr. FARR. We pointed out in Kosovo and in the Balkans we are down to a thousand military personnel.

Admiral STAVRIDIS. Yes, right.

Mr. FARR. I think that is really exciting. It is something that we in the long term did not think about. As we were positioning ourselves around the world, how do we get that international sharing policy—

Admiral STAVRIDIS. Yes, I agree.

Mr. FARR. We are not going to have to build everything. Maybe we share them with them.

Admiral STAVRIDIS. Yes, right.

Mr. FARR. Maybe we integrate with them or something.

COST SHARING AND EFFICIENCIES

Admiral STAVRIDIS. Right. Yes, sir. And I think, actually, NATO is a pretty good example of this. We have shared joint facilities that are built by using shared funds, and that is—that infrastructure side of it is—one path to finding efficiencies and sharing mechanisms.

Another one is actually sharing equipment. And I will give you, I think, a good example, that we build these C-17 aircraft here in the United States, very capable cargo airplane. A consortium of NATO nations and a few non-NATO nations have come together

and bought a group of these C-17s and created what we call the Heavy Airlift Wing. It is based in Papa, Hungary. It is flown by 17 different nations, international crews. We used this Heavy Airlift Wing to fly supplies from Europe to Haiti after the earthquake. It is a perfect example of what you are talking about.

Mr. FARR [continuing]. Did not we right after 9/11 ask the NATO airlift to come and—

Admiral STAVRIDIS. We did, and they did. And there was NATO for the first time in its history activated what is called Article 5 based on the attack against the United States and responded.

So this kind of international sharing can be infrastructure, building kinds of things. It can be equipment, and it—certainly, we have seen many examples of where we operate together. But I think it is in the—as you imply, sir, it is the construction of real facilities and the sharing of equipment that I think has true potential for exploration as a shared enterprise.

Mr. FARR. Well, I am time limited, but I really hope we can talk more about this.

Admiral STAVRIDIS. Sure.

Mr. FARR. I think this is actually the nuts and bolts of global war on terrorism.

Admiral STAVRIDIS. Yes, I do, too.

Mr. FARR. It is this shared responsibility.

Admiral STAVRIDIS. I could not agree more.

Mr. FARR. Observing capacity—

Admiral STAVRIDIS. Yes, sir.

Mr. FARR. If we can get into a country with a civilian group ahead of time, with this new stabilization reconstruction civilian corps, as you and I talked about.

Admiral STAVRIDIS. Yes, I agree. And if I could, we talked earlier about Colombia. I mean, I think the efforts of the United States in Colombia serve as a very good example of this, of sharing responsibility in that region in ways that have helped Colombia emerge in a very positive direction. And I think we can apply those lessons in other parts of the world.

Mr. FARR. Well, thank you.

Mr. EDWARDS. Thank you, Sam.

Ander.

INTERAGENCY COOPERATION

Mr. CRENSHAW. Thank you, Mr. Chairman.

Just to follow up on some of the interagency discussion, I just came back from Afghanistan this weekend, and it seems to me, I mean, our new strategy there to clear and then hold and build is just right up the alley of this interagency.

Admiral STAVRIDIS. It is, yes, sir.

Mr. CRENSHAW. After spending a good bit of the morning with General McChrystal hearing the military part, and then we spent the afternoon with a lot of the agencies, USAID, State Department. And, you know, I got the impression that integration, you know, had not really happened, probably like it happened in the Southern Command when you had the time to kind of put it together.

Admiral STAVRIDIS. Right.

Mr. CRENSHAW. But it seems to me it is awfully, awfully important, particularly in a situation like that where that is a new strategy. And I would love to hear just—I know in, I guess, Haiti was a great example, because it was not just—you did not just until there was a problem, but all the planning that went into that inter-agency aspect, that you hear nothing but good reports about how particularly the Navy was able to kind of move in with everybody else.

Admiral STAVRIDIS. Yes.

COMPREHENSIVE APPROACH

Mr. CRENSHAW. What are some of the lessons you learned? You know, the Southern Command, as you take it kind of into the European Command, do you—for instance, are there enough people in Europe to—you know, these other agencies, are there enough folks to kind of begin that integration?

What are your plans there based on what you learned about, because you really were a leader in the Southern Command, as you point out, whether it is Haiti or whether it is Colombia. How do you see it playing out in Europe?

Admiral STAVRIDIS. Well, let me stay on the example of Afghanistan, because I think I can answer the questions asked in that regard. In NATO what I am seeking to push is what we are calling a comprehensive approach. And a comprehensive approach means bringing together all the elements of capability, not only just the military, because in the end in Afghanistan we are not going to deliver security from the barrel of a gun. We just are not going to do that.

We have got to have the military piece, but the economic, the political, the anti-corruption, the cultural, all those pieces have to come together. So the question becomes how do you do that? How do you integrate all those things?

The first thing you do, it is just like if you want to build a wall, the first thing you do is you collect up the bricks, right? So in Europe there are tremendous capabilities. Think of them as bricks.

There is the Guardia Civil in Spain, their quasi-military, quasi-police force that is very capable of counter narcotics work. There is the Gendarmerie in France, who are similar, the Italian Carabinieri. Each of those nations have very real, slightly different capabilities in the governance and the counter narcotics piece, so you kind of grab those bricks.

Then you would say to yourself, okay, what countries are particularly good at agriculture? Who can provide the kind of farming technology? Well, number one is the United States of America, NATO partner. So we have gone out to our state partnership players, our Guard, like the Florida Guard, and we find the farmers who have the type of capability who are in the Guard who can come. So that is another stack of those kind of agriculture bricks, et cetera, et cetera, et cetera.

So now the question becomes how do you create that wall? How do you build that comprehensive approach? And I think the answer is in Afghanistan what we are working through is creating—we already have a very strong military structure, obviously, so we are

seeking to create a strong parallel civilian structure that can go alongside it.

So when you were in Afghanistan, did you meet Ambassador Mark Sedwill? He is brand new in his job. He was the British ambassador to Afghanistan, just a deeply experienced British diplomat, speaks Farsi, speaks Dari, speaks Pashtun, speaks Arabic, and was serving as the British ambassador in Afghanistan. The NATO secretary-general asked him to become Stan McChrystal's opposite number at the civilian level.

So now we have got McChrystal and Ambassador Sedwill, and we are populating down underneath Ambassador Sedwill to get that civil-military balance right, because I think that is one of the four crucial things we have to do in Afghanistan.

So in terms of how did I and others evolve those ideas, it came very much from my experiences in Latin America and the Caribbean in trying to ruralize that. You can have all the military power in the world, but at the end of the day you will not solve the problem in a reconstruction stabilization kind of world.

AFGHANISTAN

Just to close out on Afghanistan, if we look at that civil-military balance as one of four really important things, the other three, I think, are worth mentioning. One is putting the people of Afghanistan at the center of gravity, protecting them, convincing them that we in the coalition are here to protect them. As Stan McChrystal says, we cannot kill our way out of this insurgency. We have got to protect our way out of it by protecting the Afghan people so they join with us.

The third thing that is incredibly important is strategic communication. This is explaining what we are doing to the people of Afghanistan as well as to the people in our own nations.

And the fourth thing, and this gets into MILCON in Europe, is training the Afghan security forces. You know, we all know the expression all politics are local, but in the end all security is local. And so we have to train the Afghans. And to do that, we can use U.S. European Command as a kind of a training platform, and we use our ranges in Germany to train these OMLeTs and POMLeTs, which are operational mentoring and leadership teams that go into Afghanistan, partner with the Afghans, train them, and bring them capably into operations.

So that is a long answer, but I think it illustrates the complexity and also your point, sir, bringing all of these things together is the way forward in Afghanistan and really in all of these 21st century security climates.

Mr. CRENSHAW. And it is probably it is complicated by the fact that there is a military operation going on——

Admiral STAVRIDIS. Oh, my gosh, yes, sir.

Mr. CRENSHAW [continuing]. As opposed to kind of working with a country, you know, apart from that, because I think as you pointed out, and I think General McChrystal was very clear that, you know, it is the military part is never easy, but they just come back from Marja and the first thing that happened is that some of the Afghan the police came in and started looting all the stalls in Marja. And the first thing you got to do is say——

Admiral STAVRIDIS. That is not how we do it. Exactly.

Mr. CRENSHAW [continuing].—That is not going to be, and I am going to change that. And I think that is kind of the face of Afghanistan is those local police, and right now they are very corrupt, and that is all changing because we are training those folks.

And then you got the piece that you are talking about. It is kind of a longer horizon.

Admiral STAVRIDIS. Exactly.

Mr. CRENSHAW. And when you are in the middle of a military operation, it is hard to get on the same wavelength, so this is we are in Marja today. We are going to Kandahar.

Admiral STAVRIDIS. We are.

Mr. CRENSHAW. And the other folks that are building, they got a little longer view.

Admiral STAVRIDIS. Exactly.

Mr. CRENSHAW. And so they did not have the luxury of kind of getting the kind of plan that—but I think what you did in the Southern Command, I think, is very clear, that that is the future. And I know that that is what they are working on as well.

Can I just ask one other question?

Admiral STAVRIDIS. Sure.

MISSILE DEFENSE

Mr. CRENSHAW. Just about Europe. You know, the missile defense that we talked a lot about here, because we were going to provide the funds, and that went on for 2 or 3 years, land-based, Czech Republic and Poland.

Admiral STAVRIDIS. Poland.

Mr. CRENSHAW. And then the president kind of changed that due to, you know, kind of be sea-based with the Navy.

Admiral STAVRIDIS. Right.

Mr. CRENSHAW. And I just wondered a couple of things. I mean, the bad side—let me ask you did you get a negative fallout, you know, from, you know, as your position as supreme allied commander, but on the other hand, were there some benefits that you think will come out of that? So, you know, maybe you would talk about both sides of that.

Admiral STAVRIDIS. Sure. I would love to.

To be honest—and, of course, I will be always completely honest and in any circumstance—I have not seen any negative fallout from the change of the decision at my level, certainly at the military to military chief of defense level.

I have read stories in the newspaper that said some of the political leadership in Poland or the Czech Republic had some concern, but I have found that since the phased adaptive approach, the new approach that the president put forward, has been briefed, it has been enthusiastically welcomed by all of the partners, both those who were engaged and some new partners.

Example: Assistant Secretary of State Ellen Tauscher, who is charged with negotiating these agreements, went to Romania about a month and a half ago, had a detailed briefing to explain the system there, and the prime minister immediately convened its national Security Council and then immediately convened the Congress and voted and passed it and accepted it within 2 hours of the

briefing. So I think there is a high degree of enthusiasm for the new system.

On the sea-based side of it, I have been lucky enough to command several ships that carry that system, the Aegis system, and many of which were based, of course, in Mayport, Florida, and it is an extremely capable system technologically. And I am very confident that it will be adaptive. We will be able to advance the technology, eventually move ashore even, and use it for a holistic missile defense in Europe.

So I must say I am a supporter of the phased adaptive approach, and I think the Europeans are as well.

Mr. CRENSHAW. Do you think you will forward deploy some of the ships, or are they a normal deployment?

Admiral STAVRIDIS. I think at this point I would say normal deployment will be sufficient would be my guess. I would not preclude at some point looking to create efficiencies by forward basing some of the ships, but I have seen no detailed planning in that direction at this point.

Mr. CRENSHAW. Thank you very much.

Admiral STAVRIDIS. Yes, sir.

Mr. CRENSHAW. Thank you, Mr. Chairman.

Mr. EDWARDS. Admiral, before I ask a couple of direct MILCON questions, please just put in perspective the troubles of some of our major NATO allies.

Admiral STAVRIDIS. Sure.

NATO ALLIES

Mr. EDWARDS. It seems like in times past I have been somewhat surprised when I think about the size of the U.S. military relative to that. Some of our European allies' military forces are so much smaller. Could you take the top five in terms of size NATO allies? What size active duty military do they have?

Admiral STAVRIDIS. Well, in very round numbers—and we will provide for the record for you the exact numbers——

[The information follows:]

1. Turkey	500,000
2. Germany	253,000
3. France	240,000
4. Italy	190,000
5. UK	176,330
Total	1,359,330

Mr. EDWARDS. Sure.

Admiral STAVRIDIS [continuing].—But in very round numbers, if the U.S. military runs sort of a million overall, I would say that if you took the top five NATO partners, it would be just over one million.

Mr. EDWARDS. The top five?

Admiral STAVRIDIS. Yes, top five.

Mr. EDWARDS. Great Britain, for example, just approximately, because really——

Admiral STAVRIDIS. Great Britain, yes, approximately 176,000 or so.

Mr. EDWARDS. How about France and—and Germany?

Admiral STAVRIDIS. France has 240,000 Germany has 253,000.

MILCON COSTS ASSOCIATED WITH MOVE OF BRIGADE COMBAT TEAMS
(BCTS)

Mr. EDWARDS. Okay. Okay. Good. Thank you for that.

I want to ask about the QDR and the impact of the decision on military construction that we will have a corps headquarters and two brigades that that previously had—

Admiral STAVRIDIS. Planned to come, right.

Mr. EDWARDS [continuing].—Our move back to CONUS. Do we have some idea of what the cost of that is going to be in the near future?

Admiral STAVRIDIS. Well, first of all, in the near future there will not be any cost. As I look out probably in 2015 and on, maybe 2016 and on, I could envision a world where in order to support the four as opposed to the two that we thought we would be supporting at that point, we might be in the world of less than \$100 million per year in additional military construction.

Would you say that is fair, Andy?

REAR ADMIRAL BROWN. Yes, sir, for family housing, things like that. It might not include things like commissaries other agencies might put in.

Mr. EDWARDS. \$100 million a year for how many years?

REAR ADMIRAL BROWN. For five or so—

Mr. EDWARDS. So maybe half a billion dollars.

REAR ADMIRAL BROWN. For over the 2015, 2016 and 2020—

Mr. EDWARDS. Infrastructure.

REAR ADMIRAL BROWN. Yes, sir.

Mr. EDWARDS. Is the fact that you would not start till 2015, is that driven by just budget constraints?

Admiral STAVRIDIS. No, sir, not at all. It is the conditions of the facility and the fact that as we were planning on withdrawing the two BCTs, and if we do not withdraw those two BCTs, they are obviously in housing and their families are in housing, and so the additional bill would be the fact that we had not expected them to be here in the out years. But in the near term I would not anticipate a great deal of cost.

Let me caveat that by saying we did not know until the QDR came out a couple of months ago that that decision might be turned around. And I would emphasize, as you did, Mr. Chairman, it says pending the completion of the NATO strategic concept and the Department of Defense global defense posture review focused on Europe. Pending the completion of those two, the two extra brigades will stay in Europe.

The way I read that is we have a NATO strategic concept, and we have a Department of Defense review that will take place, and when those are completed, then presumably we will have a final recommendation from the secretary of defense at that point. So we are now—

Mr. EDWARDS. It could be fewer.

Admiral STAVRIDIS. I do not think it will be less than two, but conceivably I suppose it could be, sir, but as I just kind of look in my crystal ball, I would say it will be four, three or two.

And again, our planning, because we plan on sort of a worst-case from a facilities perspective, worst-case being they stay in place, we have to support the most number of people, I do not see near-term bills, but I see bills in the range of what I mentioned. We are working to refine those, and we will get back to you with the best guesses we have, I would say within 30, 60 days.

Mr. EDWARDS. Good. Thank you.

Admiral STAVRIDIS. Yes, sir.

INADEQUATE HOUSING

Mr. EDWARDS. One standard question I like to ask every witness before our subcommittee on military construction issues is how many inadequate barracks and how many inadequate family houses do you have under your command based on DOD standards?

And frankly, I am glad to see DOD finally—and I really salute OSD for this—finally coming up with a standardized process for determining each. You know, the Army had one definition of inadequate, the Navy another, and some of those definitions were, I think, really suspect. I think previously the Navy had said if you spent \$50,000 improving a family home, then it is an adequate home, regardless of whether you ever spent a dime.

Admiral STAVRIDIS. Yes.

Mr. EDWARDS. But so I like the fact that we have a new standard across the board. Have you had time to review Q1,2,3 and 4 in terms of house comparison?

Admiral STAVRIDIS. Yes, I will defer to Andy, if he has a number on that. What is sort of in my head intuitively, based on traveling around my region and looking at things, is 20 percent.

Mr. EDWARDS. About 20 percent.

Admiral STAVRIDIS. And I hasten to say that is an intuitive answer, and I will be glad to—

Rear Admiral BROWN. We try not to put anybody in an inadequate house, so really it is maybe more of a question of the house needs to be upgraded to bring it up to the higher standards that other houses are at, because you come across housing where there are haves and have not families. Although it is adequate, it is still not to the standard of other houses, so those are the ones that we are trying to get our arms around right now. It is okay to—it is by their quality standards you could put a family there, but they are still not at the standards of today.

Mr. EDWARDS. Right.

Admiral STAVRIDIS. You also see an—

Oh, go ahead, sir.

Mr. EDWARDS. Do you have—I think one definition has been Q3 and Q4. Can you give me just a ballpark number? If you need to sharpen the pencil and get back to the committee in writing, that is okay, but just in broad numbers, let us just talk about family housing. How many family houses do you have under your command?

Rear Admiral BROWN. Over the fit-up plans that we have right now, we will take care of the Q3 and 4.

Mr. EDWARDS. Yes, but how many today? I just—each year I want to say as of this date, how many, so that 12 months from now when I say of this date—

Rear Admiral BROWN. How many inadequate homes we have.

Mr. EDWARDS [continuing]. Figure out if we—

Rear Admiral BROWN. I do not have a number.

Mr. EDWARDS. And that is okay. If you do not have it, if you could provide it.

Rear Admiral BROWN. I could get that. Yes, sir.

[The information follows:]

Our components have made vast improvements to their family housing facilities over the past several years. In fact, U.S. Naval Forces Europe currently has no inadequate housing in its inventory. While we have made progress, the command-wide inventory still includes a number of inadequate units. U.S. Air Forces in Europe has approximately 2,300 inadequate units in its inventory; however, more than a thousand of these are slated for disposal over the next two years. U.S. Army Europe also has a significant number of inadequate units in its inventory. While we are unable to provide exact numbers at this time, U.S. Army Europe is conducting a theater-wide review of its housing facilities. Accordingly, we will be in a better position to provide a complete count of inadequate housing units in Europe no later than 15 May 2010.

Mr. EDWARDS. But would you think the 20 percent?

Admiral STAVRIDIS. Yes, sir, more or less.

Mr. EDWARDS. Does that apply to both family houses and to barracks?

Rear Admiral BROWN. The barracks are coming along probably a little bit faster.

Admiral STAVRIDIS. Yes, 10 percent on those.

Rear Admiral BROWN. We are trying to get to the one-plus-one standard, and over the fit-up that will take care of the one-plus-one for the most part, but then we—so that gets to our capacity question for one-plus-one. But then we need to go back to the quality side of the equation, which is what I need to capture next.

Mr. EDWARDS. Okay.

Rear Admiral BROWN. The quality of those—

Mr. EDWARDS. If you could, because I think it has been an interest of the subcommittee for a long time to take a look at our overseas quality of life issue, because you are not in a member's congressional district.

Admiral STAVRIDIS. Sir, we really appreciate that.

Rear Admiral BROWN [continuing]. The one-plus-one I would say we are about 80 percent there now. But some of it depends on how many people. Usually before they deploy, they will have 115 percent soldiers on station so that that would not be accommodated, so sometimes you will have two people in a room.

Mr. EDWARDS. Okay.

Rear Admiral BROWN. But normally, they are about 80 percent that can accommodate one-plus-one.

Mr. EDWARDS. Okay. Well, if you could get us those numbers, and then we will just see, you know, next year—

Admiral STAVRIDIS. Track it.

Mr. EDWARDS [continuing]. I would ask the same question—

Admiral STAVRIDIS. Sure.

Mr. EDWARDS [continuing]. And see what kind of track we are on.

Rear Admiral BROWN. Absolutely.

DOD SCHOOLS

Mr. EDWARDS. One other question in this round, and then we will go back to Mr. Crenshaw. One of the things that I am very proud of on this subcommittee on is 2 years ago we put in our report a requirement for DOD to look at the DOD schools in Europe.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. And apparently it came back where the picture was not a pretty one.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. And I salute the Secretary of Defense and all those involved in saying this is a serious problem. Our families and children deserve better than this.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. We need to deal with this. Can you take a few moments—

Admiral STAVRIDIS. I can.

Mr. EDWARDS [continuing]. And just tell me how bad is the situation right now in terms of percentage of schools that do not meet whatever standards we set. And then I know you are committing a lot of resources to it. What kind of timeline are we looking at resolving that?

Admiral STAVRIDIS. Sir, thank you. First of all, I want to preface it, as I mentioned to you, whenever our soldiers, sailors, airmen or Marines get a set of orders to go to in your area, in my experience the first thing they ask is how are the schools. It is just I think we all appreciate that as parents. Every time we move, the first thing we want to know is what kind of a school is little Julia Stavridis going to go into?

You are absolutely correct. The schools in Europe were not at the standard that we should have maintained them in the Department of Defense. And I think the numbers are that we had in the Q3 and 4, which is the bottom quadrants, if you will, almost 70 percent of the schools. Yes, sir.

I think globally for DOD DE education, I think only 40 percent or so, so Europe was not only bad, but compared to the rest of the world, it had been simply allowed to atrophy for a variety of reasons. I was not here, and I cast no aspersions on folks before me. I know everyone has tried hard to do this.

The good news is I have in front of me here the proposed DOD school plan. You were very generous with us in fiscal year 2010. We are asking for three schools in 2011, three schools in 2012, and we have a plan that gets us well moving forward, I think, in a well-paced manner. And it selects the schools that need the help the soonest and puts them in the front of the queue.

A lot of work has gone into this, and I would certainly solicit the support of the committee on this, sir.

Mr. EDWARDS. Now, what kind of a timeframe do we have to solve this problem?

Admiral STAVRIDIS. I think we would sort of solve as in move all of the schools up into a higher quadrant by fiscal year 2013 under

this program, so over the next 3 or 4 years. And the dollar amounts are indicated here, and I can give you this for the record.

Mr. EDWARDS. Do you have some ballpark on the total dollar amounts over that time period?

Admiral STAVRIDIS. Two hundred, 150, 220, 300, 525 out through fiscal year 2014. Now, that includes fiscal year 2010, which you are not looking at anymore, but it—looking forward strictly—would be 250, 5, 50 billion, about a billion four.

Mr. EDWARDS. About a billion three.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. Okay. That is quite a commitment, but I am glad. I mean, I just cannot imagine how I would feel if I have served my country as people have under your command and then my kids are going in a school that is dilapidated and—what is it? Are they old? Are they undersized?

Admiral STAVRIDIS. All the above. And I mean old. There is a lot of great difficulty. I just walked through one of the schools in Belgium, and it just—I do not think anybody would be happy with their child in that school. I do not want to name it.

Mr. EDWARDS. Let me ask about that. I am not here to cast aspersions on anyone either. We have been at war since—

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS [continuing]. In this last decade. And you have to put those priorities to the war fighters—

Admiral STAVRIDIS. Sure.

Mr. EDWARDS [continuing]. And that has to become the first priority above all others, but how did that kind of a serious problem get that bad? Something had to have broken in the chain of command. Somebody should have that responsibility over that.

And, you know, we will take some responsibility for that as well, but somebody should have raised a red flag and said this is a problem. We have to deal with it. Was it just a wartime footing?

Admiral STAVRIDIS. That would be my guess. I know that all of my predecessors have focused very hard on quality of life, and in the course of perhaps not putting dollars into schools, I suspect, I do not know, but dollars were probably put into clinics or dollars were put into housing, and there are only so many dollars. And now we are at this point where the schools really need the help, and now that is really a top priority for us.

But I think in the good news category, as I look around U.S. European Command with a fresh set of eyes coming into it, I see as we just talked about, very good housing. I see very good clinics and medical facilities. I see some need for help in the schools.

So my guess is, looking back in an era of constrained resources with two wars going on, tough decisions were made. And the good news is the houses are pretty good, the medical clinics are pretty good, and the schools could use some help. And so that is where we will ask for some help.

Mr. EDWARDS. Is this done on an installation by installation basis—let us not look backwards, let us look forward—

Admiral STAVRIDIS. Sure, sure.

Mr. EDWARDS. Will there be someone under your command that will have command responsibility—

Admiral STAVRIDIS. You bet.

Mr. EDWARDS [continuing]. Seeing this problem is—

Admiral STAVRIDIS. You bet. You bet. In fact, I have a special assistant, a civilian who is extremely good, Paul Jerome, who is on my immediate staff.

Mr. EDWARDS. Paul Jerome will have responsibility.

Admiral STAVRIDIS. It is looking very hard at balancing this whole sheet along with Andy and his team.

Rear Admiral BROWN. Really, we are trying to tie our whole posture plan to—and for the theater from a COCOM perspective, tie that together with every project. So we have got some planning to do in that regard.

Mr. EDWARDS. Okay. Thank you. Well, let us—

Admiral STAVRIDIS. And we want to work with you. Exactly.

Mr. EDWARDS [continuing]. If we find opportunities to expedite some funding, you know, we should. That is another 3 or 4 or 5 years of kids in inadequate schools while their moms and dads are on their fourth, fifth, sixth tour of duty in Iraq or Afghanistan.

Ander.

LITTORAL COMBAT SHIPS

Mr. CRENSHAW. Thank you, Mr. Chairman.

A couple of questions. One, Admiral Roughead was here yesterday, and we talked about the Littoral Combat Ships—

Admiral STAVRIDIS. Sure.

Mr. CRENSHAW [continuing]. Which seem to be really the kind of the future of the Navy and going to revolutionize a lot of the missions. There was one in Jacksonville at Mayport for a couple of weeks. I did not get a chance to go see it, but it is quite a buzz.

Admiral STAVRIDIS. Yes, sir. Yes, they are neat ships.

Mr. CRENSHAW. They are going down into Southern Command and, like, the first week—

Admiral STAVRIDIS. Yes, got a big drug bust, yes.

Mr. CRENSHAW. I wondered, you know, did you see some missions in your area that where they will fit in and probably are there some benefits in some of the exercises you will be doing there in Europe?

Admiral STAVRIDIS. Absolutely. LCS would be extremely beneficial in the Mediterranean, where we face many of the same challenges we see in the Caribbean. We see drug trafficking, human trafficking, potential terrorist movements, potential movement of weapons of mass destruction, illegal arms shipments.

That entire ability to surveille the maritime domain and then to respond at very high speed and in very shallow water is what LCS is all about. And as you know, sir, it also carries a helicopter, and it is a very efficient ship. It has a crew of only 40 operating at sea, so it is a cost saving as well.

Up north in the Baltics and the fjords, the use of these ships as reassurance vessels participating in everything from navigation to search and rescue to military exercises with the Baltic states in those shallow waters and up in the Norwegian fjords and even up to the north as we get into the high North and the Arctic, the LCS has great capability across the board.

Mr. CRENSHAW. And if you had not heard, Admiral Roughead announced that the primary homeport was going to be Mayport.

About 2020 there will be close to 20, and that kind of demonstrates that, I mean, Mayport is pretty functional and strategic in terms of Europe, in terms of, you know, Africa, in terms of South America, so—

Admiral STAVRIDIS. Yes, I think geographically, if you look at Florida, which launches like a knife into the Caribbean and the Atlantic, it is the closest point between Africa, Europe and the Caribbean, certainly.

NORWAY

Mr. CRENSHAW. Just one quick question. I was reading that this—I do not know much about it, but we got, I guess, in Norway there is a kind of the prepositioning ships.

Admiral STAVRIDIS. Right.

Mr. CRENSHAW. They have some Norway caves, I guess they call them.

Admiral STAVRIDIS. Yes.

Mr. CRENSHAW. It must be pretty interesting, where we keep a lot of materiel.

Admiral STAVRIDIS. Yes, sir.

Mr. CRENSHAW. And a lot of that was used in Iraq.

Admiral STAVRIDIS. Yes, sir.

Mr. CRENSHAW. It is kind of under the command of the command that Blount Island, the Marines' prepositioning ship. And that is part of, I guess, your command. Are they going to replenish those caves, going to keep on? Even though it is old, kind of Cold War stuff, but it probably makes sense to have—

Admiral STAVRIDIS. Yes, interestingly, it is actually not under my command. It is physically in my area of responsibility, but not under my command per se. My understanding is that it will indeed be replenished as part of a NATO-U.S. effort to build it back up.

Mr. CRENSHAW. Thank you very much.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. Sam.

LANDSTUHL REGIONAL MEDICAL CENTER

Mr. FARR. Yes, does our request this year include the \$8.2 billion to replace the current Landstuhl Regional Medical Center?

Admiral STAVRIDIS. Yes.

Mr. FARR. A couple of questions on that.

Admiral STAVRIDIS. Sure.

Mr. FARR. First, has the final site been selected? And what factors did you use to determine the best site? And can that site be used to consolidate with other activities? How far along are you in the planning process? You indicated it would be a world-class hospital. What standards are we using for that? Is Walter Reed the benchmark? Or do we have others? And how will the quadrennial review decisions about force posture in Europe affect the size and the capabilities of that?

Admiral STAVRIDIS. Let me sort of give a general answer and try to hit all those. And if I miss one, Andy will remind me.

Where we stand right now after a lot of discussion back and forth is that we are proposing to use a so-called clean site, a green site, a new site—in other words not the current existing location of ei-

ther Landstuhl or the fairly large medical clinic which is at Ramstein, which is contiguous essentially to Landstuhl.

So both those buildings need to be recapitalized. We believe the most efficient solution is to go to a fresh site and build a new building—hence, the \$1.2 billion. But it is a consolidation. It would in every sense be a world-class hospital, and it is a crucial hospital.

What I mean by that is a Walter Reed, Bethesda, Balboa, Portsmouth level military hospital. As you well know, sir, it is the point at which our wounded warriors come back, are fully stabilized. I have visited many there, and the quality of care they receive is exceptional.

In fact, I would like to provide the committee a CNN report on Landstuhl medical facility that I think really brings some of this into focus, with some personal stories that are involved with it.

Where we are in the planning right now is we have in front of you a request for the funding that will do the design phase of this, and we anticipate next year's request to you would begin the process of providing the funding to ultimately capitalize a \$1.2 billion project.

We had a lot of discussion and debate about this, whether we should try and effectively remodel Landstuhl, whether we should keep Ramstein open as a separate clinic or not, use that while we remodeled Landstuhl. There were a lot of options on the table. But I am—

Mr. FARR. What is the distance between the two?

Admiral STAVRIDIS. They are all within 5 miles of each other.

Rear Admiral BROWN. As to the flightline, the new facility would be within a mile.

Admiral STAVRIDIS. A mile.

Rear Admiral BROWN. Right now it is up to the Landstuhl site. It is about 13 miles, so it is a much—

Admiral STAVRIDIS. The new site, yes, the new site is close to the airfield. Yes, that is right.

Rear Admiral BROWN. So that is a strategic air hub, as you know, and so this will be a strategic hospital right there right next to flightline, so it will improve transit time for wounded warriors. And you know about 30 percent of the wounded warriors are actually treated there and then go back to the fight.

Admiral STAVRIDIS. Yes.

Rear Admiral BROWN. So that is—

Mr. FARR. They are not all coming here—

Admiral STAVRIDIS. No, not at all, not at all.

Rear Admiral BROWN. Many are returned. About 30 percent are returned to theater, so it is a very efficient way to handle that rather than have them go all the way back.

Admiral STAVRIDIS. I think we had some staffers from this committee through recently to look at this, did we not, Andy?

Rear Admiral BROWN. Sir, yes, sir, we had—

Admiral STAVRIDIS. You should come.

Rear Admiral BROWN. We have had great cooperation with the many, many folks, and that helped us come to the consolidation decision. This week, supposedly, we have gotten the release of the planning and design, permission to go do the design. And that will help size the hospital. So there is still the, you know, what size

does it need to be in terms of what capabilities, for what doctors need to be present, et cetera, how many beds. So that design will take place in the next—I think we need to have it done by July to get it into the budget, so that is our goal. We have got a lot of detailed work to complete between now and then.

ARCTIC

Mr. FARR. Another hat I wear is on ocean issues. And I have been very interested in the sea lanes in the Arctic that—

Admiral STAVRIDIS. Yes.

Mr. FARR [continuing]. Are being opened up and what the impact to that with the competition for those sea lanes and the fact that we—did we fully close the Naval Air Station at Keflavik?

Admiral STAVRIDIS. Yes, sir, that is closed.

Mr. FARR. That was strategically positioned. Have we or are we going to try to reposition ourselves for what is going to be a very important region, the Arctic?

Admiral STAVRIDIS. We are, as follows. And it really goes to the points you made before about sharing facilities. There is an Arctic Council, which is composed of the nations that share waterfront, if you will, on the Arctic—the United States, Canada, Norway, Denmark, all NATO members, plus, of course, Russia.

This is an area where NATO cooperation and the sharing of facilities and research centers, research vessels, icebreakers, I think, have great promise. And I would not exclude including Russia in that proposition, I think, as the high North opens up as a result of global warming.

And we need to—you need to make sure that we do not end up with a zone of conflict up there. We need to make sure we end up with a zone of cooperation, and so I think this idea that you surfaced earlier of finding ways to share everything from information to ships to facilities is very promising, and I would—

Mr. FARR. Is it under your command?

Admiral STAVRIDIS. It is, but I share responsibility for the Arctic with U.S. Northern Command because of the U.S. piece of it and with U.S. Pacific Command kind of coming around the corner. So there are three combatant commands that have contiguous responsibilities in the North, and we are in dialogue about this. My command is hosting a conference on this this summer.

Mr. FARR. It would be ideal to get all those parties of interest all having shares. Then they will not have—

Admiral STAVRIDIS. It is exactly what we are trying to do. It just makes enormous sense, and I think if you look back on the Law of the Sea Treaty, which was an extremely long and controversial process—

Mr. FARR. [Off mike.]

Admiral STAVRIDIS. Exactly, although we should be, in my opinion. And I think I am hopeful that we will be.

But we need to think about how we can work together in the Arctic so we do not end up in a kind of a pointless zone of conflict up there.

Mr. FARR. Good. With your leadership, I have a lot of confidence that will happen.

Admiral STAVRIDIS. Thank you.

Mr. FARR. I have no other questions.

Mr. EDWARDS. I just have a couple.

Admiral STAVRIDIS. Sure.

PRIVATE HOUSING

Mr. EDWARDS. On housing, here in CONUS, obviously, we are building probably over 90 percent of our new houses under public-private partnerships model. Did we try that in Europe, or does the model just not work as well?

Admiral STAVRIDIS. I think we have tried it in Europe, and Andy can give you some details.

Rear Admiral BROWN. We have. We call it Build to Lease, because we do not own the land.

Mr. EDWARDS. Right.

Rear Admiral BROWN. And since we cannot own the land, the public-private model does not work as clean. So what we tried to do is get into partnerships with the local communities or—

Mr. FARR. May I interrupt you?

Rear Admiral BROWN. Yes, sir.

Mr. FARR. You mean we, the military owns the land here, and so the private investment does not get the land. They get the lease on it.

Rear Admiral BROWN. Right.

Mr. FARR. Why would not that same concept work?

Rear Admiral BROWN. There is a thought that we might be able to sublease. So we are a guest in the country. We might be able to take our lease, basically, from the host country and transfer that to a private company. We are exploring that right now. But we have not been able to execute on that yet, if I understand your question.

Mr. FARR. Yes, I guess the issue is that because we own the land, the cost of the development, you do not have to buy the land, which is the expected component—

Rear Admiral BROWN. Right, right, right.

Mr. FARR. Which the private sector leases it—

Rear Admiral BROWN. Right.

Mr. FARR [continuing]. For 50, 60 years. Then they have to go back and rehab the houses there.

Rear Admiral BROWN. But their lease—I am not sure what the cost breakdown is in terms of what the agreement is with regard to the land on our military bases. What we have agreed most of the time was we turn over the facilities that are already built, and then they operate using our housing allowance to—

Mr. FARR. In essence, the way it works here is the builders and owners of the housing are private companies.

Admiral STAVRIDIS. Yes, sir.

Rear Admiral BROWN. Yes, sir.

Mr. FARR. And that would be the same there. You would—

Admiral STAVRIDIS. Yes.

Rear Admiral BROWN. Right. One of the other issues—

Mr. FARR. Does not matter who owns the land.

Rear Admiral BROWN. One of the other issues, sir, is we do not have permission beyond 10 years to guarantee the lease—

Admiral STAVRIDIS. Occupancy.

Rear Admiral BROWN [continuing]. The occupancy. So if we had longer—50 years.

Admiral STAVRIDIS. If we had a 50-year deal.

Rear Admiral BROWN. Even if we had 20 years, it would help. So in the past where we have been successful in the Build to Lease partnerships with the host nation governments, it has been that they were willing to accept some of the risk for the out years—the government was.

Mr. FARR. Was that our rule, the limit of 10 years—

Rear Admiral BROWN. I think I am not sure what the—it is not our policy. I believe it is a higher—based in law, I suspect.

Admiral STAVRIDIS. We will take that one for the record and get back to you with some better detail than this.

[The information follows:]

10 U.S.C. Section 2828(d)(1) provides the authority to lease housing units in foreign countries for assignment as family housing for a period not in excess of ten years. The intent is for this authority to be used as a gap-filling measure to enable both public and private local markets to respond to demand. Extending this period in conjunction with appropriate executive branch policy revisions may enable increased OCONUS use of public-private housing partnerships to meet long term family housing needs, while accelerating delivery of high quality housing and reducing theater military construction requirements.

Mr. FARR. We are big fans of—

Admiral STAVRIDIS. Yes, I am, too. And I think Andy is as well.

Rear Admiral BROWN. We will provide what authority would help, be beneficial to us.

Mr. FARR. Okay.

Admiral STAVRIDIS. And also what we are doing now, because we are doing some of this within the 10-year window. I think the—

Rear Admiral BROWN. Yes, sir.

Admiral STAVRIDIS [continuing]. Ten-year piece is what has been holding us back. And we will find out what the basis for that is and get back to you in writing.

That is good, Andy.

CHILD CARE CENTERS

Mr. EDWARDS. Several years ago the top noncommissioned officers who testify before this subcommittee every year said, aside from time away from family and pay, we asked them what was their number one priority—

Admiral STAVRIDIS. Good.

Mr. EDWARDS [continuing]. In terms of quality of life for the soldier, sailors, airmen and Marines. And they said child care centers. So we put a tremendous amount of funding out of the subcommittee into that in CONUS.

Tell me the situation on childcare needs in Europe. Is it more readily accessible at a cheaper price here in the United States? Or is it more expensive? Tell me, is it a serious challenge or something we need to take a look at? Or do you think we are in good shape on that front?

Admiral STAVRIDIS. I think we are in pretty good shape. As I have gone around and spoken in town halls and engaged with my senior enlisted as well as my junior officers, who are sort of the demographic that have most of the small children, it has not surfaced

to me as an issue with any frequency at all. In fact, I cannot recall ever having a question about it.

And I have toured half a dozen childcare centers in Europe that have been constructed by this committee, and they are in terrific shape. Now, I may be missing something.

Rear Admiral BROWN. We are encouraged in the requirements to come forward, and in the out years we have a few childcare centers, and if we keep the four BCTs, there are some plans that we might need a couple more. But we encourage them to put the requirement in, and I believe it is in there.

HEALTH CARE

Mr. EDWARDS. Okay. How about health care? If you are farther away from Landstuhl, what is the nature of health care?

Admiral STAVRIDIS. I think overall it is pretty good. You will see some requests in front of you for, I think, three clinics that we are working on, but overall health care is good.

To be completely candid, as I have traveled around and done these town halls, what I have heard about most is schools. And I have heard a little bit about housing, as we have talked about. And I have heard virtually no complaints on the medical side and virtually no complaints on the childcare site.

Mr. EDWARDS. Now, on the medical side is virtually all the health care provided by DOD or—

Admiral STAVRIDIS. It is a mix.

Mr. EDWARDS [continuing]. Do you work in partnership with local community hospitals?

Admiral STAVRIDIS. We work in partnership with the local. In fact, my wife just had an appendectomy and had it done by the Belgian physician, and it was terrific. I mean, these are 21st century European nations, and the health care is exceptional.

What we do to make sure that everything goes smoothly is we have a service that provides translation and escort so that, particularly for some of our younger spouses, who might be intimidated by the language barrier or the difficulties, we provide ombudsman-like capability that will walk them through the system.

Mr. EDWARDS. Great.

Mr. FARR. [Off mike.]

Mr. EDWARDS. Sure.

Admiral STAVRIDIS. Sure.

Mr. FARR. And the Belgian doctors accept TRICARE payment?

Admiral STAVRIDIS. They must have, since that is—

Mr. FARR. It is handled through TRICARE.

Admiral STAVRIDIS. Yes, yes. Yes, I will tell you it was terrific. Her care from start to finish was exceptional, and it was not a function of my position. It was the standard care that any Belgian would have gotten.

Mr. FARR. Normally after the families who would have those kinds of operations that are quite serious, they would come state-side or do they—

Admiral STAVRIDIS. No, sir. They are done. It is a mix done by our own physicians or done by local care. All our babies are—

Mr. FARR. That is mothers and children—

Admiral STAVRIDIS. Yes. And again, in my experience in 7 months, it has been very good. Every time I talk to one of our soldiers or sailors, airmen, whoever, who says to me, "Oh, my wife is doing this" or "My husband is doing this" in the local medical care, I always questioned them very closely about it. And I have had nothing but good reports.

You know, this is Belgium, Germany, Italy. These are extremely advanced countries with exceptional health care. This is not like other parts of the world where you could see this would be a more serious problem.

Mr. FARR. Great.

ROMANIA AND BULGARIA

Mr. EDWARDS. I just have one other question on MILCON, and that would be Romania and Bulgaria, and it is about \$110 million.

Admiral STAVRIDIS. Yes, our bases out there.

Mr. EDWARDS. Construction there—where are we?

Admiral STAVRIDIS. It is pretty good. They are in good shape. They are very usable. We are advertising them to NATO as potential training sites. I am in a very active dialogue with those two nations about how we could rotate our troops in and out of there to do training not just for the Romanians and the Bulgarians, but also to bring in multinational forces to train there.

I am also very interested in using those two sites for Black Sea operations, looking at counter narcotics, human trafficking and other deleterious flows across the Black Sea, which is a complex region unto itself. So I think that investment has paid out very well.

Mr. EDWARDS. Great. I agree with you.

LANDSTUHL

Mr. CRENSHAW. And, Mr. Chairman, just for the benefit of the subcommittee, I was in Landstuhl on Monday. We stopped on the way back from Afghanistan and Pakistan.

Admiral STAVRIDIS. Great.

Mr. CRENSHAW. And I have been there from time to time visiting with the wounded warriors, but this is the first time they actually kind of showed us—you know, you look at the hospital, and from the outside it looks pretty nice.

Admiral STAVRIDIS. Yes.

Mr. CRENSHAW. But if you go down—like a lot of buildings, if you go down and see where the action is and where the, you know, boilers are and all that stuff, then it clearly—

Admiral STAVRIDIS. It is time. It is time.

Mr. CRENSHAW [continuing]. Needs to be—time to get upgraded. And, obviously, it is a wonderful facility, but I think that is something that they do a great job, but they are, you know, in today's technology, it does not take long, you know, for a building or for all the equipment to be outdated. So that is something that we have got to—

Mr. EDWARDS. How old is the hospital?

Admiral STAVRIDIS. Gosh, I do not know.

Mr. FARR. It was in the 1950s, built in the 1950s.

Admiral STAVRIDIS. Wow.

Mr. EDWARDS. 1950s?

Mr. FARR. Yes, sir.

Mr. EDWARDS. We put a lot of money into CONUS based hospitals.

Admiral STAVRIDIS. Sure.

Mr. EDWARDS. I think DOD was kind of hoping we would put money in there. We thought, well, we have got some around this CONUS and—

Admiral STAVRIDIS. Yes, thank you, sir.

Mr. EDWARDS [continuing]. Over the 18 months—

Admiral STAVRIDIS. Yes, we really appreciate it. It is a unique facility, uniquely placed. And frankly, the opportunity to be in the mix with these advanced European nations is also a place where medical training and views can be explained and extended. And cooperation in that sphere occurs there as well. It is very well located.

Mr. EDWARDS. So schools, barracks, housing.

Admiral STAVRIDIS. Yes, sir.

Mr. EDWARDS. Those are things that we want to—

Admiral STAVRIDIS. Right. And I think that is what you will—and I think that is what you will see here. I think that is what you will see.

Mr. EDWARDS. My final question is how is Sam's accent?

Admiral STAVRIDIS. His is fabulous, much better than mine. His accent is—it is because in Colombia they speak español muy puro, very pure. And he has got the Castilian—

Mr. FARR. The admiral is being very modest. He is studying Portuguese, so he just has sort of a different accent, right? Mix it a little with that Portuguese.

Admiral STAVRIDIS. Yes, it sounds like I am drinking too much.

Mr. EDWARDS. Congratulations to your deployment.

Admiral STAVRIDIS. Yes, sir. Thank you, sir. Look forward to working with the committee over the next 3 years.

Mr. EDWARDS. It has been an honor to work with you in the past, and we look forward to working with you in the future.

Admiral STAVRIDIS. Same here.

Mr. EDWARDS. Thank you for being here.

WEDNESDAY, MARCH 17, 2010.

BRAC

WITNESSES

DOROTHY ROBYN, DEPUTY UNDER SECRETARY OF DEFENSE (INSTALLATIONS AND ENVIRONMENT)
L. JERRY HANSEN, SNR. OFFICIAL PERFORMING THE DUTIES OF ACTING ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND ENVIRONMENT)
ROGER M. NATSUHARA, ACTING ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND ENVIRONMENT)
KATHLEEN I. FERGUSON, DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS
ANU MITTAL, DIRECTOR FOR NATURAL RESOURCES AND ENVIRONMENT, GOVERNMENT ACCOUNTABILITY OFFICE
SUZY CANTOR-MCKINNEY, VICE PRESIDENT, NATIONAL ASSOCIATION OF OEW CONTRACTORS

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding.] Good morning. I would like to call the subcommittee to order and thank all of you for being here today.

Obviously, the 2005 Base Realignment and Closure (BRAC) round was the largest BRAC round and I have heard sometimes that the BRAC 2005 round was more involved than all the other previous BRAC rounds combined.

So given that we are only 18 months away from the deadline for the implementation of that, the purpose of today's hearing is to talk about where we are in that process. Are we going to meet the goals? If there are some areas where we cannot, why? And what is the best approach?

I will also have a question later on about whether we are artificially trying to stuff a size-10 foot into a size-8 shoe to meet the deadline. I hope we can all feel pressure to try to meet the deadline, but I do not want to undermine services to the troops or the taxpayers by artificially forcing that deadline.

If there are a couple of examples where taking a little more time will save taxpayers money and better serve our servicemen and women and their families, then perhaps that is something this committee and the authorizing committee ought to consider. So we might want to talk about that, as well.

At this time, I would like to recognize Mr. Wamp, my ranking member, for any opening statement he would care to make.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Thank you, Mr. Chairman. I think you said it extremely well. I am extremely grateful for the United States military on every front. My office was heavily involved for 2 or 3 weeks,

especially after the earthquake in Haiti, and I was reminded again, as we are all reminded, that anywhere in the world, when there is a need, the one organization in the world that can be counted on for efficiency and command and control and leadership, is the United States military.

The BRAC process is a very effective way for the government to realign itself, reform itself, and make itself more efficient. And frankly, while I know there are deadlines to meet and we might not meet some for certain reasons, this model, in my view, should be followed more, not less, and used across other sectors of our government.

I want to thank you for what you have done to bring us to this point. I followed BRAC very closely. This is one of the issues in my 2½ years here with Chairman Edwards that I have raised consistently. He has worked diligently in a bipartisan way, to try to help you meet these goals and to help BRAC be successful and create efficiency, because it is important for the government not to get locked in to long-term investments if they are not fruitful and efficient.

That is why this model is a good model. I wish, frankly, that we had the leadership in this country to take a model like this across other sectors of government inefficiency to create efficiencies. Some institutions become near permanent, and they shouldn't be.

I have also seen some sites that have benefited from BRAC and become very productive and fruitful, not the least of which is about 100 miles from me in Huntsville, Alabama, in the Redstone Arsenal.

So thank you for what you have done. I look forward to your testimony today and working with the chairman to make sure that we help you meet every one of these targets that we possibly can.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Zach.

Let me formally introduce our first panel of witnesses. We will have a second panel on environmental clean-up issues. But for a number of you, since this is your first time before our subcommittee, let me briefly introduce you without trying to read your entire bio, which is impressive in each of your cases, and thank you for your public service.

Dr. Dorothy Robyn is the Deputy Under Secretary of Defense for Installations and Environment. This is your first subcommittee hearing, and we appreciate it and welcome you here.

She assumed her duties in July of 2009. Dr. Robyn served as special assistant to the president for economic policy and was a senior staff member of the National Economic Council from 1993 to 2001. She worked in Congress on the staff at the Joint Economic Committee and the Office of Technology Assessment.

She has also been an assistant professor at the Kennedy School of Government at Harvard and a guest scholar at the Brookings Institute and has a PhD from the University of California at Berkeley.

Again, Dr. Robyn, welcome to the subcommittee.

Jerry Hansen is a senior official performing the duties of the Assistant Secretary of the Army for Installations and Environment. Mr. Hansen, welcome to our subcommittee today.

In addition to his current duties, he has another hat. He serves as a Deputy Assistant Secretary of the Army for Strategic Infrastructure. He is a West Point graduate, retired Army officer, with service in Vietnam. And our committee and our country thank you for that military service.

Mr. HANSEN. Thank you.

Mr. EDWARDS. He re-entered the senior executive service in 2003. And before coming to the Army, he was the Deputy Inspector General for Policy and Oversight in the Department of Defense. And prior to re-entering the federal government, he served in inspector general roles for the state of California.

Mr. Roger Natsuhara is the Acting Assistant Secretary of the Navy for Installations and Environment. Welcome to the committee.

He was appointed as the Principal Deputy Assistant Secretary of the Navy for Installations and Environment in August of 2009. He also has military service, having served in the Navy, including duty as a service warfare officer on the USS HAROLD HOLT.

He also worked as a Director of Real Property Facilities and Logistics Office for the National Oceanic and Atmospheric Association. And the senior engineer for Boeing has a master's degree from the Naval Postgraduate School.

And, again, Mr. Natsuhara, welcome to our subcommittee.

Ms. Kathleen Ferguson is the Deputy Assistant Secretary of the Air Force for Installations. She has served in her present capacity since October of 2007. And thank you for that service.

Prior to that, she served more than 5 years as a deputy Air Force civil engineer. She began her career as a civil engineer with the Air Force in 1981 and served on the headquarters staff at the U.S. Air Forces in Europe from 1997 to 1999.

Let me also take a personal note. I am privileged to welcome my former legislative director, John Conger, who works with Dr. Robyn in her office. Thank you, John, for being here.

We will submit for the record your full written testimony, but I would like to recognize each of you for approximately 5 minutes. And then, after that, we will get into questions and answers. Dr. Robyn, I would like to begin with you.

STATEMENT OF DOROTHY ROBYN

Ms. ROBYN. Thank you, Chairman Edwards, Ranking Member Wamp, other committee members. It is a real pleasure to be here for my first time, as you say, before this subcommittee.

As you said, Mr. Edwards, BRAC 2005 is the largest round undertaken by the department by any measure. Twenty-four major closures, 24 major realignments, 765 lesser actions. These actions affect 125,000 military personnel at more than 800 locations across this country. The cost of implementation, \$35 billion, far exceeds that of any prior round, but so, too, do the projected savings of \$4 billion annually.

And let me say that that \$4 billion figure does not really capture the benefits to the military, unlike previous rounds, which focused on getting rid of excess capacity. The focus here has been on optimizing military capability, and it is in some ways hard to measure the real benefit of that.

With the BRAC deadline coming up on us, 18 months almost to the day, we are very focused on the end game. We are committed to getting every single action done by the deadline. And I think we are on—we are on track to do that.

There are 222 BRAC recommendations; 28 have been certified as completed; 30 are in a category of having at least one construction project that will be completed within 90 days of that deadline, September 15, so we are watching those; and then six in particular that we view as having medium or high risk, and we are working very closely with the services to make sure that implementation of those is on track so that we finish by the deadline.

We briefed your staff and the HASC staff and also your counterparts on the Senate side yesterday on these six medium-and high-risk recommendations. As you can imagine, they involve some of the more complex ones, such as the closure of Walter Reed and the significant growth at Fort Belvoir.

But, again, let me say that we are committed to getting those done on time. In the past four rounds of BRAC, we have never missed a deadline. We have not missed a single BRAC deadline. And I do not want to have that record blemished on my watch.

Let me say a word about joint basing, one of the important components of the 2005 BRAC round. When I worked with the Department of Defense 10 years ago, there was a lot of opposition to joint basing. I was delighted when I came back to the department and found that it had been embraced because of the recommendations that were made in the BRAC round.

My office has been deeply involved in the process of implementing the recommendations, going from 26 installations down to 12 joint bases. It is really challenging, but it is really gratifying, and we are no longer at the stage of implementing joint basing. We are actually now operating joint bases at a half-dozen places, with more to come online.

Let me say a word about environmental clean-up. Our fiscal year 2011 budget request, \$445 million for BRAC environmental programs, \$337 million for prior BRAC sites, and \$108 million for 2005 sites. This will allow us to continue to meet the stakeholder expectations and complete clean-up in an additional 154 sites.

Although we strive to complete the process faster, environmental clean-up is not necessarily an impediment to reuse of the property, and we often transfer the property early, even before we have completed the clean-up. And now at a growing number of bases, we actually hand off that clean-up. We pay the community to take on the clean-up, including the cost of insurance and payment for the regulatory oversight. And we did that at Fort Ord last year and a number of other examples of this.

And speaking of Fort Ord, welcome, Congressman Farr.

And finally, let me say a word about the impact on communities. We are very mindful of the adverse impact that a BRAC decision can have on the host community. I have spent much of my time in the Clinton White House working with the department on base reuse.

Through the Office of Economic Adjustment, we provide planning grants to communities impacted by the closure or increasingly im-

pacted by the growth of the military. That was a new feature in the 2005 round.

We are implementing the language in the 2010 authorization act, which clarifies and revises our authority to transfer property through an economic development conveyance. And Congressman Farr had a great deal to do with that.

I have directed the military departments to consider local economic conditions in the affected community and the amount of public investment required as they determine what sort of conveyance is appropriate and the terms of the conveyance.

I have also urged them to expedite the disposal process, which has been a big, big problem. It has become very slow and cumbersome, recognizing that these military bases represent, as in Huntsville, a potential engine of economic activity and job creation for these former host communities.

And in this regard, I want to highlight the significant accomplishment represented by the recent agreement in principle to transfer between the Navy and the city of San Francisco to transfer Treasure Island. They are still negotiating the details, but the mayor and the Secretary of the Navy met in December and agreed in principle.

I was just reading the transcript from this hearing a year ago, and the—it was painful for me to read that transcript, because it felt like nothing was going to happen on Treasure Island. It is just the two sides seemed so far apart. And with new leadership at the Navy and Roger's steadfast help, I think that deal is very close to being done.

So let me thank you again for your attention to this issue, and I look forward to taking questions.

[Prepared statement of Dorothy Robyn follows:]

HOLD UNTIL RELEASED

BY THE COMMITTEE

**Statement of
Dr. Dorothy Robyn
Deputy Under Secretary of Defense
(Installations and Environment)**

**Before the
House Appropriations Committee
Subcommittee on Military Construction,
Veterans Affairs and Related Agencies**

March 17, 2010

Chairman Edwards, Mr. Wamp, and distinguished members of the Subcommittee: I am honored to appear before you today to address the Department's implementation of Base Realignment and Closure (BRAC). In each of the prior BRAC rounds, my office has led the process that culminated in the Secretary of Defense forwarding a set of recommended actions to the BRAC Commission for its review. My office is also responsible for overseeing the implementation of the Commission's final decisions. In my testimony today, I will provide an overview of the latest round, BRAC 2005, and a status report on its implementation, which by statute must be completed by September 15, 2011. I will also summarize our efforts in two areas—environmental cleanup and provision of economic adjustment assistance to affected communities—for BRAC 2005 and prior BRAC rounds (1988, 1991, 1993 and 1995).

BRAC 2005

Overview

BRAC 2005 is the largest round undertaken by the Department by any measure. It includes 24 major closures, 24 major realignments and 765 lesser actions. Together, these actions affect some 125,000 military personnel at more than 800 locations across the United States. The cost of implementation, \$35.1 billion, far exceeds that of any prior round but so too do the projected savings of \$4 billion annually. (See Table below for a comparison of BRAC 2005 and prior rounds.)

(TY \$B)	Major Base Closures	Major Base Realignments	Minor Closures and Realignments	Costs ¹ (\$B)	Annual Recurring Savings ² (\$B)
BRAC 88	16	4	23	2.7	1.0
BRAC 91	26	17	32	5.2	2.3
BRAC 93	28	12	123	7.5	2.7
BRAC 95	27	22	57	6.6	1.9
Total	97	55	235	22.0	8.0 ³
BRAC 05	24	24	765	35.1	4.0

Note 1: As of the FY 2011 President's Budget including supplements (Feb 2010) through FY 2001 for prior BRAC Rounds and through FY 11 for BRAC 2005.

Note 2: Annual recurring savings (ARS) begin in the year following each round's 5-year implementation period: FY96 for BRAC 88; FY98 for BRAC 91; FY00 for BRAC 93; and FY01 for BRAC 95. These numbers reflect the ARS for each round starting in 2002 and are expressed in FY 08 dollars.

Note 3: Does not add due to rounding.

This projected cost of implementation—which includes \$24.7 billion in military construction and another \$10.4 billion to move personnel and equipment, outfit facilities, and carry out environmental clean-up—is admittedly well above the estimate used in the Department’s original analysis (\$21.1 billion). The dominant reason for the cost increase is the expansion in the scope of the construction and recapitalization beyond what was originally envisioned: the Department has used realignments as opportunities to build improved or new facilities either to enhance capabilities or to address deficiencies. As a result, BRAC 2005 has served as a significant engine of recapitalization of our enduring military facilities, with almost 70 percent of the implementation cost going to support MilCon requirements compared to 33 percent in the previous rounds. Other key reasons for the increase in implementation costs are the Department’s explicit decision to delay implementation because of competing budgetary priorities (delay adds to the cost of inflation) and the extraordinary inflation in construction industry prices in 2007 and early 2008—a period during which many of the large BRAC-related MilCon contracts were awarded.

In addition to its size, BRAC 2005 is the most complex round we have undertaken. This reflects the original goal of BRAC 2005—namely, to reconfigure our operational capacity to maximize war fighting capability and efficiency. Thus, our analysis of alternative actions for recommendation to the Commission included an assessment of the increased military capability that each action would achieve. By contrast, in previous rounds, the goal was focused largely on eliminating excess capacity.

The Department has fully funded BRAC 2005 requirements throughout the 6-year implementation period (\$35.1 billion for FY 2006 – FY 2011), consistent with detailed business plans developed by the assigned business plan managers. The FY 2011 President’s Budget includes the last tranch of that funding—\$2.4 billion. Although this is a decrease of \$5.1 billion below the FY 2010 enacted amount, it reflects the natural drop in spending on MilCon as we approach the statutory date for completion of BRAC 2005 (September 15, 2011). Most of the FY 2011 funding is designed to pay for the movement of personnel and equipment.

Implementation Status

The DoD components have implemented BRAC 2005 conscientiously and transparently, according to a well-defined process. The Department continues to monitor the process closely to ensure that we are meeting our legal obligations. To date, twenty eight BRAC 2005 recommendations have been certified as completed, and all others are on track for completion by the statutory deadline. We are on a tight timeline, however: 30 actions have at least one construction project that is scheduled for completion fewer than 90 days before the deadline (September 15, 2011). Of these 30 actions, 6 are of particular concern. We will provide your staffs with additional information on these in separate sessions.

Enhanced Military Capability

In keeping with the Department's overarching goal, BRAC 2005 will significantly improve our war fighting capability and efficiency. As examples, consider the actions being taken at two installations—Fort Bliss, Texas, and Naval Air Station (NAS) Brunswick, Maine.

Fort Bliss is the largest operational Army BRAC movement. Approximately 15,000 Soldiers and their family members will move to Fort Bliss and the surrounding communities, and construction of BRAC operational facilities is moving ahead as planned in preparation for the arrival of the 1st Armor Division. Soldiers of the 1st Brigade, 1st Armored Division and Soldiers of the 4th Brigade, 1st Armored Division took occupancy of the first two Brigade Combat Team (BCT) Complexes, and the third BCT is scheduled for the 2nd quarter of FY 2011. The Army has programmed the construction of several quality of life facilities to support this growth including dental/health clinics, a hospital, a child development center, a commissary, a physical fitness center, and youth centers.

The closure of NAS Brunswick will reduce operating costs while allowing the single-siting of the East Coast Maritime Patrol (VP) community at NAS Jacksonville, Florida. NAS Jacksonville and NAS Brunswick collaborated to ensure seamless relocation of five aircraft squadrons along with the realignment of the maintenance functions and various mission support groups. The newly constructed hangar at NAS Jacksonville, completed in May 2009, now provides maintenance spaces for all five Brunswick squadrons and will be able to support the future transition to the P-8 Poseidon multi-mission maritime aircraft.

Medical Infrastructure

A key component of BRAC 2005 has been the Department's effort to rationalize and upgrade our medical infrastructure—both to address the transformation in healthcare that has occurred since many of our facilities were constructed and to adapt them to the changing needs of our wounded warriors. At one end of the scale, BRAC enabled the Department to close seven small and inefficient inpatient operations, converting them to ambulatory surgery centers. BRAC also enabled the Department to realign medical operations from McChord Air Force Base, Washington, to Fort Lewis, Washington, and to transform the Medical Center at Keesler Air Force Base, Mississippi, into a community hospital.

At the other end of the scale, BRAC 2005 enabled the Department to realign two of its major military medical markets: San Antonio, Texas, and the National Capital Region (NCR). I recently testified at a hearing on the NCR effort. This is an extraordinarily complex undertaking that will deliver major benefits not possible without BRAC. Moreover, its successful completion is dependent on the strict discipline that the BRAC

process provides. The construction now underway represents a balanced and reasonable approach to combining the functions of the old Walter Reed Army Medical Center into the new National Military Medical Center at Bethesda, Maryland. The result will be a medical delivery platform far superior to what we have now—and one on which we can continue to build upon.

Joint Basing

Another BRAC 2005 action that my office has championed is the consolidation of 26 installations into 12 joint bases. At each joint base, a *supporting* Service Component provides installation leadership for one or more *supported* Service Components. By consolidating installation management and delivery of installation support, joint bases will be able to provide more efficient and effective support for the overall military mission.

Our joint bases represent realigned, reconfigured national military assets for the joint teams they serve. The first five joint bases reached full operational capability on October 1, 2009. The remaining seven joint bases reached initial operational capability on January 31, 2010, and are on their way to full operational capability this coming October. We are no longer implementing joint basing. We are now operating joint bases.

The challenge of merging diverse, service-specific financial systems, management structures, operating procedures, and staffs has been daunting. To facilitate that process, I have regularly convened a cross-Service working group and I meet periodically with our joint base leadership. I am encouraged by their can-do spirit and dedication to providing excellent installation support to their joint teams. I have also had the opportunity recently to tour two of our joint bases: Joint Region Marianas on Guam and the Joint Expeditionary Base Little Creek-Ft. Story in Virginia. Having seen firsthand the extraordinary work they are doing, I am confident that our joint base commanders will realize the full potential and benefit of these actions.

Environmental Cleanup of BRAC Sites

BRAC sites often require a significant amount of environmental cleanup, and the Department has worked to speed up that process. Looking at installations affected by prior BRAC rounds (i.e., BRAC rounds prior to 2005), we have completed cleanup at 80 percent of our hazardous waste sites under the Installation Restoration Program (IRP) and 66 percent of our munitions sites under the Military Munitions Response Program (MMRP). This excludes long-term management (LTM) activities such as maintaining land use controls and conducting periodic reviews of site conditions to ensure continued protection of human health and the environment. The Department projects that (with the exception of LTM) cleanup will be complete at 95 percent of these sites by the end of 2017 at IRP sites (hazardous waste) or 2019 at MMRP sites (munitions). The remaining five percent of sites are technically complicated and some will take many years to

complete. For example, on one site at McClellan Air Force Base, a BRAC 1995 closure, cleanup of groundwater contamination will continue until FY 2066 although it will not impede base reuse.

For BRAC 2005 installations, we have completed cleanup at 30 percent of munitions sites under the MMRP and 37 percent of hazardous waste sites under the IRP. The Department projects that cleanup other than LTM will be complete at 95 percent of munitions sites by the end of FY 2016. For hazardous waste sites, the comparable date is FY 2040. As with the prior- BRAC installations, the remaining five percent of the BRAC 2005 sites have unusually complicated clean-up challenges, some of which will take many years to resolve. For example, at Willow Grove Naval Air Station, in Pennsylvania, cleanup of contaminated soil will continue until FY2041.

BRAC Environmental Inventory Summary

	Sites	Sites w/Remedy-in-Place or Response Complete ¹	Cost to Complete ² FY2010-completion (\$M)
IRP – BRAC1990	4,975	4,354	2,601.4
IRP – BRAC2005	151	81	180.9
IRP Total	5,126	4,435	2,782.3
MMRP – BRAC1990	284	192	619.7
MMRP – BRAC2005	60	20	291.0
MMRP Total	344	212	910.7
BRAC Total	5,470	4,647	3,692.9

¹ A site has achieved remedy-in-place or response complete when the selected remedy is installed, functional, and operating as planned or when all cleanup goals have been met.

² The cost to complete represents funding projected for cleanup activities, including LTM, from FY2010 through completion of cleanup.

Although we strive to complete the process faster, environmental cleanup is not necessarily an impediment to reuse of BRAC property, and we often transfer the property “early,” even before we have completed the cleanup. In some instances, the property recipient agrees to assume responsibility for cleanup—typically in exchange for a reduction in the price of the property or some other payment from the Department. This allows the property recipient to accelerate the pace of cleanup.

For example, last year the Army completed the early transfer of property at Fort Ord to the Fort Ord Reuse Authority. Under an Environmental Services Cooperative Agreement, the Fort Ord Reuse Authority agreed to remove munitions from more than 3,300 acres of land in exchange for payment from the Army sufficient to cover the

estimated cost of cleanup, including the cost of environmental insurance and reimbursement to regulators for their oversight of the program. As another 2009 example, the Air Force completed an early transfer of a 62-acre parcel at McClellan Air Force Base to Sacramento County and the developer, McClellan Business Park. The County agreed to take responsibility for the cleanup of nine sites suspected to contain hazardous wastes. This will allow for speedier reuse of McClellan, one of the largest economic development projects in Northern California.

The FY 2011 President's Budget requests \$445 million for BRAC Environmental Programs (\$337 million for prior-BRAC round sites and \$108 million for BRAC 2005 sites). These funds will help us continue to meet stakeholder expectations and complete cleanup at an additional 154 sites impacted by BRAC decisions. Although this request represents a decrease of \$109 million over the FY 2010 request, the reasons for the drop are positive. Specifically, the decrease is due to a) contract efficiencies, such as those achieved through performance-based acquisition and competitive bidding, and b) bid cost savings—a silver lining in the economic downturn. In addition, as the Military Departments have refined their characterization of munitions sites, they have found that fewer acres will require cleanup, which has lowered projected costs.

Comparison of BRAC Environmental Funding

(\$ Millions)	FY 2010 Enacted	FY 2011 Requested
BRAC1990	470.5	336.5
BRAC2005	203.0	108.3
TOTAL	673.5	444.8

Impact of BRAC on Local Communities

The Department is mindful of the adverse impact that a BRAC decision can have on the host community. As in previous BRAC rounds, we are directing significant resources to affected communities, largely through the Office of Economic Adjustment (OEA). Traditionally, most of OEA's resources have gone to communities harmed by the closure of an installation. Although that process continues, OEA and the Department are now devoting more resources to communities experiencing significant growth as a result of the consolidation that occurred under BRAC 2005. In addition, my office is implementing the language in the FY 2010 National Defense Authorization Act, which clarified and revised our authority to transfer property through an Economic Development Conveyance (EDC).

Property Disposal

The Department has used the full range of its authorities to transfer and convey the property made excess by BRAC. One of the most important authorities has been the Economic Development Conveyance, which Congress created in 1994 to promote rapid transfer of BRAC property for job-creating economic development. Congress subsequently revised the statutory authority underlying EDCs several times; prior to the recent change, the Military Departments were required to seek to obtain fair market value. This and other requirements resulted in a process that was slow and cumbersome.

This new authority represents a marked change. The Department is no longer required to seek to obtain fair market value for an EDC. The law also provides explicit authority for the Department to use flexible tools for determination of “consideration” (payment), such as so-called “back-end” funding.

Pending the issuance of revised regulations by my office, I have directed the Military Departments to apply the factors set forth in statute to evaluate EDC applications and design the terms and conditions of the proposed transfer. These factors include the local economic conditions in the affected community and the amount of public investment required. I have also directed them to expedite the EDC process, recognizing that closed military bases represent a potential engine of economic activity and job creation for former host communities. As Congress explicitly recognized, the slow pace of negotiations over EDCs has been “detrimental to both local communities, which are denied an expansion of their tax revenue base and the opportunity for jobs generation and economic development, and to the Department of Defense, which must maintain the properties....”

In this regard, I want to highlight the significant accomplishment represented by the recent agreement in principle to transfer the former Naval Station Treasure Island to the City of San Francisco (the Navy and the City are still negotiating the details). Treasure Island was a BRAC 1993 closure, which the Navy ceased using in 1997. Despite years of negotiations, the Navy and the City of San Francisco had been unable to reach an agreement on the value of the property or an arrangement for compensation. The language in the FY 2010 NDAA, by clarifying the authority for “back-end” profit participation, contributed to the two sides reaching an agreement. The agreement guarantees \$55 million to the Navy paid over 10 years with interest, and an additional \$50 million paid once the project meets a return of 18 percent. Then, after an additional 4.5 percent return to investors (22.5 percent total), the Navy will receive 35 percent of all proceeds. This agreement represents a unique opportunity to spur community development, and it allows the parties to share in the benefit of what both the City and the Navy expect to be a successful, job-generating redevelopment project.

Economic Adjustment Assistance

The Office of Economic Adjustment is DoD's primary source for assisting states and communities impacted by BRAC and other Department actions (e.g., the military buildup in Guam). OEA's technical and financial assistance enables communities to assess economic impacts caused by Defense actions, evaluate alternatives for local response, identify resource requirements, and develop and implement adjustment plans.

The FY 2011 President's budget requests \$51 million for OEA— up from the enacted level of \$44 million in FY 2010. This level of funding ensures that OEA can provide a multi-year program of support for affected communities. Most installations affected by BRAC 2005 will not be available for redevelopment until 2011 and beyond, so the need for community economic adjustment will continue. OEA is also helping more than 25 communities absorb an influx of personnel and their dependents, as a result of the consolidation of activities brought about by BRAC 2005.

OEA coordinates the delivery of adjustment assistance across federal agencies through the Defense Economic Adjustment Program. The ability to fully support state and local defense adjustment activities, including road construction, infrastructure development, demolition and site preparation, workforce development, and general economic development is beyond the Department's authorities. Accordingly, the Executive Order 12788, as amended, calls for 22 federal departments and Executive Agencies to give priority consideration to requests from Defense-affected communities for federal assistance. Following the prior BRAC rounds, federal agencies outside of the Department of Defense provided close to \$2 billion in assistance to affected areas. The relevant federal agencies have not budgeted specific resources to address the comparable problems resulting from BRAC 2005, however. Moreover, these agencies are facing major demands because of the national economic crisis, making it harder for them to find the resources to help Defense-impacted communities.

Transportation Impacts

As noted above, a number of communities are absorbing significant military growth, as a result of the consolidation called for under BRAC 2005. One area where growth can have an adverse impact is on local transportation. Transportation impacts have been and will continue to be mitigated through the application of our authority and funding under the Defense Access Road (DAR) program. The criteria used to determine whether a project qualifies under DAR are limited, however. In particular, they may not adequately address the scenario in which a defense action causes a significant increase in traffic congestion, as may occur in one or more cases as a result of BRAC 2005 consolidation.

To address this and related issues, the National Academy of Sciences is undertaking a study of BRAC Transportation Improvements, as required by the FY 2010

Military Construction and Veterans Affairs and Related Agencies Consolidated Appropriations. A panel of outside experts named by the National Academy's Transportation Research Board will evaluate the DAR criteria and assess the funding of transportation improvements associated with BRAC 2005. We hope to receive an interim report in May.

Conclusion

Thank you for giving me this opportunity to testify on the Department's implementation of BRAC. I am very proud of what the Department has been able to accomplish through the BRAC process—and of the central role my office has played in that process. Many if not most of these gains simply would not have been possible in the absence of BRAC. My office is monitoring the implementation of BRAC 2005 closely, and we will keep you informed about actions that are on a tight timeline. In four previous rounds, the Department has never missed a BRAC deadline, and we will make every effort to preserve our perfect record. We are also mindful of the impact that BRAC actions have on local communities, and we have requested a budget that would allow us both to provide the appropriate community economic adjustment assistance and to maintain the current pace of environmental cleanup of BRAC sites. I appreciate your strong support for military installations and look forward to working with you to continue to improve the effectiveness and efficiency with which we maintain them.

Mr. EDWARDS. Thank you, Dr. Robyn.
Mr. Hansen.

STATEMENT OF L. JERRY HANSEN

Mr. HANSEN. Thank you, Mr. Chairman. It is, indeed, a pleasure to appear before the committee.

Let me begin by thanking you, Chairman Edwards, Ranking Member Congressman Wamp, and the entire committee for your unwavering support to our soldiers, civilians, and family members.

The Army's BRAC program is an integral component of our transformation effort. And all Army—all BRAC activity takes place within the context of the largest transformation of the Army since World War II. That includes BRAC, Grow the Army, Global Defense Posture Realignment, Army Modular Force initiatives.

And all of those are programmed to achieve the Army's goals of winning overseas contingency operations, transforming from a division-structured, forward-deployed force to one comprised of more agile brigade combat teams stationed on U.S. soil, and growing the Army in a manner that facilitates the Army's ability to win decisively anytime, anywhere.

We are now 4½ years into the implementation of BRAC 2005, and we have 546 days left to complete the implementation of this complex and critical modernization of Army infrastructure. Although we fully recognize there are remaining challenges to implementing all of the BRAC 2005 actions, the Army is on schedule to do just that. We have a carefully orchestrated plan to complete the entirety by September 15, 2011, and to convey the property in a timely manner.

Some of the highlights of the Army's BRAC program include completing 77 MILCON projects with another 220 under contract and on schedule, closing 3 of the 12 major installations scheduled for closure under BRAC 2005, as well as 22 other reserve component installations.

At Fort Bliss, Texas, one of our largest growth installations, we are well on the way to growing three times in size. The first two BCT complexes are now complete, and the third is scheduled for completion in March of 2011.

Over \$2.1 billion in BRAC-related construction is occurring at Bliss, with 100 percent of the new and renovated facilities scheduled for completion by July of 2011.

Another example, Fort Lee will transform from the Army's logistics center to the Army sustainment center of excellence under BRAC 2005, with over \$1.2 billion in construction occurring at Lee, with 100 percent of the new and renovated facilities scheduled for completion of 2011.

Another is Aberdeen Proving Ground, Maryland, undergoing significant mission growth, transitioning from a soldier training-focused installation to a research and development center, with over \$1 billion in construction occurring and 100 percent of the new and renovated facilities scheduled for completion by July of 2011.

Seventeen hundred personnel, approximately 30 percent of the inbound professional administrative personnel, have already moved successfully to Aberdeen Proving Ground, and they report they like it very well there.

The Army has also committed to the timely conveyance of BRAC 2005 property. We have been working diligently with local redevelopment authorities to convey property at the time of closure or as close thereto as possible.

The Army has approved the first DOD economic development conveyance (EDC) for 8,700 acres at Kansas Army Ammunition Plant and signed the deed for the transfer of the first 2,600 acres in February of 2010. The innovative EDC MOA for that location was crafted in accordance with new authorities from the 2010 National Defense Authorization Act, which we appreciate and which allowed transfer at less than fair-market value and incorporated revenue sharing with the community, so a real win-win.

As we close and realign property, the Army's planning and integrating the environmental restoration of the property with the conveyance actions. We remain committed to the clean-up of BRAC 2005 and the remaining legacy properties that are transitioning from the federal government to private redevelopment.

Allow me to close today by stressing the importance of a timely appropriations bill this coming year. With less than 12 months remaining at the start of fiscal year 2011, we will need to move our personnel and transport their equipment to our gaining installation, and these BRAC actions require the soldiers, Army, civilian employees, and their families to move immediately following completion of facilities. And much of the funding for the relocations is required for obligation early in fiscal year 2011.

Once again, Mr. Chairman and members, I thank you for the opportunity to appear before you today and for your continued support to the Army.

[Prepared statement of L. Jerry Hansen follows:]

RECORD VERSION

STATEMENT BY

**MR. L. JERRY HANSEN
SENIOR OFFICIAL ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS AND ENVIRONMENT)**

BEFORE THE

**SUBCOMMITTEE ON MILITARY CONSTRUCTION
AND VETERANS AFFAIRS, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

SECOND SESSION, 111TH CONGRESS

**ON THE
ARMY BASE REALIGNMENT AND CLOSURE PROGRAM**

MARCH 17, 2010

**NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON APPROPRIATIONS**

INTRODUCTION

Mr. Chairman and members of the Subcommittee, it is a pleasure to appear before you to discuss the Army's Base Realignment and Closure (BRAC) Program. We appreciate the opportunity to discuss our program with you as we reach the final stages of implementing BRAC 2005. Thank you for your unwavering support to our Soldiers and their families serving our Nation around the world. They are and will continue to be the centerpiece of our Army, and they could not perform their missions so successfully without your steadfast support.

BRAC Program Highlights

All BRAC activity takes place within the context of achieving the Army's goals of winning Overseas Contingency Operations, transforming from a Division-structured, forward-deployed force to one comprised of agile Brigade Combat Teams (BCT) stationed on U.S. soil and Growing the Army in a manner that facilitates the Army's ability to win decisively anytime, anywhere. The Army is committed to completing BRAC by September 15, 2011. Program funding and execution are on track to allow the Army to complete all BRAC 2005 actions by September 15, 2011. The Army will award the remaining BRAC 2005 construction projects in FY 2010, which will enable the completion of all BRAC closure and realignment actions within the statutory deadline. The Army portion of the BRAC 2005 construction program is worth \$13.4B and consists of 328 projects with only 33 remaining to award.

The Army has now closed three of the 12 major installations scheduled for closure under BRAC 2005, and has also closed Kelly Reserve Support Center near Pittsburgh, PA, and 21 other reserve installations. The three major installations closed are Kansas, Mississippi, and Lone Star Army Ammunition Plants (AAP), and the Army is on

schedule to close the fourth ammunition plant at Riverbank on March 31, 2010. The remaining nine major installation closure actions and the multitude of realignment, construction, and personnel movement actions along with all other BRAC implementation actions are on schedule to occur within the statutory deadline of September 15, 2011. The Army, in collaboration with the Local Reuse Authorities (LRA), is expediting property conveyance much faster than in previous BRAC rounds.

The Army is working to accelerate property conveyance actions to occur within six months of installation closure or realignment. This aggressive goal is often difficult to achieve, however, the Army is poised to work with affected communities to get the BRAC properties transferred into economic redevelopment. The Army has approved the first DoD Economic Development Conveyance (EDC) for a BRAC 2005 property. The EDC Memorandum of Agreement (MOA) between the Army and the Great Plains Development Authority for transfer of approximately 8,700 acres at Kansas Army Ammunition Plant was completed on 12 Feb 2010 and the deed for transfer of the first 2,600 acres was completed on 19 Feb 2010. The innovative EDC MOA was crafted in accordance with new authorities from the 2010 National Defense Authorization Act which allowed transfer at less than fair market value and incorporated revenue sharing with the community. The Army is also actively negotiating property transfer actions that are scheduled to convey property this fiscal year to BRAC 2005-affected local communities for economic redevelopment.

Fort Bliss, Texas, has the largest Operational Army BRAC movement action. The installation will essentially triple in size from the Soldiers and Family members moving to Fort Bliss and the surrounding communities. The Army is well underway in constructing new facilities to support this massive growth. The first two BCT complexes are now

complete, and the third is scheduled for the 2nd Quarter of FY11. The Army is also on schedule to complete major transformations of installations through BRAC 2005 at Aberdeen Proving Ground, MD, Fort Lee, VA, Fort Benning, GA, and Fort Knox, KY.

In support of the Reserve and National Guard transformation, the Army is eliminating excess antiquated, substandard and undersized infrastructure by closing 176 Federal Army Reserve Centers and 211 National Guard Armories (with State permission) and constructing 125 Armed Forces Reserve Centers (AFRCs). Twenty-seven of the New AFRCs will include units from multiple military services or will be located on other service installations. Multi-service co-location provides the opportunity for joint training, enhances readiness, and promotes a more powerful and efficient Army. The Army has awarded 112 Reserve Component BRAC projects. Twelve have been completed, 100 are under construction and awards are pending on thirteen. The total Reserve Component BRAC construction program is \$3.14B. A total of 22 Federal Army Reserve installations have been closed.

Fort Lee will transform from the Army's Logistics Center to the Army's Sustainment Center of Excellence under BRAC 2005. This will occur by consolidating the Transportation Center and School, the Ordnance Center and School, the Ordnance Munitions and Electronic Maintenance School with the Quartermaster Center & School, the Army Logistic Management College, and Combined Arms Support Command. Additionally, it will become home to the Joint Center for Consolidated Transportation Management Training, the Joint Center of Excellence for Culinary Training, the Consolidated Defense Commissary Agency Office and the Defense Contract Management Agency. Over \$1.2B in construction is occurring at Fort Lee with 100% of the new and renovated

facilities projects awarded, and scheduled for completion by Jun 2011. All functions are scheduled to be operational at Fort Lee by Sept 2011.

Aberdeen Proving Ground (APG) Maryland is undergoing significant mission growth under Base Realignment and Closure (BRAC) 2005. Transitioning from a soldier training focused installation to a research and development center involves a significant amount of construction, infrastructure improvements, installation services and community transformation. Ten phased BRAC construction projects are currently underway with the first facilities being ready for occupancy in July 2010 and all missions moved by September 2011. Improvement to communications, utilities and facility infrastructures are 75 percent complete. As of March 2010 1700 personnel or approximately 30% of the inbound professional and administrative personnel have already moved to APG. The varied organizations plan, develop, test, and integrate systems directly employed by the warfighter and missions activities are maintained throughout the relocations. All BRAC relocations will be accomplished by 15 Sep 2010.

BRAC 2005

BRAC 2005 is carefully integrated with three other initiatives: Global Defense Posture Realignment (GDPR), Army Modular Force, and Grow the Army. Once implemented, the end results will yield tremendous savings, while positioning forces, logistics activities, and power projection platforms to effectively respond to the needs of the Nation.

As an essential component of Army transformation, BRAC 2005 decisions optimize infrastructure to support the Army's current and future force requirements. The elimination of Cold War-era infrastructure and the implementation of modern technology to consolidate activities free up

financial and human resources to allow the Army to better focus on its core war fighting mission. Under BRAC 2005, the Army will close 12 Active Component installations, 1 Army Reserve installation, 387 National Guard Readiness and Army Reserve Centers, and 8 leased facilities. BRAC 2005 establishes Training Centers of Excellence, Joint Bases, a Human Resources Center of Excellence, and Joint Technical and Research facilities. To accommodate the units relocating from the closing National Guard Readiness and Army Reserve Centers, BRAC 2005 creates 125 multi-component Armed Forces Reserve Centers and realigns U.S. Army Reserve command and control structure. By implementing BRAC 2005 decisions, the Active Army will maintain sufficient surge capabilities to expand to 45 maneuver brigades and handle dynamic contingencies, training, and operational demands now and into the future. BRAC 2005 better postures the Army for an increase in end strength by facilitating the Army's transformation to a modular force and revitalizing and modernizing the institutional Army through consolidation of schools and centers.

In total, over 150,000 Soldiers, and Army civilian employees will relocate under BRAC by September 15, 2011. The 1147 discrete actions required for the Army to successfully implement BRAC 2005 will place more than one third of the Army population in motion and create infrastructure aligned with the Army missions of today and into the foreseeable future. BRAC 2005 will enable the Army to become a more capable expeditionary force as a member of the Joint Team while enhancing the well-being of our Soldiers, civilians, and Family members living, working, and training on our installations.

BRAC 2005 Implementation Strategy

The Army has an aggressive, carefully synchronized, fully resourced, Fiscal Year 2006-2011 BRAC implementation plan, designed to meet the September 15, 2011 deadline, while supporting our national security priorities. Our BRAC construction plan is fully coordinated and carefully synchronized with other Army initiatives to support our overall strategy for re-stationing, realigning, and closing installations while continuing to fully support ongoing missions and transformation. This construction plan identifies requirements, defines scope, and considers existing installation capacity and infrastructure needs. It is an extremely complex plan that requires intensive management of 328 construction projects, re-stationing actions, BRAC moves, and deployment timelines to allow the Army to implement the BRAC statute while supporting critical missions worldwide.

The Army has awarded 90% of the BRAC construction projects and the remaining Army BRAC 2005 construction projects are on track to be awarded in fiscal year 2010. This will enable the movement of units and personnel in fiscal years 2010 and 2011, with expected completion by the mandated BRAC 2005 deadline.

In fiscal year 2009, the Army awarded 87 projects. This represents our largest construction year for BRAC 2005. Fiscal year 2010 is our fifth and final year of BRAC construction. As we approach FY 2011, the last year of implementation for BRAC 2005, I must emphasize the importance of timely receipt of funding. This last program year includes funding to move our personnel and to transport the equipment to our gaining installations. These BRAC actions require the Soldiers, Army civilian employees, and their Families to move immediately following completion

of facilities, and the funding for the relocations must be obligated months prior to the actual moves to cover up-front real estate costs and house-hunting trips. We must place early FY 2011 orders for furniture and installed equipment for the facilities scheduled for completion in FY 2011, and some of the equipment has significant lead times before delivery. Much of the money is required for obligation in the first quarter of FY 2011.

Our most complex and technically challenging BRAC 2005 projects include the construction of the three four-star headquarters facilities – Forces Command, Training and Doctrine Command, and Army Materiel Command. In accordance with priorities established at the beginning of BRAC 2005 implementation, the Army is now completing these headquarters complexes during the final year of BRAC 2005. Each new facility will significantly improve the infrastructure of these centers of Army leadership and enable us to attract the best and brightest workforce to provide forces and train and equip the force into the future. The Army is awarding many of the complex BRAC 2005 construction projects in increments. These increments include projects at Fort Benning, Georgia, Fort Lee, Virginia, and Aberdeen Proving Ground, Maryland, which establish the Maneuver Center, the Combat Service Support Center, and the C4ISR mission, respectively, at these installations. The complexity of integrating these movements and many others in BRAC 2005 is a daunting task. The Army has based all of the intensive planning to include four-star level reviews, and rehearsal of concept (ROC) drills on the timely award of the fiscal year 2011 program. The BRAC budget request provides funding for furnishings for BRAC projects awarded in fiscal year 2006, 2007, 2008, and 2009 as the buildings reach completion and occupancy. The request also funds movement of personnel, transportation costs and equipment associated with BRAC Commission recommendations.

In fiscal year 2011, the Army will achieve closure, continue environmental cleanup, and convey property for the purpose of economic redevelopment in a timely manner. Experience from prior rounds of BRAC indicates that caretaking properties for extended periods costs the Army tens of millions of dollars, causes facilities to deteriorate, and results in lost economic opportunities for affected communities. The Army is working diligently with local redevelopment authorities to negotiate transfer terms utilizing all available conveyance authorities. We can achieve timely transfers while often realizing some value from the properties to offset the cost of BRAC implementation. Changes to the FY 2010 Defense Authorization Act provide additional flexibility to recognize economic challenges and convey property where current market demand may not support absorption of large tracts of Army property. Each BRAC property and affected community presents unique circumstances and no one solution can fit the needs of all communities and protect the interests of the American taxpayers. We now have the capability, authorities, and willingness of the parties to permit the timely conveyance of the remaining BRAC 2005 properties.

Prior BRAC

Since Congress established the first Defense Base Closure and Realignment Commission in 1988 and then authorized the subsequent rounds in 1990, the Department of Defense has successfully executed four rounds of base closures to reduce and align the military's infrastructure to the current security environment and force structure. As a result, the Army estimates approximately \$13.5 billion in savings through 2009 – nearly \$1 billion in recurring, annual savings from prior BRAC rounds.

The Army is requesting \$73.6 million in fiscal year 2011 for prior BRAC rounds (\$5.2 million to fund caretaking operations and program

management of remaining properties and \$68.4 million for environmental restoration) to fund efforts at 147 sites at 14 prior BRAC installations. To date, the Army has spent \$3.1 billion on the BRAC environmental program for installations impacted by the previous four BRAC rounds. We disposed of 183,637 acres (88 percent of the total acreage disposal requirement of 209,292 acres), with 25,655 acres remaining.

SUMMARY

In summary, the Army has a carefully coordinated and synchronized plan for implementing BRAC 2005 mandates while continuing to conduct critical missions in support of Overseas Contingency Operations and homeland defense. These initiatives are a massive undertaking, requiring the synchronization of base closures, realignments, military construction and renovation, unit activations and deactivations, and the flow of forces to and from current global commitments. It is a balanced program that supports our Soldiers, their Families, Army transformation, readiness, and worldwide commitments. Your support and the support of this committee are critical to the successful implementation of this plan.

Thank you again for the opportunity to appear before you today and for your continued support of America's Army.

Mr. EDWARDS. Thank you, Mr. Hansen. We will revisit later your final comments, because they raise the question of, if we did not pass the BRAC appropriation bill on time, what would the implications be? Thank you very much.

Mr. Natsuhara.

STATEMENT OF ROBERT M. NATSUHARA

Mr. NATSUHARA. Good morning, sir.

Mr. EDWARDS. Good morning.

Mr. NATSUHARA. Chairman Edwards, Representative Wamp, and members of the committee, I am pleased to appear before you today to provide an overview of the Department and Navy's BRAC program.

Regarding BRAC 2005, our budget request of \$342 million will enable us to continue outfitting buildings, realigning functions, and closing bases in accordance with our business plans. To date, the Department has completed 253 of 488 realignment and closure actions, and we are on track for full compliance by the September 15, 2011, statutory deadline.

The most significant action we have planned for 2010 is the reversion of the main base at Naval Station Ingleside, Texas. We have been working closely with the Port of Corpus Christi to complete this action by the end of April, when the base will operationally close.

With respect to prior BRAC activity, we continue to use a variety of conveyance mechanisms available for federal property disposal, including the economic development conveyance (EDC) that was created for BRAC properties. Although over 90% of the property we have conveyed was transferred at no cost to the recipient, we have received over \$1.1 billion in land sale revenues. We have used these funds to accelerate environmental clean-up, and we are able to finance the entire BRAC environmental effort from 2005 to 2008.

Future opportunity for land sale revenues, however, are very limited, and we are requesting appropriated funds to continue our environmental clean-up efforts. Our requests of \$162 million will enable us to continue disposal actions and meet the minimum requirement for environmental clean-up.

We greatly appreciated the additional funding Congress has provided in the past, which we applied to accelerate clean-up of parcels to support community redevelopment priorities.

We would like to highlight a breakthrough, as Dr. Robyn mentioned, on our negotiation for the EDC of Naval Station Treasure Island. Negotiations have been ongoing with the city since 2007. With adoption of language in the fiscal year 2010 National Defense Authorization Act, Congress enacted new EDC language that allows flexibility and transfer terms, including accepting profit participation structures.

The environmental clean-up of Treasure Island is nearing completion. Once the city finalizes the environmental documentation and receives approval from the board of supervisors in late 2010 or early 2011, we will be in a position for the clean transfer of more than 75 percent of the base.

The Department continues to make excellent progress in implementing the BRAC actions. While meeting the September 2011

statutory deadline to complete the BRAC 2005 actions is challenging, we feel we have a reasonable plan in place to meet this requirement. We continue to work with regulators and communities to tackle complex environmental issues associated with prior BRAC installations and develop creative solutions to support redevelopment efforts.

Thank you for the opportunity to testify before this committee. I am ready to answer any questions you may have.

[Prepared statement of Roger M. Natsuhara follows:]

Not for publication until
Released by the
House Appropriations Committee

Statement of

ROGER M. NATSUHARA
ACTING ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)

Before the

SUBCOMMITTEE ON MILITARY CONSTRUCTION,

VETERANS AFFAIRS, AND

RELATED AGENCIES

of the

HOUSE APPROPRIATIONS COMMITTEE

March 17, 2010

Not for Publication until
Released by the
House Appropriations Committee

**Acting Assistant Secretary of the Navy
(Installations and Environment)**

**9/3/2009 - Present
Roger M. Natsuhara**

Roger M. Natsuhara was appointed Principal Deputy Assistant Secretary of the Navy (Installations and Environment) in August 2009 and reports as the principal advisor to the Assistant Secretary of the Navy (Installations and Environment), ASN (I&E). Natsuhara participates in the formation and management of Navy and Marine Corps installation and environment policies related to construction management; sustainment, restoration and modernization of facilities; acquisition, utilization and disposal of real property and facilities; environmental protection, planning, restoration and natural resources conservation; and safety and occupational health. He also serves as the senior installations and facilities program expert, and assists in discharging the responsibilities of the ASN (I&E).

Natsuhara first worked for the Boeing Commercial Airplane Company in Renton, Wash., as a senior engineer in the 757 Flight Test Integration Group. He entered the Navy through Officer Candidate School in Newport, R.I. and was commissioned an ensign, U.S. Navy in 1982.

His first assignment in the Navy was as a surface warfare officer aboard USS *Harold E. Holt* (FF-1074), where he served as the gunnery and missile officer and the anti-submarine warfare officer. During this assignment, Natsuhara was selected to the U.S. Navy, Civil Engineer Corps, where he served in a variety of assignments for over 22 years.

After retiring from the Navy, Natsuhara worked at Battelle Memorial Institute as a Navy Market Sector senior market manager. He was then the director of the Real Property, Facilities and Logistics Office for the National Oceanic and Atmospheric Administration (NOAA), with responsibility for the management and policies of all real property, facilities and logistics programs for NOAA.

Natsuhara was born and raised in Stockton, Calif., and received a Bachelor of Science in Civil Engineering from the University of California, Berkeley. He is a registered professional civil and environmental engineer. He later earned a Master of Science in Financial Management from the Naval Postgraduate School, Monterey, Calif., and completed the University of Michigan Executive Program in 2003.



Updated: 21 January 2010

Chairman Edwards, Representative Wamp, and members of the committee, I am pleased to appear before you today to provide an overview of the Department of the Navy's (DON) BRAC implementation efforts.

BRAC 2005 IMPLEMENTATION

The Department has made significant progress during the past year, and to date has completed 253 of 488 realignment and closure actions as specified in our established business plans. A number of construction projects have already been completed or are well on their way. The PB 2011 budget request of \$342 million will enable us to continue outfitting buildings, realigning functions, and closing bases in accordance with our business plans. The Department's BRAC 05 Program is on track for full compliance with statutory requirements by the September 15, 2011 deadline.

Accomplishments

In total, the Department has awarded 105 of 117 BRAC construction projects with a combined value of \$1.8 billion. The final 12 projects worth approximately \$303 million are on schedule for award this year. Some noteworthy achievements include:

- Seven BRAC construction projects, programmed at \$211 million, have been awarded and are under construction at Joint Base McGuire-Dix-Lakehurst, NJ. This work supports the relocation of units, aircraft, and equipment from the closure of Naval Air Station Joint Reserve Base Willow Grove, PA. These projects include aviation maintenance hangars, reserve training facilities, munitions maintenance buildings, supply and logistics storage, flight simulators, and aircraft intermediate maintenance areas. Almost 40 aircraft along with nearly 700 full-time and 1,500 reserve component personnel will relocate in 2011. The Navy supported the full operational capability of Joint Base McGuire-Dix-Lakehurst and successfully transferred all Navy real property in September 2009.
- Construction projects valued at over \$100 million have been awarded to support the Consolidation of Correctional Facilities into Joint Regional Correctional Facilities. A new level II (Medium Security) correctional facility is being constructed at Chesapeake, VA and additions to the existing Navy's Brigs in Charleston, SC and Miramar, CA are underway.

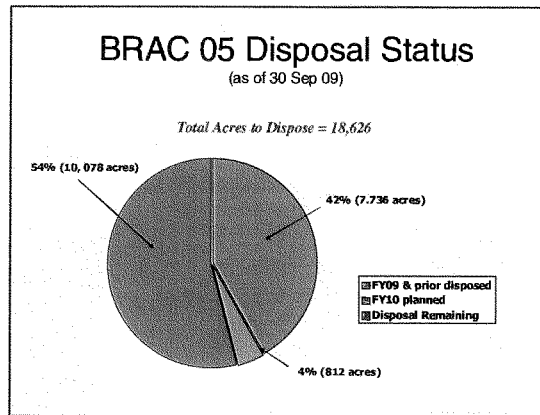
Community Reuse Planning Efforts

Fifteen impacted communities established a Local Redevelopment Authority (LRA) to guide local planning and redevelopment efforts and they have been receiving financial support through grants and technical assistance from the Department of Defense (DoD) Office of Economic Adjustment. Two communities are still preparing their plans with submissions planned for later this year. At the installations where the reuse plans have been completed, the Department has initiated the National Environmental Policy Act (NEPA) documentation for disposal of those properties. We have completed the NEPA process at three of those installations.

Land Conveyances and Lease Terminations

By the end of FY-2009, the Department disposed of 42% ¹of the property that was slated for closure in BRAC 2005. These disposal actions were completed via a combination of lease terminations, reversions, public benefit conveyances, and Federal and DoD agency transfers. Of interest for FY2009 is the complete disposal of Naval Air Station Atlanta. Thirty seven acres were returned

to the Air Force and 107 acres were transferred to the Army for use by the Georgia National Guard. Last year we also disposed of the Navy Reserve Center in Orange, TX for use by the community as a port facility.



The most significant action we have planned for 2010 is the reversion of the main base at Naval Station Ingleside, TX. We have been working closely with the Port of Corpus Christi to complete this action by the end of April, when the base will operationally close. The 2010 Plan also includes transfer of real property at Naval Air Station Brunswick, the Navy Marine Corps Reserve Center Tacoma, WA, the Inspector Instructor Facility Rome, GA, and the last parcel at Navy Reserve Center Duluth, MN.

Naval Support Activity New Orleans, LA

¹ The percent disposed is lower than stated last year as we added over 300 acres to the amount to be disposed due to property becoming available at NS Newport and completion of legal surveys over the past year.

Construction for the new building that will house Headquarters, Marine Forces Reserve and Marine Corps Mobilization Command is well underway in the future Federal City. When complete, the building will consist of four floors and approximately 411,000 square-feet of administrative space and be home to about 2,000 Marines.

To support the closure of Naval Support Activity New Orleans and the relocation of base operating support and tenant activities to Naval Air Station Joint Reserve Base New Orleans, nine construction projects have been completed and another five are on-going.

Naval Air Station Brunswick, ME

The Department's largest BRAC 05 operational action will close Naval Air Station Brunswick, ME, and consolidate the East Coast maritime patrol operations in Jacksonville, FL. The newly constructed hangar in Jacksonville, FL, completed in May 2009, is now home to all five relocated P-3 squadrons. It will also support the future transition to the P-8 Poseidon aircraft. Runway operations in Brunswick ceased in February 2010.

Naval Station Ingleside/NAS Corpus Christi, TX

With the success the Department has had in relocating the Mine Countermeasure ships, their headquarters, and supporting functions to San Diego, CA, Naval Station Ingleside is scheduled to operationally close on April 30, 2010, five months earlier than planned. To ensure a smooth turnover of real property for use by the Port of Corpus Christi, both agencies have worked cooperatively to complete the actions necessary to conclude the reversion to the Port by the closure date. This partnership has been crucial to the successful implementation of the recommendation.

Naval Air Station Joint Reserve Base Willow Grove, PA

In 2007, legislation was enacted directing the Department to transfer Naval Air Station Joint Reserve Base Willow Grove, PA to the Air Force, who would then convey property to the Commonwealth of Pennsylvania for the operation of a Joint Interagency Installation. Since that time the Department and the Air Force have worked with the Commonwealth on the actions required to implement the transfer of real property.

In November 2009, Governor Rendell of the Commonwealth of Pennsylvania informed the Secretary of Defense that the Commonwealth would no longer pursue the Joint Interagency Installation because of fiscal constraints. Based on that decision, the closure of Naval Air Station Joint Reserve Base Willow Grove will follow the established reuse planning process. To that end, the Department has initiated Federal Screening with other DoD and Federal

agencies and is working with the LRA, Horsham Township, on its reuse planning efforts.

Joint Basing

All four Joint Base Memorandums of Agreement (MOAs) where the Department is the lead component have now been approved. The MOA for each joint base defines the relationships between the components, and commits the lead component to deliver installation support functions at approved common standards. Resources including funding, personnel, and real property transfer to the lead component. The MOAs are reviewed annually for mission, manpower, and financial impacts and any needed resource adjustments. Joint Basing has two implementation phases. Phase I installations—Little Creek-Fort Story and Joint Region Marianas—reached full operational capability in October 2009, and Phase II installations—Anacostia-Bolling and Pearl Harbor-Hickam—are planned for October 2010.

Environmental Cost to Complete and Financial Execution

The Department's remaining environmental liabilities for BRAC 05 are substantially less than in previous rounds of BRAC given the relatively few number of closures, the absence of major industrial facilities, and the extensive site characterization, analysis, and cleanup that has occurred over the last several decades. Over the last year, we spent \$8 million in cleanup at BRAC 05 locations. The majority of this funded environmental activities at Naval Air Station Brunswick, ME and Naval Weapons Station Seal Beach Detachment Concord, CA. Our remaining environmental cost to complete for FY-2010 and beyond is \$103 million.

The Department is achieving an execution rate of our FY 2006—2009 funds of nearly 90%. We have realized bid savings on some construction projects and have primarily used these savings to offset other program increases.

Challenges

We are scheduled to meet the September 15, 2011 deadline and will continue to manage ongoing construction, outfitting and relocation efforts closely. Many of our construction projects require either special certifications or accreditations before occupancy to include DoD Explosive Safety Board approvals, accreditation of correctional facilities or certification of Sensitive Compartmented Information Facilities within constructed facilities.

We plan to continue to work closely with the other military services and defense agencies on complex relocation actions that require close coordination. While they remain on track for timely completion, we must maintain effective and continuous coordination to succeed.

PRIOR BRAC CLEANUP & PROPERTY DISPOSAL

The BRAC rounds of 1988, 1991, 1993, and 1995 were a major tool in reducing our domestic installation footprint and generating savings. All that remains is to complete the environmental cleanup and property disposal on portions of 16 of the original 91 bases and to complete environmental cleanup, including long term monitoring at 22 installations that have been disposed.

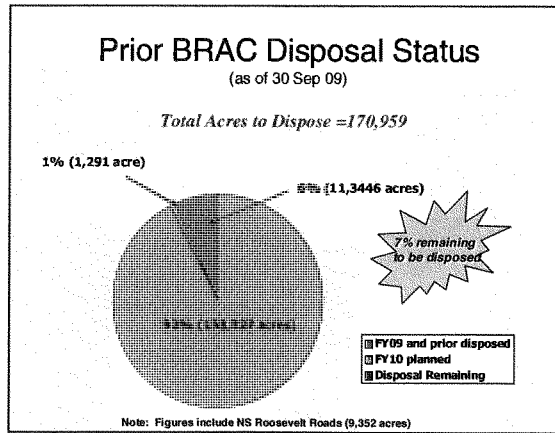
Property Disposal

We disposed of 154 acres of real property in Fiscal Year 2009, for a total of 93% of real property disposed in the first four rounds of BRAC. We continue to use the variety of the conveyance mechanisms available for Federal Property disposal, including the Economic

Development Conveyance (EDC) that was created for BRAC properties. Of the real property the Department has disposed, 91% of this property was conveyed at no cost to the recipient. From the remaining 9% of conveyed property, the Department has received over \$1.1 billion in land sale revenues. We have used these funds to accelerate environmental cleanup and were able to finance the entire DON Prior BRAC effort, from FY 2005 through FY 2008.

Future opportunities for land sale revenues, however, are very limited, and we continue our request for appropriated funds in FY2011. Our budget request of \$162 million will enable us to continue disposal actions and meet the legal requirements for environmental clean up.

Our disposal plan shows that most of our remaining disposal actions will be completed after FY 2010. Although we used the land sale revenue to accelerate environmental remediation efforts over the past few years, 45 percent of remaining property to dispose is pending completion of environmental remediation actions. Another 40 percent of our remaining property is affected by local community actions to change the approved reuse plans for the property. Two of our installations are the subject of local legislative initiatives that will



change the types of land uses for the property. At Naval Station Roosevelt Roads, the Commonwealth of Puerto Rico is considering legislation to allow gaming uses to support a new reuse plan called the 'Caribbean Riviera'. In California, Naval Air Station Alameda recently held a local referendum to change the land use density permissible on the installation property. With this measure being defeated at the polls in February, we will be working with the LRA to determine the next steps to move us toward disposal of the property.

Prior BRAC Environmental Cleanup

The Department has now spent about \$4.3 billion on environmental cleanup, environmental compliance, and program management costs at prior BRAC locations through FY 2009. Our remaining environmental cost to complete for FY 2010 and beyond is approximately \$1.4 billion. This includes \$160 million cost growth which is due in part to additional munitions cleanup at Naval Air Facility Adak, AK and Naval Shipyard Mare Island, CA, clean up at Naval Station Roosevelt Roads, Puerto Rico, and additional long term monitoring program-wide. The increase is also associated with additional radiological contamination at Naval Station Treasure Island, CA, Naval Air Station Alameda, CA, and Naval Shipyard Mare Island, CA.

Naval Shipyard Hunters Point, CA

Naval Shipyard Hunters Point represents one of the unique Prior BRAC challenges. The Department of Defense listed the shipyard for closure as part of BRAC 1991. Hunters Point Shipyard was included on the National Priorities List in November 1989. The Department has spent more than \$500 million to investigate and clean up contamination at Hunters Point, including the 78 installation restoration sites and 93 radiological sites. Congress has added a total of \$150 million to the entire Prior BRAC Program over the past three years, and we have used nearly \$100 million to accelerate the cleanup program at Hunters Point and finalize five Comprehensive Environmental Response Compensation and Liability Act (CERCLA) Records of Decision (RODs) with two more RODs planned for this year.

With this additional funding we have disposed of an additional 100,000 cubic yards of contaminated soil through removal and remedial actions, doubled the number of cleaned radiological sites to ten, removed more than 10 miles of radiological contaminated sewer and storm lines, and utilized emerging technologies to successfully cleanup groundwater plumes with one round of treatment.

The Department has worked closely with the City of San Francisco to prepare for the potential early transfer of key development parcels within the next year. This transfer of Parcel B (59 acres) and Parcel G (40 acres) followed by

additional transfers totaling 60 acres in 2012 make up close to 40% of the remaining land for development. With draft RODs currently in review for Parcel C (74 acres) and in preparation for Parcel E (135 acres), we plan to have an additional transfer in place for 2014. Significant strides have been made in readying parcels to support City redevelopment efforts.

Naval Station Treasure Island, CA

We would like to highlight a breakthrough on negotiations for the EDC of Naval Station Treasure Island. Negotiations had been ongoing with the City since 2007. Due to the disparity of the DON and City valuations, many compensation options were reviewed to convey the property while still obtaining Fair Market Value (FMV). The Navy had previously offered deferred compensation and percentages of gross revenue. The City had offered profit participation subordinate to a guaranteed return to developers. With adoption of language in the Fiscal Year 2010 National Defense Authorization Act, Congress enacted new EDC language that allows flexibility in transfer terms for EDCs including accepting profit participation structures.

Utilizing this authority, we were able to announce in December that an agreement in principle was reached with the City of San Francisco to convey 996 acres of the former Naval Station Treasure Island. The agreement guarantees \$55M to the Navy paid over 10 years with interest and an additional \$50M paid once the project meets a return of 18%. Then after an additional 4.5% return to investors (22.5% total), the Navy would receive 35% of all proceeds. This deal represents a unique opportunity to spur development, while still providing a guaranteed payment to the Navy as well as a share in the benefit of what both the City and the Navy expect to be a successful redevelopment and job generating project.

The environmental cleanup of Treasure Island is nearing completion. Once the City finalizes California Environmental Quality Act documentation and approvals with the Board of Supervisors in late 2010 or early 2011, we will be in position for the clean transfer of more than 75% of the base. The remaining cleanup includes the continued treatment of two small groundwater plumes and removal of low level radioactive contamination. These projects and the remaining transfer are expected to be complete well before the land is needed for subsequent phases of the redevelopment project.

Naval Air Station South Weymouth, MA

Naval Air Station South Weymouth was closed by 1995 BRAC action and the LRA, South Shore Tri-town Development Corporation, received approval for a Fair Market Value EDC covering 680 acres of the property. About 562 acres of

the requested area is environmentally suitable for transfer, but about 118 acres need further remediation work.

To this end, a term sheet was signed by the parties in FY2008 in which the Department would receive FMV for the property in the form of cash and in kind consideration where the LRA would incorporate environmental clean up efforts as part of the redevelopment activities on approximately 118 acres under a Lease in Furtherance of Conveyance. Upon completion of the clean-up actions, the Department would then execute a deed for those 118 acres. Unfortunately, the ability of the LRA to obtain bonds and the Congressional consideration of legislation affecting EDCs prevented this conveyance from being completed last year. We are continuing to work with the LRA on an amended application where the Department would retain environmental clean up actions.

CONCLUSION

The DON continues to make excellent progress in implementing the BRAC actions. While meeting the September 2011 statutory deadline to complete the BRAC 05 closure and realignment actions is challenging, we feel we have a reasonable plan in place to meet this requirement.

Although the remaining prior round BRAC installations present cleanup and disposal challenges, we continue to work with regulators and communities to tackle complex environmental issues and provide creative solutions to support redevelopment opportunities. We are very appreciative of the continued additional Congressional funding of our program and have been applying those funds to accelerate cleanup of parcels to support redevelopment priorities identified by communities.

Thank you for the opportunity to testify before this committee. I look forward to a productive dialogue with the Congress on our BRAC progress.

Mr. EDWARDS. Thank you, Mr. Natsuhara.
Secretary Ferguson.

STATEMENT OF KATHLEEN I. FERGUSON

Ms. FERGUSON. Chairman Edwards, Congressman Wamp, members of the committee, thank you for this opportunity to provide an update on the Air Force's efforts supporting the implementation of the 2005 Base Realignment and Closure program.

More than four years ago, the recommendations of the BRAC 2005 commission were approved, and today we are a mere 18 months away from the completion date of September 15, 2011.

For the Air Force, BRAC 2005 yielded seven Air Force installation closures and 59 realignments affecting 122 of our installations. General Mitchell Air Reserve Station was—Galena forward operating location Galena, Alaska, already considered closed, and the others are proceeding according to plan.

The Air Force's overall program is complex and diverse. And while there is still much work to be done, I am confident in informing the committee that the Air Force BRAC implementation efforts remain on track, on time, and within budget.

My written statement outlines two significant BRAC undertakings affecting San Antonio. The first is the creation of the Medical Education and Training Campus, or METC, on Fort Sam Houston, and the other is the creation of the 711th Human Performance Wing at Wright-Patterson Air Force Base, Dayton, Ohio, which facilitates the relocation of Air Force missions from Brooks City-Base, Texas.

BRAC 2005 recommendation 172 calls for consolidation of all enlisted medical training by relocating basic and specialty enlisted medical training onto a new educational campus. The METC campus is being constructed on Fort Sam Houston proper, with a total investment of \$790 million.

The Medical Education and Training Campus will be the home for joint military enlisted medical training for the Army, Navy and Air Force. The campus will serve over 9,000 students per day, with an annual pipeline of nearly 45,000 students.

In addition to the Medical Education and Training Campus on Fort Sam Houston, there will be a satellite field training campus on Camp Bullis as an integral part of student training. The campus is over 50 percent complete, with the first classes beginning in June of this year.

The creation of the 711th Human Performance Wing contributes to the largest military construction effort at Wright-Patterson Air Force Base since World War II. While over \$200 million in new construction will bed down the Human Performance Wing, the 711th Human Performance Wing merges the Air Force Research Laboratory Human Effectiveness Directorate with three functions of the 311th Human Systems Wing at Brooks City-Base, Texas, the United States Air Force School of Aerospace Medicine, the Air Force Institute for Operational Health, and the 311th Human Performance Enhancement Directorate.

In conjunction with the Naval Aerospace Medical Research Laboratory, relocating from Naval Air Station Pensacola and surrounding universities and medical institutions, the 711th Human

Performance Wing will create a center of excellence for aerospace medicine.

In regards to joint basing, the Office of the Secretary of Defense and the services continue to work through many complex issues to make joint basing successful. Memorandum of agreements have been signed for all joint bases, and full operational capability was achieved for all phase one bases, and we are progressing towards that same milestone for all phase two joint bases by 1 October of this year.

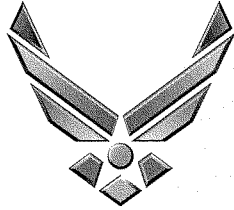
Mr. Chairman, the Air Force's total BRAC implementation budget for this round was \$3.8 billion, two-thirds of which was for military construction. Our military construction program calls for the last contract award by the end of this fiscal year. Throughout the implementation of BRAC 2005, the Air Force has been and remains fully funded.

Though this year's budget request is significantly smaller than previous years, let me underscore, its importance remains. It allows the Air Force to complete full implementation of all BRAC 2005 recommendations by the deadline.

Mr. Chairman, this concludes my formal remarks. I thank you and the members of the committee for your time and the opportunity for this update. And I look forward to your questions.

[Prepared statement of Kathleen I. Ferguson follows:]

United States Air Force



Presentation

Before the House Appropriations
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies

Base Realignment and Closure

Witness Statement of
Ms. Kathleen I. Ferguson,
Deputy Assistant Secretary of the Air
Force (Installations)

March 17, 2010

Not for publication until released by the House Appropriations Subcommittee on
Military Construction, Veterans Affairs, and Related Agencies

Base Realignment and Closure

March 17, 2010



BIOGRAPHY

UNITED STATES AIR FORCE

KATHLEEN I. FERGUSON

Ms. Kathleen I. Ferguson, a member of the Senior Executive Service, is the Deputy Assistant Secretary of the Air Force for Installations, Office of the Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C. She is responsible for the management, policy and oversight of the \$6 billion annual Air Force installation and facility programs. These include facility management, base closures, military construction, family housing, acquisition, maintenance, operation, repair and disposal of real property.

Ms. Ferguson began her career as a design civil engineer at Plattsburgh AFB, N.Y., in 1981. She transferred to Langley AFB, Va. in 1983, and held a variety of positions with the 1st Fighter Wing, Headquarters Tactical Air Command and Headquarters Air Combat Command until 1993. In 1994 she moved to the Pentagon where she worked with environmental and civil engineering programs.

Ms. Ferguson became Chief of the Installation Support Panel with the Office of the Deputy Chief of Staff for Installations and Logistics when the Air Force corporate structure stood up in 1995. From 1997 to 1999 she served on the headquarters staff for the U.S. Air Forces in Europe Command at Ramstein Air Base, Germany. She returned to the Pentagon and the IL office as Chief of the Installation Support Panel with the Office of the Civil Engineer. From 2000 to 2002, she worked for IL as the Combat Support Division Chief for the Directorate of Supply. Prior to assuming her current position, she was the Deputy Air Force Civil Engineer. Ms. Ferguson is a registered professional engineer in Virginia.

**EDUCATION**

1980 Bachelor of Science degree in civil engineering, University of New Hampshire
 1989 Air Command and Staff College, Maxwell AFB, Ala.
 1989 Master's degree in public administration, Auburn University
 2001 Program for Senior Managers in Government, John F. Kennedy School of Government, Harvard University

CAREER CHRONOLOGY

1. 1981 - 1983, design engineer, 380th Civil Engineering Squadron, Plattsburgh AFB, N.Y.
2. 1983 - 1988, Chief, Engineering Branch; Chief, Contract and Environmental Planning Section; and Contract Programmer, 1st Civil Engineering Squadron, Langley AFB, Va.
3. 1988 - 1989, student, Air Command and Staff College, Maxwell AFB, Ala.
4. 1989 - 1994, Deputy Chief, Programs Division, Headquarters Air Combat Command Civil Engineering;

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Chief, Military Construction Programs Branch, Headquarters Tactical Air Command Civil Engineering; later, Project Manager for MILCON Design and Construction, Headquarters Tactical Air Command Civil Engineering, Langley AFB, Va.

5. 1994 - 1997, Chief, Civil Engineer Programs and Analysis Branch; Chief, Installation Support Panel; and Environmental Program Manager, Civil Engineer Legislative Affairs Analyst and resource allocation team member, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.

6. 1997 - 1999, Chief, Programs and Resources Division, Civil Engineer Directorate, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany

7. 1999 - June 2000, Chief, Civil Engineer Programs and Analysis Branch and Chief, Installation Support Panel, Office of the Civil Engineer, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.

8. June 2000 - April 2002, Chief, Combat Support Division, Directorate of Supply, Office of the Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.

9. April 2002 - October 2007, Deputy Air Force Civil Engineer, Headquarters U.S. Air Force, Washington, D.C.

10. October 2007 - present, Deputy Assistant Secretary of the Air Force for Installations, Office of the Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C.

AWARDS AND HONORS

2005 Meritorious Executive Presidential Rank Award

(Current as of October 2009)

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Introduction

The Air Force appreciates the continued support received from Congress throughout the implementation phase of Base Realignment and Closure (BRAC) 2005. We began implementation of BRAC 2005 more than four years ago, and while we are just a year-and-a-half from the September 15, 2011 completion deadline, the Air Force has, and continues to make, great progress towards completing its BRAC 2005 program on time.

BRAC 2005 OVERVIEW

BRAC 2005 is characterized as highly joint and transformational. BRAC 2005 also ushers in new operations models like joint basing, multiple Defense Department consolidations, efforts to create intellectual centers of gravity at campus medical centers such as those at Joint Base San Antonio and Wright-Patterson Air Force Base (AFB), and the stand-up of the initial Joint Strike Fighter training school at Eglin AFB, FL. BRAC 2005 also included traditional actions such as weapon systems realignments. When fully implemented, BRAC 2005 will provide the Nation a more efficient, effective Air Force.

BRAC 2005 IMPLEMENTATION

The Office of the Secretary of Defense codified BRAC 2005 implementation requirements and responsibilities through the use of business plans, a process that allows synchronization across the entire Department of Defense (DoD). The Air Force leads 64 business plans and is an equity partner in an additional 16.

To implement the assigned recommendations, the Air Force's plan calls for the execution of nearly 400 separate actions utilizing a budget that has been, and remains, fully funded at approximately \$3.8 billion; two-thirds of this budget is military construction. Our BRAC military construction program will make its last contract award before the close of this fiscal

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year. In total, we will execute 231 BRAC military construction projects, on 54 installations, in 36 states. The remaining segment of the BRAC budget funds environmental efforts, military personnel costs, training, and operations and maintenance-funded elements.

SAN ANTONIO

No other BRAC 2005 location is more complex than San Antonio, TX. Nineteen independent BRAC recommendations affect the city and its installations. The Air Force established an executive oversight structure and a Joint Program Office at Randolph AFB, TX to effectively manage this challenge. This Joint Program Office, headed by a member of the Senior Executive Service, integrates all BRAC activities in San Antonio and reports to the Air Force's Air Education and Training Command commander. Its task is to consider every detail and ensure construction and mission schedules are tightly choreographed. The Air Force, in partnership with other stakeholders, further established an Executive Integration Oversight Board comprised of flag officers and equivalents from each San Antonio BRAC activity, along with advisors from the Office of the Secretary of Defense, the TRICARE Management Activity, the U.S. Army Corps of Engineers and other agencies with equity in successful BRAC implementation. Both integration and synchronization are paramount to the medical merger in San Antonio, the keystone to success in the region.

The new Tri-Service Research Lab (TSRL), being established on Fort Sam Houston, TX enables Navy and Air Force to cooperatively conduct directed-energy bio-effects research. The TSRL will focus directed-energy weapons effectiveness studies, support research on ways to protect service members from directed-energy devices, and improve health and safety standards for safe exposure to directed energy. The TSRL facility is progressing on schedule. Initial TSRL mission outfitting and transition begins May 2011.

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The Air Force is overseeing realignment of enlisted basic and specialty medical training. Five training centers from across the United States relocate into a single Medical Education and Training Campus (METC) on Fort Sam Houston. METC will be home for joint military enlisted medical training for the Army, Navy, and Air Force. With a total investment of \$790 million, the campus will consist of five instructional buildings, three dormitories, a dining facility, a physical fitness center and other structures which directly support world-class training for all Joint medics. The campus will serve over 9,000 students daily, with an annual pipeline of nearly 45,000 students. The campus is more than 50 percent complete, with the first classes beginning in June 2010. The dining facility is 100 percent complete, dormitory 1 completed in February 2010, and two remaining dormitories complete in August and December 2010. Also, two of five medical instruction facilities will complete by June and August 2010.

In addition to the Fort Sam Houston METC campus, there will be an extension field training facility on Camp Bullis as an integral part of student training. The entire Camp Bullis training area is expected to complete in August 2010.

Another complex challenge is establishing Joint Base San Antonio (JBSA) due to its size and scope. JBSA centralizes installation management functions for Randolph AFB, Lackland AFB, TX and Fort Sam Houston, TX installations spanning more than 30 miles from one side of San Antonio to the other. JBSA will provide support to approximately 80,000 military, civilians, and dependents that work and reside in the area.

JOINT BASING

Joint Base San Antonio isn't the only Department of Defense joint base. BRAC directed 26 Army, Navy, Air Force, and Marine Corps installations to form 12 joint bases. Of the 12 joint bases, 10 include Air Force installations. The Air Force is lead-service at six of these.

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The Joint Basing initiative consolidates installation management functions to achieve efficiencies and economies of scale while preserving war fighting capabilities and quality of life for Soldiers, Sailors, Airmen, Marines, and their families. The Office of the Secretary of Defense and the Services continue to work the many complex issues to make Joint Basing a success. A Senior Joint Base Working Group, led by the Deputy Under-Secretary of Defense for Installations and Environment, developed policy to guide this transition. Memoranda of agreement are signed for all joint bases.

Full operating capability was achieved for all Phase 1 joint bases and we progress towards that same milestone for all Phase 2 joint bases by October 1, 2010. Among the six Air Force-led joint bases, two are already at full operating capability: Joint Base Andrews-Naval Air Facility Washington, and Joint Base McGuire-Dix-Lakehurst.

WRIGHT-PATTERSON AIR FORCE BASE

The second largest segment of the Air Force's BRAC 2005 implementation program affects Wright-Patterson AFB (WPAFB) with the new Human Performance Wing and Sensors Laboratory consolidation. The Air Force's BRAC 2005 program is the largest military construction buildup at WPAFB since World War II. Well over \$200 million in new construction will bed-down the new 711th Human Performance Wing (HPW) at WPAFB as it transfers from its current location at Brooks City Base, San Antonio, TX which returns to the Brooks Development Authority on lease termination. The 711th HPW merges the Air Force Research Laboratory Human Effectiveness Directorate with these functions of the 311th Human Systems Wing at Brooks City Base: The U.S. Air Force School of Aerospace Medicine, the Air Force Institute for Operational Health, and the 311th Human Performance Enhancement Directorate. Once the Naval Aerospace Medical Research Laboratory collocates with the 711th

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HPW, and in conjunction with surrounding universities and medical institutions, WPAFB will be the center of excellence for aerospace medicine. These facilities will include classrooms, research laboratories, training facilities, aircraft mockups and a ditching pool. In addition to state-of-the-art centrifuge and hypobaric chamber facilities, the 711th HPW will also provide research and development in warfighter training techniques and technologies. This facility is on schedule with mission outfitting; transition begins February 2011.

Elsewhere at WPAFB, existing space will be altered to support consolidation of Air Force Research Lab's Sensors directorates from Hanscom AFB, MA and Rome Labs, NY. This newly modified facility will allow information fusion and virtual, rapid prototyping through teaming made possible by this realignment. In addition, it will integrate avionics with shared aperture sensor concepts and integrated offensive/defensive functions not currently collocated. Finally, this consolidation will provide a secure location for interactive Modeling and Simulation Laboratories with multi-level security, and support integrated aircraft and weapons system level evaluations. This facility is also on schedule; mission outfitting and transition begins March 2011.

BRAC 2005: THE AIR NATIONAL GUARD AND AIR FORCE RESERVE

Seventy-eight percent of BRAC 2005 implementation actions affect the Air Reserve Components in contrast to BRAC 1995 where just eighteen percent of actions affected either the Air National Guard (ANG) or Air Force Reserve (AFR). Many of the BRAC 2005 actions realigned similar missions or aircraft models to increase the efficient use of manpower, resources, and maintenance budgets. Single mission tasks were combined into Centralized Intermediate Repair Facilities where ANG, AFR, and active duty personnel work side-by-side. The Air Force Reserve has effectively managed manpower resources and minimized adverse

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impacts on personnel at locations such as General Mitchell Reserve Station, WI. The relocated reserve unit from General Mitchell is now fully operational at Pope AFB, NC. The ANG has better positioned units to accept future missions in such vital tasks as Homeland Defense, is more effectively integrated with the active force in current front-line fighters, and will share opportunities to accept new weapons platforms.

The Air Reserve Personnel Center (ARPC) moves from Denver, CO to Buckley AFB, CO providing better compliance with force protection and secures vital personnel records. Remaining in the Denver are avoids costs for personnel separations, retains a highly skilled workforce, and improves service with the latest in communications infrastructure. The new ARPC facility will be environmentally-friendly, and will allow disposition of Buckley Annex real property no longer required.

MULTI-SERVICE, MULTI-AGENCY SOLUTIONS AND EFFICIENCIES

In addition to managing BRAC actions on Air Force installations, the Air Force team is actively engaged with our sister-services and the Defense Agencies/activities ensuring the needs of Airmen are met when BRAC relocates them to sister-services installations. For example, the Air Force Transportation Management and Culinary schools move from Lackland AFB, TX, to Fort Lee, VA. This \$85 million move consolidates the Services' training functions at a single location and results in savings through economies of scale.

The Air Force is also an active participant on a working integrated process team chartered to collaborate and effectively implement commission recommendations to co-locate five independent intelligence organizations and two formal training programs aboard Marine Corps Base Quantico, VA. This collaborative effort focuses on people, processes, funding, planning, programming and execution. The facility's design integrates conference and classroom space in

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common areas while maintaining mission integrity for each Service and Agency. Similarly, the Defense Logistics Agency has Air Force functional representation onsite to minimize risk to ongoing operations during BRAC implementation as supply-related functions are consolidated at 13 locations. The resulting operations eliminate redundant functions, streamline supply processes, and yield savings through efficiencies.

BRAC 2005 EXECUTION REPORT CARD

BRAC 2005 impacts more than 120 Air Force installations. Whether establishing the F-35 Joint Strike Fighter Initial Training Site at Eglin AFB, FL, closing Kulis Air Guard Station in Alaska, or transferring Pope AFB, NC to the Army, the Air Force community as a whole – active, Guard, and Reserve – benefits from changes BRAC achieves. Among the seven closure installations, two are already considered closed while the others are proceeding according to plan. Nearly a third of assigned business plans are now considered complete and the rest are on schedule to complete by September 2011.

As this year's budget request represents the last for implementation, the Air Force expresses its gratitude for your continued support throughout the entire implementation phase of BRAC 2005. This year's budget request is significantly smaller than previous years', but its importance remains. To complete the Air Force's BRAC 2005 program, the Fiscal Year 2011 program focus is in budget areas that affect equipment and personnel.

LEGACY BRAC – REAL PROPERTY TRANSFORMATION

The Air Force remains a Federal leader in the implementation of the management principles outlined in Presidential Executive Order 13327, Federal Real Property Asset Management. We continue to aggressively manage our real property assets to deliver maximum

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value for the taxpayer, improve the quality of life for our Airmen and their families, and ensure the protection and sustainment of the environment to provide the highest level of support to Air Force missions. The Air Force is achieving these goals through an enterprise-wide Asset Management transformation that seeks to optimize asset value and to balance performance, risk, and cost over the full asset life cycle. Our approach is fundamentally about enhancing our built and natural asset inventories and linking these inventories to our decision-making processes and the appropriate property acquisition, management and disposal tools.

Even though the BRAC 2005 round did not reduce the Air Force's real property footprint, our current transformation efforts seek to "shrink from within" and to leverage the value of real property assets in order to meet our "20/20 by 2020" goal of offsetting a 20 percent reduction in funds available for installation support activities by achieving efficiencies and reducing by 20 percent the Air Force physical plant that requires funds by the year 2020. For the purpose of this hearing, I will focus on our management of BRAC properties and some of the real property management tools we employ.

BASE REALIGNMENT AND CLOSURE PROPERTY MANAGEMENT

To date, the Air Force has successfully conveyed by deed nearly 90 percent of the 87,000 acres of Air Force land directed by BRAC rounds 88, 91, 93 and 95, which we refer to as Legacy BRAC, with the remainder under lease for redevelopment and reuse. With the successful redevelopment of Air Force BRAC property, local communities have been able to increase the number of area jobs by over 31,000.

To complete the clean up and transfer by deed of remaining property, the Air Force is partnering with industry leaders on innovative business practices for its "way ahead" strategy.

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This strategy includes an emphasis on performance-based environmental remediation contracts, using such performance-based contracts on regional clusters of BRAC bases, and innovative tools such as early property transfer and privatization of environmental cleanup so the cleanup efforts complement, rather than impede, property redevelopment plans and schedules. Our objectives remain constant and clear: (1) provide reuse opportunities that best meet the needs of the Air Force and local communities, (2) move the process along smartly in each situation to get property back into commerce as soon as practical, and (3) provide transparency throughout the process. Of the 32 legacy BRAC bases slated for closure, the Air Force completed 20 whole-base transfers. Eight of the remaining 12 bases are targeted for transfer by the end of Fiscal Year 2010, while the last two (former George and McClellan AFBs) will transfer no later than the end of Fiscal Year 2013.

As the Air Force transfers BRAC property for civic and private reuse, it is paramount we ensure any past environmental contamination on the property does not endanger public health or the environment. The Air Force will continue to fulfill this most solemn responsibility, as reflected in our Fiscal Year 2010 request of \$115.7 million for Legacy BRAC cleanup activities, and another \$12.7 million for BRAC 2005 cleanup activities.

The Air Force's environmental clean-up program hit a high point in 2009 when Environmental Protection Agency (EPA) officials removed more than 2,900 of 3,552 acres at the former Griffiss AFB, NY, from their list of potentially hazardous sites. After more than two decades and \$138 million in clean-up costs, Air Force specialists successfully remediated many of the potentially hazardous waste sites at the former Strategic Air Command base, making it eligible for removal from the EPA's National Priorities List (NPL).

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As the Air Force continues cleaning, restoring and transferring property to the community, these former bases are attracting clean, green businesses by the day. California bases provide a good example. McClellan and Mather in Sacramento, George in Victorville, Castle in Atwater, March in Riverside, and Norton in San Bernardino – all on the EPA’s NPL due to pollution from former days – house growing numbers of businesses promoting environmentally-friendly practices and products.

McClellan Park in Sacramento may be the green giant of the group, with numerous tenants on the leading edge of green technology. It now has more people working there than when McClellan AFB closed in 2001. One new tenant is the 91,000-square-foot factory of ZETA Communities, manufacturers of “net-zero energy” homes, which produce as much energy as they use over the course of a year. Constructed in modules, the buildings use photovoltaic power (also known as solar power), Energy Star appliances, ultra-efficient insulation and high-performance windows, among other features. The McClellan Park factory can produce five modules (or two townhouses) per day. ZETA also manufactures energy-efficient, mixed-use facilities at McClellan and is planning to produce green housing and other buildings for various military bases around the U.S.

The Air Force is seeing success with BRAC 2005 bases as well. In 2009, Galena Forward Operating Location in Alaska was the first BRAC 2005 base to transfer property when it returned 60 acres of leased land to the local community. The Galena Interior Learning Academy now occupies this site and operates a statewide boarding school with academic and vocational training for students in grades 9 to 12. In 2010, General Mitchell Air Reserve Station, Milwaukee, WI is slated for whole base transfer. Adjacent to the General Mitchell International

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Airport, the Air Force has already licensed seven facilities to the local redevelopment authority in advance of whole base transfer in early summer. Overall, approximately 90 percent of legacy BRAC property has transferred to local communities, with all remaining property to be transferred by 2013.

As you can see, the Air Force's BRAC property management framework involves an understanding and balancing of our mission needs and risks with market dynamics, the federal budget, the condition and performance of our assets, and the need to protect the environment.

SUMMARY

Thousands of man-hours were spent planning, coordinating, meeting, scrutinizing, discussing, visiting bases, and executing the nearly 400 actions the Air Force must implement to complete BRAC 2005; thousands more man-hours are still ahead. The good news is the Air Force will conclude its program successfully and within the budget established at the outset of BRAC 2005.

The Air Force is fully engaged in executing our requirements and remains squarely focused on successfully implementing all BRAC 2005 recommendations no later than September 15, 2011.

IMPACT OF STATUTORY DEADLINES

Mr. EDWARDS. Thank you, Secretary Ferguson.

Dr. Robyn, let me begin with you, and then if others of you want to comment, if you believe that would be helpful, if it affects your particular projects. I salute you, Dr. Robyn, for wanting to have every BRAC recommendation implemented by September 15, 2011, because that was the direction of Congress, that is the law of the land, and to ignore that would be to ignore the law of the land.

But I would just like to delve for a few minutes into, what are the costs—are there some adverse results and adverse costs to taxpayers of being arbitrary in trying to follow that? And perhaps our authorizing trends do not want to change that deadline for any single project, but it is at least something we ought to look into, because this subcommittee's responsibility is to see that the taxpayers' dollars are spent wisely and for the long-term benefit of our troops and their families.

Let's talk about Fort Belvoir, just as an example. It is my understanding that \$53 million to meet the deadline, will be spent for temporary facilities to relocate 973 personnel. That \$53 million of facilities will have to then be replaced by permanent facilities.

If you did not have the September 15th deadline, would there be a way to save taxpayers' dollars and better serve these personnel and the people they serve?

Ms. ROBYN. Let me answer it generally, and then I think I am going to let Jerry Hansen talk about Fort Belvoir in particular. But you said that you understand the importance of trying to meet our legal obligation. And that is part of it. But I want to expand on that. And I think the comments that Congressman Wamp made are very relevant.

BRAC is an unusual mechanism. We have Dick Arme to thank for it, and it is something—as you indicated, we should be doing more of this rather than less. And people around the world are trying to emulate the BRAC process. It is a difficult one, but it ties our hands, but that is the beauty of it. It imposes discipline that we do not really want, but the alternative is worse.

Let me mention a couple of reasons why meeting the BRAC deadline is so important. First of all—and as I just indicated—it preserves the discipline on us. There is an all-or-nothing quality to BRAC. There is an all-or-nothing nature to the votes. You vote it up or down. It is all or nothing.

And the same with us. This is so—keeping that discipline on us—is enormously important. It ends the turmoil of the transition. The process is meant to be fast to get the pain over with. It allows that to end. It gets contractors off the base. And it provides certainty for the community so that they know that this is going to be done by a particular date.

And all of these benefits spill over, I think. They spill over if there is another BRAC round. And so I think it is more than just meeting the letter of the law. It is for all of these reasons, in some cases, that does mean spending a little bit more in order to meet the deadline.

Mr. EDWARDS. Right. And let me just quickly say, I think that is a very persuasive argument for the benefits of meeting the dead-

line. But since you used cost-benefit analysis on a daily basis in deciding to fund or not to fund projects, I would just like to know what the costs are going to be. The benefits are perhaps intangible, but yet very real, and I do not minimize those for one minute.

I would like to know or get some sense, though—we are talking about one site, \$53 million, or, you know, hundreds of other millions of dollars at Fort Belvoir and \$1 billion elsewhere in order to meet this deadline so that at least Congress could say, look, all right, these are the benefits that you have outlined very, very precisely and very persuasively, but these are the costs.

I just do not want to be blind on the cost side of the cost-benefit analysis as sticking to this. And so that is—at some point, I would appreciate—would not expect you to have this at this moment, but at some point, I would appreciate some objective, fair—not fudged—fair, objective analysis of what the additional costs are, such as if you send this \$53 million as being spent to meet the deadline.

Is it \$1 billion of extra cost?

Ms. ROBYN. No, no, no. No.

Mr. EDWARDS. You know, a couple of hundred million dollars? What—

Ms. ROBYN. Yes, I think we went through the six challenges, most challenging places yesterday with Walter Reed and others. And that particular site, Belvoir, and those relocatables, that is the most challenging one and the most expensive.

Mr. EDWARDS [continuing]. So you mentioned Belvoir. You mentioned the closing of Walter Reed. What are the other four sites?

Ms. ROBYN. Let's see. There is San Antonio. Let me get my list.

Mr. EDWARDS. Which—Fort Sam? Which project at San Antonio? Fort Sam?

Ms. ROBYN. Thank you. FORSCOM and the U.S. Army Reserve Command, San Antonio Regional Medical Center—and Kathy can speak to that—Walter Reed, miscellaneous facilities at Belvoir, relocating the Medical Command headquarters. I believe that is here in D.C. And then Fort Bragg, is that—yes, Fort Bragg.

USE OF RELOCATABLE FACILITIES

Mr. EDWARDS. Okay. Do you have some flexibility, Dr. Robyn, in terms of defining what meeting the BRAC deadline means? Does it mean a contract has to have been signed or the physical space has to have been opened? Do you have some flexibility there so that reason can be part of this process and not just the arbitrary deadline as the only criteria?

Ms. ROBYN. There are some. I believe the function has to have physically moved, so there is less flexibility there than you would think, but there is some.

Mr. EDWARDS. Okay.

Ms. ROBYN. Our lawyer is—you know, can go on and on about this at great length, but it is not—there is not a huge amount of flexibility. There are certain things that we need to get done, and the primary thing is to actually move the function.

Mr. EDWARDS. Okay. Thank you. And, obviously, we will need follow-up meetings where we can talk in more detail than we can at this hearing.

But, Mr. Hansen, could you briefly tell me, is that figure about right, for \$53 million? And what kind of relocatable facilities will they be? How long will those be used before that \$53 million of facilities is replaced by permanent facilities?

Mr. HANSEN. Yes, Mr. Chairman. We, as Dr. Robyn indicated, do have the plan that will comply with BRAC, but it does involve relocatables during that period of time, and those are on permanent-type structures, I mean, on platforms, but—so they are not like construction trailers. They are buildings that look fairly permanent, but they are modular, and they are—

Mr. EDWARDS. Modular offices?

Mr. HANSEN. Yes, sir.

Mr. EDWARDS. Okay.

Mr. HANSEN. And the Army, while committed to complying with BRAC, will continue to communicate with the members over this last 546 days to ensure that you are fully informed and can express any concerns or other alternatives that you would like us to explore.

Although we do not have a defined alternate plan at Belvoir at this time, we are always working to achieve efficiencies and effectiveness in our implementation. And we will be—as we refine possible alternatives for your consideration—we will certainly present those.

Mr. EDWARDS. What time period do you expect as of now for those \$53 million of relocatable facilities to be replaced by permanent accommodations there?

Mr. HANSEN. We are working on the—as you know, the 12 to 17 POM and would envision that any military construction still required at Fort Belvoir would be included in that, the front end of that, I would hope.

Mr. EDWARDS. Okay. Okay. So we are not talking about 6 months or 9 months? It could be several years?

Mr. HANSEN. Yes, sir.

Mr. EDWARDS. Is that \$53 million about correct? Is that for this particular—

Mr. HANSEN. Yes, it is.

Mr. EDWARDS. Any other cost for temporary facilities at Fort Belvoir, in addition to these \$53 million that would be required in order to meet that September 15, 2011, deadline?

Mr. HANSEN. Yes, Mr. Chairman. There is approximately \$33 million for the Office of Chief of Army Reserve that will be established in current warehouse space that will be reconstructed. But it will save us significantly in lease costs. The total net cost is probably—is approximately \$69 million for the total.

Mr. EDWARDS. For everything at Fort Belvoir?

Mr. HANSEN. For the relocatable—

Mr. EDWARDS. Net cost of \$69 million. Okay. Thank you very much.

Mr. Wamp.

WALTER REED ARMY MEDICAL CENTER

Mr. WAMP. I do not know who would give us a more specific answer on the six particular at-risk projects with respect to meeting the deadline, but for the good of the members, I think we ought to

have a little more detailed summary. We would like to know the six locations, the expected delay, the cost factor, and a summary.

You might have to bounce around to give us each one of these six so that we all hear, why they are in jeopardy and the level of rush with each. Please start with Walter Reed.

Mr. HANSEN. The Walter Reed, sir, is, of course, a combined Army and Navy project, so we—from the Army perspective, we are committed to and fully expect to be able to complete the Walter Reed relocation on time by 15 September, 2011, be moving into Navy facilities.

And I defer to my colleague on the Navy part of that. But it is my understanding that anything that will not be ready by September 11 would be ancillary type of buildings, and there are mitigation strategies in place for those.

Mr. NATSUHARA. The Department of Navy is within budget on BRAC 2005, and we do not anticipate having to lease any space, that we will complete our projects on time, including Bethesda to accommodate the Walter Reed closing.

Mr. WAMP. Okay. You talked about Fort Belvoir, but what about the others?

SAN ANTONIO, TEXAS

Ms. FERGUSON. I can talk a little bit about San Antonio. Recommendation 172 really had two components to it. One was closing the inpatient operations at Wilford Hall on Lackland Air Force Base and relocating that to Brooke Army Medical Center at Fort Sam Houston.

And the second one was to consolidate enlisted medical training from a number of U.S. locations to Fort Sam Houston. The second one is not at risk at all. That one is proceeding. That will be accomplished on time.

The one that does have some risk and we consider medium risk is the closing of the inpatient operations at Wilford Hall and relocating to Brooke Army Medical Center. And we have looked at that as medium risk. And the reason we classified it that way is currently the consolidated medical tower and renovations at Fort Sam Houston are scheduled to be complete in July of 2011.

If there are any hiccups during the construction, that pushes that to the right. That does put that in some jeopardy, so we are continuing to monitor that very closely. We are looking right now to see if there are other mitigation efforts that can be done in case that does slip.

But right now, we are still on track, but we do recognize, because it is so close to the deadline, if there are any issues that crop up during construction that could put the relocation from Wilford Hall to Brooke at some risk for meeting the deadline.

FORT BRAGG, NORTH CAROLINA

Mr. WAMP. Fort Bragg?

Mr. HANSEN. Regarding Fort Bragg, Mr. Congressman, the one project that I believe was discussed was a project to construct a warehouse at Fort Bragg to provide temporary swing space for serial movements of FORSCOM and U.S. Army Reserve Center per-

sonnel from Fort McPherson to Bragg and its plan for contract award approximately 11 March, 2010.

This project is currently being staffed for congressional notification, and completion is currently planned for a soldier-ready date of 1 May of 2011. So this involves outfitting a warehouse with some temporary office space inside for swing space until a completion of the permanent buildings.

Mr. WAMP. And the Medical Command—

Ms. ROBYN. Yes, this was a commission recommendation, not a DOD recommendation. So we were—in the implementation of it. It is not high risk—we have characterized it as medium risk, rather than high risk.

Let me—hold on. I think there is—GSA is waiting for some committee. They need some sort of action—I am sorry?

Mr. WAMP. Okay.

Ms. ROBYN. I only know a little bit about this. GSA needs to proceed on with the lease. But this is a lease action, and so there is going to be GSA involvement on that.

TEMPORARY EXPENSES

Mr. EDWARDS. So could I piggyback with Mr. Wamp? Will there be temporary expenses—

Ms. ROBYN. No.

Mr. EDWARDS [continuing]. Tens of millions of dollars to do something temporarily?

Ms. ROBYN. No. I think the two high-risk ones of the six are Belvoir, which you have heard about, and the Mark Center, which is also Belvoir. That is Belvoir north. This is the large building that is being constructed at Seminary Road off of 395. The schedule for—the construction is on time. The schedule for move-in bumps up close to the deadline.

And we said yesterday to your staff, we need better fidelity from WHS, Washington Headquarters Services, on that in order to give you a better picture. We are treating that as high risk, but, again, none of—we have not identified any costs associated with trying to meet the deadline on that.

Mr. WAMP. Mr. Chairman, I have a short question. It appears you all are going to carry almost \$1.2 billion of unobligated balances into 2011, and I wonder why the high level of unobligated balances would be carried into the next fiscal year.

Mr. EDWARDS. Is that in the BRAC account?

Ms. ROBYN. In MILCON or non—

Mr. WAMP. In the budget appendix of the 2005 BRAC account, there is an unobligated balance carryover of almost \$1.2 billion, \$1.85 billion.

Ms. ROBYN. I do not know. I am not sure.

Mr. EDWARDS. Would that be for projects where you are making further improvements? You have already moved into Belvoir, and you are for the next couple of years making additional improvements? Or—

Mr. HANSEN. We show approximately—just a little over \$600 million, sir, and from the Army perspective, we have obligated approximately 29.27 percent of the fiscal year 2010 funds received to date. And we are fairly comfortable that we will have efficient exe-

cution of the remaining funds. Now, that is not to say that they will all be used, but that it will not be a large amount remaining.

Mr. WAMP. I have other questions next round, Mr. Chairman.

Mr. EDWARDS. Okay. Thank you, Mr. Wamp.

Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman. Thank you for having this hearing. I would like to thank you all for your public service.

And, Dr. Robyn, I would just like to personally thank you. I think you bring a personality and a professional style that is really making this BRAC system work, and I really appreciate that.

We have had five rounds of BRAC, started in 1988 and second one was in 1991; 1991 was when they announced that the base in my district, Fort Ord, which was a training base for the 7th Infantry, was going to be closed. It was the largest military base ever closed in any BRAC round. It affected 33,000 people—people who just left seemingly overnight.

We still have a little bit of the base realigned for military, and we still have 6,000 active military personnel going to the Naval Postgraduate School and Defense Language Institute and a bunch of other military programs. \$1 billion of defense money is spent in Monterey County.

But I ran for Congress because I knew this was going to be the biggest real estate transfer ever. It really affected the whole region, and I wanted to try to get some things done there, like establish a university, which we did. In fact, Secretary Perry came to transfer the property, and President Clinton came to inaugurate the opening of the university that we got started.

On the day I arrived in Congress, I had to testify on the 1993 round. I got elected in June 17 years ago. DoD was trying to close or realign the Defense Language Institute, and I was able to defeat that, and twice defeat the potential closure of the Naval Postgraduate School. Fort Hunter Liggett was realigned, but only slightly. So won some, lost some.

But I thought when I came that BRAC would consume my first year in Congress my first term, and I have learned that it ended up defining my entire 17 years, because of all the issues, so many issues. And so I want to ask some questions today.

BRAC CLEAN-UP

I think the clean-up account is so important because it is the responsibility of the federal government to clean up the dirt. So any kind of municipal waste, toxic waste, and especially the big one, unexploded ordnances, have to be cleaned before the land can be transferred. This is a strict liability. The federal government is liable forever if any hazardous waste is found on it.

You did mention that you were able to get much more clean-up done with the beefing up of the account last year, which this committee did, and the chairman did, and I am really proud for having done that, appropriating more than the president asked for.

I was really shocked at President Obama's FY11 request, which is \$137 million less than what Congress appropriated last year. And I think, Dr. Robyn, you testified that, you know, you can get a better bang with a buck because contracts are cheaper. It seems

to me that that is just the reason why you should double down. I mean, why not clean up twice as much? And, indeed, if you are getting a better bang for the buck, the clean-up should be moving ahead of schedule.

Ms. ROBYN. Let me give you two answers to that. First of all, I think what we should be doing—and I am committed to trying to make this happen while I am in the Department—is increasing our spending on R&D for unexploded ordnance. That is the area where the Defense Department is developing technology to better clean up unexploded ordnance.

The technology being used now has 99 percent false positives. We are developing technology. There is one being developed with Berkeley. It is called BUD. It is a system that has radically better reliability.

Mr. FARR. Well, we have developed some of that at Fort Ord with a contractor on the ground—

Ms. ROBYN. Right. Right.

Mr. FARR [continuing]. Who has done a great job, really bright kid who has built this thing with his father in the garage, which is able to draw readings of what is underground. Usually if there is any metal underground, you do not know whether it is a beer can—

Ms. ROBYN. Right.

Mr. FARR [continuing]. And there are a lot of buried beer cans; I do not know how they got those into maneuvers, but they did—Or unexploded ordnances. It is hard to know if it is pipelines or junk.

Ms. ROBYN. Right.

Mr. FARR. I mean, there is all stuff there. So—

Ms. ROBYN. So the technology is out there. It needs to be tested. We need to demonstrate it at a much higher rate than we are doing in order to get it. And there may be—there are—I know you have a whole panel on clean-up, but this is—we have a wonderful program, SERDP, Strategic Environmental R&D Program, and then a demonstration counterpart, which I oversee, that is—they think that with a very modest expenditure over 5 years to demonstrate this, they can save the Department \$10 billion in clean-up costs.

Mr. FARR. But why now then cut the budget?

Ms. ROBYN. Well, I think that is a different—this is a different budget than that. That is an RTD&E line, which we did cut—

Mr. FARR. Why did you ask for \$137 million less when the need is to increase?

Ms. ROBYN. I think—I am going to ask Jerry to say something about this. But I think it reflected a combination of bid savings, efficiencies, and some significant overestimation of the amount of property that needed to be cleaned up, which when the services took—and Army in particular took a more refined look, was substantially less than what they had—

Mr. FARR. That is hard to believe. How many bases—I mean, we have had five rounds. We mostly talk about the latest round, which was the 2005 round. That is because that is the big politics of the Congress right now. Everybody forgets the bases that were closed and are still out there.

Ms. ROBYN. The bulk of the budget is for the former bases. Only about 100—

Mr. FARR. How many are still yet to be cleaned up?

Ms. ROBYN. A hundred million are—I do not—well, I mean, as you know, the clean-up goes on for a long period of time, so many are left to be cleaned up. It is a question of the rate at which you are doing it.

Mr. FARR. I agree with you, everything you are saying. But I cannot understand from one word that you have said why the budget was cut.

Ms. ROBYN. Well, it is a good news story, because it does reflect bid savings, overestimation. I mean, it is not that, you know, we—intense competition for the money—and this is an area where we discovered that we had actually overestimated what we needed to do. And so we are staying on pace to clean up at the same rate that we have been—

Mr. FARR. Well, why is that? If you are saving some money—

Ms. ROBYN. Well, why not faster? Yes.

Mr. FARR. Because everybody is waiting. We have to find out how many bases need to be cleaned up.

Ms. ROBYN. Can I ask Jerry to elaborate on the—

Mr. FARR. Sure, if you have an answer to that.

Mr. HANSEN. Well, Mr. Congressman, of course, we have a lot of competing resources requirements right now that are competing for scarce resources. But part of this is executability and part of it is the fact that we do feel we have a—

Mr. FARR. What do you mean by executability?

Mr. HANSEN. How much we can do in a given year, for instance, at Fort Ord, where we have the burn restrictions that you are familiar with.

Mr. FARR. That is not the only base in the country.

Mr. HANSEN. No, sir.

Mr. FARR. So it is—I mean, are you talking about, you do not think there is capacity out there to do the work?

Mr. HANSEN. Well, there is not unlimited capacity. There is certainly some capacity to do more in a given year.

Mr. FARR. Are you spending as much money as you can spend to get the job done and essentially engage the clean-up industry to do all they can do? Are we holding back?

Mr. HANSEN. We programmed as much as we felt was affordable and executable in a given year. Sir, we appreciate the assistance we got in previous years to get a little bit ahead of that curve.

Mr. FARR. I do not accept those answers, but, anyway, thank you.

ECONOMIC DEVELOPMENT CONVEYANCE

I want to move to another issue, which is the EDCs, and I thank you for your approach to looking at EDC conveyance base by base. Handling that way is the smart thing to do, because there are no one-size-fits-all solutions. How many no-cost EDCs are pending request for EDCs?

Ms. ROBYN. I do not know the exact number.

Mr. FARR. How about the number of—how many bases are attempting to utilize the EDC law?

Ms. ROBYN. I do not know the exact number. I mean, it is—Kathy, do you want to—okay. All right. Maybe we could go—

Ms. FERGUSON. The Air Force is looking at five EDC applications right now, three for legacy BRAC, two for BRAC 2005. And we are on a path to try to do this over the next couple of years, and we can give you the details when each one of the bases—

Mr. FARR. Is that each—that for each of the services?

Ms. FERGUSON. Yes. Do you know—

Mr. FARR. And, also, I would be interested in how many of them are asking for a no-cost EDC. Do you know?

Ms. FERGUSON. I do not know offhand. We are still working with some of the communities to see if they will come in with a no-cost or not, but we can get that—

Ms. ROBYN. I think one—there are cases where there is absolutely no question this is—a property is essentially not worth anything. It is very rural or for other reasons it is easy to say that is no-cost.

There are another class of closed bases, like Treasure Island, where there is dispute over what the value is, and I think the Treasure Island model, which involved backend participation—so it is a limited—more limited upfront payment by the community, but then the Department, the federal government gets a share of revenues on the backend, that is a very good model. And—

Mr. FARR. It is. We do that in politics. We call them triggers. For example if you have two possible outcomes, disagreements on whether one is going to happen or the other, you say, okay, if “X” happens or does not happen, this will happen.

Ms. ROBYN. Right.

Mr. FARR. And there are consequences. But you make a decision. That is what I think you are good at.

Ms. ROBYN. Right.

Mr. FARR. I have got some more questions. I will do it the next round.

Mr. EDWARDS. Thank you, Mr. Farr.

INITIAL COST ANALYSIS AND ACTUAL COST

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman. And thank you all for being here today.

Secretary Robyn, welcome.

Ms. ROBYN. Thank you.

Mr. CRENSHAW. You mentioned in your testimony that nobody has ever missed a deadline, but I know you all know that from time to time you do miss the cost estimates—

Ms. ROBYN. Yes.

Mr. CRENSHAW [continuing]. Not you personally, but you are new on the job, and you were not around when they said, well, this round of BRAC is going to cost \$21 billion. And those of us on this committee who kind of provide the funds know it is closer to \$35 billion.

And so I want to talk a little bit about that, because I note—you do not want to be short-sighted. Sometimes it makes sense to spend a little bit more money. I know in my own backyard at NAS JAX, part of the BRAC was all the P-3s were going to come down

from New Brunswick, Maine, and we had to build a hangar. And then that was all part of the original estimate.

And somebody says, well, you know, there is another aircraft called a P-8 that is going to kind of be a successor. And if we are going to build a hangar, we ought to provide for that next generation of aircraft, and so that cost more money.

But, obviously, it was a better thing to do, enhance capabilities. And so we do not want to be shortsighted, but we also want to get a better handle on, you know, what the actual costs are going to be.

And so my question is, have you all thought about—are there some lessons that you learn when you go through these BRAC processes, whether it is a BRAC or whether it is just, you know, building new facilities, how we can kind of build all that in to the initial analysis so that those of us on this committee that provide the funds will have a better idea of what it is actually going to cost and not kind of see it double and triple from time to time? Could you comment on that?

Ms. ROBYN. Yes, and let me just go over the basic numbers. The estimate that was drawn up internally using a system called COBRA was \$21 billion. That was an internal estimate. It is not meant for budget purposes. It is probably unfortunate but inevitable that a number like that gets out. That is for purposes of comparing options, but it is not a good estimate of what something is actually going to cost for budget purposes.

But taking that \$21 billion, then there is a \$14 billion increase. The final cost will be about \$35 billion; \$10 billion of that \$14 billion increase represents an expansion in the scope of what was done. So it is military construction or recapitalization over and above what was in the initial estimate. That was a conscious decision by the services to upgrade rather than using more of a Band-Aid approach.

This is a very MILCON-intensive BRAC round. Seventy percent of that \$35 billion is going for military construction. In the previous rounds, on average, it was 33 percent. So it is doubly MILCON-intensive, and that reflects a conscious decision by the services to expand scope, to build new, rather than renovate, to recapitalize, rather than repair.

And it was partly a result of troops coming back from Europe, a number of things going on, but it was a conscious decision. There are good things to show for it. It expanded our capability, as in the example that you described.

A second factor, there was a conscious decision, again, by the Department to shift the implementation schedule to the right rather than trying to frontload the realignments and the closures within the 6-year implementation period to take advantage of the full 6 years, which is why we are coming so close to the deadline on a lot of these actions.

That, again, conscious decision—and largely because of budget constraints associated with being involved in ongoing actions in Iraq and Afghanistan—that is expensive to do that, because it compounds the cost of inflation, when you push out the implementation schedule.

The third factor was the run-up in construction costs, the extraordinary inflation in the construction industry in 2007, early 2008, which was the period during which a lot of the big contracts were let. So those three factors, together with the fact that the COBRA model is not really a good—does not provide a good baseline, but that accounts for most of the increase.

Mr. CRENSHAW. Knowing that now, are there things you are doing to try to build that in?

Ms. ROBYN. Well—

Mr. CRENSHAW. If that has been the experience, then the next time, you would say, “We might have some enhanced capacity that we are going to build.”

Ms. ROBYN. Yes.

Mr. CRENSHAW. I mean, those are some of the lessons you learned. Do you think if you were to do that again you might recognize that you were going to do that, just to get a—only to say so that we would have a better idea so we did not have to kind of come back and find additional ones, just on the front end?

Ms. ROBYN. Yes, I do not—no one in the building is talking about the next BRAC round—you will be probably glad to hear.

BRAC LESSONS LEARNED

Mr. CRENSHAW. Build something new.

Ms. ROBYN. Yes, right. That is true.

Mr. CRENSHAW. And if you could tell us some of those lessons that you learned here so that, when you did, you did not say—you came and said, “Well, it costs twice as much because.” I am just trying to make you all aware and maybe help us help you understand how you can better make that initial analysis. It sounds like you know what went into the—

Ms. ROBYN. We know in retrospect, yes.

Mr. CRENSHAW. But would not that help you—

Ms. ROBYN. Yes, absolutely.

Mr. CRENSHAW [continuing]. In the future?

Ms. ROBYN. Absolutely.

Mr. CRENSHAW. Thanks.

Mr. HANSEN. Mr. Congressman, I would also mention that one of our areas of lessons learned is in the area of disposal and conveyances. We have established—the Army has established a dedicated disposal team to work with the affected communities and other Army and DOD elements to make sure we complete the necessary actions early so we can meet our goal of transferring in conjunction with the closure.

And we have established priorities based on the closure dates and the community input, when we are committed to the economic principles of redevelopment, which dictate that capital investment is required and that they can be achieved through a number of current transfer authorities.

We appreciate the language in the NDAA, which gave us additional flexibility in there regarding no-cost and low-cost EDCs. We have four in process right now, Riverbank, Red River, Lone Star, Fort Gillem, and the Kansas Army Ammunition Plant.

Kansas is a good news story. The first 6,000 acres were transferred no-cost or low-cost EDC. And the EDC—the MOA between

the Army and the Great Plains Development Authority for transfer of approximately 8,700 acres was completed February 2010, and the deed for transfer of the first 2,600 was completed on February 19th. And this was in accordance with the guidance in the NDAA, which allows us to transfer less than fair-market value.

And the MOA turns include transfer of the first 2,600 acres for \$1, transfer of an additional 6,100 acres for a cash balance of \$49,999, and revenue sharing of gross revenues for the property up to a total of \$3.5 million over a 10-year period.

So we think it was a very innovative approach and one that was a win-win for all the parties concerned. And we would envision using a similar approach for the other three that we are working with now.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

I would like to begin the second round with Mr. Wamp being recognized, but members, what if we go vote—this first vote is always so uncertain. They may leave it open for 20 minutes or 35 minutes, but we will go vote now, then we will know exactly when we need to go back up with the second vote. Is that okay with everyone?

Mr. WAMP. Fine with me.

Mr. EDWARDS. All right. We will stay in recess—we will just go vote and come right back.

[Recess.]

Mr. EDWARDS. I would like to call the subcommittee back to order and recognize Mr. Wamp for getting in a second round of questions.

Mr. WAMP. It is amazing how much authority that little gavel has.

Mr. EDWARDS. I wish I had one at home for my—

[Laughter.]

JOINT BASING

Mr. WAMP. This is not a BRAC-related question for Secretary Robyn and Secretary Ferguson. The short story, 241st Engineering Squadron of the Tennessee Air National Guard has leased a big space at our airport in Chattanooga for 52 years.

Ironically, you mentioned Sonny Montgomery when the hearing began. He visited the airport and met my predecessor about 20 years ago. He wanted to relocate that Air Guard facility off of the Chattanooga airport into a new facility. It wasn't until 2 years ago that we funded that new facility, which is under construction and will be finished later this year.

The lease was for one dollar a year for this facility. The lease basically said that the Air Force would maintain this facility in keeping with the rest of the airport. There is no obligation for damages, but there is a question now about the clean-up of the site.

I wonder if there are provisions and what the policies are, because the airport and the city of Chattanooga are certainly not in a position to clean the site. As the Air National Guard leaves their facility, literally right in the middle of our airport, what remedies do we have for them helping the city leave that space in the same way they received it, for a dollar a year 52 years ago?

Ms. FERGUSON. I am not familiar—I am familiar with the lease, but I am not familiar with the issue on the clean-up. But if I could, I will take that for the record and get that back to the committee. [The information follows:]

Dr. Robyn:—

The Air National Guard has completed a baseline survey and environmental characterization of the site, and will meet all statutory obligations for environmental remediation before returning the land.

Additionally, the Department of the Air Force and, more specifically, the Air National Guard looked into the matter regarding the removal of existing facilities from the Air National Guard site at Chattanooga Lovell Field. Under the terms of the lease, the City of Chattanooga waived all claims for the Air National Guard to remove or demolish any of the structures on the site. The facilities that remain on the site have been maintained to Air Force standards and have been in continual use since the 1950s, ready to be used for many more years. The current lease expires in 2050. The Air Force will be returning the land to the city approximately 40 years earlier than when the lease was signed allowing the Airport flexibility in its re-use plans.

Ms. Ferguson:—

The Air National Guard concluded an environmental characterization of the site will meet its obligations to remedy any concerns identified in the Baseline Survey for environmental remediation before returning the land.

Additionally, the Department of the Air Force and, more specifically, the Air National Guard looked into the matter regarding the removal of existing facilities from the Air National Guard site at Chattanooga Lovell Field. Under the terms of the lease, the City of Chattanooga, waived all claims for the Air National Guard to remove or demolish any of the structures on the site. The facilities that remain on the site have been maintained to Air Force standards and have been in continual use since the 1950s, ready to be used for many more years. The current lease expires in 2050. The Air Force will be returning the land to the city approximately 40 years earlier than when the lease was signed allowing the Airport flexibility in its re-use plans.

Mr. WAMP. Please.

Same answer?

Ms. ROBYN. Yes.

Mr. WAMP. Okay, good.

Thank you.

Secretary Ferguson, you and I talked about this a year ago, and I do think great progress has been made in the general attitudes towards joint basing, but the Air Force had the latest heartburn on that. I want to follow up on the progress has been made from the Air Force's concern about joint basing that I heard over the last 2 years?

Ms. FERGUSON. I think I can confidently say the Air Force no longer has any heartburn with joint basing. And, of course, there was some history there, but the Air Force has been fully supportive. We sit on all the committees. I think you will not see, if you ask the same question to the Chief tomorrow, I do not think you will hear any different from him. We are fully supportive and engaged.

And as I mentioned in my opening remarks, we have got three Air Force bases that have reached full operation capability. That happened at the end of last year. We are on track to have the remainder fully operational and capable by 1 October of this year.

The 31st of January this year, we had seven additional bases reach Initial Operational Capacity (IOC) from the Air Force side. And, in fact, the Air Force has adopted this so much, we are also looking at adopting the COLS (Common Output Level Standards)

that were developed for joint basing across the rest of the Air Force installations.

So there are still some growing pains, because it is a huge endeavor to take this—what were individual installations doing separate installation management and bringing them together, but Dr. Robyn hosted a meeting back in January in Norfolk and had all of the installations, all the MAJCOMs there, and it was, I think, the best session we have ever had, and it truly showed how much progress has been made in the last 18 to 24 months.

IMPLICATIONS OF A CONTINUING RESOLUTION

Mr. WAMP. The three of us spoke as we were going to the floor about a little uncertainty coming out of the hearing today regarding both cost-benefit using actual numbers, trying to give us as many details as you possibly can, and, it seems a little bit of division between what is high risk and what is regarded as medium or low risk as we head down the stretch.

I ask, particularly for our professional staff, to be kept apprised of what we really expect between this hearing, the movement of the bill, the finishing of the conference report, especially on this issue of what the potential ramifications would be in the event that a bill is not enacted into law in a timely manner.

This is one of those messy election years. And historically, way above Chet Edwards' pay grade, decisions are made that put us—

Mr. EDWARDS. At home and at work.

Mr. WAMP. Right. But this is one of those years where I wish we could guarantee that October 1, all the money is going to be made available, but I think it would be hard to do. As a result, we need to know ahead of time what the ramifications are and what any delays of a C.R. for 30 to 60 days might mean.

Mr. EDWARDS. Dr. Robyn, could you comment on—

Ms. ROBYN. I am going to let my colleagues comment. I think it is a big problem. I think if it is—if it is a week—a week or 2 weeks—yes.

Mr. EDWARDS. But it is a 2, 3, 4-month, if it is December—

Ms. ROBYN. It is a problem, yes.

Mr. EDWARDS [continuing]. Appropriation bill rather than October 1, please, if each of you for the record would tell us what the implications would be. Do not sugarcoat it. What are the real implications?

Mr. HANSEN. Mr. Congressman, you know, it is going to depend somewhat on what our authorizations are through OMB on what we are allowed to expend under the C.R. But we would certainly intend to manage that as aggressively as we could to stay on track and to keep you informed of any problems that would result from that, but it is really very difficult to quantify exactly the impact of, say, a 2-month delay without knowing exactly what the rules will be for outlays.

Mr. EDWARDS. Do you think it is possible to get the same level of funding in a C.R. that you would have received? The funding levels are coming down now on BRAC. If it is a continuing resolution, unlike yours, where you are going up from year to year in BRAC

appropriations, would you actually be able to expect to be able to have enough money to continue on?

Mr. HANSEN. We are certainly hopeful that we would, but that is—I really cannot say, sir.

Mr. EDWARDS. I know it is not fair for us to ask you to speak for OMB. But I think Mr. Wamp just asked a very important question, and I think we need to get it for the record. And if that means we need to get someone from OMB to help answer that question, we will do that.

Let me modify or add to his question. Let's assume, if for whatever reason, there is a C.R. and OMB does not rule that you can get the money, tell us the implications, assuming that you do not have the monies you need, the Fulbright money you need, tell me what the implications are.

Mr. HANSEN. Well, Mr. Chairman, it will affect the movement of the Soldiers' families and civilians into the facilities that they are—their destination facilities and would affect the timeline on that, as well as having an impact on quality of life.

Mr. NATSUHARA. The Department has built in some flexibility there. If it goes longer than 30 to 45 days with the C.R., we think we can manage about a 30- to 45-day C.R. If it goes any longer than that, we are going to have difficulty in meeting all our deadlines.

Our program is not quite as big as the Air Force and Army, so we are not as impacted as them. But—

Mr. EDWARDS. What would be a specific problem created, you know, Sailors that could not move into new barracks? Or what—

Mr. NATSUHARA. Ours are mainly realignments of some of the activities from different locations. So here in the National Capital Region, it would be an issue of relocating some of the people from Crystal City to some of the new facilities. And we have some of our test equipment coming from Fort Wayne to China Lake that could be impacted.

Mr. EDWARDS. Secretary Ferguson.

Ms. FERGUSON. The Air Force fiscal year 2011 request is significantly lower than fiscal year 2010. It is just over \$100 million. And I agree with Mr. Hansen that the biggest impact will be depending on what the OMB determination will be.

Certainly, we could probably live with it for a short period of time. Most of the dollars that we have in our budget request for 2011 are for similar issues, PCS moves from military and civilian, some severance costs, transportation, desktop communication gear, things like that.

So we probably would have some flexibility, although not a significant amount of flexibility, depending on what the ruling would be. But we should have a majority of our implementation actions complete getting into 2011. So we will really be in the downward slope in 2011.

NEWLY IDENTIFIED TEMPORARY COSTS

Mr. EDWARDS. Thank you, Mr. Wamp, for asking that.

Dr. Robyn, let me ask you two questions, if you could answer for the record. I would not expect you orally to have an exact answer to each of these.

But yesterday, DOD informed our staff that they had identified \$189 million in so-called temporary costs in order to meet the September 15, 2011, BRAC deadline.

Would you please have your staff look at that and see—I would like to know for the record in writing some time in the next few weeks, if we possibly could, is that the total amount? Or was that just a partial picture, so that, again, as we look at costs and benefits, we know what the cost sides are on that?

[The information follows:]

Since the March 16, 2010 brief to the SAC staff, the Department has refined costs associated with meeting the September 15, 2011, statutory deadline. In particular, the Army has revised its construction plans to eliminate a requirement for temporary facilities reducing the required funds. These estimated costs are reflected in the table below:

	Fort Bragg	San Antonio	Belvoir Hospital	Belvoir (Army Leases)	Total
FY 10	\$12.5M	\$35M	.....	\$24M	\$71.5M
FY 11 .....	.....	\$20M	\$27M	.....	\$47.0M
Total .....	.....	.....	.....	.....	\$118.5M

The costs in this table are rounded. Note the costs above are additions to the BRAC account to ensure the Department's legal obligation to complete BRAC by Sept 15 2011. It should be noted that accelerating these projects through application of this additional funding reduces the Department's exposure to the additional costs resulting from longer construction timelines.

Secondly would be, the cost of BRAC, the \$35 billion or so, plus transportation, cost of improving roads, for example, Belvoir and around Bethesda, those are real. The cost savings of \$4 billion a year sometimes are tangible, sometimes they are very intangible. Would you please submit when you can to the subcommittee a detailed description of, how did we get to that \$4 billion in savings?

[The information follows:]

Below is a detailed description of the ~\$4 billion in BRAC 2005 savings:

Category	Savings (\$)
Operation & Maintenance (includes civilian personnel)	\$900M
Military Personnel	\$1,800M
Other	\$1,100M
Total	\$3.8B

Ms. ROBYN. Okay.

Mr. EDWARDS. Is that identified number of personnel that do not have to be hired? Or is it generally assumed better efficiencies if the Army and Air Force are working together? And I would just like to get some sense of how much of that is tangible and how much of that is intangible.

And, obviously, as you so very well pointed out in your opening comments, there are some significant non-cost benefits to BRAC. At least on the cost savings, I would like to look at those numbers that tend to be a little more squishy than the actual cost of implementing BRAC.

Ms. ROBYN. Okay, good.

FORT BLISS

Mr. EDWARDS. Mr. Hansen, could I ask you, what is the implication for BRAC and Fort Bliss of the decision, if it is finalized, to keep two additional Army brigades in Europe? And are there any facilities you have already built at Bliss that were intended for those brigades? And if so, what do you do with those facilities?

Mr. HANSEN. Mr. Chairman, I can address that. The current BCT complexes are either intended—are either being used for an existing BCT or for other units that had immediate needs for facilities. And we had more than one staff visit down there to examine that to ensure that we were—that that money was being used for a legitimate purpose. And they do have certainly the capability of if another brigade comes back to be able to accommodate that, as well.

But the construction at Bliss is continuing. We did not have to make any major modifications to that as a result of that decision.

Mr. EDWARDS. Are there some savings at Bliss because of that? I would normally think that there are costs in accommodating two brigades, there are savings in not having to accommodate two brigades.

Obviously, there will be more expenses for improving facilities and building new ones in Europe, but is there no cost savings from not bringing—I guess one of those brigades was scheduled for Fort Hood. So let me say at Bliss—I mean, at Bliss. So there should be some cost savings for that, shouldn't there?

Mr. HANSEN. I would think so, Mr. Chairman, but I do not have a figure for that. We can get back to you on that.

[The information follows:]

The projects in FY 11 at Fort Bliss that support Global Defense Posture Realignment (GDPR) remain as legitimate requirements. They are the Indoor Aquatics Training Center and South Overpass Across US 54.

There are, however, projects in the President's Budget Future Years Defense Plan that will no longer be needed at Fort Bliss should the decision be made to keep both Brigades in Europe. A detailed analysis is ongoing to determine specifically what projects would no longer be required.

In addition, the Army Staff must analyze the cumulative impacts to Fort Bliss of the decision to halt Brigade growth at 45 and the potential decision to keep GDPR Brigades in Europe. It is possible there are other projects, for example range projects, that might no longer be required at current scope. We expect details to be available later this year.

Mr. EDWARDS. Okay. If you could just follow up with the committee, what are the BRAC and/or MILCON savings as a result of that brigade not coming to Fort Bliss? And then we will talk to your European Command folks about what additional costs they will have for keeping those two brigades there.

Where the second brigade was scheduled for—New Mexico, is that correct?

Mr. HANSEN. That would have been an additional one. There were the three that—are you talking about—

Mr. EDWARDS. Two brigades from Europe. The two brigades that were scheduled to come back—

Mr. HANSEN. One was coming to White Sands, yes, sir.

Mr. EDWARDS [continuing]. One was coming to White Sands, one was coming to Fort Bliss.

Mr. HANSEN. And the secretary announced that the one—that there was not going to be one going to White Sands.

Mr. EDWARDS. Would you also look at what savings there might be for not having to build facilities at White Sands? Or are there other actions presumably?

And finally, let me just say, it seems that a couple of the high-risk challenges in terms of meeting the BRAC deadline deal with hospitals. And just to let you know, I might have an interest in having our staff meet with the Surgeons General of the Army and the Navy just to ask them specifically. Are you having to, for example, cut quality for a hospital that will be providing health care servicemen and women and their families for the next 30, 40 or 50 years? Are you having to cut corners, not build something you otherwise would have built?

And I think we will just maybe have a direct conversation with them and I am not pushing to have us miss any of the deadline on any of these projects, but at the same time, I am far more interested in health care for the next 50 years for servicemen and women, and I want to be sure we are not arbitrarily cutting corners, reducing services, not building what might have taken 6 months more to build if we had done it right.

So after we have those conversations with them—and I know you work with them on a regular basis—we will follow up on—

Ms. ROBYN. Is your question, is BRAC MILCON crowding out non-BRAC MILCON? Or is this related to meeting the deadline?

Mr. EDWARDS. Basically relating to meeting the deadline.

Ms. ROBYN. Okay. Okay. All right.

Mr. EDWARDS. Again, more eloquently and more succinctly and more persuasively than anyone I have heard mention, you mentioned—you expressed why there is a good reason to stick to a deadline.

Ms. ROBYN. Yes.

Mr. EDWARDS. But particularly when you are talking about hospitals, I want to be sure we are not cutting corners.

Ms. ROBYN. Let me just say, I am not aware of that. Neither of our high-risk, two high-risk actions are medical infrastructure. It is not the hospital at Belvoir. It is not Walter Reed. It is the Mark Center and the non-medical Personnel Belvoir.

In general, medical infrastructure has benefited enormously from this BRAC round. It has been one of the things that we focused on, particularly in San Antonio and in the National Capital Region. And this BRAC 2005 has been an engine of recapitalization of our facilities.

Mr. EDWARDS. And this committee has really been committed to that, because we have added several billion dollars above administration requests for other hospital modernizations, so that is why we have a special interest in the hospital recapitalization. Okay. Thank you for that.

Mr. Farr.

ECONOMIC DEVELOPMENT CONVEYANCE IMPLEMENTATION

Mr. FARR. Thank you very much, Mr. Chairman.

Dr. Robyn, I have a couple of questions. One is on the EDC law that we passed last year.

Ms. ROBYN. Yes.

Mr. FARR. When will the regulations be implemented?

Ms. ROBYN. I cannot give you an exact date. We have an internal process that we are working—

Mr. FARR. Have they been promulgated yet?

Ms. ROBYN. Not draft regs. I put out a memo to the services in—which was a policy memo indicating—which provided interim guidance—

Mr. FARR. Are not you going to drive it?

Ms. ROBYN. Oh, yes. No, I am driving it.

Mr. FARR. And then how will the communities have input to the regulations?

Ms. ROBYN. Well, we—a couple weeks ago—

Mr. FARR. Is it regular rulemaking?

Ms. ROBYN. Yes. There are a couple of different ways to do it, but, yes, I anticipate interim regs on which we get public comment, but we are—

Mr. FARR. Do you think it will be done this year?

Ms. ROBYN. Oh, absolutely, yes. No, it will be done this year, but we are—you know, I think—I mean, the lesson that I have learned from my years of working with the services on base reuse is that I want them to be part of the process and feel ownership in it, rather than having the Office of the Secretary put something out saying, “You shall do this.” It does not, and—

Mr. FARR. Well, that will be nice. I think the defense community is very interested in when will they see draft regs so that they can comment on them.

Ms. ROBYN. I mean, we are trying now—the services and my office are working together now to figure this out, so it is—I think you are seeing change already. Roger talked about Treasure Island. Jerry talked about Kansas Army Ammunition Depot. So there has already been a response. I do not think you—

Mr. FARR. I mean, can you make those deals without the regulations?

Ms. ROBYN. Yes. Oh, no. Once the law is changed—

Mr. FARR. Then you can do it?

Ms. ROBYN [continuing]. We have an obligation to follow the new law. We are no longer obligated—

Mr. FARR. The process of developing the regs is going to be open and transparent—

Ms. ROBYN. Yes. Yes.

Mr. FARR [continuing]. And probably online?

Ms. ROBYN. We met—yes. Several weeks ago, the Association of Defense Communities had a conference in Albuquerque, and we were there in force meeting with the communities to get their input. And also with the—it was an occasion to sit down with people from the services who aren’t in Washington, but—

Mr. FARR. So let me just get it clear. You are going to get the regs drafted?

Ms. ROBYN. Yes. Yes. No, my office is—

Mr. FARR. And you are going to put them for public comment?

Ms. ROBYN. Right. Yes. Right.

Mr. FARR. Okay. And that will happen—

Ms. ROBYN. Oh, yes. Oh, yes.

Mr. FARR [continuing]. Sooner than later?

Ms. ROBYN. Yes.

CLEAN-UP

Mr. FARR. Let me ask you another question, and I do not know if it is for you or Mr. Hansen, because it really deals with an Army base. The law says that before transferring land that the dirt has to be cleaned up, I mean, the ground, anything in the ground, the water, anything that is in there.

But it does not apply to buildings on top of it. What I have found at Fort Ord is that we have some old Army barracks. They have lead paint. The Army whitewashed the buildings. Gasoline was used to cut the paint.

These barracks have asbestos. They have PCBs. That contamination was created by the Army, but the Army does not pay to clean it up or deconstruct those barracks.

And so what happens is the REUSE authority has millions of dollars in clean-up expenses, but no way to pay for it, so the buildings are just sitting there. The law calls for transferring the property only when it is clean. But clean, as I said, to the ground and the water, not the infrastructure.

So what can be done to change this? We really need to get access to some capital to deconstruct and clean up these buildings. Some of them are concrete. Some of them are wood. The wood is not so hard, because they just grind it up, unfortunately. It is beautiful wood. But still, there is no money available to do this. I mean, the big concrete stuff is really difficult to clean.

Mr. HANSEN. I think we probably should come back to you for the record for that one, sir, but I would say that, even those that we have conveyed, we certainly have—we recognize our continuing responsibility under the Formerly Used Defense Sites program. And we continue to entertain some very old claims from places we have conveyed many years ago, and we will certainly consider—

Mr. FARR. Well, I am looking at these contaminated buildings and trying to figure out how to tackle the contamination problem, because so far, I have been working on it for 17 years and have not found an answer. So hopefully you can put your resources, and those of the entire United States military into figuring out how to do this.

Also, while I have you on that, you have done a good job on the ESCA with the local Fort Ord reuse authority to clean-up lands that will be transferred and reused by communities and private sector. But we have not worked out an agreement on how to clean-up the lands which remain in federal ownership, in this case, the Bureau of Land Management BLM.

Have you got a plan to get BLM and the Army together to clean-up those lands?

Mr. EDWARDS. Sam, before we cut short their answer, because I think it is an important question, could I ask that we go vote and then come back? We only have a couple minutes. I think we have 2 minutes left—let me just say very quickly, if this is a problem for any of you, I will respect you not being able to be here, but we have a second panel scheduled to talk about environmental clean-

up issues. It is an issue this committee has a great interest in, and Mr. Farr has been the champion of this issue.

Normally, we would have assumed that you had planned on being here at least until noon, and I would like to ask if any of you or all of you could stay.

But I just think it would be good to move this discussion forward, if you could stay here. If you have appointments that you had made and cannot break or should not break, I had not previously asked this of you, so—

Ms. ROBYN. No, no, no. I would very much like—

Mr. EDWARDS [continuing]. About that. We will stay in recess, and we will come back after this vote or after the next couple of votes.

[Recess.]

Mr. EDWARDS. I do not think Mr. Wamp would mind if we called the committee back to order. And we won't do anything by unanimous consent.

So, Mr. Farr, I would like to recognize—

BUREAU OF LAND MANAGEMENT

Mr. FARR. If we can just—the BLM at Fort Ord. This is a lingering issue of how we get that cleaned up. It has been a discrepancy in what—how the clean-up has to be done between BLM and Army, with the degree of clean-up and price and all of that.

Mr. HANSEN. Yes, sir, Mr. Congressman. I think we have really resolved any issues that we had with BLM over that. As you know, we have conveyed all the property to Ord that is planned for economic redevelopment. And the remaining 7,100 acres are primarily within the old impact area, which is set apart as the BLM managed conservation area.

And we are projecting the transfer of 120 acres this fiscal year and remaining acres dependent on the clean-up of the impact area, which is limited by the burn restrictions that we are basically burning Marine chaparral in there, and there are limits on it because of the toxicity of that and how much that can be burned over a period of time.

Mr. FARR. No, that is not the reason for the limits on the burn. It is just that that is how much you can clean-up afterwards. You burn land in the amount for which you have enough manpower to go in and clean it. It is not because of toxicity. Do not go there. They have already proven—

Mr. HANSEN. Okay, sir. Thank you for the correction.

Mr. FARR [continuing]. That that is not toxic.

Mr. HANSEN. Okay. But they are controlled burns, heavily regulated, constrained by the size of the amount of the smoke—

Mr. FARR. I am aware of all that. Would you get to our office and figure out—or get a more specific as to what the clean-up schedule will be with BLM?

Mr. HANSEN. Yes, sir, I will.

Mr. FARR. Thanks.

[The information follows:]

The cleanup of the remaining 7,100 acre conservation parcel has in fact begun with four areas having undergone prescribed burning to remove surface vegetation prior to munitions cleanup. Cleanup of the entire 7,100 acres will most likely re-

quire more than 10 years due to the complexity of the process including habitat management requirements, the size of the area, the 800 acre annual burning limitation, and public concern about smoke during the prescribed burns. Before every burn, the Army must coordinate with the California Department of Toxic Substance Control (DTSC), in case any toxic substances are located; the U.S. Fish and Wildlife Service, to ensure that rare, endangered and threatened species are protected; the Environmental Protection Agency, to monitor the overall environmental impact of the burn; the California Air Resources Board and Monterey Bay United Air Pollution District, for concerns over smoke from the burn; and the Federal Aviation Administration, whose concern is the possibility that smoke could obscure visibility at nearby Monterey Airport. All these agencies have a voice in approval for a burn.

UNDERSEA REMEDIATION

And then I have one question for Mr. Natsuhara. Is the Navy engaged in undersea remediation with BRAC clean-up?

Mr. NATSUHARA. I am not aware. Undersea—

Mr. FARR. You have unexploded ordnances under the ocean. You have been out in Hawaii, Kahoolawe, and some of the other islands there. And I am sure there is some clean-up that you have to do down in Puerto Rico. Are there any other places? I mean, you are engaged in that, aren't you?

Mr. NATSUHARA. I am not aware of it. We will have to take that for the record.

[The information follows:]

The Army is conducting research to satisfy the requirements of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law No. 109-364 (2006), Section 314, that, among other requirements, authorized the Department of Defense (DoD) to research the effects of sea disposed munitions in United States coastal waters on the ocean environment and those who use it, and of the ocean environment on sea disposed munitions. The Army's efforts have focused on two sea disposal sites off Oahu, Hawaii. One of these areas is Sea Disposal Site Hawaii-06 (HI-06), which is an area off Waianae that is locally referred to as Ordnance Reef. At HI-06, conventional munitions were sea disposed in waters at depths of 30 to over 300 feet. The other is HI-05, which is an area approximately 5 miles south of Pearl Harbor. At HI-05 both conventional and chemical munitions are believed to have been sea disposed in waters in excess of 1,000 feet of depth.

The Army's focus has been on developing methods and procedures, such as sampling protocols, for characterizing sea disposal sites as Section 314 requires and determining the effects of sea disposed military munitions, as described above. It has also studied the feasibility of remediating sea disposed military munitions and of taking other safety measures. Later this or early next year, the Army will use HI-06 (Ordnance Reef) as a demonstration site for assessing commercial technology that is used in underwater oil exploration that has been adapted for the remote recovery of underwater military munitions. During this assessment certain military munitions at HI-06 at depths between 30 and 120 feet will be recovered and subsequently destroyed during a concurrent assessment of barge-mounted destruction technology.

Although the Army is conducting this research related to sea disposed military munitions, DoD does not conduct environmental restoration actions (removal or remediation) to address sea disposed munitions. The DoD does conduct environmental restoration actions at land-based Munitions Response Sites (MRS) along the US territorial shoreline where underwater munitions originating at the MRS have washed ashore as a result of natural phenomena, have been determined to have a potential to either wash ashore or impact the public who may use the shoreline, or have been brought to shore as a result of human activities, such as dredging and fishing.

There are no other locations at which the Army is currently conducting research. The Services are working together to assemble archival information on sea disposal sites. The Army is also assembling information on operational and former ranges that impact US coastal waters.

Ocean disposal of excess, obsolete unserviceable munitions began at least as early as the late 1800s and continued through 1970 when DoD ceased the practice. In 1971, the Secretary of the Navy formally ended the practice and it was prohibited, unless authorized by a permit, by Congress in 1972 with the passage of the Marine Protection, Research and Sanctuaries Act (MPRSA). The Environmental Protection

Agency has no record of a permit being issued for ocean disposal of munitions following passage of the MPRSA.

Maps showing the locations of know munitions disposal sites in US coastal waters are provided in the FY08 Defense Environmental Program Annual Report to Congress (Appendix Q: Sea Disposal of Military Munitions). This information will be updated in the FY09 report.

Mr. FARR. Could you also give us some lists or maps of the undersea munitions that need to be cleaned up?

Mr. NATSUHARA. Yes, sir. We will take that for the record, and we will get back to you.

[The information follows:]

The Army is not conducting munitions response actions (cleanup) to address underwater munitions in the ocean. Pursuant to PL 109-364 (2006), Section 314, the Army has reported to DoD on military munitions sea disposal sites in US coastal waters. DoD reports these sites for all DoD Components, with maps showing their approximate locations, in its Defense Environmental Programs Annual Report to Congress (DEP ARC). In the 2008 DEP ARC, the lists of these sites are found in Appendix Q.

Mr. FARR. Okay, thank you.

Mr. HANSEN. Mr. Congressman, the Army is involved with the UXO there, including in Hawaii, as executive agents. And we can provide that for you.

Mr. FARR. Okay. Appreciate that. Thank you.

I do not have any more— questions on this round.

Mr. EDWARDS. Mr. Wamp.

Mr. WAMP. No further questions.

Mr. EDWARDS. If not, thank you all for your testimony.

Secretary Ferguson, I know you had some pre-existing commitments, and we will respect that, and thank you for your service and for being here today.

And, Mr. Natsuhara, if I could ask, if you could move down into Mr. Ferguson's seat, and, Mr. Hansen, if you could sit where Judge Carter normally sits. And thank you for staying.

I am going to hand the gavel over to Mr. Farr. He has been a real champion year in and year out on the issue of environmental clean-up. And I have asked him to take the lead in helping us work through these issues and how we can make more progress in this area.

So, Mr. Farr.

Mr. FARR [presiding]. Well, thank you very much, Mr. Chairman. And I appreciate having this second panel.

This is a panel with the director of natural resources and environment, Government Accountability Office, Ms. Anu Mittal, and she is responsible for leading the GAO's work in the area of defense, environmental clean-up, as well as the federal lands and water resources. She served with the GAO since 1989 in various capacities, and she has an MBA from the University of Massachusetts.

The other panelist is Suzy Cantor-McKinney, vice president of the National Association of Ordnance Explosive Waste—is that it?

Ms. CANTOR-MCKINNEY. Ordnance and Explosive Waste Contractors.

Mr. FARR [continuing]. And Explosive Waste Contractors, the private sector that is doing the work. And I want to thank you both

for being here today and give us some insights. You have heard the testimony this morning on clean-up and could respond to that.

If you have written statements, they will be entered in the record. And what we would ask is that you summarize your remarks in about 5 minutes. And then we will begin the questioning.

So why do not we begin first with Ms. Mittal?

STATEMENT OF ANU MITTAL

Ms. MITTAL. Thank you.

Mr. Chairman and members of the subcommittee, I am pleased to be here today to discuss GAO's recent work relating to DOD's environmental remediation efforts at former defense sites.

As you know, defense sites can be contaminated with a variety of hazards, and DOD is obligated to ensure that they are cleaned up in a manner that is protective of human health and the environment before they are transferred to other owners.

However, the need to clean up contaminants at the BRAC sites has historically been a key impediment to the expeditious transfer of these properties to others. My testimony today will briefly cover information on how DOD allocates clean-up funding for BRAC and other sites, the status of clean-up at these sites, and some issues that we have identified that can impact clean-up at former defense sites.

Under the Defense Environmental Restoration Program, known as DERP, DOD conducts environmental restoration activities on former and active installations. DOD has identified over 31,600 sites eligible for clean-up under DERP. These sites include active and BRAC sites, as well as FUDS. The total number of BRAC sites eligible for clean-up under DERP has increased since 2004 from 5,150 to 5,445 in 2008.

With regard to funding for clean-up activities, we found that DOD uses the same method to allocate funds for clean-up at FUDS, active sites, and BRAC sites. Clean-up funding is generally based on DERP goals and is generally proportional to the number of sites in each of the three categories.

For example, BRAC sites requiring clean-up account for about 17 percent of the total number of defense sites that need clean-up, and they received about 25 percent of the funding obligated for clean-up in fiscal year 2008.

The amount of annual funding obligated for BRAC clean-up has increased since 2004, as well. It was \$314 million in 2004, and it was over \$520 million in 2008.

The total estimated costs to complete clean-up at BRAC sites has also increased since 2004. It has gone from \$3.2 billion in 2004 to \$3.7 billion in 2008.

With regard to DERP goals, the program includes target dates representing when the current inventory of sites are expected to complete various phases of the clean-up process, such as achieve the remedy-in-place or response complete milestones.

DOD has established remedy-in-place and response complete milestones for all of the BRAC sites. And as of fiscal year 2008, 72 percent of all BRAC sites had reached the response complete milestone. In response to Congressman Farr's earlier question about how many BRAC sites still need to be cleaned up, as of 2008, there

were 1,492 sites that had not reached the response complete milestone.

Because DOD does not have adequate funds to clean up all sites at once, it requires all of the components to rank their inventory of BRAC and other sites by relative risk to help make informed decisions about which sites it needs to clean up first. Using these relative risk categories, as well as many other factors, the components set more specific restoration targets each fiscal year.

For FUDS, we have found that one factor that can influence the amount of funding available for clean-up is the extent to which long-term monitoring needs to happen at these sites. This is a very real concern for BRAC sites because, as of fiscal year 2008, there were 440 BRAC sites that required long-term management activities.

Our past work has also identified a number of issues that can impact environmental clean-up activities, including those at BRAC sites. For example, we have reported that DOD's preliminary cost estimates for environmental clean-up reported to Congress may not reflect the full cost of clean-up. This is because costs are generally expected to increase as more information becomes known about the extent of the clean-up needed at a site.

In addition, we have reported that three factors can lead to delays in the clean-up and transfer of sites. These include, first, technological constraints that limit DOD's ability to accurately identify, detect and clean-up potential hazards from specific sites; second, prolonged negotiations between environmental regulators and DOD about the extent to which DOD's actions are in compliance with applicable environmental regulations and laws can also lead to delays; and third, the discovery of previously unknown environmental contamination can result in the need for further clean-up, cost increases, and delays in property transfer.

In conclusion, Mr. Chairman, while the data indicate that DOD is making progress in cleaning up its contaminated sites, these data also show that a significant amount of work remains to be done. Given the large number of sites that DOD must clean up, we recognize that it faces a significant challenge.

Addressing this challenge, however, is critical, because environmental clean-up can be a key impediment to the expeditious transfer of unneeded defense properties.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions.

[Prepared statement of Anu Mittal follows:]

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Military
Construction, Veterans Affairs, and Related
Agencies, Committee on Appropriations,
House of Representatives

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**ENVIRONMENTAL
CONTAMINATION**

**Information on the
Funding and Cleanup
Status of Defense Sites**


Statement of Anu Mittal, Director
Natural Resources and Environment



March 17, 2010

ENVIRONMENTAL CONTAMINATION

Information on the Funding and Cleanup Status of Defense Sites



Highlights of GAO's 10-0477, testimony before the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

Under the Defense Environmental Restoration Program (DERP), the Department of Defense (DOD) is responsible for cleaning up about 3,300 sites on military bases that have been closed under the Base Realignment and Closure (BRAC) program, as well as 21,100 sites on active bases and over 4,700 formerly used defense sites (FUDS), regardless of whether they are owned or controlled and transferred to other parties prior to October 1986. The cleanup of contaminants, such as hazardous chemicals or unexploded ordnance, at BRAC bases has been an impediment to the timely transfer of these properties to parties who can put them to new uses. The goals of DERP include (1) reducing risk to human health and the environment (2) preparing BRAC properties to be economically suitable for transfer (3) having final remedies in place and completing response actions and (4) fulfilling other statutory obligations to demonstrate progress toward meeting program performance goals.

This testimony is based on prior work and discusses information on (1) how DOD addresses cleanup funding at all sites with defense waste and (2) BRAC cleanup status. It also summarizes other key issues that GAO has identified in the past that can impact DERP's environmental cleanup efforts.

View GAO's 10-0477 at www.gao.gov. For more information, contact Ann Miller at (301) 413-0861 or annmiller@gao.gov, or Jeff B. Granger at (301) 413-0541 or jeffgranger@gao.gov.

What GAO Found

DOD uses the same method to propose funding for cleanup at FUDS, active sites, and BRAC sites; cleanup funding is based on DERP goals and is generally proportional to the number of sites in each of these categories. Officials in the Military Departments, Defense Agencies, and FUDS program, who are responsible for executing the environmental restoration activities at their respective sites, formulate cleanup budget proposals using the instructions in DOD's financial management regulation and DERP environmental restoration performance goals.

DERP's goals include target dates for reaching the remedy-in-place or response complete (RIP/RC) milestone. For example, for sites included under the first four BRAC rounds, the goal is to reach the RIP/RC milestone at sites with hazardous substances released before October 1986 by 2015 and for sites in the 2005 BRAC round by 2014. DOD's military components plan cleanup actions that are required to meet DERP goals at the installation or site level. DOD requires the components to assess their inventory of BRAC and other sites by relative risk to help make informed decisions about which sites to clean up first. Using these relative risk categories, as well as other factors, the components set more specific restoration targets each fiscal year to demonstrate progress and prepare a budget to achieve those goals and targets.

DOD data show that, in applying the goals, and targets, cleanup funding has generally been proportional to the number of sites in the FUDS, active, and BRAC site categories. For example, the total number of BRAC sites requiring cleanup is about 17 percent of the total number of defense sites requiring cleanup, while the \$440.2 million obligated to address BRAC sites in fiscal year 2008 is equivalent to about 25 percent of the total funds obligated for this purpose for all defense waste sites.

GAO's past work has also shown that DOD's preliminary cost estimates for cleanup generally tend to rise significantly as more information becomes known about the level of contamination at a specific site. In addition, three factors can lead to delays in cleanup. They are (1) technological constraints that limit DOD's ability to detect and cleanup certain kinds of hazards, (2) prolonged negotiations with environmental regulators on the extent to which DOD's actions are in compliance with regulations and laws, and (3) the discovery of previously unknown hazards that can require additional cleanup, increase costs, and delay transfer of the property.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO's recent work relating to the Department of Defense's (DOD) environmental remediation efforts at former defense sites. These sites can pose hazards such as unsafe buildings, a variety of toxic and radioactive wastes, and ordnance and explosive compounds. As you know, DOD is obligated to ensure that former and active defense sites are cleaned up to a level that is protective of human health and the environment. To that end, DOD has established the Defense Environmental Restoration Program (DERP) and identified over 31,600 sites that are eligible for cleanup, including about 4,700 formerly used defense sites (FUDS),¹ which were closed before October 2006; 21,500 sites on active installations; and 5,400 sites identified by several Base Realignment and Closure (BRAC) commissions.² However, the need to clean up environmental contaminants at bases closed under the BRAC process has historically been a key impediment to the expeditious transfer of unneeded property to other federal and nonfederal parties who can put the property to new uses.

My testimony today is primarily based on our October 2009 report on DOD's efforts to clean up FUDS, which included a discussion on how DOD allocates cleanup funding at all sites, including BRAC sites with defense waste.³ I will describe DOD's process for proposing funding for cleanup at FUDS and other sites in the defense cleanup program, including BRAC sites, and provide some information on the cleanup and funding status of these sites as of the end of fiscal year 2008. In addition, my testimony will cover some

¹FUDS are located on properties that were under the jurisdiction of the DOD and owned or controlled by, leased to, or otherwise possessed by the United States prior to October 17, 1986, but have since been transferred to states, local governments, federal entities, and private parties.

²To enable DOD to close unneeded bases and realign others, Congress enacted legislation that instituted five separate BRAC rounds in 1988, 1991, 1993, 1995, and 2005. Independent commissions established for each BRAC round made specific recommendations to the Senate and House Committees on Armed Services for the 1988 round and, thereafter, to the President, who in turn, sent the commissions' recommendations and his approval to Congress.

³GAO, *Formerly Used Defense Sites: The U.S. Army Corps of Engineers Needs to Improve Its Process for Reviewing Completed Cleanup Remedies to Ensure Continued Protection*, GAO-10-46 (Washington, D.C.: Oct. 29, 2009).

of the prior challenges that we have identified facing DOD's environmental restoration program overall and specifically with cleanup at BRAC sites.⁴

Our prior work was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Under DERP, DOD is required to conduct environmental restoration activities at sites located on former and active defense properties that were contaminated while under its jurisdiction. Program goals include the identification, investigation, research and development, and cleanup of contamination from hazardous substances, pollutants, and contaminants; the correction of other environmental damage (such as detection and disposal of unexploded ordnance) that creates an imminent and substantial endangerment to public health or welfare or the environment; and the demolition and removal of unsafe buildings and structures. Types of environmental contaminants found at military installations include solvents and corrosives; fuels; paint strippers and thinners; metals, such as lead, cadmium, and chromium; and unique military substances, such as nerve agents and unexploded ordnance.

DOD has undergone five BRAC rounds, with the most recent occurring in 2005. Under the first four rounds, in 1988, 1991, 1993, and 1995, DOD closed 97 major bases, had 55 major base realignments,⁵ and addressed hundreds of minor closures and realignments. DOD reported that the first four BRAC rounds reduced the size of its domestic

⁴GAO, *Military Base Closures: Opportunities Exist to Improve Environmental Cleanup Cost Reporting and to Expedite Transfer of Unneeded Property*, GAO-07-166 (Washington, D.C. : Jan. 30, 2007).

⁵DOD defines a "major base closure" as one where plant replacement value exceeds \$100 million. DOD defines "plant replacement value" as the cost to replace an existing facility with a facility of the same size at the same location, using today's building standards. DOD defines a "major base realignment" as one with a net loss of 400 or more military and civilian personnel.

infrastructure by about 20 percent and generated about \$6.6 billion in net annual recurring savings beginning in fiscal year 2001.

As a result of the 2005 BRAC decisions, DOD was slated to close an additional 25 major bases, complete 32 major realignments, and complete 755 minor base closures and realignments. When the BRAC decisions were made final in November 2005, the BRAC Commission had projected that the implementation of these decisions would generate over \$4 billion in annual recurring net savings beginning in 2011. In accordance with BRAC statutory authority, DOD must complete closure and realignment actions by September 15, 2011—6 years following the date the President transmitted his report on the BRAC recommendations to Congress.⁶ Environmental cleanup and property transfer actions associated with BRAC sites can exceed the 6-year time limit, having no deadline for completion. As we have reported in the past,⁷ addressing the cleanup of contaminated properties has been a key factor related to delays in transferring unneeded BRAC property to other parties for reuse. DOD officials have told us that they expect environmental cleanup to be less of an impediment for the 2005 BRAC sites since the department now has a more mature cleanup program in place to address environmental contamination on its bases.

In assessing potential contamination and determining the degree of cleanup required (on both active and closed bases), DOD must comply with cleanup standards and processes under all applicable environmental laws, regulations, and executive orders. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)⁸ authorizes the President to conduct or cause to be conducted cleanup actions at sites where there is a release or threatened release of hazardous substances, pollutants or contaminants which may present a threat to public health and the environment. The Superfund Amendments and Reauthorization Act of 1986 (SARA) amending CERCLA clarified that federal agencies with such sites shall be subject to and

⁶Pub. L. No. 101-510, § 2904 (1990).

⁷GAO, *Military Base Closures: Progress in Completing Actions from Prior Realignments and Closures*, GAO-02-433 (Washington, D.C.: Apr. 5, 2002).

⁸CERCLA, Pub. L. 96-510 (1980), codified as amended at 42 U.S.C. § 9601-9630 (2010).

comply with CERCLA in the same manner as a private party,⁹ and DOD was subsequently delegated response authority for its properties.¹⁰ To respond to potentially contaminated sites on both active and closed bases, DOD generally uses the CERCLA process, which includes the following phases and activities, among others: preliminary assessment, site investigation, remedial investigation and feasibility study, remedial design and remedial action, and long-term monitoring.

SARA also required the Secretary of Defense to carry out the Defense Environmental Restoration Program (DERP)¹¹ Following SARA's enactment, DOD established DERP, which consists of two key subprograms focused on environmental contamination: (1) the Installation Restoration Program (IRP), which addresses the cleanup of hazardous substances where they were released into the environment prior to October 17, 1986; and (2) the Military Munitions Response Program (MMRP), which addresses the cleanup of munitions, including unexploded ordnance and the contaminants and metals related to munitions, where they were released into the environment prior to September 30, 2002.¹² While DOD is authorized to conduct cleanups of hazardous substances released after 1986 and munitions released after 2002, these activities are not eligible for DERP funds but are instead considered "compliance" cleanups and are typically funded by base operations and maintenance accounts. Once a property is identified for transfer by a BRAC round, DOD's cleanups are funded by the applicable BRAC account.

While SARA had originally required the government to warrant that all necessary cleanup actions had been taken before transferring property to nonfederal ownership, the act was amended in 1996 to allow expedited transfers of contaminated property.¹³ Now such property, under some circumstances, can be transferred to nonfederal users before all remedial action has been taken. However, certain conditions must exist before DOD can exercise this early transfer authority; for example, the property must be suitable for the

⁹Superfund Amendments and Reauthorization Act (SARA), Pub. L. No. 99-499 § 120(a) (1986).

¹⁰Exec. Order 12,580 § 2 (1987). See also 10 U.S.C. § 2701 (2010).

¹¹Pub. L. No. 99-499, § 211.

¹²DERP also includes the Building Demolition and Debris Removal program, which involves the demolition and removal of unsafe buildings and structures from defense sites.

¹³The National Defense Authorization Act for Fiscal Year 1997, Pub. L. No. 104-201 § 334 (1996).

intended reuse and the governor of the state must concur with the transfer. Finally, DOD remains responsible for completing all necessary response action, after which it must warrant that such work has been completed.

Funding Levels and Cleanup Status for Active and BRAC Sites and FUDS

DOD uses the same method to propose funding for cleanup at active and BRAC sites and FUDS; and cleanup funding is based on DERP goals and is generally proportional to the number of sites in each of these categories. Specifically, officials in the Military Departments, Defense Agencies, and FUDS program who are responsible for environmental restoration at the sites under their jurisdiction formulate cleanup budget proposals based on instructions in DOD's financial management regulation and DERP environmental restoration performance goals.¹⁴ DOD's DERP goals include

- reducing risk to human health and the environment,
- preparing BRAC properties to be environmentally suitable for transfer,
- having final remedies in place and completing response actions, and
- fulfilling other established milestones to demonstrate progress toward meeting program performance goals.

DERP goals included target dates representing when the current inventory of active and BRAC sites and FUDS are expected to complete the preliminary assessment and site inspection phases, or achieve the remedy in place or response complete (RIP/RC) milestone. In addition, Congress has required the Secretary of Defense to establish specific performance goals for MMRP sites.¹⁵ Table 1 provides a summary of these goals for the IRP and MMRP.

Table 1: Summary of DERP Goals for IRP and MMRP

¹⁴DOD Financial Management Regulation 7000.14-R, October 2008.

¹⁵The most recent set of such goals was established by the John Warner National Defense Authorization Act for Fiscal Year 2007, Pub. L. No. 109-364 § 313, 120 Stat. 2083, 2138 (2006).

Target year for completing cleanup phase or milestone for all sites						
Cleanup phase or milestone	IRP			MMRP		
	Active	BRAC	FUDS	Active	BRAC	FUDS
Preliminary assessment	No goal ^a	No goal ^a	No goal ^a	2007 ^b	No goal	2007 ^{b, f}
Site inspections	No goal ^a	No goal ^a	No goal ^a	2010 ^b	No goal	2010 ^b
Remedy in place or response complete ^c	2014	2014 (BRAC 2005) ^d 2015 (Legacy BRAC) ^d	2020	2020	2009 (Legacy BRAC) ^{d, e} 2017 (BRAC 2005) ^{b, d}	No goal ^g

Source: DOD-provided data, DOD Financial Management Regulation, 7000.14-R, Vol. 2B, Ch. 13, October 2008.

^aBecause IRP is more mature than MMRP, DOD's goals for IRP are focused on achieving RIP/RC.

^bGoals for MMRP sites contained in P.L. No. 109-364 § 313, 120 Stat. 2083, 2138; DOD Financial Management Regulation 7000.14-R, Vol. 2B, Ch. 13, October 2008; and DOD Defense Environmental Programs Annual Report to Congress, FY 2008, Appendix K. The statute requires the Secretary of Defense to set a RIP/RC date for active, BRAC 2005, and FUDS.

^cRIP/RC targets apply to all IRP and MMRP sites, with the exception of MMRP sites at FUDS, which do not have a RIP/RC goal yet.

^dCongress enacted legislation that instituted five separate BRAC rounds in 1988, 1991, 1993, 1995, and 2005. "Legacy BRAC" refers to the base closure rounds in 1988, 1991, 1993, and 1995. The most current closures are being conducted under the "2005 BRAC" round.

^eDOD has not yet set a RIP/RC date for FUDS MMRP sites. In fiscal year 2009, the Army Corps of Engineers (Corps) began to develop a long-term strategy for MMRP sites at FUDS.

^fThe Corps completed preliminary assessments at 99 percent of FUDS MMRP sites by the end of fiscal year 2008.

As the table indicates, BRAC sites have no established goals for preliminary assessments or site inspections. For sites included under the first four BRAC rounds, the goal is to reach the RIP/RC milestone at IRP sites by 2015 and at MMRP sites by 2009. For sites included under the 2005 BRAC round, the goal is to reach the RIP/RC milestone at IRP sites by 2014 and at MMRP sites by 2017.

DOD's military components plan cleanup actions that are required to meet these goals at the installation or site level. DOD requires the components to assess their inventory of BRAC and other sites by relative risk to help make informed decisions about which sites to clean up first. Using these relative risk categories, as well as other factors such as stakeholder interest and mission needs, the components set more specific cleanup

targets each fiscal year to demonstrate progress and prepare a budget to achieve those goals and targets.

The proposed budgets and obligations among site categories are also influenced by the need to fund long-term management activities. While DOD uses the number of sites achieving RIP/RC status as a primary performance metric, sites that have reached this goal may still require long-term management and, therefore, additional funding for a number of years. Table 2 shows the completion status for active and BRAC sites and FUDS, as of the end of fiscal year 2008.

Table 2: Completion Status of Sites, Fiscal Year 2008

Status of sites	Active	BRAC	FUDS
Sites that have reached response complete status	16,810	3,953	2,682
Sites that have not reached response complete status	4,703	1,492	2,023
Sites that have reached response complete status but still require long-term management	760	440	55

Source: GAO analysis of DOD-provided data.

Table 3 shows the completion status of BRAC sites and those that require long term management under the IRP, MMRP, and the Building Demolition/Debris Removal Program by military component, for fiscal years 2004 through 2008.

Table 3: BRAC Sites Cleanup Completion Status for Fiscal Years 2004 through 2008

Program category	Fiscal years	Sites by military component				Total
		Army	Navy	Air Force	Defense Logistics Agency	
IRP sites that have achieved response complete status*	2004	1,710	899	1,073	153	3,835
	2005	1,744	920	1,127	157	3,948
	2006	1,781	914	1,179	157	4,031
	2007	1,767	422	1,226	157	3,572
	2008	1,778	558	1,260	157	3,753
IRP sites that have not achieved response	2004	181	164	641	11	997
	2005	149	174	587	7	917

complete status	2006	186	210	576	7	979
	2007	209	707	583	7	1,506
	2008	221	572	549	7	1,349
IRP sites that have achieved response complete status but remain under long-term management	2004	51	48	84	0	183
	2005	56	46	82	0	184
	2006	69	40	272	0	381
	2007	80	16	289	0	385
	2008	84	14	308	17	423
MMRP sites that have achieved response complete status	2004	120	3	0	0	123
	2005	109	5	0	0	114
	2006	118	4	0	0	122
	2007	87	1	92	0	180
MMRP sites that have not achieved response complete status	2004	93	5	102	0	200
	2004	53	16	126	0	195
	2005	64	14	126	0	204
	2006	99	26	126	0	251
	2007	91	31	35	0	157
MMRP sites that have achieved response complete status but remain under long term management	2004	91	27	25	0	143
	2004	2	0	0	0	2
	2005	6	0	0	0	6
	2006	11	0	0	0	11
	2007	9	0	8	0	17
2008	10	0	7	0	17	

Source: GAO analysis of DOD data.

*Building Demolition and Debris Removal sites are included.

DOD data show that, in applying the broad restoration goals, performance goals, and targets, cleanup funding is generally proportional to the number of sites in the active, BRAC, and FUDS site categories. Table 4 shows the total DERP inventory of sites, obligations, and proportions at the end of fiscal year 2008.

Table 4: Inventory of Sites, Obligations, and Proportions, Fiscal Year 2008

Dollars in millions

	Active		BRAC		FUDS		Totals	
	Number/ amount	Percentage of total	Number/ amount	Percentage of total	Number/ amount	Percentage of total	Number/ amount	Percentage of total
Total number of sites	21,513	68	5,445	17	4,705	15	31,663	100
Amount obligated ^a	\$1,056.1	61	\$440.2	25	\$245.4	14	\$1,741.7	100

Source: GAO analysis of DOD-provided data.

*The amounts obligated are for cleanup activities for each category under the IRP, MMRP, and Building Demolition/Debris Removal programs.

As the table indicates, the total number of BRAC sites requiring cleanup is about 17 percent of the total number of defense sites, while the \$440.2 million obligated to address BRAC sites in fiscal year 2008 is equivalent to about 25 percent of the total funds obligated for cleaning up all defense waste sites.¹⁶

Since DERP was established, approximately \$18.4 billion has been obligated for environmental cleanup at individual sites on active military bases, \$7.7 billion for cleanup at sites located on installations designated for closure under BRAC, and about \$3.7 billion to clean up FUDS sites. During fiscal years 2004 through 2008, about \$4.8 billion was spent on cleaning up sites on active bases, \$1.8 billion for BRAC sites, and \$1.1 billion for FUDS sites.¹⁷

Table 5 provides DOD's funding obligations for cleanup at BRAC sites by military component and program category for fiscal years 2004 through 2008.

Table 5: DOD's Obligations for Cleanup at BRAC Sites under the IRP and MMRP, Fiscal Years 2004 through 2008

Dollars in millions

Program category	Fiscal years	Military component				Total ^a
		Army	Navy	Air Force	Defense Logistics Agency	
IRP	2004	\$18.3	\$120.1	\$146.0	\$7.3	\$291.7
	2005	56.5	72.5	100.3	8.3	237.6
	2006	43.2	219.5	81.0	4.3	348.0
	2007	55.2	163.4	85.4	5.0	308.9
	2008	42.0	256.2	91.1	1.6	390.8

¹⁶As noted previously, the active, BRAC, and FUDS cleanup activities are funded from distinct appropriations.

¹⁷All dollar amounts in this section reflect installation project funding allocated to individual sites for cleanup under the IRP, MMRP and building demolition and debris removal, and do not include program management and other support costs.

MMRP	2004	22.2	0.6	0.2	0.0	23.0
	2005	17.5	4.6	0.0	0.0	22.1
	2006	46.1	6.8	0.0	0.0	52.8
	2007	54.0	7.6	0.2	0.0	61.8
	2008	22.4	25.2	1.8	0.0	49.4
Program management and support ^a	2004					
	2005	16.1	25.5	41.7	0.0	83.3
	2006	12.1	30.2	40.5	0.2	83.0
	2007	13.5	23.8	29.4	1.0	67.7
	2008	14.2	27.5	36.2	2.1	80.0
Total obligations	2004	40.6	\$120.7	146.2	7.3	314.7
	2005	90.1	\$102.5	142.1	8.3	342.9
	2006	101.4	\$256.4	121.5	4.5	483.9
	2007	122.7	\$194.8	114.9	6.0	438.3
	2008	78.6	\$308.8	129.0	3.7	520.2

Source: GAO's analysis of DOD data.

^aDue to rounding, subtotals may not equal total obligations.

^bProgram management and support includes administrative and overhead expenses. These obligations were not reported in DOD's DERP information system until fiscal year 2005.

Table 6 shows DOD's estimated cost to complete environmental cleanup for sites located at active installations, BRAC installations, and FUDS under the IRP, MMRP, and the Building Demolition and Debris Removal Program for fiscal years 2004 through 2008.

Table 6: DOD's Estimated Costs to Complete Environmental Cleanup for Active, BRAC, and FUDS sites by Program Category, Fiscal Years 2004 through 2008

Dollars in billions

	Fiscal year	Program category		Total
		IRP	MMRP	
Active sites ^a	2004	\$9.0	\$7.3	\$16.3
	2005	8.2	6.0	14.2
	2006	7.5	5.1	12.6
	2007	6.9	5.3	12.2
	2008	6.3	4.9	11.3
BRAC sites	2004	2.7	0.5	3.2
	2005	2.6	1.2	3.8
	2006	3.0	0.9	3.9
	2007	2.9	0.9	3.9
FUDS ^a	2004	3.6	12.2	15.8
	2005	3.5	12.9	16.4
	2006	3.4	12.6	16.1

	2007	3.2	13.0	16.3
	2008	2.8	13.5	16.2

Source: GAO's analysis of DOD data.

Note: Does not include program management and support costs. Totals may not add due to rounding.

*Building Demolition and Debris Removal costs estimates are included in the IRP category.

Finally, table 7 shows the total inventory of BRAC sites and the number ranked as high risk in the IRP and MMRP, by military component, for fiscal years 2004 through 2008.

Table 7: Inventory for BRAC Sites, Fiscal Years 2004 through 2008

Number of sites						
Program category	Fiscal year	Military component				Total
		Army	Navy	Air Force	Defense Logistics Agency	
IRP ^a	2004	1,891	1,063	1,714	164	4,832
	2005	1,893	1,094	1,714	164	4,865
	2006	1,967	1,124	1,755	164	5,010
	2007	1,976	1,129	1,809	164	5,078
	2008	1,999	1,130	1,809	164	5,102
MMRP	2004	173	19	126	0	318
	2005	173	19	126	0	318
	2006	217	30	126	0	373
	2007	178	32	127	0	337
	2008	184	32	127	0	343
Total sites	2004	2,064	1,082	1,840	164	5,150
	2005	2,066	1,113	1,840	164	5,183
	2006	2,184	1,154	1,881	164	5,383
	2007	2,154	1,161	1,936	164	5,415
	2008	2,183	1,162	1,936	164	5,445
IRP high risk ^b	2004	75	71	125	4	275
	2005	59	62	115	3	239
	2006	71	67	111	2	251
	2007	65	69	116	2	252
	2008	67	62	103	2	234
MMRP high risk ^c	2004	34	0	0	0	34
	2005	33	0	0	0	33
	2006	50	0	0	0	50
	2007					
	2008					
Total high-risk sites ^d	2004	109	71	125	4	309
	2005	92	62	115	3	272
	2006	121	67	111	2	301

	2007					
	2008					

Source: GAO's analysis of DOD data.

¹⁸IRP numbers include Building Demolition and Debris Removal Program sites.

¹⁹We defined risk categories as follows: IRP high risk sites are those with a relative risk site evaluation risk level of "high" and MMRP high risk sites are those with a risk assessment code of 1 or 2.

²⁰The actual number of high-risk MMRP sites are incomplete after fiscal year 2006 because DOD is transitioning to a new scoring system.

Challenges to DOD's Environmental Cleanup Efforts

Our past work has also identified a number of challenges to DOD's efforts in undertaking environmental cleanup activities at defense sites, including BRAC sites. For example, we have reported the following:

- DOD's preliminary cost estimates for environmental cleanup at specific sites may not reflect the full cost of cleanup. That is, costs are generally expected to increase as more information becomes known about the extent of the cleanup needed at a site to make it safe enough to be reused by others. We reported in 2007 that our experience with prior BRAC rounds had shown that cost estimates tend to increase significantly once more detailed studies and investigations are completed.¹⁸
- Environmental cleanup issues are unique to each site. However, we have reported that three key factors can lead to delays in the cleanup and transfer of sites. These factors are (1) technological constraints that limit DOD's ability to accurately identify, detect, and clean up unexploded ordnance from a particular site, (2) prolonged negotiations between environmental regulators and DOD about the extent to which DOD's actions are in compliance with environmental regulations and laws, and (3) the discovery of previously undetected environmental contamination that can result in the need for further cleanup, cost increases, and delays in property transfer.

¹⁸GAO, *Military Base Closures: Opportunities Exist to Improve Environmental Cleanup Cost Reporting and to Expedite Transfer of Unneeded Property*, GAO-07-166 (Washington, D.C. : Jan. 30, 2007)

In conclusion, Mr. Chairman, while the data indicate that DOD has made progress in cleaning up its contaminated sites, they also show that a significant amount of work remains to be done. Given the large number of sites that DOD must clean up, we recognize that it faces a significant challenge. Addressing this challenge, however, is critical because environmental cleanup has historically been a key impediment to the expeditious transfer of unneeded property to other federal and nonfederal parties who can put the property to new uses.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

GAO Contact and Staff Acknowledgements

Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. For further information about this testimony, please contact Anu Mittal at (202) 512-3841 or mittala@gao.gov or John B. Stephenson at (202) 512-3841 or stephenson@gao.gov. Contributors to this testimony include Elizabeth Beardsley, Antoinette Capaccio, Vincent Price, and John Smith.

(361188)

Mr. FARR. Thank you.
Ms. Suzy Cantor-McKinney.

STATEMENT OF SUZY CANTOR-MCKINNEY

Ms. CANTOR-MCKINNEY. Mr. Chairman, Ranking Member Wamp, and committee members, I am honored to be here today to represent the National Association of Ordnance and Explosive Waste Contractors, otherwise commonly known as NAOC.

We are trade association for firms who are involved in the detection and clean-up of unexploded ordnance, UXO, on active military bases, formerly used defense sites, FUDS, and BRAC sites. NAOC includes 69 member companies that participate in the entire spectrum of clean-up, from the development of detection technologies to the actual cleanup of UXO at these sites.

I am here today to speak about the environmental restoration and clean up on BRAC sites, and I am grateful for the opportunity to speak to you on behalf of NAOC about this important issue.

I want to thank Chairman Edwards for his leadership and for holding this hearing. And in addition, I would like to thank Congressman Farr for championing this issue.

According to the 2008 Defense Environmental Programs Annual Report to Congress, over the past 10 years, Congress has provided \$5.8 billion for environmental activities at BRAC installations. Annual appropriations for clean-up of BRAC sites have remained relatively consistent; however, of the total amount appropriated for environmental clean up, only approximately \$60 million per year is spent on military munitions clean-up at legacy BRAC sites, or pre-BRAC 2005.

This is a rough number, as there are no requirements to report funding for expenditures for munitions clean-up separately from the traditional hazardous waste clean up.

This funding is inadequate to address the military munitions clean-up of the legacy BRAC sites. Currently, there are 84 legacy BRAC military munitions response sites, with a total cost to complete of \$643 million.

BRAC 2005 includes an additional 38 military munitions response sites, with a cost to complete of \$329 million. And a detailed list is included as an attachment to this testimony.

The backlog on clean-up of legacy BRAC sites is a problem that has been addressed by this body itself. The problem was specifically addressed in Senate Report 110-428 and House Report 110-775, which accompanied the fiscal year 2009 military construction and veterans affairs appropriations bills.

In the Senate version it was stated, "The committee remains concerned about the backlog of environmental remediation activities required to complete the clean-up of U.S. military installations closed during previous BRAC rounds. The most recent estimate of the cost to complete the clean-up of these bases is approximately \$3 billion.

"The committee recognizes that lengthy delays in completing environmental clean up at shuttered bases hampers the ability of communities to put valuable property to economically and socially productive uses, and it believes that a more robust funding for the

BRAC 1990 account will help to accelerate the clean-up and the reuse of these bases.”

The fiscal year 2010 Military Construction and Veterans Affairs Appropriations Act included a \$100 million plus-up from the president’s request for legacy BRAC, and we were very thankful for this request or this increase. However, when compared to the fiscal year 2009 appropriation, it is truly only a \$38 million plus-up from the previous year.

When one looks at the scope of the problem and the cost to clean up these legacy BRAC sites, one can see that there is still much to do. When installations are closed, the local economy has little chance of recovery until the sites are transferred to allow safe use for their newly identified purposes.

Limited funding delays the required clean-up, which delays the transfer of this land from DOD to private entities and municipalities for non-military use and tax-generating activities. With a weakened economy and a possible prolonged recession, the timely clean-up of transferred and transferring sites, which protects the public and provides for economic development, is extremely important.

Though some BRAC sites have been transferred, previous reports from GAO have noted that environmental clean-up requirements present the primary challenge to transfer these remaining properties.

For fiscal year 2011, the DOD has requested \$47 million to address remaining munitions hazards on these legacy BRAC sites. And at this rate, the program will take approximately 13 to 14 years to complete. Many sites are projected for completion in 2015 and beyond and in several cases over 20 years after the installations were identified for closure. This was not the intent of the BRAC legislation.

A good example of a BRAC installation that has remaining sites awaiting clean-up is Fort Ord, located in California. Fort Ord is one of the most beautiful BRAC sites in the country, with high value real estate ripe for redevelopment. The remaining cost to clean up Fort Ord is \$275 million, with a site at this installation having a completion date listed far into the future at 2023.

Fort Ord was closed in BRAC 1991, with the expectation to clean up and turn over the property to Fort Ord Redevelopment Authority within just a few years. While much progress has been made, there is still much to do. Other legacy BRAC sites which could be redeveloped and bring new jobs and increase tax bases are located in Alaska, Alabama, California, Colorado, Illinois, Indiana, Massachusetts, Maryland, New Mexico, New York, Oregon, and Texas.

NAOC, as a representative of the companies performing UXO work, believes that the industry has significant untapped capacity and will be able to execute additional work if BRAC receives additional funding. It is our estimate that the industry can currently support funding of approximately \$1.5 billion per year, while the DOD funding for the clean-up of UXO has traditionally been about \$500 million per year.

And we do understand that there are limiting factors, such as the government’s ability to issue contracts and the resource constraints that might be imposed by the regulatory community.

Our member companies employ more than 250,000 people in every state of the union. Munitions response projects can require a wide variety of labor disciplines to execute this work, including UXO technicians, engineers, scientists, geophysicists, general laborers, surveyors, risk assessors, and public relations specialists.

Our industry demonstrated our ability to manage and execute surge capacity between 2003 and 2008 when we executed approximately \$1.7 billion supporting the—\$1.7 billion supporting Captured Enemy Ammunition/Coalition Munitions Clearance program for the U.S. Army Corps of Engineers. These efforts were accomplished in addition to the domestic clean-up sites that were being simultaneously conducted, and they were executed by large and small companies.

In summary, it is in our national and economic interest to appropriate adequate funds for the timely and complete clean-up of UXO on legacy BRAC sites. Again, the National Association of Ordnance and Explosive Waste Contractors appreciates this opportunity to appear before this subcommittee and to provide you with information on the pace of clean-up of the BRAC sites and the challenges that we are facing in accomplishing the task of completing this clean-up.

Thank you.

[Prepared statement of Suzy Cantor-McKinney follows:]

Testimony of
Suzy Cantor-McKinney
Vice President

National Association of Ordnance and Explosive Waste Contractors (NAOC)

Before the Subcommittee on Military Construction and Veterans Affairs and Related Agencies

March 17, 2010

Mr. Chairman and Committee members, my name is Suzy Cantor-McKinney and I am honored to be here today representing the National Association of Ordnance and Explosive Waste Contractors commonly known as NAOE. NAOE is the trade association for firms involved in the detection and cleanup of unexploded ordnance (UXO) on active military bases, Formerly Used Defense Sites (FUDS) and Base Realignment and Closure (BRAC) sites. NAOE includes 69 member companies that participate in the entire spectrum of cleanup from the development of detection technologies to the actual cleanup of UXO sites.

I am here today to speak about environmental restoration and cleanup on Base Realignment and Closure (BRAC) sites. I am grateful for the opportunity to speak to you on behalf of NAOE about this important issue. I want to thank Chairman Edwards for his leadership and for holding this hearing. In addition, I would like to thank Congressman Farr for championing this issue.

According to the 2008 Defense Environmental Programs Annual Report to Congress (DEPARC), over the past 10 years, Congress has provided \$5.8 billion for environmental activities at BRAC installations. Annual appropriations for cleanup of BRAC sites have remained relatively consistent; however, of the total amount appropriated for environmental cleanup, only approximately \$60 million per year is spent on military munitions cleanup at Legacy BRAC sites (pre-BRAC 2005). This is a rough number as there is no requirement to report funding or expenditures for munitions cleanup separately from traditional hazardous waste cleanup. This funding is inadequate to address the military munitions cleanup of Legacy BRAC sites. Currently there are 84 Legacy BRAC Military Munitions Response Sites with a total Cost-to-Complete of \$643 million. BRAC 2005 includes an additional 38 Military Munitions Response Sites with a Cost-to-Complete of \$329 million. A detailed list is included as an attachment to my testimony.

The backlog on cleanup of Legacy BRAC sites is a problem that has been addressed by this body itself. The problem was specifically addressed in Senate Report 110-428 and House Report 110-775 which

accompanied the FY 2009 Military Construction and Veterans Affairs Appropriations bills. In the Senate version it was stated:

“The Committee remains concerned about the backlog of environmental remediation activities required to complete the cleanup of U.S. military installations closed during previous BRAC rounds. The most recent estimate of the cost to complete the cleanup of these bases is approximately \$3,000,000,000. The Committee recognizes that lengthy delays in completing environmental cleanup at shuttered bases hamper the ability of communities to put valuable property to economically and socially productive uses and it believes a more robust funding for the BRAC 1990 account will help to accelerate the cleanup and reuse of these bases.”

The Fiscal Year 2010 Military Construction and Veterans Affairs Appropriations Act included a \$100 million plus up from the President's request for Legacy BRAC, and we are very thankful for that increase. However, when compared to the Fiscal Year 2009 appropriation, it is truly only a \$38 million plus up from the previous year. When one looks at the scope of the problem and the cost to cleanup these Legacy BRAC sites, one can see there is still much to do.

When installations are closed, the local economy has little chance of recovery until the sites are transferred to allow safe use for their newly identified purpose. Limited funding delays the required cleanup, which delays the transfer of this land from the Department of Defense (DoD) to private entities and municipalities for non-military use and tax generating economic activities. With a weakened economy and a possible prolonged recession, the timely cleanup of transferred and transferring sites, which protects the public and provides for economic development, is extremely important. Though some BRAC sites have been transferred, previous reports from the Government Accounting Office (GAO) have noted that environmental cleanup requirements present the primary challenge to transferring the remaining property.

For Fiscal Year 2011, the DoD has requested \$47 million to address remaining munitions hazards on these Legacy BRAC sites. At this rate, the program will take approximately 13 to 14 years to complete. Many sites are projected for completion in 2015 and beyond, in several cases over 20 years after the installations were identified for closure. This was not the intent of the BRAC legislation. A good example of a BRAC installation that has remaining sites awaiting cleanup is Ft. Ord located in California. Fort Ord is one of the most beautiful BRAC sites in the country with high value real estate ripe for redevelopment. The remaining cost to cleanup Ft. Ord is \$275 million, with a site within the installation having a completion

date listed as far into the future as 2023. Fort Ord was closed in BRAC 1991, with the expectation to cleanup and turn over the property to the Fort Ord Redevelopment Authority within a few years. While much progress has been made, there is still much to do. Other Legacy BRAC sites, which could be redeveloped and bring new jobs and increase the tax base are located in Alaska, Alabama, California, Colorado, Illinois, Indiana, Massachusetts, Maryland, New Mexico, New York, Oregon, and Texas.

NAOC, as a representative of the companies performing UXO work, believes that industry has significant untapped capacity and will be able to execute additional work if BRAC receives additional funding. It is our estimate that the industry can currently support funding of approximately \$1.5B a year, while the DoD funding for the cleanup of UXO has traditionally been about \$500 million a year. Our member companies employ more than 250,000 people in every state of the Union. Munitions response projects can require a wide variety of labor disciplines to execute work, including UXO technicians, engineers, scientists, geophysicists, general laborers, surveyors, risk assessors, and public relations specialists. Our industry demonstrated our ability to manage and execute surge capacity between 2003 and 2008 when we executed roughly \$1.7 billion supporting the Captured Enemy Ammunition/Coalition Munitions Clearance program for the U.S. Army Corps of Engineers. These efforts were accomplished in addition to the domestic cleanup projects being simultaneously conducted and were executed by large and small businesses alike.

In summary, it is in our national and economic interest to appropriate adequate funds for the timely and complete cleanup of UXO on Legacy BRAC sites.

Again, the National Association of Ordnance and Explosive Waste Contractors appreciates the opportunity to appear before this subcommittee and to provide you with information on the pace of clean up on BRAC sites and the challenges we are facing in accomplishing the task of completing this cleanup.

Attachment 1 - Legacy BRAC

Component	Installation Name	State	Fund Source	BRAC Round	RIP/RC Date	FY09 to Complete (\$000)
NAVY	ADAK NAS	AK	BRAC	IV	2014	59,551
ARMY	FORT MCCLELLAN	AL	BRAC	IV	2035	77,518
ARMY	FORT MCCLELLAN	AL	BRAC	IV	2006	399
ARMY	FORT ORD	CA	BRAC	II	2023	164,906
ARMY	FORT ORD	CA	BRAC	II	2013	31,644
ARMY	FORT ORD	CA	BRAC	II	2014	17,989
ARMY	SIERRA ARMY DEPOT	CA	BRAC	IV	2017	15,638
NAVY	MARE ISLAND NSY	CA	BRAC	III	2012	11,575
ARMY	FORT ORD	CA	BRAC	II	2014	10,382
NAVY	MARE ISLAND NSY	CA	BRAC	III	2011	8,484
ARMY	FORT ORD	CA	BRAC	II	2014	6,480
ARMY	FORT ORD	CA	BRAC	II	2014	6,430
ARMY	FORT ORD	CA	BRAC	II	2014	5,959
NAVY	MARE ISLAND NSY	CA	BRAC	III	2011	5,956
ARMY	FORT ORD	CA	BRAC	II	2014	5,159
ARMY	FORT ORD	CA	BRAC	II	2014	5,105
NAVY	MARE ISLAND NSY	CA	BRAC	III	2012	4,770
ARMY	FORT ORD	CA	BRAC	II	2012	3,607
ARMY	FORT ORD	CA	BRAC	II	2014	3,308
ARMY	FORT ORD	CA	BRAC	II	2014	3,154
ARMY	FORT ORD	CA	BRAC	II	2014	3,058
NAVY	MARE ISLAND NSY	CA	BRAC	III	2010	2,451
ARMY	FORT ORD	CA	BRAC	II	2011	2,184
ARMY	FORT ORD	CA	BRAC	II	2014	1,866
NAVY	MARE ISLAND NSY	CA	BRAC	III	2011	1,269
NAVY	MARE ISLAND NSY	CA	BRAC	III	2010	1,136
ARMY	FORT ORD	CA	BRAC	II	2014	1,030
ARMY	FORT ORD	CA	BRAC	II	2012	805
ARMY	FORT ORD	CA	BRAC	II	2010	606
ARMY	FORT ORD	CA	BRAC	II	2006	446
ARMY	FORT ORD	CA	BRAC	II	2003	398
ARMY	FORT ORD	CA	BRAC	II	2003	398
ARMY	FORT ORD	CA	BRAC	II	2006	398
NAVY	MARE ISLAND NSY	CA	BRAC	III	2010	118
AIR FORCE	GEORGE AFB	CA	BRAC	I		16
AIR FORCE	GEORGE AFB	CA	BRAC	I		15
AIR FORCE	GEORGE AFB	CA	BRAC	I		15
AIR FORCE	GEORGE AFB	CA	BRAC	I	2010	3
AIR FORCE	GEORGE AFB	CA	BRAC	I	2010	3
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2013	5,739
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2016	5,376
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2016	4,130

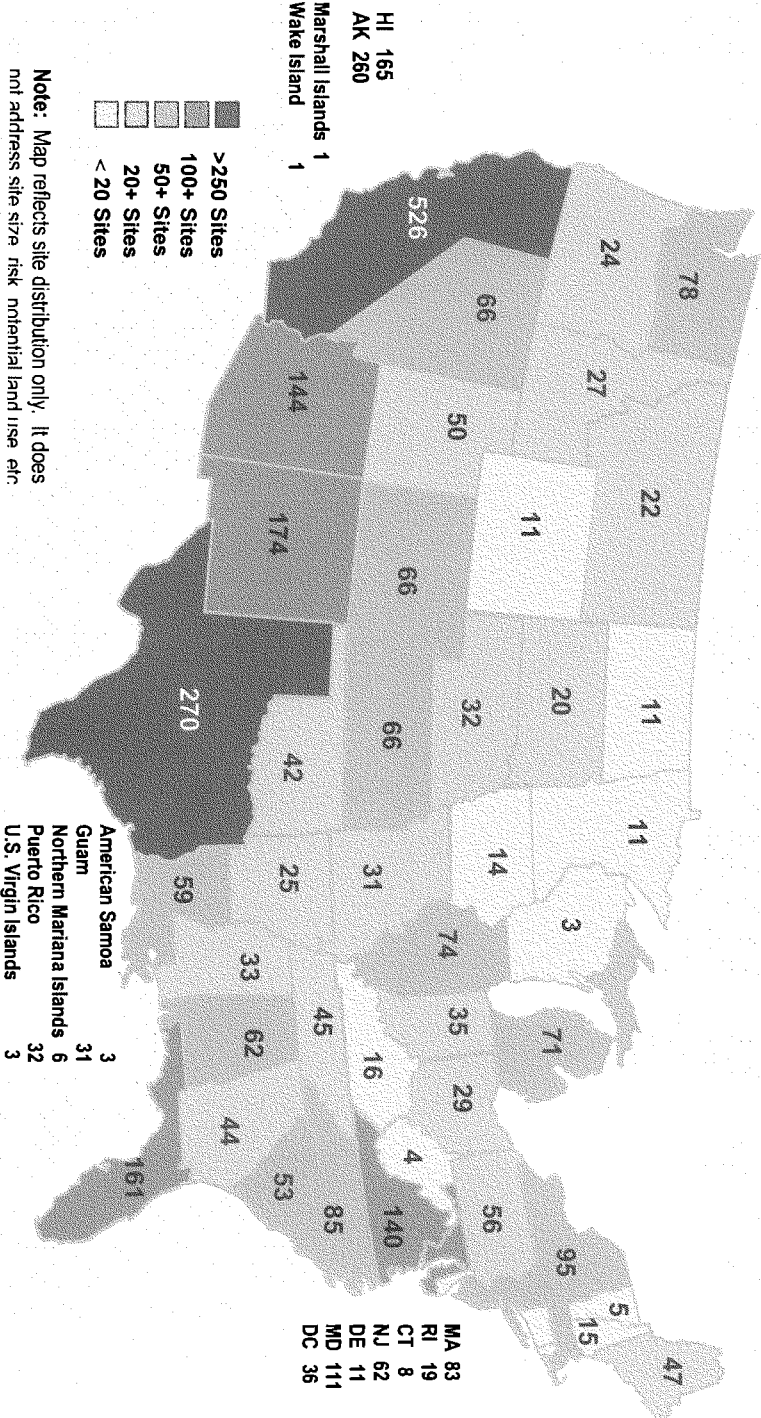
Attachment 1 - Legacy BRAC (continued)

Component	Installation Name	State	Fund Source	BRAC Round	RIP/RC Date	FY09 to Complete (\$000)
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2015	3,105
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2016	2,604
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2015	1,854
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2011	1,786
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2016	1,590
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2014	1,486
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2012	1,155
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2015	924
ARMY	PUEBLO CHEMICAL DEPOT	CO	BRAC	I	2014	676
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2018	17,301
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2016	3,945
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2012	1,507
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2013	1,271
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2013	1,128
AIR FORCE	CHANUTE AFB	IL	BRAC	I	2010	904
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2014	442
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2013	442
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2011	328
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2016	328
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2015	328
ARMY	SAVANNA DEPOT ACTIVITY	IL	BRAC	IV	2012	328
AIR FORCE	GRISSOM AIR FORCE BASE	IN	BRAC	II	1997	71
AIR FORCE	GRISSOM AIR FORCE BASE	IN	BRAC	II	1998	68
NAVY	SOUTH WEYMOUTH NAS	MA	BRAC	IV	2008	2,532
ARMY	DEVENS RESERVE TRAINING FACILITY	MA	BRAC	II	2012	518
ARMY	DEVENS RESERVE TRAINING FACILITY	MA	BRAC	II	2010	85
ARMY	FORT RITCHIE	MD	BRAC	IV	2003	2,994
ARMY	FORT GEORGE G MEADE	MD	BRAC	I	1990	1,530
ARMY	FORT GEORGE G MEADE	MD	BRAC	I	2003	245
ARMY	FORT WINGATE DEPOT ACTIVITY	NM	BRAC	I	2021	47,703
ARMY	FORT WINGATE DEPOT ACTIVITY	NM	BRAC	I	2020	11,183
ARMY	FORT WINGATE DEPOT ACTIVITY	NM	BRAC	I	2017	8,394
ARMY	SENECA ARMY DEPOT ACTIVITY	NY	BRAC	IV	2017	21,947
ARMY	SENECA ARMY DEPOT ACTIVITY	NY	BRAC	IV	2012	542
ARMY	SENECA ARMY DEPOT ACTIVITY	NY	BRAC	IV	2008	261
ARMY	SENECA ARMY DEPOT ACTIVITY	NY	BRAC	IV	2009	25
ARMY	SENECA ARMY DEPOT ACTIVITY	NY	BRAC	IV	2009	25
ARMY	UMATILLA CHEMICAL DEPOT	OR	BRAC	I	2018	16,061
ARMY	UMATILLA CHEMICAL DEPOT	OR	BRAC	I	2009	110
ARMY	RED RIVER ARMY DEPOT	TX	BRAC	IV	2011	3,351
ARMY	RED RIVER ARMY DEPOT	TX	BRAC	IV	2011	1,934
AIR FORCE	REESE AFB	TX	BRAC	IV	2000	43

Attachment 2 – BRAC 2005

Component	Installation Name	State	Fund Source	BRAC Round	RIP/RC Date	FY09 to Complete (\$000)
AIR FORCE	GALENA FOL	AK	BRAC	V		596
NAVY	CONCORD NWS	CA	BRAC	V	2012	3,526
NAVY	CONCORD NWS	CA	BRAC	V	2014	3,104
NAVY	CONCORD NWS	CA	BRAC	V	2015	2,555
NAVY	CONCORD NWS	CA	BRAC	V	2015	2,437
NAVY	CONCORD NWS	CA	BRAC	V	2013	435
ARMY	FORT GILLEM	GA	BRAC	V	2010	512
ARMY	FORT MCPHERSON	GA	BRAC	V	2011	512
ARMY	NEWPORT CHEMICAL DEPOT	IN	BRAC	V	2012	6,873
ARMY	NEWPORT CHEMICAL DEPOT	IN	BRAC	V	2012	113
ARMY	KANSAS ARMY AMMUNITION PLANT	KS	BRAC	V	2011	2,093
NAVY	BRUNSWICK NAS	ME	BRAC	V	2013	2,624
NAVY	BRUNSWICK NAS	ME	BRAC	V	2010	2,350
NAVY	BRUNSWICK NAS	ME	BRAC	V	2012	1,093
ARMY	MISSISSIPPI ARMY AMMUNITION PLANT	MS	BRAC	V	2013	2,747
ARMY	LONE STAR ARMY AMMUNITION PLANT	TX	BRAC	V	2012	823
ARMY	DESERET CHEMICAL DEPOT	UT	BRAC	V	2016	127,768
ARMY	DESERET CHEMICAL DEPOT	UT	BRAC	V	2016	62,166
ARMY	DESERET CHEMICAL DEPOT	UT	BRAC	V	2015	21,350
ARMY	DESERET CHEMICAL DEPOT	UT	BRAC	V	2014	11,171
ARMY	DESERET CHEMICAL DEPOT	UT	BRAC	V	2013	5,787
ARMY	FORT MONROE	VA	BRAC	V	2012	36,375
ARMY	FORT MONROE	VA	BRAC	V	2013	17,022
ARMY	FORT MONROE	VA	BRAC	V	2011	3,172
ARMY	FORT MONROE	VA	BRAC	V	2011	2,257
ARMY	FORT MONROE	VA	BRAC	V	2011	1,771
ARMY	FORT MONROE	VA	BRAC	V	2011	1,667
ARMY	FORT MONROE	VA	BRAC	V	2011	1,549
ARMY	FORT MONROE	VA	BRAC	V	2011	1,215
ARMY	FORT MONROE	VA	BRAC	V	2011	940
ARMY	FORT MONROE	VA	BRAC	V	2011	864
ARMY	FORT MONROE	VA	BRAC	V	2011	762
ARMY	FORT MONROE	VA	BRAC	V	2010	41
ARMY	FORT MONROE	VA	BRAC	V	2010	40
ARMY	FORT MONROE	VA	BRAC	V	2010	24
ARMY	FORT MONROE	VA	BRAC	V	2010	4
ARMY	VANCOUVER BARRACKS	WA	BRAC	V	2010	414
ARMY	VANCOUVER BARRACKS	WA	BRAC	V	2010	283

Military Munitions Response Program Sites
 3,674 sites reported in the 2008 Defense Environmental Programs Annual Report to Congress



Mr. FARR. Thank you very much for your testimony. And it will be entered into the record. And we appreciate both of you coming. And let's open up this dialogue.

Do I lead off with questions, Mr. Chairman? I am not you.

Mr. EDWARDS. It is your gavel, Mr. Chairman.

UXO CLEAN-UP

Mr. FARR. All right. Perhaps Dr. Robyn can enter in here. The issue here is your testimony says that we are doing all that we can do, that we do not really need more money to do it, and here the industry says they can absorb \$1.5 billion in work.

It is labor intensive. Congress is in a mood to create jobs. What kind of training does one need to do UXO clean-up? Is there a training program?

Ms. CANTOR-MCKINNEY. For the actual ordnance removal from the ground, there are requirements, either have graduated from a military ordnance and explosives school or to have undergone training through one of the—they are called Tech 1 schools that individuals can apply and undergo that training. So there are specific requirements to actually remove the ordnance from the ground.

Mr. FARR. Is there any stimulus funding to do that training?

Ms. CANTOR-MCKINNEY. I can check into that for the record. I am not sure.

Mr. FARR. The people behind you are nodding no. And how many people did you say the industry employs?

Ms. CANTOR-MCKINNEY. We have over 250,000 within the companies and the unexploded ordnance technicians who are available for work.

Mr. FARR. If you had full funding, how many jobs would that—you would have that full impact? How many jobs right now? What is the unemployment rate in there? I mean—

Ms. CANTOR-MCKINNEY. I would have to check on that for the record. I am not sure the actual employment rate versus that surge. Most of the ordnance technicians, they worked for companies for a period of time and then perhaps moved to another company, so they are not full-time employees, and so I would need to re-search some of those data points.

Mr. FARR. I guess what I am trying to get at is that there seems to be capacity out there in the private sector to be able to do a lot more work. It is labor-intensive.

Ms. CANTOR-MCKINNEY. It is.

Mr. FARR. It is beneficial. And yet part of our stimulus attitude, whether it is in the stimulus bill or in the defense appropriations bill, that there ought to be some money to get this work done. And your testimony was that you do not need any more money.

Ms. ROBYN. I did not mean to imply we could not do more, that I think the constraint is, as it always is, it is the—it is the competition for a number of very, very worthy things.

I mean, could the Defense Department—I do not disagree the capacity is there. I guess I would—and I am not trying to change the subject—but I would love to get Ms. McKinney's view on the role of technology advancement, which is, again, what I see as getting beyond particularly in the munitions area.

Mr. FARR. Well, she listed in her priorities there that technology limits was number-one priority.

Ms. ROBYN. Right.

Mr. FARR. The second was prolonged environmental negotiations. And the third was the discovery of unintended consequences of things with previous contamination. So it was the number-one issue. I do not think there is any disagreement on that.

Ms. ROBYN. Right.

CLEAN-UP ESTIMATES

Mr. FARR. Can I ask the GAO a question? It seems to me that we are not going at this rate of estimating what the work is. You said that 17 percent of the BRAC sites need cleaning up and that we have 25 percent of the total defense funds obligated for this purpose spent on cleaning up. It is like you are trying to force a round peg into a square hole.

Why not know the entire cost of the clean-up you have to do through estimates—

Ms. MITTAL. No, I completely agree.

Mr. FARR [continuing]. And then set a budget to do that?

Ms. MITTAL. Sure. One of the frustrations that we have had with the way DOD presents information about the total clean-up costs for the BRAC program is the fact that they fragment all of the different pieces in four different documents that they provide to Congress.

So the last time we tried to estimate how much it was going to cost or how much the BRAC clean-ups had cost up to a certain point and how much more they were going to cost, it took us quite a bit of work to try to pool all of these various documents together and come up with an estimate.

So I completely agree with you. We believe there needs to be more transparency and more clarity in how DOD presents the information to Congress how much the BRAC environmental clean-up is going to cost.

The 17 percent that I mentioned was because sometimes we hear arguments from the FUDS program or the BRAC program or the active installations that they are not getting their fair share of the total dollars. And what we were trying to do was do an analysis to show that each of the categories of properties receive a proportional amount of the total amount of funding available.

So 17 percent of all DOD's properties that need cleaning up are BRAC properties that need clean-up, and they have received 25 percent of the total funding available. That is the point I was trying to make.

Mr. FARR. Okay. So how do we get exactly what is needed? Can you provide us those—

Ms. MITTAL. Well, the last time we did this analysis was in 2007. And at that point, we estimated that for the first four BRAC rounds, environmental clean-up—that was DERP, as well as non-DERP-related clean-up—would cost an estimated \$13.2 billion.

At that point in time when we did our analysis, DOD did not have really good numbers on what round five was going to cost. There was a lot of incomplete information, so at that point they were talking about close to a billion dollars for round five, but that

was based on incomplete, preliminary information. We have not gone back to redo that analysis, but I am sure that we would be happy to work with the committee and try to do that if you needed it.

Mr. FARR. So is clean-up being factored into the COBRA model? It does not sound like it.

Ms. ROBYN. No, because we have an obligation to clean that up, BRAC or non-BRAC, so we do not treat that as a BRAC cost.

Mr. FARR. But we are not appropriating enough money to do it. Here we are—

Ms. ROBYN. Well—

Mr. FARR. Congress has asked to close these bases.

Ms. ROBYN. Right.

Mr. FARR. And then you are going to have all these savings.

Ms. ROBYN. Right.

Mr. FARR. But you do not factor in what the clean-up costs are going to be. And when we find them, you are saying, well, it is being paid for, but there is not enough money in the account to do all the clean-up it has to do. I mean, how many years did you say it is going to take to do all the things that are on the list, if you need \$3 billion more in clean-up?

Ms. MITTAL. The cost is \$3.7 billion to complete. That will take many years, yes.

Mr. FARR. How many?

Ms. MITTAL. We have not calculated. I know for the FUDS program, DOD has estimated 50 years.

Mr. FARR. Fifty?

Ms. MITTAL. Fifty. That is just for the FUDS program. We have not looked at the BRAC program, specifically to match it out, but I would expect it would be several decades at the rate at which funding is made available annually.

Mr. FARR. Well, Mr. Chairman, I think Congress is not getting the full cost of BRAC if they are not putting these factors in here.

Mr. EDWARDS. I agree.

Mr. FARR. So, Mr. Wamp, did you have a question?

CONTRACTORS

Mr. WAMP. In East Tennessee, there are some very effective 8(a) contractors in the ordnance business, and I would like to find out, particularly from the contractor community, is there an average, above average, below average percent of minority or 8(a) contractors that do ordnance work?

Ms. CANTOR-MCKINNEY. We can provide for the record the specific breakout of the companies and their status that hold current contracts. The munitions contracts are competitively bid through the Army and the Corps of Engineers. And that opportunity is provided to all status of firms.

We would be happy to provide the breakout of the current firms that hold contracts and their business status.

Mr. WAMP. Are the 250,000 employees that are in your industry mostly small-business people or are there large contractors that do a lot of this work? What is the mix of who does this work?

Ms. CANTOR-MCKINNEY. There is a very nice mix of small businesses. There are a significant number of small businesses that

hold munitions contracts. And as far as the number of employees, again, the ordnance technicians tend to not be a permanent technician with a specific company for longevity. They will work from company to company based upon where those project sites might be.

So I can definitely for the record provide the permanent status of positions with each of the companies that they are broken out.

Mr. WAMP. In my district, the Volunteer Army Ammunitions Plant, which remained active, but was not producing ammunition when I came into office, was closed in the 1998 defense authorization bill in the House by me and in the Senate by Senator Thompson. This was not one of the waves of BRAC, but it occurred under the BRAC process, and is considered a BRAC closure.

Ironically, out of the 7,000 acres, about 2,500 of it is now a green space buffer between the residential and education community next door. About 2,500 acres is the original contaminated site. Ironically, the other 2,000 acres is where Volkswagen now has their billion-dollar-plus U.S. production facility under construction, which was exactly what we were trying to accomplish.

But, frankly, we see very little remediation of that original site. We are very fortunate to actually be able to deem it as kind of a green space for the VW production facility land adjacent to the original area and clear the water adjacent to it.

I wonder if your studies include projects like ours, which was closed under the BRAC process, but not in one of the waves. I assume that it is in one of those 30-some-odd sites that you would include in your total. Do you have any idea if the Volunteer Army Ammunitions Plant in Chattanooga is one of your sites?

Ms. MITTAL. I am not aware, if that site is but I can definitely check and can get back.

Mr. WAMP. Please get back to me and let me know if that is one of those that you are including in this list of \$3 billion of yet to be cleaned up.

Ms. MITTAL. Sure.

Mr. WAMP. That is all I have. And this has been insightful, Mr. Farr. Thank you.

Mr. FARR. Let's see if I had one other question here.

Oh, Mr. Edwards?

Mr. EDWARDS. Thank you, Mr. Chairman. [Laughter.]

Mr. FARR. Give me the gavel, and—

Mr. EDWARDS. You are using it well.

NUMBER OF BRAC SITES NOT CLEANED UP

Ms. Mittal, could I ask, would you happen to have any numbers of the number of BRAC sites that have not been cleaned up by BRAC round, going back to 1988, how many of those sites have not been cleaned up, 1991?

Ms. MITTAL. I do not have that data with me, but we can definitely go back and look at the information we have and provide it for the record.

Mr. EDWARDS. Okay. Dr. Robyn, we had not asked you to prepare that kind of information, but you would not happen to have that—

Ms. ROBYN. Do not have it offhand.

Ms. EDWARDS. Okay. But, Ms. Mittal, overall, I think you testified that there are now 5,445 BRAC sites that have not been cleaned up?

Ms. MITTAL. No, there is a total of 5,445 BRAC sites that are eligible for clean-up under the Defense Environmental Restoration Program.

Mr. EDWARDS. Okay, eligible for clean-up.

Ms. MITTAL. For clean-up, right, 72 percent of them have reached a response complete status, which means that the remedy that the DOD was planning to implement has been implemented and it has functioned—as it was designed.

Mr. EDWARDS. Seventy-two percent implemented, so 28 percent times 5,445 have not been?

Ms. MITTAL. Just under 1,500 have not yet reached that point.

Mr. EDWARDS. And tell me, you mentioned 31,600 sites.

Ms. MITTAL. Yes.

Mr. EDWARDS. Tell me again that represents number of sites that—

Ms. MITTAL. That represents all DOD sites, including active installations that need to have clean-up undertaken, which is about over 21,000. There are about 4,700 FUDS in there, formerly used defense sites, that need to have clean-up. And then the remaining were BRAC sites.

Mr. EDWARDS. Okay. Okay. The \$3.7 billion number you used was to clean-up all of the BRAC sites. Is that correct?

Ms. MITTAL. That is the remaining cost to complete for the BRAC sites that have not been—

Mr. EDWARDS. Do you have any cost number for the non-BRAC sites?

Ms. MITTAL. It is in the testimony statement. I could find it and—

Mr. EDWARDS. Okay.

Mr. FARR. So the \$3 billion does not include the FUDS sites?

Ms. MITTAL. No, the \$3.7 billion was the cost to clean up BRAC sites in fiscal year 2008. Actually—the statement does not have the full cost. We can provide that for the record. But we do have that—

Mr. EDWARDS. Do you have an approximate amount, just ballpark, within 10 percent or 20 percent of the number?

Ms. MITTAL. No. We will get it back rather than misquote the number.

Mr. EDWARDS. Would you guess, is it closer to \$10 billion or closer to \$5 billion?

Ms. MITTAL. I think my guess would be closer to \$10 billion.

Mr. EDWARDS. Okay. Do we have any kind of analysis of the economic development that is created at sites that have been cleaned up and turned over to communities? And the reason I ask that, listening to Mr. Farr and his comments about, you know, if it is labor-intensive, I will get the jobs in the short run, but you have economic development in the long run, because these sites used—I know there is a former naval site in my district that was used for a Hercules plant, built rocket motors during the Cold War there.

And about 10,000 acres have been turned over. And we now have everything from, local transportation companies to the gentleman, Elon Musk, with SpaceX. It is headquartered in California, does this rocket testing there, and it has a \$1.6 billion NASA contract.

And literally there have been hundreds of jobs created, with a multiplier effect, perhaps thousands of jobs created because of that one 10,000-acre site being turned back over to communities. Do we have any kind of an analysis—if we were looking at, all right, the cost-benefit of how much it will cost taxpayers to invest in this clean-up versus the tax benefits they get long-run by the economic development that comes from the clean-up, has anybody done any—

Ms. MITTAL. I will check—we have a whole team of people who are BRAC specialists. I focus on the environmental restoration program, so I cannot answer that question, but I will double check with the folks that work on BRAC issues on a regular basis and see if they have done any sort of economic analysis that we can share with the committee.

Mr. EDWARDS. Okay. Thank you. Thank you, Mr. Chairman.

Ms. ROBYN. I think your question, Mr. Chairman, is—and I would like an answer myself—is, where is environmental clean-up the impediment to economic development? And in many facilities—I mean, it does—it sounds like this is going to take forever, but at many, many places, environmental clean-up is not an impediment to reuse.

So McClellan Air Force Base in Sacramento is a clean-up because of some unusual problems will go on for several decades, but it is the biggest economic development project and boom in Northern California. And so it is a minority, I think, of the clean-up sites where clean-up needs to happen for economic development to occur. But it is one reason we are—

Mr. FARR. However, you cannot transfer the land in any capacity until you have adopted a proven clean-up process.

Ms. ROBYN. Right.

Mr. FARR. So if you are cleaning up water, underground water, which I think they are doing in a lot of these sites, that is going to take 20 years. But they use acceptable technology. It is going to be in place, not just on paper—

Ms. ROBYN. Right.

Mr. FARR [continuing]. Because you transfer with a remedy in place.

Ms. ROBYN. Right.

Mr. FARR. So, yes, you are right. But you have got to invest in this clean-up process.

Ms. ROBYN. Yes. And I would hope that we are prioritizing those places where the clean-up is what is needed for economic development. One of the rationales for the kind of approach that we have taken at Fort Ord, where in effect we privatized the clean-up, is that that allows the community to clean-up at a faster rate than we would. We pay the community the cost of the clean-up. They then can proceed at a faster rate. I think that is very promising.

And, again, I just want to put in a plug for—I think the key on munitions is better technology. As long as we are doing this with

technology that has a 99 percent false positive rate, we are not going to make huge progress.

We are the Defense Department. We ought to be able to come up with the technology to do this in a better way. This is a unique munitions clean-up. You know, we own that problem. Commercial industry is not—is not working on that. That is our R&D.

Mr. FARR. We are spending, Mr. Chairman, \$5 billion a year on a program to detect IEDs. I forget the exact name of the program, but the Department of Defense is focusing specifically on IEDs. You have got to wonder if some of that \$5 billion a year investment in research could help us—

Ms. ROBYN. Yes, or vice versa, right. Right.

Mr. FARR. Well, in closing, I would like to just suggest that there may be an opportunity here to address clean up in a jobs bill, or the supplemental for Afghanistan. You know, I cannot see why you cannot urge that this be in that supplemental. I do not know how many billions would be appropriate to ask for but if it is \$3 billion for bases and another for FUDS, it would be worth doing it to really create this specialized labor force. These are shovel-ready jobs. Once land is cleaned up, things can move.

Ms. ROBYN. Yes, it is a twofer.

Mr. FARR. Let's get it off the books. And rather than cutting back on this, let's figure out how we can really tackle it the way people have suggested we ought to.

Mr. EDWARDS. Could I ask, if the present rate going of expenditures, just flat-line that out based on inflation, is the hole getting deeper, or are we making progress?

Ms. MITTAL. We are making progress, but we are making progress so slowly, it will probably take anywhere from 50 to 75 years before we are at the place we need to be, if we continue to fund cleanup at the level that we have been funding it.

Mr. EDWARDS. This reminds me of the situation we were in, in military family housing a few years ago, where we just realized—

Ms. MITTAL. Right.

Mr. EDWARDS [continuing]. We will never get caught up, and it is unfair to those—because we just had to do something dramatically different. And, again, I am going to defer to Mr. Farr's leadership on this, because this has been a real focus of his, and I appreciate your attention on that. You are the reason we are having this panel today.

But I think we have been understanding in the past. America has been at war. And when you are at war, your first priority has to be those troops in harm's way have what they need. So this could be competing with those dollars.

But bottom line is, we are looking at 50 to 75 years catching up. That is assuming you have no future BRAC rounds.

Ms. ROBYN. I believe that is for FUDS sites. I do not think the BRAC—the BRAC sites, I think it is—

Ms. MITTAL. With BRAC sites, it depends on how much progress they make on the clean-up and how much long-term monitoring they have to do. It is probably not 50 years for BRAC sites, but it is definitely for FUDS sites.

Ms. ROBYN. I think we have reached the 95 percent clean-up stage within the foreseeable future on both munitions and non-munition sites for BRAC. But I—

Mr. FARR. Her testimony was that they needed \$3 billion just to meet what has been—

Ms. ROBYN. Right.

Mr. FARR [continuing]. Promised to do, what has been decided that this needs to be done. So how are we going to get there without—

Ms. ROBYN. Well, it is—I mean, since 1984, we have spent \$40 billion on the DERP program, \$40 billion. So, you know, a lot has gone into it. It was a big problem. It is still a big problem. And I think the analogy to family housing is a terrific one. We needed a game-changer. That was privatization that aligned the incentives properly. We saved money. We got better housing, because the most effective thing my office has overseen, and it faced enormous resistance 10 years ago when I was involved in it.

I think the game-changer here is technology. It is a different kind of game-changer, but I think that is—at least on the munitions side, I think that has to be the thing that gets us out of this hole that we are in.

Mr. FARR. Well, I would like to see if we could try to figure out how to pull us more into one stop, one—I mean, your technology is in one silo. Clean-up for bases is in another silo. Clean-up for formerly—

Ms. ROBYN. Formerly used defense sites.

Mr. FARR [continuing]. Used defense sites is another silo.

Ms. ROBYN. Yes. I think—

Mr. FARR. We are all on the table right now talking about them, but we are only talking about one account.

Ms. ROBYN. Those are budgetary silos. The technology is in the RTD&E world appropriately. We have a DR&E. The high-tech part of the Defense Department oversees SERDP, Strategic Environmental R&D Program, which is responsible for—and it is a small program, you know, \$60 million a year. But they have systematically invested in munitions clean-up technology.

The woman who is running DARPA right now started in that world. She and I had a wonderful discussion about this the other day. She totally understands the importance of that. UXO clean-up, that is something—no one else is doing R&D on that.

We demonstrated through a program called ESTCP, environmental technology security certification program. We need to be demoing this UXO clean-up technology at a faster rate. That is the impediment to getting it into widespread commercial use, and that is my job, to try to increase the rate at which we are doing that, because I think that can have huge, huge payoff.

Mr. FARR. Well, what is the carrot? I mean, what is the carrot to get the private investment, giving the analogy of the RCI? The RCI is, here we are. We have federally owned land. You are bringing in private dollars and build this housing according to our specs and local control, I mean, all those right things you do. But, by the way, we will give you guaranteed monthly rentals off the BAH.

Ms. ROBYN. Right.

Mr. FARR. You do not have a BAH out there for base clean-up.

Ms. ROBYN. No, no, no. It is not a—and it is not an—it is a different kind of a game-changer.

Mr. EDWARDS. The analogy I was using was that it has to be a bold, new approach—

Ms. ROBYN. Yes.

Mr. EDWARDS [continuing]. Or we just never catch up.

Ms. ROBYN. Right. I mean, the privatization of clean-up is a different kind of—that is good. It allows communities to clean-up faster. But it still takes the same amount of money.

Technology is a game-changer. It is a force multiplier. It has that potential. So it is a game-changer, but it is not directly analogous to family housing privatization.

Mr. FARR. Is there enough interest from the private sector to develop new technology? Or is it that we have got to have more money out there to have private-sector investment in technology?

Ms. ROBYN. Well, I think we need to—we work with industry when we do these demos. And I think if we could be doing these demos at a faster rate—the Defense Department has been a great test bed for environmental clean-up technology. There was a very conscious effort after the 1993 round to make some of the closing bases a test bed for environmental clean-up technology, and particularly UXO, because that is a kind of clean-up that no one else is doing.

And we have come up with some, working with universities and I think with industry, some good technology, but like a lot of technology, it is at a—it is not commercial. It needs to be demonstrated.

Mr. FARR. I just think that the administration asked for too little money to get this job done, because, in fact, the gentleman I talked to out of Fort Ord who has invented this new false positive clean-up—

Ms. ROBYN. Yes.

Mr. FARR [continuing]. Tool, he said, I came here because this is a long clean-up plan. He said, I have been moving around with different companies, and it has always been short-term. I have never had the time to invest my brains in being able to see whether the things that I build can work.

So if you want to get that technology developed, we are going to have to spend more money to get a lot of people out there and thinking out of the box. I just think it cries out for leadership here.

Ms. ROBYN. I hear you. Thank you.

Mr. FARR. Thank you, Mr. Chairman.

Thank you, members of the committee.

Mr. EDWARDS [presiding]. Thank you. Mr. Farr, thank you. I think this is the longest, most productive discussion we have had in my years on the subcommittee on environmental clean-up. And, obviously, we are just scratching the surface, and we look forward to working with all of you on this very, very important issue.

Ms. ROBYN. Thank you.

Mr. EDWARDS. Thank you. Thank you very much, also, Dr. Robyn, for staying.

Ms. ROBYN. Thank you. Thank you.

Mr. EDWARDS. And thank you, as well. Thank you all.

We stand adjourned.

[Questions for the Record submitted by Chairman Edwards]

NEW START

Question. The BRAC 2005 request for fiscal year 2011 appears to contain at least one new start, which is \$20 million for Metro station access at the new Walter Reed National Military Medical Center. Can this project be completed by the deadline?

Answer. The FY11 BRAC budget submission included \$20M for improving pedestrian access from the Medical Center Metro Station to the new Walter Reed National Military Medical Center (WRNMMC), which will be located across a heavily traveled and congested road. Because the project provides indirect support to relocating medical functions from Walter Reed to Bethesda and its completion does not impede this relocation, the pedestrian access can be completed after September 15, 2011. At the present time, stakeholders are considering all options to accomplish the improvements (e.g., overpass or underpass across Wisconsin Avenue). Montgomery County, MD, is currently funding an Environmental Assessment to determine the impact each alternative might have on the surrounding environment and the most cost effective approach.

INFRASTRUCTURE REDUCTION

Question. Prior to the BRAC 2005 round, former Secretary of Defense Rumsfeld estimated that the Department was maintaining 20 to 25 percent more base infrastructure than needed. Can the DOD quantify the infrastructure reduction achieved through the BRAC 2005 program?

Answer. At the time the Department submitted its recommendations to the Commission, we estimate that approximately five percent of our plant replacement value (PRV) would be reduced. The rejection of several of the Department's major closures, such as Hawthorne Army Depot, Naval Shipyard Portsmouth, and Ellsworth AFB, by the Commission, reduced this to something less than five percent.

It is also important to note that infrastructure reduction was not the primary goal of BRAC 2005; instead it was maximizing military value.

SAVINGS

Question. Based on your current estimates of BRAC savings, how long will it take for the Department of Defense to recoup the one-time implementation costs of BRAC 2005?

Answer. Using the same methodology as the General Accountability Office, DoD will recoup one-time implementation costs in 2019. This is based on a conservative assumption that annual recurring savings (the net of recurring costs and recurring savings) are approximately \$4B. In reality actual savings are likely higher because elimination of unneeded infrastructure and efficiencies gained from consolidation result in costs avoidances of various expenditures that are not easily tracked, such as the hiring of lower cost employees to replace personnel who refuse to relocate.

Question. How long would it take to recoup the one-time implementation costs if the personnel savings disputed by GAO were from the calculation? (Please note that I am not asking you to agree with excluding these savings, but only to perform the calculation as a basis for comparison.)

Answer. Using the same methodology as the General Accountability Office, and assuming that Military personnel savings should not count in the savings calculation, DoD will recoup one-time costs in 2033. This is based on a conservative assumption that annual recurring savings (the net of recurring costs and recurring savings) are approximately \$1.5B. As stated in various forums, DoD believes the savings for Military personnel should be applied in any assessment of BRAC.

BRAC ENVIRONMENTAL CLEAN-UP

Question. You indicated during the hearing that the pace of technology development for environment clean up needs to be accelerated. How do you plan to achieve such acceleration? Is there any way in which Congress can aid this effort through funding or new authorities?

Answer. DoD is investing in research to accelerate the development of innovative technologies that improve the safety, efficiency, and cost-effectiveness of environmental clean up. For example, the Strategic Environmental Research and Development Program (SERDP) and the Environmental Security Technology Certification Program (ESTCP) support the development of unexploded ordnance (UXO)-specific geophysical detection systems and associated signal processing routines. These systems are designed to distinguish between hazardous items, such as UXO, and inert

fragments and clutter items on munitions sites. DoD is testing the systems at a series of live test sites, including a recently completed demonstration at former Camp San Luis Obispo, California. Research shows that the next generation sensors have achieved success during these demonstrations.

New authorities will not accelerate the pace of technology development for environmental clean up. DoD has appropriately planned, programmed, and budgeted for environmental technology. Through these investments, DoD will continue to develop, demonstrate, and validate innovative technologies that the Department will use to meet its clean up objectives.

Question. Your written testimony refers to unspecified “contract efficiencies” and “bid cost savings” in the BRAC 1990 program. Where exactly have these savings been achieved, and how have the savings been reinvested in the program?

Answer. DoD realized contracting efficiencies and bid cost savings for several investigations and studies for munitions sites at Aberdeen Proving Ground, MD; Camp Bullis, TX; Fort Belvoir, VA; Fort Rucker, AL; Makua, Pohakuloa, Waikakalaua and Schofield Barracks, HI; and Toole Depot, UT. These savings have allowed DoD to make additional clean up progress at other BRAC sites.

Question. In dollar terms, and by service, what is the additional (above the budget request) amount of unfunded BRAC 1990 environmental clean up that could be executed in fiscal year 2011?

Answer. Additional BRAC 1990 environmental clean up could be executed in FY 2011 as follows:

Army = \$0M
Navy = \$60M
Air Force = \$0M

[Question for the Record submitted to Anu Mittal by Chairman Edwards]

Question.

How can the Committee seek to improve the justification material for the BRAC 1990 account submitted by the Department of Defense? What, if any, additional information should be included?

Answer. DOD can ensure that Congress has the most complete information on BRAC cleanup costs available by providing more clarification and explanation as to what is included and excluded in the environmental cleanup costs it presents to Congress and include the total expected cost—both incurred costs as well as the most current estimate of expected future costs—for the cleanup at BRAC bases. Without this information, Congress cannot ensure that scarce federal resources are used in the most efficient manner to address environmental cleanup issues at unneeded DOD properties so that productive new uses for these properties can be more quickly realized. In order to provide more complete and transparent cost information for the environmental cleanup of properties from all BRAC rounds, we recommended in January 2007* that the Secretary of Defense direct the Under Secretary of Defense (Acquisition, Technology, and Logistics) to report all costs (DERP and non-DERP)—past and future—required to complete environmental cleanup at each BRAC installation and to fully explain the scope and limitations of all the environmental cleanup costs DOD reports to Congress. We suggested including this information in the annual BRAC budget justification documentation since it would accompany information Congress considers when making resource allocation decisions.

* GAO, *Military Base Closures: Opportunities Exist to Improve Environmental Cleanup Cost Reporting and to Expedite Transfer of Unneeded Property*, GAO-07-166 (Washington, D.C.: Jan. 30, 2007).

ADDITIONAL INFORMATION FOR THE RECORD SUBMITTED BY ANU MITTAL, DIRECTOR,
NATURAL RESOURCES AND ENVIRONMENT, GAO

(1) What is the status of the cleanup of the former Volunteer Army Ammunition Plant in Chattanooga, TN?

- According to DOD data for Fiscal Year 2008—the most recent available data—the cleanup of the former Volunteer Army Ammunition Plant is under way. Fifteen of 23 sites on the property have reached “response complete” status. About \$63.8 million has been spent on cleanup to date and DOD estimates that another \$29.4 million will be needed to complete the remaining cleanup activities.

(2) How many BRAC sites have not yet been cleaned up?

- DOD data for Fiscal Year 2008 indicated that 1,492 BRAC sites had undergone some cleanup activities, but had not yet reached the response complete status. Another 440 sites had reached the response complete milestone, but still require some long-term management activities, such as groundwater treatment monitoring.

(3) What is the total cost to clean up the remaining active, FUDS, and BRAC sites?

- As of Fiscal Year 2008, DOD estimated that completing environmental cleanup at the remaining active, BRAC, and FUDS sites will cost a total of \$31.2 billion, including \$11.3 billion for active installations, \$3.7 billion for BRAC sites, and \$16.2 billion for FUDS. (These amounts do not include program management and support costs).

(4) Has GAO performed any analysis comparing the costs to the taxpayer of cleaning up BRAC sites with the resulting benefits of subsequent economic development of the sites?

- GAO has not conducted an analysis of the costs and benefits of cleaning up BRAC sites.



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9 April 2010

The Honorable Chet Edwards
Chairman
Subcommittee on Military Construction, Veterans Affairs and Related Agencies
H-143, The Capitol
Washington, DC 20515

Dear Chairman Edwards:

This letter is in response to questions posed by members of the Subcommittee to Ms. Suzy Cantor-McKinney of the National Association of Ordnance and Explosive Waste Contractors (NAOC) at the hearing of the Subcommittee on Military Construction, Veterans Affairs and Related Agencies on 17 March 2010. Answers to questions that were posed during the hearing and as part of the transcripts are provided below:

- 1. Deputy Under Secretary Robyn has asserted during the hearing that the technology for UXO detection has a 99 percent false positive rate. Do you agree with this assessment? What is your assessment of the current state of UXO detection and removal technology?**

NAOC Response: NAOC respectfully disagrees that the technology for UXO detection has a false positive rate of 99 percent.

The State of UXO Detection Technology

Our Association's assessment of the current state of UXO detection and removal technology is based on our experience partnering with government agencies, Federal, and state regulators that oversee the execution of these projects.

The current technology for munitions investigations and removals includes digital geophysical sensors (either electromagnetic or magnetic) to detect subsurface metallic anomalies. The technology does not differentiate between munitions (i.e., UXO) and other metallic objects (i.e., scrap metal and cultural debris). Until the anomaly is excavated, its identity is unknown. As such, the current practice is that many anomalies are excavated that are not munitions (i.e., UXO). The criteria to identify anomalies for excavation are most often determined by the stakeholders and regulators.

In the context of this discussion, the term "false positive" is the identification of a subsurface anomaly, that when excavated is not UXO. The false positive rate varies between projects because of the differences in terrain, geology, other environmental factors, and stakeholders and regulatory requirements.

There have been advances in instruments and data processing software to classify anomalies as UXO and other metallic objects (i.e., cultural debris, scrap metal, and "hot" rock). These instruments and data processing software have been tested at numerous sites across the country and produced false positive rates at less than 20%; in other words, true positive rates at greater than 80%. At one test site, San Luis Obispo, CA, that is in a less-than ideal area, the survey data were carefully collected using standard EM-61 electromagnetic sensors and data analyzed with advanced, but not physics-based inversion software. At this site, more than 80% of the detected items were deemed non-hazardous metal debris using standard technologies, and thus eliminated for excavation consideration with a very high level of confidence. The utilization of emerging EM instruments with physics-based inversion processing techniques at this same site yielded more than 95% high-confidence results. At a more benign test site, Camp Siebert, AL, using emerging technology instruments and physics-based inversion programs, 100% of the UXO items were detected and declared (classified as) UXO. There were two items which could not be classified, i.e., were listed as unknowns or unclassified. They were determined to be non-UXO items by the U.S. Army Corps of Engineers.

The use of these instruments and advanced data processing techniques can result in increased cost savings by reducing the number of excavations necessary to state, with confidence, that a site is safe. Excavations are the overwhelming costs in UXO clearance. Decreasing excavations could decrease project costs, which could increase the number of projects funded in a year, as well as implement educational programs and land use controls that could increase safety even more.

Challenges for Use of Advanced Technologies

The industry sees several challenges for using technologies that have been demonstrated at test sites for actual munitions clearance.

One challenge is gaining stakeholder and regulatory acceptance of these technologies. Regulatory agencies and stakeholders across the country have differing opinions on acceptable levels of risk associated with determining whether a site has been cleared of munitions. In some instances, 100% of the anomalies must be excavated to achieve an acceptable level of risk in order to address regulatory or stakeholder requirements, making the use of advanced technologies a moot point. For industry to utilize these advanced technologies, stakeholders and regulators will have to accept that the classification process provides an acceptable confidence that a site is sufficiently safe, even if a certain percentage of anomalies (i.e., metallic items) remain unidentified in the ground.

The industry encourages reporting and information sharing of successes as well as limitations of technology applications so that DoD, stakeholders, and industry have access to project-specific information and include this information during the request for proposal process and during project execution.

Another challenge is determining when a technology is "proven." This is compounded by the significant differences between DoD test site (i.e., laboratory) conditions and actual BRAC project sites. Site-specific conditions, such as vegetation, terrain, geology, and munitions-types, influence how a particular technology will function at a given time.

Removal Technology

Munitions removal is primarily manual excavation performed by UXO-qualified personnel; therefore a labor-intensive portion of a munitions response project. Since subsurface anomalies cannot be positively identified until unearthed, a percentage of subsurface anomalies identified during the classification stage must be excavated in order to be confident that potential UXO are removed. It is important to note, that no technology assures a 100% removal of UXO. However, currently available technology and sound quality control can safely improve the effectiveness and efficiency of UXO clearance.

Conclusion

The industry believes that advanced technologies, which have the ability to achieve better than a 30 to 50% "false positive" rate, are ready to be transitioned from R&D to munitions response projects. Please note, this rate can vary due to differences in terrain, geology, and environmental factors, as well as regulatory and stakeholder project requirements (i.e., performance metrics). Through the application of recent technology advancements, fewer anomalies could be excavated, with a higher degree of confidence that the anomalies excavated present the highest risk. With additional funding, more cleanup could be accomplished in a shorter timeframe, allowing BRAC properties to transition more quickly for their future use.

2. If we had full funding, how many jobs would that impact? How many jobs right now? What is the unemployment rate?

NAOC Response: In our testimony on 17 March 2010, we stated that our industry has untapped capacity and would be able to execute additional work if BRAC receives additional funding. It is our estimate that the industry can currently support funding of approximately \$1.5 billion a year, while the DoD funding for the cleanup of UXO has traditionally been about \$500 million a year. We believe that an additional \$1 billion in funding would provide employment for approximately 4,800 positions.

The member firms in our association employ over 250,000 people in every state, which includes individuals that have the experience and qualifications to support all phases of munitions response projects. As we noted in our testimony, munitions response projects require a wide variety of labor disciplines to execute the work, including UXO technicians, engineers, scientists, geophysicists, general laborers, surveyors, risk assessors, and public relations specialists. Of these labor disciplines required for munitions response projects, the UXO technicians are the most mobile – meaning that many UXO technicians move from project to project and therefore from company to company. The industry currently employs well over 1,000 UXO technicians. Each year the Texas Engineering and Extension Services (TEEX), located at Texas A&M University trains and graduates an additional 140 UXO technicians. In addition to TEEX, there are three other UXO Tech I schools whose graduates supplement this workforce. This figure does not include Explosive Ordnance Disposal technicians leaving active duty and seeking employment in private industry.

NAOC is not able to quantify the "unemployment rate" for the munitions industry for several reasons. Specifically, UXO Technicians are generally not permanent hires. They are temporary or term employees hired to work specific projects, and when completed, the term of employment ends. Another factor is that the munitions program is supported by other disciplines such as scientists, risk

assessors, and geophysicists. Most companies have lean organizational structures that require technical individuals to work on non-munitions projects when there is limited munitions-related work. Therefore, they are not "unemployed," rather re-assigned within the company.

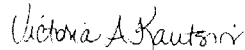
In summary, we believe an additional \$1 billion in funding would not only assist our industry in keeping the current workforce busy, but would also result in the hiring of new employees to fill positions needed for project specific requirements, i.e. UXO technicians, geophysicists, and scientists. It is noted, that the industry understands the limitations faced by the Government to issue contracts for this amount of capacity, and that the regulatory community is currently constrained to oversee this volume of work.

3. What is the breakdown in the contractor community of 8(a) or minority firms that do ordnance work

NAOC Response: Upon review of the status of the 69 NAOC member companies, 75% are classified as either: small business, small disadvantaged business, woman-owned small business, service-disabled veteran owned small business, veteran-owned small business, and/or an 8(a) business. In addition, there are other companies in the United States that perform munitions response services that are not members of NAOC. Under the current munitions response contracts, large business are required to meet small business subcontracting goals. As such, small businesses are provided additional opportunities in addition to the work that they perform as prime contractors.

The National Association of Ordnance and Explosive Waste Contractors (NAOC) appreciates the opportunity to testify on behalf of the UXO industry. We stand ready to provide any additional assistance or answer any further questions you might have.

Best Regards,



Victoria Kantsios
President, NAOC

Cc: The Honorable Zach Wamp
The Honorable Sam Farr

WEDNESDAY, MARCH 17, 2010.

CENTRAL COMMAND

WITNESS

GENERAL DAVID H. PETRAEUS, COMMANDER, UNITED STATES CENTRAL COMMAND

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I would like to call the subcommittee to order.

General Petraeus, welcome back. It is good to have you here again.

I am going to be very brief in my opening statement because I would like to leave as much time as possible for your initial comments and then a discussion and questions and answers.

I do want to say thank you on behalf of this subcommittee and my family for your 36-plus years of service to our country.

General PETRAEUS. Thank you, Chairman.

Mr. EDWARDS. Thank you for that leadership, and what a difference you have made.

Without a doubt, you are serving at a critical time in our nation's history in a vital part of the world, and this committee wants to be of support to your troops and their families as they go in harm's way and make sacrifices every day for us. And we look forward to a chance to hear your overview for the region under your command as well as looking at some of the specific responsibility at this Subcommittee on Military Construction.

I believe we have about \$1.7 billion of military construction projects between a potential supplemental and then the 2011 fiscal MILCON bill for MILCON projects in your area of command. So we look forward to talking about that.

And at this time, I would like to recognize Mr. Wamp.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Well, I thank Chairman Edwards as well. And on behalf of, I am sure, everyone in this room, but everyone on this committee and all the people in the state of Tennessee, given your storied history at commanding the 101st Airborne and your storied history in the state of Tennessee, it is a privilege to help Chairman Edwards welcome the premier soldier of our generation to our subcommittee today. And thank you for your extraordinary service, General Petraeus.

General PETRAEUS. Thank you, Congressman.

Mr. WAMP. Thank you.

Mr. EDWARDS. Thank you, Mr. Wamp.

Mr. Salazar, it is good to have you here.

Mr. SALAZAR. Thank you, sir.

I would like to just—I want to thank the general for his service, and we certainly are proud—

Mr. EDWARDS. General, you have been through this before. Your full testimony will be submitted for the record, but I would like to recognize you now for any opening comments you care to make.

STATEMENT OF GENERAL DAVID H. PETRAEUS

General PETRAEUS. Thanks, Mr. Chairman, very much. And Congressman Wamp and Congressman Salazar, thanks. It is great to be back with you.

And I very much appreciate the opportunity to lay out what it is that we are doing in the Central Command AOR. But up front, I want to thank you for the enormous support that you all have provided because it has been the key enabler in what we are doing now, particularly, as we shift emphasis to Afghanistan.

I would like to just quickly go through a couple of the different countries and then some issues starting with Afghanistan because I think it would be important to lay out for you what it is that we are trying to do.

With respect to Afghanistan, as President Obama observed when he announced the new policy, it is in our vital national interest to send an additional 30,000 U.S. troops to Afghanistan. These are the forces that will provide the resources that we need to seize the initiative while building the Afghan capacity that can allow for a responsible transition of our forces, ultimately, out of Afghanistan.

The challenges there are considerable, but as General McChrystal has observed, success there is both important and achievable. Our goals are quite clear. They are to disrupt, dismantle, and defeat al Qaeda and its extremist allies and set the conditions in Afghanistan to prevent the reestablishment of the extremist sanctuaries that existed there prior to 9/11 when al Qaeda, of course, planned the 9/11 attacks in Kandahar, conducted the initial training in East Afghanistan before going to Germany and the United States.

To accomplish this task, we are working with our ISAF and Afghan partners to improve security for the people, to wrest the initiative from the Taliban, to develop the Afghan security forces, and to develop the Afghan governance that can be seen as legitimate in the eyes of the people.

As I mentioned when we met before, we spent a lot of the last year trying to get the inputs right in Afghanistan, to get the right structures and organizations, to put the best leaders we have in charge of them, to get the concepts right for the situation in Afghanistan, and then, of course, to ensure that the leaders there have the authorities and the resources they need to achieve unity of effort and to carry out the missions and the concepts that have been developed.

Now, these resources include the additional 30,000 forces that the president ordered plus additional civilians plus additional resources, funding, and so forth for Afghan forces and for the operations, maintenance, and MILCON that support all of this as well. It is important to remember, though, that of course, we are building on top of a substantial increase that took place in 2009.

As a result of decisions President Bush made before he left office and then President Obama made shortly after taking office, of course, we increased from some 30 or 31,000 at the beginning of last year to somewhere around 68,000 by the end of the year. And, of course, this 30,000 is on top of that and will take us to somewhere around 98,000.

Again, the flow of equipment and forces would not be possible without the continued support of Congress as a whole but of the expeditionary MILCON program in particular. With the inputs largely in place now, we are starting to see the first of the outputs. And the operation in Central Helmand Province was the initial salvo, if you will, the first operation of what will be an 18-month civil-military counterinsurgency campaign plan.

It is pretty well known that we have focused first in Central Helmand, Marjah, Nadi-Ali, and some other areas. Over time, we will transition additional emphasis to Kandahar, certain areas in Regional Command-East and even a few areas in the north and in the southwest as well.

Central to everything that we do there is the development of the Afghan National Security Force. That is made possible by your sustained support of the Afghan Security Forces Fund. That expansion is now under way in earnest in the wake of the international community and Afghan decision to authorize an additional 100,000 forces by the fall of 2011. That will take the total of the Afghan Army, other military, and Afghan Ministry of Interior forces to somewhere around 305,000 and 306,000 by the fall of 2011.

This effort is facilitated by the recent establishment of the North Atlantic Treaty Organization (NATO) Training Mission in Afghanistan, which is now led by Lieutenant General Bill Caldwell. We are working hard with NATO to source the additional trainers, partner elements, transition team, and so forth that are needed to expand this capacity rapidly.

The Supreme Allied Commander and NATO have generated about half that so far. They have got to generate the rest. We are also looking at other alternatives for how to ensure that we provide the trainers if possible.

Again, this is going to be an 18-month campaign, as we see it. And the going is going to get harder before it gets easier. 2010 will be a tough year in many respects. There will be progress. There will be reversal of the Taliban momentum in important areas, but there will also be tough fighting and periodic setbacks.

Turning to Pakistan, there have been important changes in Pakistan over the past year. During that time, about 10 months ago, in fact, the Pakistani people, the political leaders, and the clerics all united in recognizing that the most pressing threat to their country's very existence is the threat of the internal extremists, particularly the Pakistani Taliban, which they had seen in action. They saw the barbaric activity, the indiscriminate violence, and the repressive practices of the Pakistani Taliban in Swat and the northwest frontier province and then also in some of the federally administered tribal areas.

And they realize that these organizations, these elements want to turn the clock back several centuries in Pakistan, not allow it to progress forward.

With that support of the people and of the leaders, the Pakistani military has carried out impressive counterinsurgency operations over the past 10 months. They have cleared the Taliban from the Swat District, and I was there three weeks ago on the ground in lower and upper Swat; cleared it from the rest of the northwest frontier province and have conducted some good operations in the federally administered tribal areas as well.

Our effort here is to support them. They are the ones doing the fighting, and we will continue to work with Congress to determine how we can, indeed, support them as fully as is possible. We have to show that we are a steadfast partner. They have a lot of—there is a lot of history between our two countries, and we have to show that we are not going to do to Pakistan what was done before, such as after Charlie Wilson's War when we provided a substantial amount of assistance and then left precipitously, leaving Pakistan to deal with the situation that we had helped create.

So it is really important that we provide what we term "sustained, substantial commitment." And that is what we are trying to do with your support.

And in the Kerry-Lugar-Berman Bill, as you know, \$1.5 billion per year for each of the next 5 years is very important in economic assistance. The coalition support funding for our military financing, Pakistan Counterinsurgency Fund, all of these and other forms of security assistance provide equally important help to Pakistan Security Forces.

If we turn to Iraq, in the last 3 years in Iraq, there is no question about the significant progress that we have seen in security. Since the beginning of the surge, numbers of attacks, violent civilian deaths, and high-profile attacks are all down by over 90 percent from their highs in 2006 and 2007. That is not to say there are not security threats; there are. But they have been reduced very substantially and to a point that Iraq can deal with them, first of all, with their own security forces, by and large. And second, it has been reduced to a level where the reconstruction and so forth can still take place.

And we have seen progress in a host of different areas. The conduct of the elections on 7 March, of course, is the latest example of that progress. That was a day when very impressive numbers of Iraqi voters defied al Qaeda attempts to intimidate them and went out and exercised their right to vote.

And having said all that, as always, the progress does remain fragile, and it still could be reversed because Iraq faces innumerable challenges. We will see some of these as we watch what will inevitably be the fair amount of political drama as the selection of a new—first, the council of representatives is seated and then they form a coalition that can select the prime minister, president, and Speaker of the Council of Representatives. It is going to be very, very interesting and a very dynamic period. I would be happy to talk about the implications of the elections if you want to get into that.

Our task is still to help the Iraqi Security Forces. They have come a very long way. They are nearly 700,000 strong now. They are reasonably well equipped. They are quite capable, and they have, by and large, taken on the security task themselves.

For example, they did the security on election day, and we were at some distance.

We are in the midst, of course, of reducing our forces in accordance with the president's policy and the responsible draw-down that was part of that policy. We have reduced by over 30,000 since that policy was announced. Now, we are down to about 97,000, and we are on track to reduce that number to 50,000 by the end of August.

We may tinker with the force structure a little bit. We may keep a seventh brigade headquartered (instead of going down to six) and then reduce some of the forces underneath them so that we can have an engagement element that can continue to perform those tasks in Kirkuk but, I think, we will be able to get to the 50,000. And that is, indeed, where we are heading.

That will also mark the transition to, literally, a change of mission at the end of August when we will go to a security "advise-and-assist" role, as it is termed, and our brigades will literally become advise-and-assist brigades if they have not already. We are actually in the process of transitioning to that. So we will go from a combat role to an advise-and-assist role.

Two other countries, Yemen and Iran. We have obviously seen, in Yemen, an increase in the prominence of al Qaeda as it exploits the country's security, economic, and social challenges. There is a serious threat there to Yemen, to the region, and, indeed, to our homeland. And we have seen all three of those manifest themselves in the course of recent months: the attempt by suicide bombers to carry out attacks inside Yemen's capital, the attempted assassination of the Assistant Minister of Interior in Saudi Arabia, and the attempted bombing, of course, the Detroit bombing on Christmas Day.

The truth is a number of us have been quite seized with the developments or concerned by the developments in Yemen for about 2½ years. We have watched those. Even when I was in Iraq, it was a place where we saw facilitators, trainers, and so forth, and there was a prison break some years back when a number of individuals who are now leading al Qaeda in the Arabian Peninsula, as it is now called, were able to break out.

Last April, I approved a plan that was developed in concert with the Ambassador in Yemen, the State Department, and the intelligence community to expand our assistance to key security elements there. And then, with Yemeni President Salih's approval last summer, we began executing that plan. And that helped strengthen the capabilities that we have actually seen demonstrated since about mid-March—or I am sorry—mid-December when a series of different operations played out. And we continue to see that as it continues.

Turning to Iran. Iran poses the major state-level threat to regional stability in the AOR. Despite various UN Security Council resolutions, efforts by the "P5-plus-1", and the International Atomic Energy Agency (IAEA), the regime continues its nuclear program, and many analysts assess that it is a nuclear weapons program, the advent of which would obviously destabilize the region and likely spur a regional arms race.

The Iranian regime also continues to arm, fund, train, equip, and direct proxy extremist elements in Iraq, Southern Lebanon, Gaza, and, to a much lesser degree, in Afghanistan. And, of course, their internal activities are also troubling as the violent suppression of the opposition groups and the demonstrations in the wake of last year's hijacked elections have made a mockery of the human rights of the Iranian people and actually fomented further unrest.

These internal developments are also important because they have resulted in a greater reliance than ever before by the regime on Iran's security services to sustain the regime's grip on power.

The Commanders Emergency Response Program (CERP) continues to be a vital tool for our commanders in Iraq. The small CERP projects continue to be the most responsive and effective means, in many cases, to address the local community need. And where security is challenged, it often provides the only tool to address pressing requirements.

I raise it today to assure you that we have taken a number of actions to ensure that we observe the original intent for CERP and that we are working hard to ensure adequate oversight for the use of this important tool. I have, for example, withheld approval for projects over \$1 million at my level and, in fact, there has only been one since late September last year.

The average cost of projects is now down into the tens of thousands of dollars range as opposed to a good bit higher in past years. We may ask the Army Audit Agency to come in again, because we have done this in the past, and audit the programs in Iraq and Afghanistan.

We have identified established guidelines for the number of projects each CERP team can oversee, and we have coordinated with the military services to ensure that adequate training and preparation is provided for those who will perform important functions connected with CERP in theater.

Information operations. We have worked very hard in recent years to improve our capabilities in the information domain. Always coordinating these activities with the State Department's Undersecretary for Public Diplomacy and Public Affairs, now Judith McHale, who came down and had a very good visit at CENTCOM, and we continue to work closely with her and her team.

We made significant progress over the course of the past year. One of those organizations we had to get in place in Afghanistan, indeed, was a Joint Information Operations Task Force, which we did not have. But we still have a long way to go there. We desperately need to build the capabilities of a regional information operations task force to complement the operations of the superb task force in Iraq and the now-growing task force in Afghanistan.

We have a program of record called Operation Earnest Voice that resources our efforts to synchronize our information operations activities in the theater to counter extremist ideology and propaganda and to ensure that credible voices in the region are heard.

This program provides direct communications capabilities to reach regional audiences through not just traditional media but also through public affairs blogging and regional Web sites. In all of these efforts, I want to assure you that we follow the admonition we practiced in Iraq, that of trying to be first with the truth.

Full and enduring funding of Earnest Voice and other IO programs will, together with the State Department initiatives, enable us to do just that and communicate critical messages that counter the propaganda of our adversaries.

Finally, cyberspace. Cyberspace has really become an extension of the battlefield, and we cannot allow it, I do not believe, to become uncontested enemy territory. In truth, in the years ahead, extremist activities in cyberspace will, undoubtedly, pose increasing threats to our military and to our nation as a whole.

And we really have to work to come to grips with this, not just DOD, but all elements of our government. This is an area in which we will need to develop additional policies, build capabilities, and ensure adequate resources. And I suspect that legislation, over time, will be required in this arena as well.

Within DOD, the establishment of the U.S. Cyber Command that has been proposed by the Secretary of Defense represents an essential step in the right direction. And it is important because, again, extremists are very active in cyberspace. They recruit there; they proselytize there; they coordinate attacks there; and they share tactics and techniques there.

And frankly, we have to ask if this is something that we should allow to continue. And if not, then we have to determine how to appropriately prevent or disrupt it without impinging on free speech.

Mr. Chairman, Congressman Wamp, there are now about 210,000 soldiers, sailors, airmen, and marines in the Central Command area of responsibility. They are, as you know, doing great work on the ground, in the air, and at sea. And they and their families are making enormous sacrifices in doing so.

They have constituted, together with our diplomatic and coalition partners, the central element in our efforts to promote security, stability, and prosperity in the region. Nothing means more to them than the support of those back home. And so, as always, I would like to conclude by taking this opportunity to say thank you to the American people overall but especially to thank this committee and the members of Congress for their unwavering support and abiding concern for our troopers and their families.

Thank you very much.

[Prepared statement of General David H. Petraeus follows:]

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HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF

GENERAL DAVID H. PETRAEUS, U.S. ARMY

COMMANDER

U.S. CENTRAL COMMAND

BEFORE THE HOUSE APPROPRIATIONS COMMITTEE –
MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES
SUBCOMMITTEE

ON

THE POSTURE OF U.S. CENTRAL COMMAND

17 MAR 2010

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I. Introduction

Chairman Edwards, Congressman Wamp, and members of the committee, U.S. Central Command (CENTCOM) is now in its ninth consecutive year of major combat operations in an area of the world critical to the interests of the United States and our allies. With our national and international partners, CENTCOM promotes security cooperation among nations; responds to crises; deters or defeats state and non-state aggression; and supports development and, when necessary, reconstruction in order to establish the conditions for regional security, stability, and prosperity. Typically, executing this mission and achieving U.S. national goals and objectives in the CENTCOM Area of Responsibility (AOR) involves more than just the traditional application of military power. In many cases, a whole of government approach is required, one that integrates all the tools available to international and interagency partners to defeat transnational groups that pose a threat to the United States or our partners; to secure host-nation populations; to conduct comprehensive counterinsurgency and security operations; to counter the proliferation of weapons of mass destruction (WMD); to help reform, and in some cases build, governmental and institutional capacity; and to promote economic development.

These are challenging missions, and the conditions and dynamics shaping the region's security environment are constantly evolving. In the past year, there have been several important developments in the AOR – some representing progress, others presenting challenges. These changes include increased operations by the Pakistani military against

groups that threaten the writ of governance in Pakistan, as well as continued improvements in the capabilities and self-reliance of the Iraqi Security Forces coupled with the degradation of the capabilities of militant groups in Iraq. We have also seen increased insurgent violence in Afghanistan and Pakistan, a general diminution of al-Qaeda in the region despite an increase in the prominence of al-Qaeda in the Arabian Peninsula in Yemen (AQAP), the emergence of significant domestic unrest and opposition in Iran accompanied by the regime's continued intransigence over its nuclear program and its support to militant proxies, an increase in piracy in the Gulf of Aden and off the coast of Somalia, and the continuing fallout from the global financial crisis.

The progress we have seen has not simply happened of its own accord. It is, to a great extent, the result of the work of U.S., partner, and coalition forces operating in the AOR over the past year. Since the delivery of last year's Posture Statement, CENTCOM has worked to implement national policies as well as the recommendations of the comprehensive strategic review we conducted last winter. We have begun the responsible drawdown of forces from Iraq, working to sustain the hard-won security gains achieved since the summer of 2007 and placing us on track to have 50,000 troops in Iraq after this August. We are implementing the President's strategy for Afghanistan and Pakistan, to include an increase in forces and non-military resources. Having put into place the proper organizations, people, and concepts for the civil-military campaign in Afghanistan, we are currently deploying additional resources to halt the downward spiral in security and expand the size and capabilities of the Afghan security forces. We have placed great pressure against al-Qaeda's networks and senior leadership, and we have

also made good strides in developing a Regional Security Architecture to address common security threats in the region. All the while, CENTCOM forces have continued to provide military support to major diplomatic initiatives in the region and to maintain a ready posture to respond to unforeseen crises.

Building on our past successes and achievements and responding to the region's dynamics, CENTCOM will focus on the following priority tasks in the coming year:

- Reversing the momentum of the insurgency in Afghanistan and training Afghan security forces to regain the initiative against militants and to increase public confidence in the government;
- Helping our Iraqi partners build on their progress while sustaining hard-won security gains, reducing U.S. forces in the country, and transitioning to a new mission of advising and assisting the Iraqi Security Forces;
- Maintaining persistent kinetic and non-kinetic pressure to degrade and counter transnational terrorist and militant organizations that threaten the security of the United States and our allies;
- Expanding our partnership with the Pakistani military, supporting its operations against militant groups, and assisting in the development of its counterinsurgency capabilities;
- Countering destabilizing Iranian activities and policies;
- Countering the proliferation of WMD and related material, technology, and expertise, while building the capacity and interoperability of our partners to prevent and, if necessary, respond to the use of WMD;

- Bolstering the military and security capabilities of our partner nations' security forces;
- Working with our partners to counter piracy, illegal narcotics trafficking, and arms smuggling;
- Bolstering oversight and ensuring responsible expenditure of U.S. funding; and
- Working with the U.S. military services to reduce the strain on our forces and the cost of our operations.

The intent of the remainder of this Posture Statement is to address these priorities and the broader, long term solutions they support by providing a more detailed overview of the AOR, a description of our strategic approach to defending and advancing our interests, assessments of the situation in each of the AOR's major sub-regions, and comments on the programs and systems that enable our operations.

II. Overview of the CENTCOM AOR

A. Nature of the AOR

The lands and waters of the CENTCOM AOR span several critical and distinct regions. It stretches across more than 4.6 million square miles and 20 countries in the Middle East and South and Central Asia and contains vital transportation and trade routes, including the Red Sea, the Northern Indian Ocean, and the Arabian Gulf, as well as

strategic maritime choke points at the Suez Canal, the Bab el Mandeb, and the Strait of Hormuz. The AOR encompasses the world's most energy-rich region, with the Arabian Gulf region and Central Asia together accounting for at least 64 percent of the world's known petroleum reserves, 34 percent of its crude oil production, and 46 percent of its known natural gas reserves.

Social, political, and economic conditions vary greatly throughout the region. The region is home to some of the world's wealthiest and poorest states, with annual per capita incomes ranging from \$800 to over \$100,000. Despite important pockets of affluence, many of the more than 530 million people living in the AOR suffer from inadequate governance, underdeveloped civil institutions, unsettling corruption, and high unemployment.

As a result of these contrasts and the proliferation of global communications and mass media, many people in the AOR are struggling to balance modern influences with traditional social and cultural authorities and to manage change at a pace that reinforces stability rather than erodes it. For the past century, the sub-regions of the AOR have been torn by conflict as new states and old societies have struggled to erect a new order in the wake of the collapse of traditional empires. These conflicts have intensified in the past three decades with the emergence of al-Qaeda and its Associated Movements, the specter of nuclear weapons, and enormous wealth derived from petroleum and illegal narcotics. Today we see stability in the AOR threatened by interstate tensions, the proliferation of

ballistic missile and nuclear weapons technology and expertise, ethno-sectarian violence, insurgencies and sub-state militias, as well as horrific acts of terrorism.

B. U.S. Interests and the Most Significant Threats to Them

Because of the CENTCOM AOR's geography, control of much of the world's energy reserves, and propensity for instability, the United States has substantial strategic interests in, and related to, the region. Chief among these are:

- the security of U.S. citizens and the U.S. homeland;
- regional stability;
- international access to strategic resources, critical infrastructure, and markets; and
- the promotion of human rights, the rule of law, responsible and effective governance, and broad-based economic growth and opportunity.

The most serious threats to these interests lie at the nexus of militant groups, hostile states, and WMD. Across the AOR, al-Qaeda and its Associated Movements are fueling insurgencies to reduce U.S. influence and to destabilize the existing political, social, and economic order. Meanwhile, some countries in the AOR play a dangerous game of allowing or accepting terrorist networks and facilitators to operate from or through their territory, believing that their own people and governments will be immune to their threat. Efforts to develop or acquire nuclear weapons and delivery systems magnify the potential dangers of the marriage between some states and their militant proxies. Indeed, the acquisition of nuclear arms by hostile states or terrorist organizations would constitute a

grave threat to the United States, our allies, and the countries of the region and would likely spark a destabilizing arms race.

In the near term, the greatest potential for such a threat to arise is found in the instability in South Asia, the activities and policies of the Iranian regime, the situation in Iraq, and the growth of AQAP in Yemen.

- **Instability in Afghanistan and Pakistan.** The insurgencies in Afghanistan and Pakistan constitute the most urgent problem set in the CENTCOM AOR. Al-Qaeda, the Taliban, and the syndicate of militant groups operating in the border region between Afghanistan and Pakistan are engaging in an increasingly violent campaign against the people and governments of Afghanistan and Pakistan. Both states face a serious threat from these groups, and though some of these organizations perpetrate acts of terrorism against local targets and others operate internationally, these groups have increasingly cooperative, even symbiotic, relationships. As a result, the control by any of these groups of major population centers or significant economic or financial resources would present an enormous challenge to security in the region and across the globe.
- **Iran's Destabilizing Activities and Policies.** The activities and policies of the Iranian regime constitute the major state-level threats to regional stability. Despite repeated International Atomic Energy Agency findings of Iranian violations of non-proliferation obligations, five United Nations Security Council

Resolutions, and extensive diplomatic efforts through the P5+1, the Iranian regime is assessed by many to be continuing its pursuit of a nuclear weapons capability, which would destabilize the region and likely spur a regional arms race. The Iranian regime employs surrogates and violent proxies to weaken competitor states, obstruct the Middle East Peace Process, and expand its regional influence. In particular, Iran uses proxy groups to train and equip militants in direct conflict with U.S. forces operating in the region, to frustrate efforts to stabilize Iraq, Lebanon, and Gaza, and to interfere with the domestic politics in each. In the past, Syria has facilitated the Iranian regime's reach into the Levant and the Arab world by serving as the key link in an Iran-Syria-Hizballah-Hamas alliance. The Iranian regime's domestic activities are also troubling, as its recent violent suppression of opposition groups and popular protests has violated the human rights of the Iranian people and fomented further instability and unrest and increased the role of the security forces in the affairs of the state.

- **Situation in Iraq.** Security in Iraq has improved significantly since the peak of the sectarian violence in mid-2007, but the gains there remain fragile and reversible, though increasingly less so. In Iraq, a number of factors continue to pose serious risks to U.S. interests and have the potential to undermine regional stability, disrupt international access to strategic resources, and frustrate efforts to deny terrorist safe havens and support bases. Internally, fundamental issues such as the distribution of political power and resources remain to be settled. The Iraqi state is still developing, and numerous challenges confront its leaders and people,

including lingering ethnic and sectarian mistrust, tensions between political parties, strained governmental capacity to provide basic services, and the continued displacement of hundreds of thousands of individuals. Externally, Iraq's position with its neighbors is still in flux, with some playing a negative role in Iraq. All these issues will remain in play, in particular, during the ongoing formation of the new government following the Parliamentary elections earlier this month.

- **Instability in Yemen.** The inability of the Yemeni government to effectively secure and exercise control over all its territory offers AQAP a safe haven in which to plan, organize, and support terrorist operations. This network poses a direct threat to the U.S. homeland, as evidenced by recent plots, including the attempted bombing of a U.S. airliner on Christmas Day 2009. At the same time, the Yemeni state faces challenges from separatist movements in the South and a six-year conflict with Houthi rebels, which despite the cease-fire in February could reignite and again spill over into Saudi Arabia. Moreover, the influx of refugees from Africa, pervasive arms smuggling, a deteriorating economic situation, and piracy continue to challenge the capabilities of the Yemeni government.

C. Cross-cutting Challenges to Security and Stability

While this statement will describe in greater detail the dynamics and challenges in the sub-regions of the AOR, there are a number of cross-cutting issues that serve as major drivers of instability, inter-state tensions, and conflict. These factors can serve as root causes of instability or as obstacles to security.

- **Insufficient progress toward a comprehensive Middle East peace.** The enduring hostilities between Israel and some of its neighbors present distinct challenges to our ability to advance our interests in the AOR. Israeli-Palestinian tensions often flare into violence and large-scale armed confrontations. The conflict foments anti-American sentiment, due to a perception of U.S. favoritism for Israel. Arab anger over the Palestinian question limits the strength and depth of U.S. partnerships with governments and peoples in the AOR and weakens the legitimacy of moderate regimes in the Arab world. Meanwhile, al-Qaeda and other militant groups exploit that anger to mobilize support. The conflict also gives Iran influence in the Arab world through its clients, Lebanese Hizballah and Hamas.
- **Militant Islamist movements.** The CENTCOM AOR is home to militant Islamist movements that threaten states in the region, exploit local conflicts, and foster instability through acts of terrorism. The most significant of these is al-Qaeda, which, along with its Associated Movements, seeks to impose its

intolerant ideology on the people through indiscriminant violence and intimidation. Although cooperative counterterrorist activities in many different countries, such as Saudi Arabia, Iraq, and Pakistan, over the past few years have eroded the network's support and safe haven and degraded the network's capabilities in many ways, al-Qaeda continues to plan and conduct operations and recruit new fighters. It remains a serious and formidable threat.

- **Proliferation of WMD.** The AOR contains states and terrorist organizations that actively seek WMD capabilities and have previously proliferated WMD related material, technology, and expertise outside established international monitoring regimes. In addition, regional states are increasingly interested in the development of nuclear programs, which, if not properly managed, could lead to the proliferation of illicit nuclear material or a regional arms race.
- **Ungoverned, poorly governed, and alternatively governed spaces.** Weak civil and security institutions and the inability of certain governments in the region to exert full control over their territories are conditions that insurgent groups can exploit to create physical safe havens in which they can plan, train for, and launch operations or pursue narco-criminal activities. We have seen these groups develop, or attempt to develop, what might be termed sub-states, particularly in Afghanistan, Pakistan, Lebanon, Iraq, Yemen, and the Palestinian territories.

- **Significant sources of terrorist financing and facilitation.** The AOR remains a primary source of illicit funding and facilitation for global terrorist organizations and other militant groups. All this financing is transmitted through a variety of formal and informal networks, which include financial operatives and front companies throughout the region.
- **Piracy.** The lack of governance in Somalia has allowed piracy to grow off the coast and in the Horn of Africa threatening the flow of commerce through the region. Since the spike in piracy in 2008, we have worked in close cooperation with the international community to counter this trend by focusing on increasing international presence, encouraging the shipping industry to adopt best practices to defend against piracy, and establishing a sound international legal framework for resolving piracy cases. Despite some reduction in the number of successful pirate attacks in the region, piracy remains lucrative – increasingly so, as the ransom rates have nearly doubled over the previous year’s – and pirates continue to modify their area of operations and techniques to avoid coalition presence.
- **Ethnic, tribal, and sectarian rivalries.** Within certain countries, the politicization of ethnicity, tribal affiliation, and religious sect serves to disrupt the development of national civil institutions and social cohesion, at times to the point of violence. Between countries in the region, such rivalries can heighten political tension and serve as catalysts for conflict and insurgency.

- **Disputed territories and access to vital resources.** Unresolved issues of disputed territorial boundaries and disagreements over the sharing of vital resources, such as water, oil, and natural gas, serve as sources of tension and conflict between and within states in the region.
- **Criminal activities, such as weapons, narcotics, and human trafficking.** Weapons smuggling, narcotics trafficking, and associated criminal activities undermine security, spur corruption, and inhibit legitimate economic activity and good governance throughout the AOR. In particular, state-sponsored weapons trafficking in support of groups like Lebanese Hizballah, Hamas, and the Palestinian Islamic Jihad undermines regional security and the Middle East Peace Process.
- **Uneven economic development and lack of employment opportunities.** Despite substantial economic growth rates throughout much of the region over the past few years, significant segments of the population in the region remain economically disenfranchised, under-educated, and without sufficient opportunity. In addition many countries in the region face growing “youth bulges” that will strain their economies’ abilities to produce sufficient employment opportunities. The recent global economic downturn has heightened these problems. Without sustained, broad-based economic development, increased employment opportunities are unlikely given the growing proportions of young people relative to overall populations.

- **Lack of regional and global economic integration.** The AOR is characterized by low levels of trade and commerce among countries, which diminish prospects for long term economic growth, as well as opportunities to deepen interdependence through increased political, commercial, social, and cultural ties.

III. Regional Strategy

To help defend and advance our national interests, CENTCOM executes a strategy that promotes security and stability in our AOR. In cooperation with our partners and in concert with national policy, we work to deter aggression as well as eliminate the conditions that foment conflict. Given the complexities of the AOR and its many security challenges, we have adopted a strategy that consists of active engagement in the region as well as prudent preparation for contingencies. The following sections describe the highlights of this strategy by outlining the strategic vision we seek to achieve and the guiding principles and major activities that characterize our approach.

A. Strategic Vision.

The conditions needed for security, stability, and prosperity in the region constitute the strategic vision we are working toward and the ultimate goals of our activities. They reflect our desire to strengthen the international system, while promoting effective and

responsible governance and broad-based economic development throughout the region.

Specifically, we seek a region

- that is at peace with itself and its neighbors;
- that is focused on common security and cooperation;
- with stable governments that are responsive to the needs of their people;
- with patterns of economic development that advance people's well-being;
- where nuclear proliferation is not a threat and where nuclear energy use is verifiable and for peaceful purposes;
- with unhindered international access to strategic resources, critical infrastructure, and markets; and
- from which, and within which, groups such as al-Qaeda do not threaten the United States or our allies.

Working towards these objectives, in concert with the Department of State, is the most feasible and acceptable strategy for addressing the threats to our interests. To be sure, these objectives are broad and far-reaching, but they are nonetheless attainable.

B. Strategic Approach.

Achieving this vision and establishing these conditions necessarily requires changing – in some respects significantly changing – the security environment in the region, and as a result, our activities must be guided by the principle that our security solutions be comprehensive, cooperative, and enduring. This guidance recognizes that we must

simultaneously address security, political, and economic challenges in the region; that we cannot do this through military means alone or without the cooperation of our partners in the region and the broader international community; and that these changes must be long-lasting and, eventually, self-sustaining.

- **Comprehensive Solutions.** Because instability and insecurity in the AOR stem from a complex mix of security, political, and economic challenges, we must pursue comprehensive solutions to problems in the region. This requires us to apply whole of government approaches that fully integrate our military and non-military efforts and those of our partners. For example, to address the threat posed by insurgent groups we are dismantling their networks and leadership, often through the use of security forces, while also working to eliminate their sources of support by protecting populations from these groups, disrupting their financial networks and sources of financing, delegitimizing their methods and ideologies, and addressing legitimate grievances to win over reconcilable elements of the population. We constantly strive to understand the complexities of these challenges and tailor our approaches to the unique circumstances on the ground.
- **Cooperative Solutions.** Because the challenges in the region are often transnational ones and because no nation can protect itself from these threats without cooperation from others, we must pursue cooperative, multilateral solutions. We seek collective action and an atmosphere of broad inclusivity and partnership to attract the needed pool of resources and to leverage each country's

comparative advantages, from expertise and facilities to information and even geography. To achieve this cooperation, we focus on interests we share with other nations, work to build effective partnerships for pursuing those interests, and actively engage with the people, leaders, and security forces in the AOR. We pursue security initiatives that may start out as a series of bilateral partnerships, but we work to integrate them to achieve multilateral effects and to expand them to form future, genuinely multilateral arrangements. Moreover, we are helping our partner nations bolster their own capabilities.

- **Enduring Solutions.** Finally, because we want lasting conditions of security and prosperity, we must seek long term, enduring solutions to the challenges in the region. To this end, we work to address the root causes of instability rather than apply quick fixes to their symptoms. Also, to achieve the cooperation described above, we pursue strategic partnerships with the nations of the region rather than short term transactional relationships. Lastly, we strive to increase integration and interdependence in the region in many different areas – diplomatic, commercial, social, and cultural – under the belief that increased interaction is a positive-sum game that benefits all parties and reduces the incentives for conflict. All of our efforts require sustained commitments of our attention, energy, and, in some cases, resources.

Adhering to these principles in our strategic approach and in the execution of our operations places a premium on unity of effort at all levels and with all participants. At

the combatant command level, this means working with our interagency and international partners to develop joint action or campaign plans that establish appropriate missions and objectives for our subordinate elements, from major commands such as U.S. Forces–Iraq and U.S. Forces–Afghanistan (USFOR-A) to our country-based offices of military cooperation. To effectively carry out these plans, we work carefully to coordinate our military elements with the corresponding State Department envoy or ambassador as well as our international and host nation partners.

C. Major Activities

In addition to our ongoing operations in Iraq and Afghanistan, our forces are engaged in numerous, wide-ranging endeavors designed to establish the conditions described above for security, stability, and prosperity in the region. Chief among these major activities are our efforts designed to do the following:

- Defeat al-Qaeda and its Associated Movements
- Deny sanctuaries and disrupt support for insurgent groups
- Counter proliferation of WMD and associated technology
- Deter and counter state-based aggression and proxy activities
- Support the peaceful resolution of long-standing interstate conflicts
- Build bilateral and multilateral security partnerships
- Develop partner nation security capacity
- Help nations protect their critical infrastructure and support infrastructure development

- Bolster at-risk states
- Respond to humanitarian crises, when called upon by our Ambassadors
- Counter arms smuggling
- Protect freedom of navigation

IV. Critical Sub-regions of the CENTCOM AOR

The complexity and uniqueness of local conditions in the CENTCOM AOR defy attempts to formulate an aggregated estimate of the situation that can address, with complete satisfaction, all of the pertinent issues. Thus, the best way to approach the challenges in the AOR is through a disaggregation of the problem set into six sub-regions, described as follows:

- Afghanistan, Pakistan, and India (though India does not lie within the boundaries of the CENTCOM AOR)
- Iran
- Iraq
- The Arabian Peninsula, comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates (UAE), and Yemen
- Egypt and the Levant, comprised of Syria, Lebanon, and Jordan (as well as Israel and the Palestinian territories, which do not lie within the CENTCOM AOR)

- Central Asia, comprised of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan

A. Afghanistan, Pakistan, and India

Instability in Afghanistan and Pakistan poses the most urgent problem set in the CENTCOM AOR and requires complementary and integrated civil-military, whole of government approaches. The two countries are linked by tribal affiliations and a porous border that permits terrorists, insurgents, and criminals to move relatively freely to and from their safe havens. Indeed, al-Qaeda, the Taliban, and other insurgent groups operating from the border region are engaged in an increasingly violent campaign against Afghan and coalition Forces and the developing Afghan state. However, while it is important to note that the problem sets are related, the United States must forge a unique partnership with each country.

Afghanistan

The past year was marked by a shift in strategic focus in Afghanistan. Over the course of the conflict, the Afghan insurgency had expanded its strength and influence – particularly in the South and East – and 2009 levels of violence were significantly higher than those of 2008. The Taliban have been resilient, with their activities fueled by revenues from outside the region as well as from narcotics-trafficking, the freedom of movement they enjoy in the border region between Afghanistan and Pakistan, ineffective

governance and services in parts of the country, as well as by contributions from other militant groups outside Afghanistan and Pakistan. To reverse this momentum and the downward spiral in security, we have embarked on a new 12-to-18-month civil-military campaign plan, and coalition forces and their Afghan partners are fighting to retake the initiative from the insurgency. The main goals of our strategy, announced by President Obama last December, include the following:

- reversing Taliban momentum through sustained military action,
- denying the Taliban access to and control of key population and production centers and lines of communication,
- disrupting the Taliban outside secured areas and preventing al-Qaeda from regaining sanctuary in Afghanistan,
- degrading the Taliban to levels manageable by the Afghanistan National Security Forces (ANSF),
- increasing the size and capability of the ANSF and employing other local forces selectively to begin a conditions-based transition of security responsibility to the Afghan government by July 2011, and
- supporting U.S. government efforts to build the capacity of the Afghan government, particularly in key ministries.

To implement this strategy, we and our North Atlantic Treaty Organization (NATO) partners have spent a great deal of effort putting into place the right organizations and command and control structures needed to carry out a comprehensive civil-military campaign. This includes the capabilities for targeting of insurgents' resources and

finances, detention operations, ministerial capacity building, border coordination, strategic communications, and the conduct of reconciliation efforts. This began by ensuring the International Security Assistance Force (ISAF) Commander was dual-hatted as both a NATO Commander and the commander of U.S. forces, which helped to reduce many of the organizational firewalls between ISAF and Operation Enduring Force elements. We created the ISAF Intermediate Joint Command (IJC), a three-star headquarters to oversee operational execution of the counterinsurgency campaign. We established a Joint Task Force to address detainee operations and help develop rule of law capacity within the Afghan government, from policing and incarceration to trials and convictions. We developed a Force Reintegration Cell within the ISAF headquarters to support the reintegration and reconciliation process at the national level. We established an interagency threat finance cell, an intelligence fusion cell, and a full-fledged Joint Information Operations Task Force to conduct strategic communications. We formed the NATO Training Mission-Afghanistan and made several other command and control adjustments, such as the integration of mentoring teams under the IJC and its battle space commanders and the restructuring of Army brigades, to improve our ability to train, advise, and assist Afghan security forces. Lastly, we formed the Pakistan-Afghanistan Coordination Cell on the Joint Staff and inaugurated the Afghanistan-Pakistan Intelligence Center of Excellence at CENTCOM to better organize our resources here at home. All of these organizations tie together and support the numerous activities taking place at the unit level across the country as our operations move forward over time, and to run them we have hand-selected some of nation's best civilian and military leaders, all of whom have been involved with counterinsurgency operations for quite some time.

Just as critical, we have strengthened our counterinsurgency approach and established a wide-spread understanding of the critical concepts guiding and governing our operations. First and foremost in this approach is a commitment to protecting and serving the people. This focus is captured in Ambassador Karl Eikenberry and General Stanley McChrystal's Integrated Civil-Military Campaign Plan, which directs our military and civilian components to take a residential approach and, in a culturally acceptable way, live among the people, understand their neighborhoods, and invest in relationships. General McChrystal has also published counterinsurgency guidance, has pushed to achieve greater unity of effort, has aggressively pursued the mission of partnering with the Afghan security forces, and has issued appropriate guidance on detention, reintegration, joint night raids, and tactical driving. All of these concepts are designed to secure the Afghan people, to reduce civilian casualties, and to build their trust in ISAF forces and the national government.

Critical to the organizations, leaders, and strategies we have put in place in Afghanistan are the resources needed to support them, in this case, 30,000 additional U.S. forces, additional civilians experts, and appropriate funding, each of which was announced by the President in December at West Point. Just as important are the additional commitments from other NATO and coalition partners totaling more than 9,000 troops. These resources are starting to flow into the country, and they will allow us to better expand the security presence in population centers and along major lines of

communication, to better hold areas cleared of insurgent groups, and to build a new level of Afghan governmental control.

As a part of this approach, we will also invigorate efforts to develop the capabilities of the ANSF, including the Afghan National Army, the Afghan Uniform Police, the Afghan Gendarmerie Force, the Afghan Border Police, specialized counternarcotics units, and other security forces. We recognize the fact that international forces must eventually transfer security responsibility to Afghan security forces. In January 2009, the ANSF numbered 156,000; today, there are over 206,000 assigned, but significant work remains in improving the quality of the Afghan force through enhanced partnering, training, and recruiting. General McChrystal has placed a premium on comprehensive partnering with the ANSF, an emphasis that is being demonstrated in the ongoing Operation Moshtarak, in which ISAF and ANSF operate at close to a one-to-one ratio. Of equal importance, ISAF and ANSF leaders worked together in partnership to plan all aspects of the operation, a signal of ANSF development that goes beyond the number of ANSF boots on the ground. A properly sized, trained, and equipped ANSF is a prerequisite for any eventual drawdown of international forces from Afghanistan, and through our support and the assistance of the Afghan Security Forces Fund, the ANSF will continue to expand so that they will be more able to meet their country's security needs.

In addition, we, along with our civilian colleagues, will bolster the capabilities and the legitimacy of the other elements of the Afghan government – an effort in which, in much of Afghanistan, we will be building, not rebuilding. We will do this through our

support to local government at the provincial and district levels, utilizing the new structure of civilian representatives at each level of our deployed military. These, along with the efforts of Provincial Reconstruction Teams and national level civil-military and ministerial capacity building teams are empowering Afghans to solve Afghan problems and promoting local reintegration where possible. Most recently, we are supporting governance and development efforts as part of ongoing operations in Helmand Province.

Another major component of our strategy is to disrupt narcotics trafficking, which provides significant funding to the Taliban insurgency. This drug money has been the “oxygen” in the air that allows these groups to operate. With the extension of authority granted to U.S. forces to conduct counter-narcotics operations, we are able to more closely work with the Afghan government to disrupt the illicit narcotics industry through interdiction of the narco-trafficking network. To complement this effort, we support and promote viable agricultural and economic alternatives and the requisite infrastructure to help Afghans bring licit products to market for sale and distribution.

Executing this strategy requires clear unity of effort at all levels and with all participants. Our senior commanders (and I) have worked with Ambassador Richard Holbrooke, the U.S. Special Representative for Afghanistan and Pakistan; Ambassador Eikenberry, the U.S. Ambassador to Afghanistan; Stefan di Mistura, the United Nations Special Representative of the Secretary General for Afghanistan; Ambassador Mark Sedwill, NATO’s new Senior Civilian Representative in Afghanistan; and the Afghan leadership to improve and synchronize the whole of government approach. Our security

efforts have been integrated into the broader plan to promote political and economic development. We have urged partner nations to continue the invaluable support they are providing and to seek additional support as required for mission accomplishment.

The changes in approach launched in 2009 and 2010 (e.g., greater military and civilian resources, enhanced unity of effort and partnering) can help turn the tide over time, but we must manage expectations as we continue the buildup in our forces. Progress will be incremental and difficult. In 2010, the Taliban and other insurgent groups will attempt to build on their previous momentum and create further instability in the Afghan provinces, particularly in the South and East. We will endeavor not only to prevent that but to wrest the initiative from the Taliban.

Pakistan

The possibility of significant instability in Pakistan poses a serious threat to regional and global security, in large part, because Pakistan remains a critical strategic foothold for al-Qaeda and is important to the organization's efforts to rally supporters worldwide. Although al-Qaeda senior leaders are under considerably more pressure in Pakistan than in previous years, the Federally Administered Tribal Area (FATA) still serves as al-Qaeda's principal sanctuary. More important, these leaders continue to plan and inspire regional and transnational operations from the FATA, while maintaining the ability to function as a structured organization, and foreign fighters continue to travel to Pakistan for training and to join al-Qaeda. Additionally, Pakistan continues to face a serious

insurgency fueled by militants operating from the country's tribal areas with casualties from violent incidents in Pakistan, particularly bombings and suicide attacks having increased dramatically over the past year.

However, the people and leaders of Pakistan have increasingly grown to see these groups as serious threats, and the Pakistani security forces have stepped up operations against insurgents, showing impressive determination and skill. They have conducted operations in the Northwest Frontier Province (NWFP) and the FATA on an unprecedented scale, successfully re-taking territory from the insurgent groups. Pakistan has sustained very tough losses in this effort, and it is clear that the country's leaders are keenly aware of the severity of the threat posed by these groups to the people and government.

We are working to forge a stronger partnership with Pakistan and to support its efforts in two ways. First, we aim to strengthen the military's capacity to target insurgent groups through the development of Pakistan's counterinsurgency capabilities. Second, we support Pakistan's governmental and economic development. Our efforts have helped as the Pakistani military has made progress in its counterinsurgency operations. The Pakistani Army and Frontier Corps have cleared many areas of militant groups. However, the hold and build phases of these operations and the subsequent transition to civil authority challenge the army and Pakistan's civil institutions. In fact, these institutions will be pressed by militant efforts to reassert control over the territory gained in 2009, risking a reversal of the past year's gains. The passage of the Kerry-Lugar-Berman Bill,

the Pakistan Counterinsurgency Capability Fund, the \$11.3 billion International Monetary Fund grant, and other key initiatives temporarily pulled Pakistan back from the brink of an impending economic collapse a year ago and helped increase Pakistan's capacity for counterinsurgency operations. Continued support for these initiatives is critical to enabling the Pakistan to continue its fight and to expand the writ of governance.

Finally, we are working to reduce regional tensions to enable adequate focus on the existential threat of militant Islamist movements in Pakistan. Though Indo-Pakistani tensions have eased since 2008, they could easily reignite in 2010, particularly in the event of another significant terrorist attack in India. A major escalation in these tensions would almost certainly result in the immediate redeployment to the east of Pakistani forces currently deployed to confront militants in the West, risking forfeiture of gains in FATA and the NWFP. This suggests a need for India and Pakistan to continue discussions begun on February 25th in order to reduce the strategic tension and the risk of miscalculation between these nuclear states.

B. Iran

The Iranian regime is the primary state-level threat to stability in the region. Throughout much of the region, the regime pursues a dual-track foreign policy. Overtly, the Iranian government cooperates with regional states through bilateral arrangements to promote Iran as an economic, political, and military power. In parallel, the regime entrusts the Islamic Revolutionary Guards Corps (IRGC)-Qods Force to execute covert

aspects of its foreign policy using political influence, covert businesses, lethal and non-lethal aid, and training to militants supportive of the regime's agenda. The Qods Force is active throughout the region, and, in fact, controls Iranian foreign policy in Iraq, Lebanon, Syria, and Gaza and influences heavily in Afghanistan and the Gulf Region. Through Qods Force soft power initiatives and destabilizing activities, such as coercion and direct attacks, Iran is subverting democratic processes and intimidating the nascent governments of our partners. The regime continues to intervene in the Israeli-Palestinian situation through its support to Hamas and Lebanese Hizballah, and it remains in violation of six United Nations Security Council Resolutions regarding its nuclear program and arms transfers.

Iran's nuclear program is a serious, destabilizing factor in the region and is widely believed to be a part of the regime's broader effort to expand its influence. Although the regime has stated the purpose of its nuclear program is exclusively for peaceful, civilian use, Iranian officials have consistently failed to provide the assurances and transparency necessary for full international confidence. This includes failure to provide verification as required by the Nuclear Non-Proliferation Treaty, to which Iran is a signatory, and failure to implement the International Atomic Energy Agency's (IAEA) Additional Protocol, which would allow for more comprehensive inspections. The regime's obstinacy and obfuscation have forced Iran's neighbors and the international community to conclude the worst about the regime's intentions, as confirmed by the recent IAEA Board of Governors' near unanimous censure of Iran's recent disclosure of a secret nuclear facility near Qom. It appears that, at a minimum, Tehran is keeping open the

option to develop nuclear weapons. Iran continues to develop and improve its uranium enrichment infrastructure and is likely to use its gas centrifuges to produce fissile material for a weapon, should it make the political decision to do so. This pattern of conduct coupled with its rejection of international responsibilities is troubling, especially when viewed in the context that other regional states have recently announced their intentions to develop nuclear power programs. This behavior poses a clear challenge to international non-proliferation goals due to the possibility of such technologies being transferred to terrorist groups and the potential for a regional arms race, as other regional states may seek nuclear parity.

Domestically, the regime is taking dramatic steps to maintain power in reaction to the persistent civil unrest sparked by the apparent election manipulation leading to President Ahmadinejad's re-election in June 2009. The aftermath of the presidential election created a political rift among regime elites and further hardened certain leaders' views toward the U.S. and the West over alleged involvement in supporting a "soft revolution" in Iran. Tehran has deployed significant numbers of security forces, mainly comprised of Basij militia, to crack down on street protests and conduct mass arrests of protestors. The regime has also taken sweeping steps to control the information environment by slowing or shutting down the internet, telephone networks, and other forms of social media used by protestors to organize, execute, and publicize their efforts. The opposition movement, led by former regime insiders, poses the most serious political challenge to the regime since the advent of the Islamic Republic.

The Iranian regime has also attempted to thwart U.S. and international efforts to bring stability to Iraq, Afghanistan, and the broader region. In Afghanistan, the Iranian regime appears to have hedged its longstanding public support for the Karzai government by providing opportunistic support to the Taliban. In Iraq, however, the Iranian regime has embarked on a broad campaign led by the IRGC-Qods Force to influence Iraqi politics and support, through various means, parties loyal to Iran. The Qods Force also maintains its lethal support to Shia Iraqi militia groups, providing them with weapons, funding, and training. Additionally, al-Qaeda continues to use Iran as a key facilitation hub, where facilitators connect al-Qaeda's senior leadership to regional affiliates. And although Iranian authorities do periodically disrupt this network by detaining select al-Qaeda facilitators and operational planners, Tehran's policy in this regard is often unpredictable.

Pursuing our longstanding regional goals and improving key relationships within and outside the AOR help to limit the negative impact of Iran's policies. A credible U.S. effort on Arab-Israeli issues that provides regional governments and populations a way to achieve a comprehensive settlement of the disputes would undercut Iran's policy of militant "resistance," which the Iranian regime and insurgent groups have been free to exploit. Additionally, progress on the Israel-Syria peace track could disrupt Iran's lines of support to Hamas and Hizballah. Moreover, our development of a cooperative Regional Security Architecture, which includes a regional network of air and missile defense systems as well as hardening and protecting our partners' critical infrastructure, can help dissuade aggressive Iranian behavior. In all of these initiatives, our military

activities will continue to support our diplomatic efforts, and we will remain vigilant across a wide range of contingencies.

C. Iraq

Iraq made steady progress throughout 2009, a year that brought significant change in the security situation and in Iraqi politics. A broad backlash against the Islamist parties that have dominated the Iraqi government since 2005, along with the Iraqi people's increasing preference for emerging secular, nationalist parties and leaders, yielded a stunning result in January 2009's largely violence-free provincial elections and a peaceful transfer of power in every province that held an election. Various internal dynamics, however, have exacerbated the Arab-Kurd dispute over Kirkuk and other territories, and this issue now looms as the greatest potential Iraqi flashpoint.

The security situation in Iraq remained stable during the implementation of the U.S.-Iraqi security agreement, the handover of lead responsibility to the Iraqi Security Forces, and the drawdown of U.S. forces from some 130,000 in March 2009 to 96,000 today. The level of violence generally remained at record lows following the withdrawal of U.S. forces from Iraqi cities in June, demonstrating the Iraqi Security Forces' growing capability to handle security responsibilities independently. November witnessed the lowest number of civilian deaths since spring 2003, and December was the first month since the March 2003 invasion in which no U.S. forces died in combat in Iraq. A number of high-profile attacks in the second half of 2009 showed, nonetheless, that the Iraqis still

have much work to do in developing counterterrorism capabilities. While al-Qaeda in Iraq's (AQI) attempt to discredit and destabilize the government through massive bombings did not succeed, it did demonstrate AQI's resilience. At the same time, the Arab-Kurd dispute has lent new life to Ba'athist-related insurgent groups in northern Iraq, which have attempted to ignite a conflict along the Green Line. As we continue to draw down our forces in a responsible manner and comply with our commitments under the U.S.-Iraq Security Agreement, key to further improving the security situation and mitigating remaining risks will be continuing to help the Iraqi Security Forces and developing their capabilities through our advisory and security assistance programs and the Iraq Security Forces Fund.

This year will bring far-reaching developments in Iraqi politics and the U.S.-Iraq relationship. Just this month, Iraqis took to the polls and expressed their political will in parliamentary elections made possible by the security provided by the ISF. The significance of the elections was clearly evidenced by the strong voter turnout across the country and the political maneuvering – including the campaign by some Shi'a Islamists officials to ban a number of former Ba'athists and secularists from running – leading up to election day. The formation of the new national government following the election will shape the resolution of outstanding fundamental issues about the nature of the Iraqi state, including the Arab-Kurd question and the balance between central and provincial authority. As such, we expect Iraq's internal political landscape to continue to face evolutionary challenges. We will continue to work with the new Iraqi government to implement the Strategic Framework Agreement and strengthen our bilateral relationship.

D. The Arabian Peninsula

The Arabian Peninsula commands significant U.S. attention and focus because of its importance to our interests and its potential for insecurity. These Arab states on the Peninsula are the nations of the AOR most politically and commercially connected to the United States and Europe. They are more developed economically than any of their neighbors, collectively wield substantial defense forces, and are major providers of the world's energy resources. However, the Peninsula has, in the past, been a significant source of funding and manpower for terrorist groups and foreign fighters. Where governments face internal challenges, the situation is often aggravated and intensified by external factors, such as the Iranian regime's destabilizing behavior, instability in the Palestinian territories and southern Lebanon, political and security troubles in Iraq, and weapons proliferation.

Over the past few years, we have worked with the countries of the Arabian Peninsula, as well as other partners in the region, to develop a Regional Security Architecture to address common security challenges. This architecture is made up of an array of major components including a Shared Early Warning system; an increasingly integrated air and missile defense network; and an extensive array of ground, maritime, aviation, and special operations exercises each designed to respond to different types of threats. All of these cooperative efforts are facilitated by the critical base, port, and training facilities provided by Bahrain, Kuwait, Qatar, the UAE, and others throughout the AOR.

This emerging but, nonetheless, significantly developed collection of partnerships improves our interoperability and our overall effectiveness in ongoing multi-lateral operations and security initiatives. The mechanisms and capabilities put in place to coordinate efforts in one area, such as piracy, smuggling, and littoral security, can often be employed to respond rapidly to crises in other areas. Moreover, progress made in generating cooperation on one set of issues can serve as an opening for engagement on other issues, thereby promoting greater interdependence in the region. Contributions of funding and forces by regional partners to our operations in Afghanistan evidence some of these positive spillover effects. Now that our Gulf partners have begun working closely to address common threats, the logical next step is to expand the model and encourage the integration of Iraq with our Gulf partners. Such a step would benefit the entire region.

Yemen stands out from its neighbors because of its underdeveloped governmental institutions and weak economy and because of its numerous security challenges, which include the Southern secessionist movement, the Houthi tribal rebellion, and the presence of AQAP. Yemen's strategic location facilitates AQAP's freedom of movement and allows it to threaten not only Yemen's neighbors but also the United States and Europe. In recent months we have seen several terrorist attacks attempted within and emanating from Yemen, the spillover of the Houthi rebellion into Saudi Arabia, the resurgence of Yemen's Southern secessionists, and the negative influence of al-Shabaab in Somalia. In view of these developments, we are working toward expanded, sustained, and predictable

efforts to help build Yemen's security, counterinsurgency, and counterterrorist capabilities, and we seek to nearly double U.S. security assistance to the country in the coming year.

E. Egypt and the Levant

The Levant and Egypt sub-region is the traditional political, social, and intellectual heart of the Arab world and is vital to security and stability in the CENTCOM AOR. Because of its history as a primary battleground between rival ideologies, the dynamics of this sub-region, particularly with regard to Israel, influence the internal and external politics of states outside the region as well. In addition, U.S. policy and actions in the Levant affect the strength of our relationships with partners in the AOR. As such, progress toward resolving the political disputes in the Levant, particularly the Arab-Israeli conflict, is a major concern for CENTCOM. Through a significant expansion of our engagement program, capacity building efforts, training exercises, deployment of Navy vessels to the Red Sea, and information sharing, we are working with our partners in Egypt and the Levant to build the capabilities of legitimate security forces, defeat transnational and sub-state militant groups, combat the spread of WMD and related materials, and disrupt illegal arms smuggling. In addition, we will work to develop the mechanisms of security and confidence building to support efforts to achieve a comprehensive Middle East peace.

Egypt remains a leading Arab state, a staunch U.S. ally, and a key actor in the Middle East Peace Process. In recent years, however, the Egyptian government has had to deal with serious economic challenges and an internal militant Islamist threat; as such, U.S. foreign aid has been a critical reinforcement to the Egyptian government. At the same time, concern over the possibility of the spillover of instability in Gaza has led Egypt to play a pivotal role in international efforts to address the situation there, to improve border security, and to interdict illicit arms shipments to Palestinian militants. In partnership with U.S. Africa Command, we are working with Egypt to combat militancy and smuggling across the Red Sea, Horn of Africa, Nile basin, and northern Africa.

Jordan continues to be a key partner in the region. The Kingdom's forces participate in many regional security initiatives and are at the forefront of police and military training for regional security forces. In addition to its regular participation in multilateral training exercises, Jordan promotes regional cooperation and builds our partner nations' security capacity through its recently opened King Abdullah Special Operations Training Center, Peace Operations Training Center, International Police Training Center, and Cooperative Management Center. We support these efforts, as they are critical to the continued development of legitimate security forces throughout the region, especially in Lebanon and the Palestinian territories and, as a consequence, will be important to the long term viability of the Middle East Peace Process.

In Lebanon, Hizballah's rearmament following its conflict with Israel in 2006, particularly its rocket and missile stocks, portends continued instability in the region.

Hizballah continues to undermine the authority of the legitimate Lebanese security forces, threaten Israel, and provide training and support to militant groups outside the country. Stabilizing Lebanon ultimately requires strengthening the capabilities of the Lebanese Armed Forces, fully implementing United Nations Security Council Resolutions, including 1559 and 1701, ending Iran's illegal support to Hizballah, and assisting the Lebanese government in developing a comprehensive national defense strategy through which the government can exercise its sovereignty, free of external intervention.

Last, despite continued support to Hizballah, interference in Lebanese internal politics, and accommodation of foreign fighter networks and facilitators operating from and through its territory, the Assad regime in Syria appears to be slowly seeking rapprochement with its neighbors and the United States.

F. Central Asia

Central Asia is a pivotal region on the Eurasian continent between Russia, China, Iran, and South Asia, has extensive natural resources, particularly hydrocarbons, and serves as a major transit route for regional and international commerce and for supplies supporting coalition efforts in Afghanistan. Ensuring stability in Central Asia requires abandoning the outdated, zero-sum paradigms of international politics associated with the so-called "Great Game," replacing them with broad partnerships to address common challenges such as terrorism, WMD proliferation, and illegal narcotics trafficking. There

are numerous opportunities in Central Asia for cooperation that can simultaneously advance the interests of the Central Asian States and their neighbors.

However, public and civic institutions in Central Asia are still developing in the aftermath of decades of Soviet rule, and they present challenges to our efforts to promote security, development, and cooperation. Although there is interdependence across a broad range of social, economic, and security matters, these nations have not yet fully established a productive regional *modus vivendi*. Overcoming these challenges requires incremental approaches that focus on the alleviation of near term needs, the establishment of better governance, the integration of markets for energy and other commercial activity, and grass-roots economic development.

Over the past two years, a primary focus of our engagement with the Central Asian States has been the development and expansion of our Northern Distribution Network (NDN), which supports coalition forces in Afghanistan. Through diligent work by the State Department and U.S. Transportation Command, we have improved the flexibility, efficiency, and reliability of our logistical support to our operations in Afghanistan by diversifying the routes, approaches, and contracts that comprise the logistical network. In 2010, we anticipate expanding our use of the NDN as additional routes and methods of delivery become available. In addition to improving our regional access and logistics capabilities, work on the NDN has significantly increased our contact with our regional partners and provided opportunities to engage on numerous common causes and to increase our commercial ties.

In addition to increasing our engagement with the Central Asian States through the NDN, we continue to help build the capabilities of indigenous security forces, as well as the mechanisms for regional cooperation. We provide training, equipment, and facilities for various army, national guard, and border security forces through our Building Partnership Capacity programs. In addition, we continue to work with national level organizations to facilitate dialogue on security and emergency response issues through numerous bilateral training exercises and initiatives such as our annual Chiefs of Defense Conferences and the multilateral Exercise Regional Cooperation.

V. Critical Mission Enablers

Success in our ongoing missions and achieving comprehensive, cooperative, and enduring solutions to our challenges in the AOR, all the while maintaining a credible, responsive contingency capacity, requires the support of several key mission enablers. The effects of these capabilities range from the tactical to the strategic, and CENTCOM fully supports their continuation, expansion, and improvement.

In requesting and employing these enablers, we recognize the critical importance of proper oversight to ensure their proper usage, particularly for funding authorities. In many cases, we have established control mechanisms that exceed those mandated by Congress, including numerous additional outside audits and command reviews. This

oversight helps us know whether these programs are being properly implemented and, equally important, whether these programs are effective.

A. Building Partnership Capacity

Our security cooperation and security assistance efforts are critical to improving security and stability in the region. They help strengthen our relationships and build the security and response capabilities of our partners in the AOR. Continued strong support for global train and equip resources; Coalition Support Funds; and the State Department's Foreign Military Financing (FMF), Foreign Military Sales (FMS), and counter-narcotics security assistance and reimbursement programs are essential to generating comprehensive and cooperative solutions to defeat insurgent groups. FMF and FMS remain our mainstay security assistance tools, but the International Military Education and Training program is also an important contributor to developing partner nation capabilities and enduring ties, particularly for the officers of nascent security forces and from Pakistan, with whom we must reestablish personal bonds and trust after years without substantive interaction. While these programs are reasonably successful in meeting needs in a peacetime environment, we support the reformation of the security assistance programs and processes described in this year's Quadrennial Defense Review to create new, more responsive, long term mechanisms for developing our partner nations' security capacity.

Additionally, in the face of enduring conflict in the region, we look to expanded special authorities and multi-year appropriations to quickly meet the emerging needs of counterterrorism, counterinsurgency, and Foreign Internal Defense/Security Force Assistance activities. Multi-year programs-of-record that provide training, equipment, and infrastructure for our partner nations' security forces enabled our successes in Iraq and are of prime importance if we are to achieve comparable progress in Afghanistan and Pakistan. These critical programs include the Iraq Security Forces Fund, the Afghanistan Security Forces Fund, the Pakistan Counterinsurgency Fund, and the Cooperative Defense Program.

B. Commander's Emergency Response Program (CERP)

CERP continues to be a vital counterinsurgency tool for our commanders in Afghanistan and Iraq. Small CERP projects can be the most efficient and effective means to address a local community's emergent needs, and where security is a challenge, it is often the only immediate means for addressing those needs. CERP spending is not intended to replace longer term development assistance administered by agencies such as the U.S. Agency for International Development (USAID) but rather to complement and potentially serve as a catalyst for these projects. In Iraq as the security situation has improved and allowed USAID full access, CERP funding has been reduced commensurately. However, we fully support ongoing efforts to enhance U.S. humanitarian assistance programs in other parts of the CENTCOM AOR, particularly in Pakistan. In concert with the State Department, we also seek innovative mechanisms and

authorities to allow for greater cost-sharing and to create similar counterinsurgency tools for use by coalition and host nation partners. These tools should allow for a variety of funding sources, to include contributions from non-governmental organizations, international governmental organizations, and partner governments.

Critical to CERP is its proper oversight. We support the ongoing Department of Defense internal assessment of the program and its consideration of establishing a Department-wide CERP coordinator. We will continue to sponsor outside audits and to work with the Services to ensure proper pre-deployment training for CERP managers and contracting personnel.

C. Information Operations

Operation Earnest Voice (OEV) is the critical program of record we use to synchronize and oversee our Information Operations activities, to counter our adversaries' ideology and propaganda in the AOR, and to amplify credible voices in the region, all in close coordination with the Undersecretary of State for Public Diplomacy. OEV provides CENTCOM direct communication capabilities to a regional audience through traditional media as well as trans-regional websites and public affairs regional blogging. Strategic, long term effects are achieved through our supporting Building Partnership Capacity programs, humanitarian relief efforts, demining activities, Cooperative Defense Initiatives, and counterterrorist operations. The audience analysis and assessment component of OEV provides critical cultural understanding required to

connect with the region's population, tell us which techniques are effective over time and which are not, and gives us the long term ability to assess our success or failure in the war of ideas. Full and enduring funding of OEV and other Defense Department information operations efforts will best enable us to communicate our strategic messages and to counter those of our adversaries.

D. Force Protection and Countering Improvised Explosive Device (IEDs)

Initiatives focused on countering the threat of IEDs are of paramount importance to our operations in the AOR. IEDs continue to be the primary threat to our ground forces in Iraq and Afghanistan, and efforts to expedite the acquisition and fielding of personal protective equipment, IED jammers, route clearance vehicles and equipment, and the Mine Resistant Ambush Protected (MRAP) family of vehicles, which includes the MRAP All Terrain Vehicle, have saved countless lives. An urgent priority for us is the rapid fielding of MRAPs to support the increase in U.S. and coalition forces in Afghanistan. Because we expect IEDs to remain a key weapon in the arsenals of militants and insurgents for years to come, we urge continued support for the Joint IED Defeat Organization; the Services' baseline sustainment for the MRAP family of vehicles, base defense initiatives, and Counter-IED efforts; and Research, Development, Test, and Evaluation funding and procurement of equipment to counter IED tactics and networks.

E. Intelligence

Detailed and timely tactical, operational, and strategic level intelligence collection and analysis remain vital to all aspects of our operations. While we continue to balance the allocation of our Intelligence, Surveillance, and Reconnaissance (ISR) assets and to refine and optimize our procedures and existing architecture, changes in the operating environment and the expiration of old systems will require new, improved, or increased intelligence capabilities. We support the Department of Defense's planned growth in human intelligence and counterintelligence specialists, interrogators, and intelligence analysts, but we also have come to recognize the importance of non-traditional specialists such as threat finance analysts, human terrain teams, and document exploitation specialists. In addition, our requirements for signals intelligence geo-location capabilities, Ground Moving Target Indicator information, and aerial imagery from remotely piloted systems, including sea-based ISR, continue to grow. We also look to Operationally Responsive Space to temporarily fill the space-based reconnaissance gap to be created as several current systems reach the end of their operational lives. Finally, managing these capabilities and fully harvesting the information they provide requires innovative databases (such as the Combined Information Data Network Exchange system), applications, and communication systems.

F. Adaptable Command, Control, Communications, and Computer (C4) Systems

Continued operations across a dispersed AOR call for a robust, interoperable, high-volume theater C4 infrastructure. We are working to meet C4 requirements for current operations and to posture enduring theater C4 capabilities to meet post-conflict requirements as well as prepare for contingencies. Concurrently, we are working to expand our information sharing and to improve our partners' commercial and military C4 capabilities.

We aggressively seek greater bandwidth capacity to improve the reliability and diversity of our C4 networks. CENTCOM currently utilizes all available bandwidth to full capacity, but theater fiber networks are vulnerable to single points of failure in the global information grid. Military Satellite Communications capabilities are critical to theater operations, and the acceleration of transformational upgrades to these systems would reduce our reliance on commercial providers.

We are also pursuing the means to extend Joint Theater Expeditionary Command, Control, and Communications support and services to disadvantaged users throughout the AOR. Some of these means include our sponsorship of Joint Capability Technology Demonstrations (JCTDs). Under the JCTD Tactical Service Provider (TSP) program, we developed the capability to more effectively manage available bandwidth and provide coverage to frontline units. We continue to field and further develop the Distributed Tactical Communications System, which leverages new technologies to deliver reliable,

critical communications capabilities to the most remote users. Additional fielding and technology efforts include the Radio over Internet Protocol Routed Network and the Joint Airborne Communications System. Despite tremendous actions by the Department of Defense to help us overcome our communication and network challenges, to be more effective and efficient, we require a fully integrated space and terrestrial communications infrastructure that supports all joint and potential partner nation users.

G. Cyberspace Capabilities and Authorities

The openness of the global cyber commons exposes us to low risk, low cost threats from our adversaries. Our networks are constantly threatened by a range of actors from hackers to criminal organizations to state-sponsored saboteurs. This activity is aimed at retrieving sensitive information, exploiting our public domain information to gain an operational advantage, and disrupting our networks. In addition, our adversaries use the internet for command and control, recruiting, and fund raising.

To help address these challenges, we welcome the development and institutionalization of cyberspace capabilities to help us protect and operate within these critical systems. The formation of U.S. Cyber Command and other Defense Department-wide cyberspace activities will facilitate the fusion of intelligence, operations, and communications essential to our computer network operations. At the combatant command level, we have created our own Cyberspace Warfare Cell composed of

intelligence, operations, and communications personnel to synchronize our cyberspace activities and to integrate with national level efforts.

H. Joint and Multinational Logistics

The primary focus of our logistics efforts is the timely deployment, equipping, and sustainment of units engaged in combat operations. With our multinational and strategic national logistics partners, we continue to work toward an efficient and effective logistics architecture that supports our forces and operations and minimizes costs. Our logistics posture consists of pre-positioned inventories, air and sealift capabilities, and access to bases with critical infrastructure, all of which are key logistics components that support operational flexibility. To maintain this posture and our readiness, we must quickly reconstitute our Army and Marine Corps pre-positioned stocks and properly reset returning forces. Moreover, this logistics posture enables the increase in forces in Afghanistan while simultaneously supporting the drawdown of forces from Iraq, both of which remain on track to meet the President's timelines.

The Joint Contracting Command for Iraq and Afghanistan continues to support CENTCOM, USF-I, and USFOR-A by providing responsive contracting of supplies, services, and construction, and lays the groundwork for the capacity building efforts within Iraqi and Afghan ministries. As a result, in Fiscal Year 2009, the Joint Contracting Command for Iraq and Afghanistan executed over 33,000 contract actions and obligated a total of \$5.4 billion. Over 36 percent of this funding went to Iraqi and

Afghan firms. CENTCOM is transitioning the Joint Contracting Command to a Joint Theater Support Contracting Command, an initiative that will enhance management and synchronize contracting across a greater portion of the AOR. We continue to improve contractor oversight through other initiatives such as increasing the in-theater presence of Contracting Officer Representatives and Quality Assurance Representatives, early identification and training of these representatives for deploying units, and mandating the use of automated Letters of Authorization for contractors.

In an effort to lessen our reliance on the ground supply lines through Pakistan, we are moving an increasing amount of non-military supplies into Afghanistan via an air and surface intermodal NDN, which transits through the Central Asian States. We have also established routes to transport military equipment from Iraq through Turkey merging with the NDN for onward movement to Afghanistan. Continued expansion of the NDN and additional host nation access remain logistics priorities as we shift more sustainment from the routes through Pakistan to the NDN and optimize the Pakistan routes for units and equipment supporting the increase in forces in Afghanistan. Our relationships with the Central Asian States continue to improve as a result of our NDN efforts, and this is supported by legislation that allows us to expand our partnerships by locally purchasing supplies for forces in Afghanistan and elsewhere in the region.

I. Overseas Basing and Theater Posture

CENTCOM's overseas basing strategy and its associated overseas Military Construction projects are developing the infrastructure necessary for the conduct of ongoing operations, as well as supporting global access, projection, sustainment, and protection of our combined forces in the AOR. Fully functional Forward Operating Sites and Cooperative Security Locations are essential to our ability to conduct the full spectrum of military operations, engage with and enable partner nations, and act promptly and decisively. Pre-positioned stocks and reset equipment provide critical support to this strategy but require reconstitution and modernization after having been partially expended to support operations in Iraq and Afghanistan.

Even with generous Overseas Contingency Operations budgets, military construction timelines are too slow to respond to changes in a combat environment. Major events such as the approval of the Strategic Partnership Agreement with Iraq and the recent decision to send additional forces to Afghanistan show how rapidly basing requirements can change. Expanded Contingency Construction Authorities made available across the entire CENTCOM AOR can serve as partial, interim solutions because they push construction decision-making authority to our engaged commanders in the field. Also, increasing the Operations and Maintenance construction threshold for minor construction in support of combat operations across the AOR would increase the ability of our commanders to quickly meet mission requirements and fully support and protect our deployed forces.

J. Adaptive Requirements, Acquisition, and Technology Processes

The technical community writ-large has responded exceptionally well over the past few years to the needs of our warfighters in the CENTCOM AOR. While the Services, Joint Staff, and Office of the Secretary of Defense (OSD) have responded to our calls for assistance, the Joint IED Defeat Organization, the Rapid Equipping Force, and Army Material Command's Fielded Assistance in Science and Technology programs have been particularly helpful in ensuring that our troopers receive the best, most advanced equipment and tools to make them effective and to keep them safe during the execution of their missions. In addition, several organizations under OSD-Acquisition, Technology, and Logistics and OSD-Defense Research and Engineering, in cooperation with the Defense Advanced Research Projects Agency, have been instrumental in the discovery, rapid development, and early fielding of critical operational capabilities, such as more capable ISR systems, human terrain mapping and analytical tools, and improved ballistic protection for MRAPs. Last, the Quick Reaction Test Program has helped us use existing technologies in new and more efficient ways.

The Joint Rapid Acquisition Cell (JRAC) has proven important to addressing non-counter-IED rapid acquisition needs for our operations, and we will continue to use the Joint Urgent Operational Needs (JUON) process to support our warfighters. However, because the JUON process requires execution year reprogramming by the Services, we found in the past that the Rapid Acquisition Fund (RAF) was a useful JRAC tool for

supporting immediate needs. When the authority existed, the JRAC used the RAF to field capabilities such as radio systems used for Afghanistan-Pakistan cross-border communications, which were procured in less than four months from the initial identification of the need. The JRAC has also used RAF funding to initiate the fielding of critical biometrics equipment until the JUON process could further source the program, significantly reducing the time required to deploy the technology. Reinstating RAF funding and using it as a complement to the JUON process would allow CENTCOM to more quickly resolve warfighter needs.

K. Personnel

Having appropriately trained personnel in sufficient quantities for our commands and Joint Task Forces (JTFs) is critical to accomplishing our assigned missions and achieving our theater objectives. The CENTCOM headquarters has been satisfactorily manned through temporary augmentation but may require additional permanent manpower for enduring mission sets as well as mechanisms for quickly generating temporary manpower for contingency operations. Within our JTFs and deployed units, there continue to be shortfalls in many low-density, high-demand occupational specialties and enabling force structures. Most notably, critical shortages of intelligence specialists, counterintelligence and human intelligence collectors, interrogators, document exploitation specialists, detainee operations specialists, engineers, and military police continue to degrade mission effectiveness. As operations continue in Afghanistan, we see a critical need for increased public affairs and information operations personnel to improve our strategic

communications capabilities. Moreover, as we complete our combat mission in Iraq, we will require non-traditional enabling capabilities such as leaders to augment newly formed advisory assistance units, personnel to follow money trails in support of our threat finance cells, and an increased number of multi-functional logisticians to man critical logistics units. At the same time, we support a significant expansion of the U.S. government's vital, deployable civilian capacity, particularly in the State Department and USAID.

Quality of life, family support, and retention programs remain important to our operations in the AOR. The Rest and Recuperation program continues to be a success, having served over 875,000 since its inception in September 2003. We also continue to depend heavily on entitlement programs such as Combat Zone Tax Relief, Imminent Danger Pay, and Special Leave Accrual to support our deployed service members.

VI. Conclusion

There are currently over 220,000 Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen serving in the CENTCOM AOR and soldiering magnificently against tough enemies during challenging operations in punishing terrain and extreme weather. Together with our many civilian and coalition partners, they have been the central element to the security, stability, and prosperity we have increasingly promoted throughout the region. They will be the key to achieving further progress in Afghanistan,

Iraq, and Pakistan and other locations where serious work is being done. These wonderful Americans and their fellow troopers around the world constitute the most experienced, most capable military in our Nation's history. They and their families have made great sacrifices since 9/11, and nothing means more to these great Americans than the sense that those back home appreciate their service and sacrifice.

All those in CENTCOM thank the American people for their extraordinary support of our military men and women and their families. And we thank the members of Congress for their unwavering support and abiding concern for our troopers and their families as well.

Mr. EDWARDS. General Petraeus, thank you very much.

Members, I think what we ought to do in order to allow multiple rounds of questions is we will stick to the 5-minute rule, counting the time of the question and the answer.

I will begin and I will stick to that 5 minutes.

FLEXIBILITY WITHIN MILCON PROGRAMS

General, let me ask you directly—and we will want to talk about strategic issues as well in our questions. But let me go directly to MILCON issues.

It takes a long time to put in a request, to get it approved through the bureaucracy. Do you need additional flexibility for the MILCON programs that this subcommittee funds? And if so, do you have any thoughts on how to do that?

General PETRAEUS. Sir, I think that, with the supplementals, that we are doing okay. It may be that, over time, we have to look at the processes connected with CCA. Again, the Contingency Contracting Authority is hugely important. We used it in 2009, as we mentioned, in the meeting beforehand. We have not used it—we tend to regard this as a break-glass kind of last resort when it is not in the base, it is not in the OCO, and you cannot get it in the supplemental, maybe then you use CCA.

But we probably need to look at streamlining that process as well. And I think, in that regard, that might be the one area that I might offer—

Mr. EDWARDS. We will have our staff work with yours. Obviously, we have to be accountable to the taxpayers—

General PETRAEUS. Right.

Mr. EDWARDS [continuing]. And ensure the money is spent wisely. But with troops in harm's way, we want to be sure you have the flexibility that you need.

Let me just ask my second question and last one for this round.

LESSONS LEARNED IN IRAQ

In terms of the lessons learned in Iraq, it clearly was not an easy task and still in the process of helping train local forces to defend their own streets and their own country. And you are really having to compress that timeframe in Afghanistan if we are going to be serious about reducing some of the build-up within 18 months.

Tell me, can it be done? And is it realistic to expect just to be able to train Afghan forces much more quickly than it took to train Iraqi forces?

General PETRAEUS. Well, again, we did not have all the inputs right before just recently, frankly. As I mentioned, that is what we worked very hard to do over the course of last year. But that is not to say that there was not a great deal achieved in years prior to that.

There was a lot of infrastructure built. There was a lot of development of institutional structures. So it is interesting that, as I would come from Iraq and look at Afghanistan—something I did once when I was actually serving in Iraq on the way home at the request of Secretary Rumsfeld—and then after taking command of Central Command, while in certain areas, they are way behind because they hadn't been resourced to the level that we were in Iraq

and there were a lot of different areas that needed much greater emphasis. There were also some areas where you really sort of envied what they had.

You know, they have the West Point of Afghanistan as a wonderful military academy. And it has just had its second graduating class. The competition for it is fierce.

There are a number of different examples of that kind of development that has taken place, and we should not overlook considerable progress made in a host of different areas in Afghanistan during the course of the 8 or 9 years or however long we have been at it there now.

And that does enable us to build on certain things. Having said that, there were areas where we just did not have the concept right. On the side of the police, for example, it was essentially recruit, assign, and then train. In other words—and that defies logic, needless to say, it became, I guess, necessary because they just needed people to go out and help secure streets, but the logic, obviously, is recruit, train, and assign. And the problem is, then, you do not have them immediately available. And if you are really desperate, you might opt for the other.

Well, we have to go with the logic. We have to train them before we assign them. And so that is a decision that was made here relatively recently. That kind of thing is what we have to do.

We also have to ramp up this training capacity. If all else fails at some point, we are going to have to examine some other alternatives besides getting additional forces among the quite substantial number the NATO nations have pledged but not yet, by any means, all that is needed.

Mr. EDWARDS. Thank you.

Mr. Wamp.

Mr. WAMP. Mr. Chairman, we probably should have commended General Petraeus at the opening for wearing green today. [Laughter.]

Following up on just the MILCON piece, just kind of the nuts and bolts, because you come here and, to be honest with you, we are all tempted to talk policy and strategy and a lot of things extraneous to the nuts and bolts of the bill that we actually provide each year because of who you are and where you are and our national interest.

We do need to think about the trains running on time. And I know, right now, your eyes probably are on the supplemental more than this particular bill. I would just say, as we said in our morning hearing, we all need to be cognizant of the difficulty that we will have, this year getting a bill by October 1st.

I am always hopeful that this bill will somehow be exempt from all the politics and the gyrations the packaging, the omnibus and all of that, but you can almost see it coming in a cycle like this.

So I would say, for the good of everyone, be aware that as you make your requests through the supplemental to the administration, that there could be a 60-day delay, just guessing, who knows, lame-duck session. I hope it does not get rolled into the next calendar year, but I think it is highly unlikely that all the trains are going to run on time in a cycle like this. I have been here 16 years, and you can almost see this one coming.

I would just say that anecdotally, as we begin that you have got a short fuse here on what has to happen in a timely manner.

General PETRAEUS. Right.

Mr. WAMP. And, our civilian leadership has made some pronouncements of what is necessary to be victorious since you were here last year. And I thought back on the conversations we had last year about where we were in Afghanistan. And now, we pretty much know what needs to be done. That was the beginning of the discussion, last summer, when you were here—or last spring.

General PETRAEUS. Right.

INFRASTRUCTURE

Mr. WAMP. We knew by the fall what needed to be done in order for us to finish and be successful without telling anybody when we were leaving or what comes next or what is necessary now.

So we now know that. You told us earlier about the extraordinary infrastructure, particularly from the north, that is being opened in order for your logistics command to be so successful. I want you to expound on that, but tell us this because we are making investments on behalf of the American people who absolutely stand with every one of those 210,000 men and women in uniform in CENTCOM today. I am hopeful that, in a period of a few short years, we do not have this many combat troops there and we do not have these needs there.

But the investments are going to actually stay there. And that is what I want to hear.

General PETRAEUS. They are necessary.

Mr. WAMP. Our investments are necessary—

General PETRAEUS. Right. And they are.

Mr. WAMP [continuing]. For their future, for our success, not just for the military needs but for the viability of Afghanistan as a nation. Speak to that because that is what we are doing is investing. It may be for 2 years in terms of our needs, but it may be for 200 years in terms of the stability in the region.

General PETRAEUS. You are exactly right, Congressman.

And, you know, first of all, it is pretty important to remember why we are there. And that is to make darn sure this place does not become a sanctuary for transnational extremists again who can carry out attacks like 9/11. So it is hugely important that we get this right.

Second, you are precisely right that this is infrastructure that will endure and be used way after, hopefully, in a few years, we are slimming down and not requiring quite as much of it as we will over the next couple of years.

But it will be hugely important to those Afghan Security Forces who remain. In some cases, it will be hugely important just to the functioning of a country which, interestingly, actually does have extraordinary wealth potential. The mineral wealth in a variety of different categories, tin, iron, or even sufficient natural gas and oil to power itself, but these others are world-class and a couple of the only world-class fields left.

In fact, Warren Buffett's son was out there a couple weeks ago when I was out there as were some—we call them “adventure ven-

ture capitalists.” I mean, you have to have an adventurous spirit to go to venture capitalism in Afghanistan.

But these guys have done it in other tough places, and they can see the extraordinary potential that exists. But they also see the extraordinary challenges to getting those minerals or whatever out of the ground and then out to a market because of a lack of infrastructure. That is why, again, infrastructure, even as important for us to reestablish security and Afghan Security Forces to continue that, will then become very important to the overall country of Afghanistan in the longer term.

Mr. EDWARDS. Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman. Thank you for the hearing.

Thank you for your service.

General PETRAEUS. Thanks, Vice Chairman.

CIVILIAN RESPONSE CORPS

Mr. FARR. Thank you for being here today. I want to speak to you about the civilian response corps because we chatted about it last year when you were before our committee, and the concept of whole-government. As I understand, Ambassador Karl Eikenberry and General Stanley McChrystal have an integrated civil-military campaign that directs our military and civilian components to take a residential approach in a culturally acceptable way and live among the people, understand their neighborhoods, and invest in community relationships.

Last year, before this committee, I asked you how the Civilian Response Corps was doing in picking up their civilian side of our whole-of-government response to Iraq and Afghanistan. I would like to ask you that again in light of the new integrated civil-military campaign plan in Afghanistan.

And there are a couple of questions here. How are the civilian responders doing? Are the civilian components executing at a high level as they undertake the residential approach, living among people, understanding the communities, and building functional relationships?

And what is your appraisal about how our civilian agencies are performing and building the public sector capacity in Afghanistan and, I might add, in Iraq.

And are there any civilian capabilities that need to be strengthened to ensure that the military-civilian handoff in Iraq and Afghanistan goes smoothly?

Our whole thought in creating this was to really strengthen the civilian capacity by experienced folks from USAID and State Department and other related agencies that have had overseas experience, mid-level career folks backed up by a cadre of reserve corps, essentially, of state and local governments and even from the private sector.

I am concerned that we are not going to be able to hand this off to a civilian command. But are we focused enough and doing—and do we have the right people on the ground to be doing that civilian handoff?

General PETRAEUS. What I would say, Congressman, is that we have come quite a long way, actually, from when I spoke with you

last time. First of all, civil-military coordination is excellent. There is a good civil-military campaign plan. In fact, Richard Holbrooke and I are going to go out and, together, take a—what we call a rehearsal of concept drill—ROC Drill—where people talk through a variety of different activities over time and so you ensure that it is all meshed, basically.

The truth is that the process of getting to where they can brief us forces them, if they haven't already coordinated and synchronized, they have to be able to do that. We think they have done it already, but it will be a good confirmatory activity. And literally, you spend an entire day doing this. You spend an hour and a half or more for each period just walking through this.

The civilian components are growing. Just this year, the number of civilians on the ground has doubled and, if not, tripled already. I would have to check the latest numbers and where they are relative to a thousand or what have you, which was the first goal. But I think they are very close to that.

Mr. FARR. And these are all our people?

General PETRAEUS. They are a combination. It is—

Mr. FARR. NGOs?

General PETRAEUS. Oh, no. These are strictly U.S. government employees or contractors of the U.S. government. And the overall civilian capacity, my sense is, that it is growing and it is getting a bit more expeditionary as well.

As you may recall, one of the challenges that we had when I was in Iraq—at least when I was at the three-star level, it got a little bit better when I was a four-star—is that an awful lot of our executive branch departments have people who are actually willing—they want to—they are willing to go out and engage in this. In fact, they are eager to do it. But because their departments were not funded for it explicitly or because, again, there is just not the capacity to do without them, they could not do that.

I think that is changing a bit. And so there is some progress there. Definitely, AID has got some additional, in a sense, new blood in addition to new leadership. State Department certainly has, I think, you know, got its first authorization for real growth, I think, in some time as well.

So that is coming along.

Mr. FARR. There are some unmet needs though?

General PETRAEUS. Well, I mean, there are unmet needs. What I do not know is what is in the pipeline to meet them. Because generally, I think that they are—you know, if you had the Deputy Secretary of State in, with whom I work quite closely on some of this stuff, Jack Lew would say that we are doing reasonably well, and not just because he is the guy reporting because he would say that to me, I think.

And then the civilian response corps now—what I do not have a feel for—they are now thickening the effort. They have literally said, okay, let us just get engaged—we are going to get involved here. We are going to support it.

What I do not have is the numbers of all of these different elements that add up to a thousand or so civilians, what number of those are civilian response corps. But they are in there, and they are thickening the effort.

The provincial reconstruction teams, the overall linkages between civil and military have really never been better in the two different active theaters within CENTCOM in Iraq and Afghanistan. They are just tremendous.

I think we really reached that, probably, in 2007 at some point; 2008 in Iraq. And that has continued. And, in fact, as we draw down there, one of our considerations is to ensure that we still secure platforms from which the PRTs can go out and perform their functions.

As you probably know, we are going to hand off some substantial tasks to State Department, having taken them from them some years back. That is going to be interesting. In fact, in that case, Jack Lew and I are going to go out to Baghdad and take a rehearsal of concept drill from the U.S. Forces-Iraq Commander and the embassy—the Ambassador—once the dust settles from the elections here because they are looking at, for example, taking over the entire police program in the fall of 2011. That is going to be a very big deal and a big moment, and we have got to make sure it is right—and that is one of many.

There are actually over a thousand tasks that have been identified that are actually transitioned. Some, obviously, pretty small, but some others, like the police program, quite big.

So I think that sort of gives you a sense of the atmospherics of it. Again, I think there has been considerable progress in this effort. But, again, I think there also needs to be further progress. In fact, the most important agriculture advisers probably, at least in terms of numbers, still in Afghanistan, are our National Guard agriculture development teams. They are wonderful.

And, you know, they are real farmers. In some cases, they actually run the agriculture programs for their states. But they are also in the National Guard. They have been activated. They come on active duty, and they do terrific work.

Now, Tom Vilsack and others are contributing but, again, I think that is another department that probably, until more recently, was not as actively engaged as it is becoming. So it is a work in progress, but we have made progress.

Mr. FARR. Let us know if there is anything missing.

General PETRAEUS. Okay. Sir, we will do that.

Mr. EDWARDS. Judge Carter.

INSTITUTIONS

General PETRAEUS. Actually, if I could, you know, probably, what would be worth maybe even asking the State Department about—but it is sort of the—how do you institutionalize this? How do you—you know, you have got the big ideas now. How are you doing on educating your whole organization? These are institutions that really are educating them on that. You know, what is the professional development of leaders and so forth?

Okay. How do you practice it? How do you prepare them for it—and then how do you capture lessons to refine the big ideas, to educate, and all the rest of that? I mean, that is the kind of thing, I think, that—and I do not have great visibility on that in this position.

Mr. EDWARDS. Judge Carter.

Mr. CARTER. General Petraeus, welcome.
General PETRAEUS. Hi, Judge. How are you?

DRAW DOWN

Mr. CARTER. Good to see you, and great job. Thanks for what you do for us and for our soldiers.

You just mentioned in your report and also, yesterday, you testified before the Senate Armed Services Committee about the possibility that you might leave a brigade headquarters in Northern Iraq and that you might slim out some organic forces. What type of organic forces would be slimmed out? And what could that impact be on the readiness of the remaining forces?

General PETRAEUS. When you are drawing down—in fact, if I could use an example from Bosnia, because it is the first time when I was helping—I was the Chief of Operations for the NATO S-4. We did a troop-to-task analysis for an area in which we had two battalion headquarters, each of which had three infantry companies. The troop-to-task analysis determined you only need four infantry companies. So Petraeus says, “hey, you only need one battalion headquarters now. They can deal with four companies.”

They said, “no, you know, au contraire; it takes two battalion headquarters with two companies because the engagement responsibilities are hugely important.” So do not forget just because you have less security responsibilities, the engagement responsibilities, working with the locals and so forth, is hugely important.

And this is what has happened in Iraq. As we have looked at how we have configured the force, as we are coming down, interestingly, headquarters take on greater importance, in some cases, than do, if you will, maneuver units. Although, they are no longer maneuver units; they are now advise-and-assist elements.

And so, in certain cases, we are better off having that extra hundred people be a brigade headquarters instead of an infantry company, let us say, assuming you can handle the security tasks.

And so that is the kind of thing that we are looking at. We think that is doable. We are still working it. It will still take some time because, of course, again, there will be some security implications, potentially, from the council of representatives taking their seats and then the dynamics of selecting the prime minister and so forth.

But we think that is doable. We definitely think that—again, a decision hasn’t been made, but we do think it is useful to have an engagement headquarters in Kirkuk just to serve as an element that, in a sense, is an honest broker, can help facilitate discussions, can provide a set of eyes that all different sides trust, keeping in mind it is not just Kurds and Arabs, it is Turkmen, it is Christians, it is Yazidis, and there are even Shia and Sunni among the Arabs.

So it is a very, very sensitive city, and it is one where we really want to do what we can to help. And so that is why we have looked at keeping—as you are drawing down—I forget the number of brigades we have right now. Anybody remember? Eleven? As we come down from eleven brigade combat teams to—originally, we were looking at six advise-and-assist brigade headquarters. And, again, the mix of forces under them—we may have seven advise-and-assist headquarters, but with some of the elements under them slimmed down.

Again, the headquarters is only about 100 people, so it is not a huge deal.

Mr. CARTER. I visited with General Cone before this deployment—and we were talking. And he just kind of gave me an outline of the big job he has got to do between now and August to get the withdrawal. And—

General PETRAEUS. Huge task.

Mr. CARTER. And the conversation—of course, the elections were part of it.

General PETRAEUS. Right.

Mr. CARTER. And a lot of other things in the formula. And then it comes down to the one that I think is in the back of everybody's mind as we draw—as we actually load up and draw down soldiers out of the zone, the combat zone. Will there be attacks on our forces as we try to leave?

And everybody always wonders about that. I mean, I think I do.

General PETRAEUS. Right.

Mr. CARTER. And I think at the back of everybody's mind is, as we pull 50,000 soldiers out, is there going to be a possibility of violence as a part of that pull-back? And if so, are there things we need to help you with that might protect those soldiers as we pull them out?

General PETRAEUS. Congressman, I do not foresee, really, a heightened level of violence. I am not sure where that would fit, frankly, with any of the elements. What they are trying to do now is to undermine the Iraq Security Forces, frankly. They want to erode the confidence—lead to an erosion of the confidence of the people in the Iraqi institutions and the Iraqi Security Forces which is, of course, why they have tended to attack symbols of the Iraqi government with their most horrific attacks—these periodic car bombings that we have seen in Baghdad and a few other places.

So I do not expect an increase in targeted violence against, say, convoys leaving or something like that. Any time you are making transitions, those are always sensitive, and you have got to be careful. And our commanders are keenly aware of that.

Mr. CARTER. And General Cone did not actually say that.—This was me thinking about it.

General PETRAEUS. Sure.

Mr. CARTER. He told me what he was having to do. He certainly was not expressing concern—

General PETRAEUS. Right.

Mr. CARTER. He is a capable man. I am confident—

General PETRAEUS. Bob Cone is a great soldier, and he already is. Absolutely.

Mr. CARTER. But I just—you cannot help but think about it.

General PETRAEUS. No, no.

Mr. CARTER. All blood and guts we have put into that place—so, thank you.

General PETRAEUS. Thank you, Congressman.

Mr. EDWARDS. Mr. Salazar.

Mr. SALAZAR. Thank you, Mr. Chairman.

General, thank you again.

INFRASTRUCTURE

Last year, when you were here, we talked a little bit about developing the agriculture. You just briefly mentioned it now.

General PETRAEUS. Right.

Mr. SALAZAR. I think that is critical—

General PETRAEUS. It is.

Mr. SALAZAR [continuing]. To the success of Iraq and Afghanistan as well.

How are we doing in the drug war in Afghanistan? And, you know, to build the infrastructure that we need to get good access to different markets, is that going to be a major undertaking? Can you speak to that in progress?

General PETRAEUS. To answer the last one first, Congressman, that infrastructure—really, that is another area that actually has been under construction for quite some time. You look at Route 1, for example, which is literally the ring road from Kabul all the way around the country. There is still a segment of that that is not finished. But, by and large, it has been finished.

Now, it has also been subject to attacks and so forth. But that part is substantial.

In fact, when you look at the number of miles of road that existed in the beginning and you look at the numbers of miles now, there is no comparison. And, again, some of the infrastructure that Congressman Wamp talked about as well, I mean, this is going to be infrastructure of enormous value to the development of Afghanistan and to its ability, over time, to get these hugely valuable minerals and other blessings that they have out to market.

It really could become, you know, the silk route again, if you will, with some extraordinary blessings right in the middle of that.

DRUG WAR IN AFGHANISTAN

With respect to the drug war, this has been another area in which we have worked hard to get the concepts right. And the fact is that eradication proved, in many cases, to be counterproductive. Eradicating the crops of small poppy farmers was just a non-starter. It took away their livelihood. It did not replace it with anything. It turned them into automatic insurgents and Taliban supporters if they were not already. And it did not allow them to substitute or have, you know, an appropriate way of going at it.

So we have reduced just about completely our eradication that was conducted. And the Afghan government has done it in a more targeted manner. It has a place, but it is a fairly small niche, by and large. And it has to be tied to a whole comprehensive effort that supports crop substitution, that if you do eradicate some of these crops, that you provide them the means to sustain themselves and their family.

And moreover, the real focus needs to be on the illegal narcotics industry kingpins. And that is hugely important. The fact is that less poppy has been grown in Afghanistan, but before we pat ourselves on the back, some of it is because the price went down and the price of wheat went up as did the price of pomegranates. I mean, there is some market dynamics here that will always win out at the end of the day.

And then beyond that, also, there have been, some real successes in terms of governors who have really put their shoulder to the wheel and turned their provinces into poppy-free zones. And then there have been appropriate incentives provided to them—crop substitution and all the rest of that.

So this is how we need to come at it. And this is what we are, indeed, trying to do is target the kingpins, not the little guys, and to make sure that, when you try to persuade the little guy not to grow it anymore, to then immediately provide something that he can substitute for that crop that he used to grow poppies and something that is sustainable over time.

Mr. SALAZAR. As I mentioned to you before, we will be out there, hopefully, on the—

General PETRAEUS. Great. Yes. Right.

Mr. SALAZAR. Thank you so much.

General PETRAEUS. Thank you.

Mr. EDWARDS. Thank you, Mr. Salazar.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman.

Welcome back, General. Good to have you here.

General PETRAEUS. Good to see you again, sir.

Mr. CRENSHAW. I had the privilege the weekend before last of accompanying Chairman Dicks on a codel to Afghanistan and Pakistan. We stopped in Germany going and coming.

MARJAH

And it was, I think, a very interesting time to be there. And I would like to make a couple of observations and ask a couple of questions about that, particularly, about Afghanistan because, you know, they just finished the Marjah operation. And it just seems like an incredibly difficult assignment, I mean, particularly in light of the timeframe to give a report at the end of this year and then kind of next year, July.

But I think that is—everybody probably knows that. It is not easy. And the new strategy—the kind of the clear and hold and build which you know so well; they had just finished the clearing part. And not to say it is ever easy, but that is where we are awfully good, obviously, with the best trained and the best equipped troops. And they sent word we are coming, and most of the Taliban left. And, of course, they left hundreds of IEDs and that made it very difficult.

But the holding part seems to be, building is important, but the holding part is so critical because it—my impression was that part of the solution is one of perception that the Afghani people kind of finally get it that, you know, their military and their police are going to be there to provide the security along with us to start with.

But it seems like the perception now is, well, maybe they are not sure that they are up to the task, so to speak. And before you kind of begin the building, you have got to have them believe that somebody is going to be there to give them the kind of security they need to begin the building.

So I guess the big question is: What do you see as the real kind of obstacles to this holding part? What are the threats? Because we

have got to get that part right, it seems to me, to go on. Is there any one thing or any number of things that really are part of that threat to the holding part of that equation? And what can we do—because that, obviously, involves not only us but the Afghani people and our allies.

Could you just talk a little bit about that? And am I right that that is—that is the perception part that could really—that could change overnight in they would just finally recognize we are there to, you know, to help the Afghani police.

General PETRAEUS. In fact, I talked to Chairman Dicks after that trip. And it was quite clear that was a very, very good trip and, clearly, very informative and instructive.

I mean, this is a difficult assignment. Marjah is a work in progress. The hold part is critical, and it is a challenge. And the real challenge—I mean, in terms of what can you all do, I think you have done it. CERP is—that is where CERP comes into its own is before we have really gotten the civilian, on the ground. Although, I will tell you, they are hot on our heels now. I mean, they are coming into that, as you saw. They are right with us just about on this.

But, again, what you want is every option you can hear and as much flexibility and responsiveness.

AFGHAN GOVERNANCE

The long pole in the tent, as you correctly observed, is Afghan governance and Afghan local security. Now, we can, in a sense, cover or compensate for local security by using the Afghan National Civil Order Police, the national almost gendarmerie-like organization, or Afghan National Army.

But over time, you have to transition, again, to local police forces. And the challenge there has been that their training has not been adequate. They are threatened because of the security situation. And local police are always the weakest link, if you will, when the security situation starts to go south, as we saw in the case of Iraq in particular, where we lost entire swaths of the country, and had no police whatsoever. They could not survive because citizens have to live in the neighborhood, and they are so vulnerable.

And then you have to find these Afghan patriots who are willing to be government officials and who will actually serve the people and not prey on them. President Karzai, when he went to Marjah with General McChrystal, had a shura as council. And he had quite a number of issues presented to him about the conduct of the police in the past and how they did not want some of these officials to return.

And one reason the Taliban were able to get into that community in the first place—they were happy to see them go, but the reason they were able to get in there in the first place is because of the lack of Afghan governance with earned legitimacy in the eyes of the people. In fact, in some cases, earned the opposition of the people.

That is the big challenge, and you put your finger on it. But that is, again, where CERP and other forms of responsive USAID funding come in.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Israel.

Mr. ISRAEL. Thank you, Mr. Chairman.

General, great to see you. I've always enjoyed our work together on professional military education and will continue to do so.

We are trying to set up an opportunity for you and I want to speak offline about some concerns I have with respect to CENTCOM and Israel and the Middle East, but we will do that at another time. I do not want to—

UNIFIED COMMAND PLAN

General PETRAEUS. Actually, I would be happy to—on the record, right here, because there is a very erroneous report that went out in some blog that said that CENTCOM had asked, for example, in its Unified Command Plan recommendation—which I just made for Israel and/or the Palestinian territories to be added to our area. That is not true. I did not ask for it. The staffs did discuss it as they have discussed it for years, including when Admiral Fallon was there. In fact, he had mentioned that to somebody yesterday.

I also did not make a recommendation—I did not send anything to the White House at all. I do not send things to the White House normally, occasionally, if truly requested, but that is quite not the norm.

And in terms of, you know, what we provided to the Chairman of the Joint Chiefs and he clarified, also, his response to that, was basically we have people that do atmospheric out there, and they provided some atmospheric to him, which we thought were important.

The fact is that the progress or lack of progress in the peace process is an important shaping element in the strategic context within which we operate, even though Israel and the Palestinian territories are not part of Central Command's AOR. In fact, we help General Dayton. We do have some interaction, as you probably know, back and forth.

But, again, what happens in the West Bank is one of many, many elements of the overall dynamics here which include, of course, some countries that deny Israel's right to exist and do not seem very cooperative when it comes to helping establish a just peace.

But if that can sort of clarify things—

Mr. ISRAEL. That is helpful for now.

General PETRAEUS. I am quite concerned about that, but I would be happy to chat later.

Mr. ISRAEL. I had dinner with General Dayton last night, in fact.

General PETRAEUS. Good.

Mr. ISRAEL. And we will follow up on some related issues at another time.

NATO TRAINING MISSION

I do want to shift to Afghanistan in the time I have left. I was with Bill Caldwell in December at the NATO Training Mission, and he gave me a pretty good—and our delegation—a pretty good—a

pretty comprehensive briefing on the issue of billets in the NATO Training Mission.

And you, in your opening statement, alluded to the fact that there are unfilled billets.

General PETRAEUS. Right.

Mr. ISRAEL. We are going to talk to the Supreme Allied Commander about that. If that does not work, we are going to pursue other strategies. Can you just elucidate on the status of the billets in the NATO training mission and what needs to be done in order to fill them?

General PETRAEUS. Right. I think a way to characterize it, it was an identification of a substantial number, as in thousands, of additional trainers, partners, and others needed to help with this. Now, we have some compensation in there right now, but we would like to back that out. So that adjustment adds to that need. That is part of this number.

We have got about half of that out of the force generation process that Admiral Stavridis and NATO conducted. He is intent to continuing that process. We want to—we do not want to preempt that process by coming in and immediately saying—but, obviously, we have to consider what we might do if there is not forthcoming the numbers that we need. And we are thinking our way through that.

We have plans on what to do, but we do not want to lead the pressure, candidly, until we are sure what we can get.

Mr. ISRAEL. Of course. Well, I am glad that there is focus on that. That is one of the most critical missions we have. Bill Caldwell is one of the best generals we have—

General PETRAEUS. He is great. He is great.

Mr. ISRAEL. And I am glad we are focusing on that.

General PETRAEUS. I think you had as good a relationship with him when he was the CAC commander as I would like to think you had with me when I was the CAC commander.

Mr. ISRAEL. He is impressive.

General PETRAEUS. I am doing a professional reading list, by the way.

Mr. ISRAEL. Are you?

General PETRAEUS. I have to consult with you on this. [Laughter.]

We cannot guarantee Oprah-level support but, you know—

[Laughter.]

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Israel.

Mr. Berry.

Mr. BERRY. Thank you, Mr. Chairman.

General, I do not know enough about what you do to ask a question, but I can tell you I appreciate what you do.

General PETRAEUS. Well, thank you.

Mr. BERRY. And the professional way that you do it. And when you present information to this committee, I think, we take it very seriously and we depend on it as you said it or gave it to us. And we thank you for the great service you have rendered to this country.

General PETRAEUS. Thank you, sir. And thanks for what you render to this country.

Mr. FARR. Do not believe him when he says he does not know.
 General PETRAEUS. I was going to disagree with that characterization as well, but, you know—

[Laughter.]

Mr. BERRY. I usually start that off with “I am just a poor dirt farmer from Arkansas,” but I quit doing that. [Laughter.]

Mr. EDWARDS. He got tired of all of us grabbing for our wallets and our shirts. [Laughter.]

Thank you, Mr. Berry, for your comments.

Mr. Bishop.

Mr. BISHOP. Thank you, Mr. Chairman.

Welcome, General.

General PETRAEUS. Good to see you, sir.

Mr. BISHOP. Good to see you again.

PIRACY THREAT

I have got two questions for you. The first one has to do with the piracy problem where you have responsibility in CENTCOM. Obviously, Somalia and the Horn of Africa is pretty significant when it comes to the threat of piracy. It is actually a real threat.

You share some of the responsibilities with AFRICOM in that connection. And my question from this subcommittee’s perspective is with regard to infrastructure needs in combating the piracy problem.

Is there anything that you have put in the budget that we need to pay particular attention to to help address that piracy threat? Is there anything that General Ward needs, in conjunction with his joint work with you, in attacking the piracy problem?

For example, I know that General Ward is still waiting for his secure communications transportation—C-27? Do you have your plane for your command?

General PETRAEUS. I do. And, you know, it is invaluable. I mean, this also means we never stop working, but, no, I mean, we have—when we go overseas, we use a C-40, and it has secure—very, very good secure and non-secure Internet and even we can put video teleconference on it. We do secure video teleconference from the plane as well.

I mean, to be candid, for us he has got a huge continent. He is in the same time zone. We are going—the other day, we went 11 time zones to go to Kyrgyzstan. We stayed less than 2 days, got back on it, and flew back—11 time zones. And we work the entire way, and the staff, you know, they work like dogs the entire way, too. God bless them.

So, again, I do not know what transportation—I think he shares the European Command fleet, if you will. And I just do not know enough about what assets they have—

Mr. BISHOP. I know he is waiting for transportation. I think it has already been ordered, and it is just a matter of delivery for them. But, really, I was asking for infrastructure needs of what you need in your area of responsibility.

I was particularly interested in piracy. I think you talked about it, I understand, in Iraq.

General PETRAEUS. I think, Congressman, that, with respect to piracy for us, that is a maritime mission. Of course, for him, it is

a shore mission. He owns the shore. We own the water right up to, I forget what it is, 11 kilometers or something like that.

The whole piracy issue, of course, stems from the fact that Somalia is basically a failed state and, arguably, it does not exist anymore. I mean, you have Puntland, Somalia, land. You have this contested area. Mogadishu itself, of course, is being fought over between the transitional government and Al Shabab and so forth.

And the fact is there is just no authorities there to whom we can give pirates when we capture them. And we have the authorities relative to pirates that a policeman has relative to an alleged criminal, not the authorities that we have relative to a declared hostile enemy with a weapon.

Mr. BISHOP. So where do you incarcerate them?

General PETRAEUS. Well, we have had some innovative approaches with our State Department colleagues and together with AFRICOM, this is an African country. Kenya is one that has—we have an agreement, but their jails are filling up. There is occasionally Puntland authorization but, again, we do not have the confidence there that we would have in other places.

So that is the challenge—

Mr. BISHOP. Do we need to build—jails?

General PETRAEUS. Well, that, again, is a question clearly for AFRICOM. I just do not have the significant—or the sufficient situational awareness on where the shortcomings are. But I mean, I can assure you that there are some shortcomings there in terms of detention of alleged pirates who are waiting to come to trial.

It is really an overall rule-of-law capacity issue, arguably. It is not just brick and mortar. It is probably in the judicial arena and, also, in the corrections arena as well. But he would be the one, again, to have the knowledge of that.

Mr. BISHOP. But you do know that when you catch them, he has got to—

General PETRAEUS. Well, he does or we send them back in a vessel. Let us say you capture some pirates. They throw all their weapons over the side. You do not have video. You actually have to have evidence, of course, as well. I mean, this is a legal process that we go through in this case with respect to pirates. That is what international law allows us to do.

There is one pirate that you may recall who was involved in the Maersk Alabama hijacking who actually has been brought back to New York City, and he will be tried. But he is literally the only one.

And we do not want to bring, as far as I understand, any more of these individuals back to the United States. So in some cases where we have good evidence and, therefore, if you will, a good case, we will turn them over to legal authorities in one of the countries with whom we have an agreement.

In other cases, we will put them back in their boat with enough food, water, and fuel and they have to head back to shore. They have to because they only have enough to get back to shore. They cannot go back out the other way.

And, you know, they are in open skiffs now, 40-, 50-foot open boats, with huge 55-gallon drums. You will have 8, 10, 55-gallon drums of fuel in it, nothing else, just open, and big outboard en-

gines on the back. And with GPSs and satellite cell phones, if you will, satellite phones, they are carrying out these operations. And there is really some pretty impressive seamanship and so forth if it were not piracy.

Mr. BISHOP. Thank you, sir. My other question had to do with your area of responsibility—

Mr. EDWARDS. Could you hold that for round two?

Mr. BISHOP. Yes, sir. I will.

Mr. EDWARDS. Could you do that? Thank you.

GOALS ACCOMPLISHED

General, if you were here one year from now and you were looking at what you would want to say about the progress we have made, what would be some of the specific, measurable goals you would want to say we have accomplished?

General PETRAEUS. Well, with respect to Iraq, obviously, we would want to have gone through that 50,000 threshold, and we would want to have a plan that would take us to whatever the ultimate end state is in Iraq. As you know, right now, we will leave Iraq at the end of 2011. That is in the security agreement.

But Prime Minister Malaki and other Iraqi officials have noted that there is a possibility of negotiating some form of security assistance relationship. After all, they have got, you know, billions of dollars worth of our equipment and they are buying more.

So I think there will be some form of more traditional security assistance effort there potentially. And so that would be, you know—and then, obviously, their political dynamics and so forth. Iraqocracy would be functioning reasonably well.

If I looked at Yemen, we would hope that we would have been able to help Yemen achieve even more capability in, particularly, some of their key security forces and through a variety of assistance forms and sharing of intelligence and so forth, that they will have been able to get a further grip on the al Qaeda in the Arabian Peninsula challenges that they face.

And then, also, through the whole-of-government approach, what you might call preventive counterinsurgency so you do not have to do a counterinsurgency; that they will have been able to resolve some of the other security, economic, and political challenges.

With respect to Afghanistan, we would want to have achieved that greater security for substantial areas of population and lines of communication and eight key border crossings that we are focusing on, and that the Afghan Security Forces would be on glide path. Right now, they are just a bit below the glide path for expansion. The Army fell just a bit below so we have got to make up some ground there.

But, again, so they are progressing, Afghan governance is going along, we will have an election, of course, in the late summer, early fall of this year; that will have gone off smoothly and the provincial replacements will have all taken their seats. I am sorry. Not provincial, the lower house, Wolesi Jirga will have been elected—parliamentary elections.

Then with respect to Pakistan, that, in Pakistan, the good work that has been done by the Pakistani army and frontier corps and other security force elements will have continued; that they will

have been able to consolidate some of their gains in the northwest frontier province; hand off some of those two local security forces that they were already training. I was just there three weeks ago, as I mentioned.

And then they will have been able to continue their operations in the federally administered tribal areas, again, consolidating because they are fairly stretched right now. They have got a lot of short sticks in hornets' nests in various places.

And that there will have been continued progress for them economically, politically; again, that the situation is reasonably stable and so forth.

And then with respect to Iran, that the results of the effort at sanctions—the so-called “pressure track” to which we have now transitioned from the diplomatic track of last year—you know, no one can accuse the United States or the other countries engaged here in not providing Iran every opportunity. We have a very solid foundation on which to stand with respect to having provided the opportunity to Iran to build on—for the pressure track, as it is called; and that this will have gotten Iran's attention and it will have taken a knee, if you will, on aspects of its nuclear program and appear to be positioned itself to develop nuclear weapons should the ultimate decision be made.

And there is a debate over whether or not the ultimate decision has actually been made. And I think that is debatable. But what is not debatable is that they have taken actions so that they will be in position if that decision is made. So it is almost immaterial whether the decision has been made or not.

Mr. EDWARDS. Thank you.

Mr. WAMP.

Mr. WAMP. We are going to have a series of votes. I hope to finish this up in this round so maybe others can speak as well especially being sensitive to General Petraeus' time and his appearance here today.

Just quick before we leave today, any MilCon related issues of import that haven't been discussed? Any big-ticket items that we have got to be looking for?

General PETRAEUS. I think we have surfaced every one of those. I mean, I am looking at my J-8 here, the designated thinker and brain for this—

SECURITY IN THE REGION

Mr. WAMP. The only other thing I would like to hear about is whether you are in Tennessee on a farm or in Afghanistan, you are really never more secure than your neighbors are. So walk us around the perimeter.

You talked about Kyrgyzstan, and I was in Kazakhstan not too long ago and flew down to Islamabad and got a lay of the land from the air as we came in. Walk us around the region. You obviously have tremendous support now to northern access. A year ago, FATA is what I spent most of my time talking about. From Zardari to Gilani to the chief justice of Pakistan, talk about stability. Walk us around Afghanistan and give us a lay of the security because that is critical.

General PETRAEUS. Right. Again, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, again, we have really made some strong partnerships there. And what we have contended is that the new great game, if you will, the competition for power and influence in the Central Asian States is not needed. What is needed is a broad partnership against extremism and the illegal narcotics industry both of which are of enormous concern to them. And they are also of enormous concern to Russia, to China, and really all of the countries in the region, including Iran.

Mr. WAMP. May I interrupt one second and ask is Russia a compounding factor in the cooperation we get from the Stans because, when we were there, I know Georgia and Kazakhstan were still somewhat under the thumb of Russia?

General PETRAEUS. Russia, rightly I think, given its history, its involvement, the ties, the language, all the rest of this—I mean, many of them are educated in Moscow. That is where they go. Again, retains considerable influence. And, frankly, that is okay. Again, it shouldn't be that they have influence at our detriment or that if we have a transit center that it means—at Manas that it means that is a loss for them.

And that is what we have tried to portray because, again, they also share this interest in combating extremism and the illegal narcotics flow. So that is how we have approached that.

If you then work your way to Pakistan, you mentioned there again, there has been progress there but, again, enormous challenges, without question. And, certainly, areas of the federally administered tribal area contain enemies that are fighting our forces and Afghan forces in Afghanistan, the so-called syndicate. And then as you go around to Baluchistan, the Afghan Taliban as well.

And so while Pakistan has made considerable progress in the fight against the internal extremists that threaten its very writ of government, there is no question but that there are elements that are still active and still going after our troops and Afghan troops—

Mr. WAMP. Sir, is Sharia law on the rise or on the decline in northwest Pakistan?

General PETRAEUS. I think, arguably, on the decline because, of course, of the major clearance operation in the northwest frontier province. Swat Valley is a hugely important location for the Pakistani people. It is—you know, it is the vacation land. As I mentioned, I was in there the other day and, you know, all the old hotels are there. They are really quite spectacular. This is breathtaking scenery. You know, it is like being in the Rocky Mountains except they are right on you. And so it is really something.

And to have cleared and held that is very, very important. And so that is critical.

And then there has been progress in South Waziristan, Bajuar, some of the other areas as well. At the very least, they haven't proceeded in that regard.

Certainly, concerns will linger about very ultra, ultra conservative madrassas and so forth for years to come. And that is going to be something that Pakistan is going to have to deal with over the long term not the short term.

But they are conscious of it and, again, they recognize it. But, again, there is a limit to their resources, and that is one reason that it is so important that we help them with our resources, candidly, because their problem is our problem in this regard; 170 million people, nuclear weapons in between India and Afghanistan.

As you work your way then down over to Iran, there are some interesting dynamics there. Iran would like to have an influence with its neighbor, Afghanistan. President Ahmadinejad was just in Kabul the other day. It does not want to see the Taliban come back. A Sunni extremist or ultra, ultra, ultra conservative element that allowed extremism on its soil yet it does not want us to have too easy a time of it, and so it does provide some limited amounts of explosives, training, and other support to those Taliban elements who are out in the western part of the country.

I think that walks you around the neighborhood.

Mr. WAMP. You honored us with your presence today.

General PETRAEUS. Oh, thank you, sir.

Mr. EDWARDS. Thank you, Mr. Wamp.

Mr. FARR.

Mr. FARR. Thank you very much.

I was thinking of a question that my daughter asked me the other day. She said, Dad, is it hard to be a vegetarian in the military?

General PETRAEUS. I think it is a lot easier than it used to be. [Laughter.]

You know, my daughter is a foodie, so I am into all this stuff now. [Laughter.]

GAYS IN THE MILITARY

Mr. FARR. Wait for the follow up. And she said, why should it be hard to be gay in the military? And I said, well, that gets complicated. But the reason I ask is that I represent the Defense Language Institute.

General PETRAEUS. Right.

Mr. FARR. We have had a lot of linguists discharged. And I know because I am the person they call and they want to know what their appeal rights and other things are.

But I realize that we have looked at it from a national security standpoint. I remember a wonderful professor at the Naval Post-graduate School who did the study for the intel community of whether being gay was an intel risk and concluded—a Stanford professor—this was 20 years ago—that it was not any more of a risk than anything else.

But it seems to me it is a risk if we are losing really good people.

General PETRAEUS. Well, you know, the CIA and the FBI, if I could—the CIA and FBI allow and have for over a decade, in part because I think it makes them less vulnerable to blackmail.

Mr. FARR. Yes, that was the reason.

General PETRAEUS. So they have had gays and lesbians serving openly as a policy, and there are uniformed standards of conduct for all members of their organizations, and that has been going on for about a decade or so I think.

Mr. FARR. If the policy is reversed, would people who have had to leave or been discharged, would they be eligible to reenlist?

General PETRAEUS. Well, I think—you have put your finger on why I have said that it is important to make any change in a very thoughtful and very deliberative manner. And essential to that is completing the review that the Secretary of Defense has directed. It will be led by the General Council, Jeh Johnson, of DOD and also the Commander of U.S. Army Europe, General Carter Ham.

They have three tasks. They have to determine, first of all, what are the views in the force on gays and lesbians serving openly. Second, what would the effects be on morale, readiness, recruiting, retention, cohesion, and so forth—military effectiveness broadly—if gays and lesbians were allowed to serve.

And, third, what policies would be needed if Don't Ask, Don't Tell is repealed and what should those policies be. I think, if Don't Ask, Don't Tell is repealed, the key to successful implementation would be, again, thoughtful and well developed implementation policies that include uniform standards of personal conduct that, obviously, apply to all members of the armed forces.

Mr. FARR. Could we take lessons learned from our NATO allies who have done away with this policy?

General PETRAEUS. We could. That is one of the efforts that, I am sure, the review will consider. There are 25 countries that have done it, at least, including the UK, Canada, and then some non-NATO members of the coalition—Australia and Israel.

And so, again, there are certainly lessons to be learned there. I have talked to my Canadian—the Canadian Chief of Defense Staff, as an example, the other day and others as well.

So there are lessons that can be learned from this. The review should definitely incorporate those as it goes about its very important task.

But I think, again, if there is to be a change, then that review is critical and allowing it to complete its work, make its—provide its findings, and make its recommendations is critical.

Mr. FARR. How long is that review? I forget.

General PETRAEUS. I think it is the end of the year but, again, you might want to check with the secretary. I forget.

Mr. FARR. Well, that is very helpful, particularly knowing how many foreign countries' military have done away with it and that this review is going to be done in a timely fashion.

General PETRAEUS. Right.

Mr. FARR. And I hope the policy permits people to reenlist, if appropriate.

General PETRAEUS. Well, and again, as I said, that is exactly the kind of issue—I mean, there are many, many what ifs that people, you know, want to lay out, some in a positive light, some in a negative light. And I think it is very important for that review to be able to ask those kinds of what ifs, work through those, again, determine the views, determine the effects.

The problem right now is that we do not have any kind of rigorous analysis. You know, we do not have—I was asked one time, in fact, on "Meet the Press," well, you know, what would happen—you know, would the soldiers care? And I said, I do not know. And I do not. I have some personal views. I have done personal soundings. I have looked at this pretty hard.

But, again, those are all personal soundings, and they are all anecdotal at the end of the day. You know, you might think you have a pretty informed view but, again, we do not have an official survey. We only have unofficial surveys. Some of those are interesting. You know, clearly, views have changed, as General Powell has observed.

He was the one, of course, who was the chairman when Don't Ask, Don't Tell was implemented in the first place. And he, himself, has said that he believes views have changed. So we will see.

Mr. FARR. I represent a lot of universities and I have found that it seems to be very generational. The younger generation is not—not an issue for them.

General PETRAEUS. Anecdotally, that seems to be the case. But, again, that is why the review, I think, is important.

Mr. EDWARDS. Mr. Crenshaw.

Mr. CRENSHAW. Just one more question. And as Chairman Dicks probably told you, we stopped and spent the day in Pakistan.

General PETRAEUS. Right.

PAKISTAN

Mr. CRENSHAW. And I know we have touched on that, what is going on there, what you hope to see going on there. And I would like to ask you kind of just specifically about your view of our relationship with them because I came away with the impression that maybe a year ago, they thought, well, you have got a problem; we do not have a problem.

But with all the, I guess kind of horrific focused attacks on ISI that they kind of realized they have got a problem and they are in the same boat we are. So I got the impression that the relationship is better. They are really working with us on some of these issues in terms of rooting out the terrorists.

But, also, came away from the impression that it is not a great, great relationship. We help them a lot financially—\$13 billion. And every now and then, there is a situation where they do not seem to have as much trust in us. And maybe that is the general population.

But I would just—I would like kind of your perspective on just that, just the relationship that we have today. How could you kind of characterize it because I think you are right on in terms of where they are going and what they are doing?

But how would you say our relationship is? And what do you think it is going to be like in the future?

General PETRAEUS. I think it is a great question, Congressman. And, frankly, it is something that Admiral Mullen and I and General McChrystal and others have spent a considerable amount of time and a number of our civilian policy makers and diplomats have spent a great deal on.

I think the relationship is stronger, and I think that there is better understanding of the perspectives of each side. Having said that, there is some serious history here. And as I mentioned in my opening statement, they remember what happened after Charlie Wilson's War, after we provided substantial assistance for many years and built up the Mujahedeen and got rid of the Soviets and then we were out the door.

They remember, again, rightly or wrongly, the Pressler Amendment, 12 years during which they could not send individuals to our military courses and training and so forth.

So there are some real wounds there, if you will, from the past. And we have to just work very hard to try to develop the kind of trust that is important in this relationship. There is a very close relationship in certain areas. Again, certain elements and so forth. They are clearly seized with going after those extremists that have threatened them. They are fighting their war against the Pakistani Taliban not our war on terror. And that is a big shift in the last year or so.

But, again, having said that, there is still an understandable degree of hedging of bets, if you will. I think, again, understandably given the history, given their sort of geography, given that you have India here, a country that is many times their size, a billion people versus 170 million, very narrow country when you look at it from a military perspective and a variety of different elements there that they cannot deal with—all of which they cannot deal with simultaneously.

And that is a challenge for them. Plus, of course, some real social challenges, economic difficulties, and so on. So that is sort of the situation that we are in. It takes a real civil-military effort working with them with your support. And that is why I highlighted Kerry-Lugar-Berman and the coalition support funding—Pakistani Counterinsurgency Fund, foreign military financing, and all the rest of that—IMET. Every bit of that is really important to building this relationship further.

Interestingly, this weekend, we will host General Kayani at Central Command headquarters. Also at SOCOM as well in Tampa. And then he will come up here, join their foreign minister, defense minister, and they are going to have a strategic dialogue, as it is termed, with policy makers here.

Mr. WAMP. I will ask him to just yield to me just on a follow up for this because when we were there 20 months ago and the president was on his way out and Zardari was coming in, he said to us that, in Pakistan, if you do not have military control, you do not have control. It seemed really obvious, but do you think it has dramatically improved where the government of Pakistan does basically control the security of Pakistan? Because that was really the fear when we left, that they wouldn't actually have the upper hand on security needs in their own country.

General PETRAEUS. Well, I think the Pakistani Security Forces by and large are in charge of security in Pakistan. There are dynamics between the president and the chief justice that have played out. There is an opposition to the government. And there is, if you will, some degree of shifting of power between the president and the prime minister.

As you will recall, when Musharraf left, he had aggregated enormous power for the presidency. Some of that shifted back and there has been this kind of dynamic of settling out of literally who is—what are the roles and missions of the two different offices, the prime minister and president and, also, by the way, the chief justice who has much more expansive powers than does our chief jus-

tice and has been exercising some of those in a fairly expansive manner as well.

Mr. WAMP. Thanks.

Mr. CRENSHAW. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Bishop.

CONSTRUCTION NEEDS IN AFGHANISTAN

Mr. BISHOP. Thank you. I just had one question with regard to your construction needs in Afghanistan.

As the drawdown occurs in Iraq, I understand that many of the soldiers in Iraq are living in containerized housing units, CHUs, and in Afghanistan, on the other hand, most of them are living in tents.

General PETRAEUS. They are tents, but they are generally climate-controlled tents. So this is not just a good, old general-purpose utility—GP medium, if you will, tent. And there is a fairly substantial number that do live in CHUs or in some other form of billet. We have built literally barracks, if you will, for example—Bagram or Kandahar—bigger bases naturally are more built up.

But, frankly, we are trying to be very responsible with the funding, and we have what is called the CENTCOM Sandbook temporary standard, and it is fairly austere. It is adequate. It is something I would have loved to have had—tents or, again, a variety of hasty structures of SEA huts or CHUs, again, whatever mix that is.

Mr. BISHOP. I was going to ask whether or not with the drawdown in Iraq, you were going to move some of those CHUs from Iraq to Afghanistan.

General PETRAEUS. I do not think we can move the CHUs, sir. I think they are just too fragile. As you know, the CHUs come, literally, flattened out. And once you expand them, it is pretty difficult to flatten them back out. And, again, in the transport of those, I am not sure how many of those we would damage.

And I think it is literally more economical, if we ever decide to go with all CHUs to literally ship in CHUs that are probably already new and just leave those other CHUs—

Mr. BISHOP. Were you intending to get additional new CHUs for Afghanistan just do you feel that that mission will be so temporary that you won't require them?

General PETRAEUS [continuing]. There are areas where we are building up, you know, a little bit better than temporary standards. But in many of the combat outposts and joint stations and so forth, we will still be in a fairly expeditionary setting.

But, again, in those cases, there is at least—there are at least environmental-control units. There are over time—ablution units, as they are called and so forth. So there is an effort to get to a level that is certainly good enough but without taking it beyond that given, again, that it is going to be somewhat temporary in nature.

Mr. BISHOP. So your requirements there are being met in the budget submissions and the budget you have already—

General PETRAEUS. That is correct. But, again, the reason the supplemental is important is because, again, we have got to get that stuff going. And, you know, we, again, have to—

Mr. BISHOP. So do you have some requests for that in the supplemental?

General PETRAEUS. Oh, yes, sir. There is \$495 million, I think, in the supplemental for—no, no, no. Just for MILCON. I am sorry. For overall MILCON. Not for CHUs. No, that would be a very small subsidy. That is right. Yes, sir.

Mr. BISHOP. What will those—what will that construction—

General PETRAEUS. It is a whole bunch of things, and I could actually show you this in a second and where it is. But, I mean, it is everything. It is strategic airlift, apron, SOF helicopter apron, munitions storage, fuel operations and storage, runway apron, waste management, fuel storage, entry-control point, perimeter fence, waste-water, and et cetera, et cetera, perimeter fence—

Mr. BISHOP. That is for all—

General PETRAEUS. This is all over. That is right. That is right.

Mr. BISHOP. [Off mike.]

General PETRAEUS. And all of Afghanistan, that is correct. Right.

Mr. BISHOP. And you anticipate all of that will be covered in the supplemental?

General PETRAEUS. We do. That is correct.

Mr. EDWARDS. Thank you, Mr. Bishop.

General Petraeus, that is good timing. We have votes, I think about five pending. Thank you for your leadership.

General PETRAEUS. Thank you, sir.

Mr. EDWARDS. God speed to you and all the troops that you have the privilege of representing.

General PETRAEUS. Thank you,

Mr. EDWARDS. We stand adjourned.

[Questions for the Record submitted by Chairman Edwards]

FLEXIBILITY IN THEATER MILCON

Question. Would it be helpful to you if Congress gave you CCA-like flexibility in the use of MILCON funds within the theater?

Answer. Yes, any additional flexibility is advantageous. Although CCA provides a level of flexibility over the regular budget process, it still requires line-item, project-by-project approval.

Question. If Congress were to provide with you theater MILCON funding according to the broad facility categories used in the C-1 Construction Exhibit, rather than a line-item, project-by-project appropriation, would that provide an adequate degree of flexibility?

Answer. Yes. The Overseas Contingency Operations (OCO) MILCON programs are often developed 12–18 months in advance of when the funds will be appropriated. Changes in operational requirements during the 12–18 month time period between project identification and appropriations often require the scope or location of a project be changed. Under current rules, a change in location or project scope requires the original project to be cancelled and funds reprogrammed under Title 10 Section 2808 of the United States Code. This process can delay project execution by up to six months.

Designating OCO MILCON funding by category vice line-item, project-by-project appropriation would allow theater engineers to adjust the MILCON program to operational changes without significantly delaying project execution.

LONGER TERM FORCE POSTURE IN AFGHANISTAN

Question. The amounts appropriated or requested for MILCON in Afghanistan have ramped up dramatically in the past two years. Not only have the dollar amounts escalated, but the operating locations requiring MILCON have also proliferated. For several years, MILCON in Afghanistan was mainly confined to Bagram, Kandahar, and Kabul. Now we are seeing funds requested for locations dispersed widely across Afghanistan. Because MILCON frequently requires 18 or more

months to be completed, the Committee must necessarily think beyond the present situation to the force posture that may be expected two or three years from now. I also note that the Quadrennial Defense Review report (page 67) refers to the increased U.S. presence in the Middle East and Central Asia since 2001, stating "The urgency of these operations caused the Department [of Defense] to prioritize changes in defense posture needed for near-term operational capability. It is time to renew focus on a strategic architecture that better serves U.S., allied, and partner interests through the medium to long term." For the last few years we have had a "strategic overwatch" posture plan for Iraq to layout how U.S. forces will consolidate before exiting the country in accordance with the SOFA. The Committee understands that the transfer of forces out of Afghanistan in July 2011 will be based on ground conditions, and that the experience with Iraq cannot be easily analogized to Afghanistan. Without trying to fix a timeline on you, when would you be able to report back to the Committee with a similar postsurge posture plan for Afghanistan?

Answer. The Command, in coordination with U.S. Forces Afghanistan (USFOR-A) and International Security Assistance Force (ISAF), is in the process of revising the posture plan for Afghanistan to describe current planning for Operation Enduring Freedom (OEF) based on the recent changes in strategy. The MILCON requests forwarded to you in the FY10 Supplemental and FY11 Overseas Contingency Operation (OCO) reflect the current planning to support the immediate contingency requirements of the force increase and to sustain operations through 2011 and beyond at these major locations. The posture plan under revision will incorporate these requests into a document that evolves as conditions in theater change; however, it will provide a view of basing requirements and establish a baseline from which transition plans can be developed in the future. The posture plan will outline major operating locations that include existing operating locations, existing capabilities, current and planned MILCON investments, and the logistical framework required to support operations in Afghanistan beyond 2011. We anticipate we could provide a report by Dec 2010.

THURSDAY, MARCH 18, 2010.

AIR FORCE BUDGET

WITNESS

GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF, US AIR FORCE

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I would like to call the subcommittee to order. This morning's hearing is going to be on the fiscal year 2011 Air Force military construction and family housing budget.

General Schwartz, General Byers, thank you both for not only being here but for your many years of distinguished service to our country. And we are grateful for your leadership at a very critical time in our nation's military history. And we look forward to hearing your testimony and having a chance to have a discussion on some of the issues facing the Air Force.

STATEMENT OF THE RANKING MINORITY MEMBER

I would like to recognize this morning our ranking member, Mr. Wamp.

Mr. WAMP. Good morning to all and thank you, Chief, for coming back.

General Byers, good to see you this morning and look forward to your testimony and us doing everything we can to meet the needs that you clearly have laid out for us. And I, too, want to thank you for your service at this critical time in history.

And, thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Zach.

General Schwartz, as always, you have been through this routine many times. Your full testimony will be submitted for the record, and we would like to recognize you now for any opening comments you care to make.

STATEMENT OF GENERAL NORTON A. SCHWARTZ

General SCHWARTZ. Thank you very much, Mr. Chairman and Congressman Wamp. As we gather, perhaps, additional members of the committee, I would like to thank you for your support of our Airmen and our families as we chatted a minute ago.

It is a distinct privilege to be here with you today because each and every day, our Airmen serve courageously, and their family's sacrifice in very significant ways both during their professional efforts on behalf of the American people.

Our Airmen bring aerospace and cyberspace power with great effect to our activities in Iraq and Afghanistan and elsewhere. Currently, we have about 40,000 Airmen—of which, roughly 32,000 are

in the area of operation. And of that, about 3950 civil engineers are deployed. So about 10 percent. It is very interesting.

Over 50 percent of those civil engineering deployments are filled with what we call expeditionary tasking serving side by side with our joint teammates. And due to their wide array of skills, the Air Force Rapid Engineer Deployable Heavy Operational and Repair Squadron engineers and our prime base engineer emergency force personnel are in high demand in the various theaters of operation.

Additionally, we have more than 150 civil engineers who are supporting relief and humanitarian operations in Haiti.

I would like to thank the committee for your continuing support and for your work as well on the American Recovery and Reinvestment Act of 2009. The legislation contributed very significantly to the status of our infrastructure.

From this legislation, we received about \$1.7 billion to support Air Force projects, including \$1.3 billion for facility sustainment and restoration and modernization (FSRM). About \$320 million in military construction and military family housing for dormitories and child-care centers; five dormitories and eight child-care centers, respectively. And about \$75 million for research, development, testing and evaluation of projects to improve our energy efficiency.

In accordance with the congressional intent to allocate the funds quickly, we moved expeditiously but prudently to award contracts. And at the end of the last calendar year, we had awarded almost 90 percent of the funding allocated for both FSRM and military construction.

Additionally, we saved sufficient money from competitively bidding these projects to fund two additional military construction projects—a dormitory and a child-development center. Obviously, a win-win.

And our fiscal year 2011 president's budget request contains \$5.5 billion for military construction, military family housing, base realignment and closure, and facility maintenance, which is about a 3.8 percent increase above our fiscal 2010 request.

Our facilities maintenance and repair account represents the largest portion of the request, about \$3.1 billion, to maintain Air Force installations. About \$1.5 billion of military construction requests prioritizes our requirements and ensure that new construction is aligned with new missions in weapons systems deliveries as well as strategic basing initiatives.

And that is why we acknowledge that we are accepting some risk in aging infrastructure recapitalization.

Additionally, we continue efforts to provide quality housing for our airmen and their families by dedicating about \$600 million to sustain and modernize overseas housing and support housing privatization here in the United States.

We also request a total of \$252 million to continue completing our BRAC 2005 program requirements, legacy BRAC programs, and environmental clean up. In the course of building the fiscal year 2011 budget request, we had to make a number of difficult choices among competing priorities. And one of these was a necessary but difficult decision considering the numerous other priorities that we face in this time of conflict to continue to take some

risk in our military construction as well as our restoration and modernization accounts.

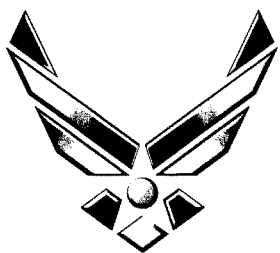
However, we have ensured that the budget request remains aligned to the overall fundamental priorities and that we remain committed to optimizing the utility of our resources, and we are doing our very best to maximize efficiency through effective joint basing, an integrated energy strategy and, of course, completing the mandated BRAC action.

Mr. Chairman, the Air Force will continue to provide our unique and enduring capabilities delivering global vigilance, reach and power for Americans. Thank you for your personal, continued support of our Air Force and, particularly, of our Airmen and their families.

And I look forward, sir, to your questions.

[Prepared statement of General Norton A. Schwartz follows:]

United States Air Force



Presentation

Before the House Appropriations
Subcommittee on Military Construction
and Veterans Affairs

Fiscal Year 2011 Air Force Military Construction, Military Family Housing, and BRAC Programs

Witness Statement of
General Norton A. Schwartz
Chief of Staff, United States Air Force

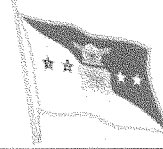
March 18, 2010

Air Force Military Construction, Military Family Housing and BRAC Programs

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BIOGRAPHY



UNITED STATES AIR FORCE

GENERAL NORTON A. SCHWARTZ

Gen. Norton A. Schwartz is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 680,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Schwartz graduated from the U.S. Air Force Academy in 1973. He is an alumnus of the National War College, a member of the Council on Foreign Relations, and a 1994 Fellow of Massachusetts Institute of Technology's Seminar XXI. He has served as Commander of the Special Operations Command-Pacific, as well as Alaskan Command, Alaskan North American Aerospace Defense Command Region, and the 11th Air Force. Prior to assuming his current position, General Schwartz was Commander, U.S. Transportation Command and served as the single manager for global air, land and sea transportation for the Department of Defense.



General Schwartz is a command pilot with more than 4,400 flying hours in a variety of aircraft. He participated as a crewmember in the 1975 airlift evacuation of Saigon, and in 1991 served as Chief of Staff of the Joint Special Operations Task Force for Northern Iraq in operations Desert Shield and Desert Storm. In 1997, he led the Joint Task Force that prepared for the noncombatant evacuation of U.S. citizens in Cambodia.

EDUCATION

1973 Bachelor's degree in political science and international affairs, U.S. Air Force Academy, Colorado Springs, Colo.

1977 Squadron Officer School, Maxwell AFB, Ala.

1983 Master's degree in business administration, Central Michigan University, Mount Pleasant

1984 Armed Forces Staff College, Norfolk, Va.

1989 National War College, Fort Lesley J. McNair, Washington, D.C.

1994 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge

ASSIGNMENTS

1. August 1973 - September 1974, student, undergraduate pilot training, Laughlin AFB, Texas
2. October 1974 - January 1975, student, C-130 initial qualification training, Little Rock AFB, Ark.
3. February 1975 - October 1977, C-130E aircraft commander, 776th and 21st tactical airlift squadrons,

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Clark Air Base, Philippines

4. October 1977 - December 1977, student, Squadron Officer School, Maxwell AFB, Ala.
5. December 1977 - October 1979, C-130E/H flight examiner, 61st Tactical Airlift Squadron, Little Rock AFB, Ark.
6. October 1979 - November 1980, intern, Air Staff Training Program, Office of the Deputy Chief of Staff for Plans, Operations and Readiness, Headquarters U.S. Air Force, Washington, D.C.
7. November 1980 - July 1983, MC-130E flight examiner, 8th Special Operations Squadron, Hurlburt Field, Fla.
8. July 1983 - January 1984, student, Armed Forces Staff College, Norfolk, Va.
9. January 1984 - April 1986, action officer, Directorate of Plans, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
10. May 1986 - June 1988, Commander, 36th Tactical Airlift Squadron, McChord AFB, Wash.
11. August 1988 - June 1989, student, National War College, Fort Lesley J. McNair, Washington, D.C.
12. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe, Patch Barracks, Stuttgart-Vaihingen, Germany
13. August 1991 - May 1993, Deputy Commander for Operations and Commander, 1st Special Operations Group, Hurlburt Field, Fla.
14. May 1993 - May 1995, Deputy Director of Operations, later, Deputy Director of Forces, Office of the Deputy Chief of Staff for Plans and Operations, Headquarters U.S. Air Force, Washington, D.C.
15. June 1995 - May 1997, Commander, 16th Special Operations Wing, Hurlburt Field, Fla.
16. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii
17. October 1998 - January 2000, Director of Strategic Planning, Deputy Chief of Staff for Plans and Programs, Headquarters U.S. Air Force, Washington, D.C.
18. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla.
19. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska
20. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C.
21. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C.
22. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill.
23. August 2008 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS

1. July 1989 - July 1991, Director of Plans and Policy, Special Operations Command Europe, Patch Barracks, Stuttgart-Vaihingen, Germany, as a colonel
2. June 1997 - October 1998, Commander, Special Operations Command, Pacific, Camp H.M. Smith, Hawaii, as a brigadier general
3. January 2000 - September 2000, Deputy Commander in Chief, U.S. Special Operations Command, MacDill AFB, Fla., as a lieutenant general
4. September 2000 - October 2002, Commander, Alaskan Command, Alaskan North American Aerospace Defense Command Region and 11th Air Force, Elmendorf AFB, Alaska, as a lieutenant general
5. October 2002 - October 2004, Director for Operations, the Joint Staff, Washington, D.C., as a lieutenant general
6. October 2004 - August 2005, Director, the Joint Staff, Washington, D. C., as a lieutenant general
7. September 2005 - August 2008, Commander, U.S. Transportation Command, Scott AFB, Ill., as a general

FLIGHT INFORMATION

Rating: Command pilot

Flight hours: More than 4,400

Aircraft flown: C-130E/H, MC-130E/H/P, HC-130, AC-130H/U, YMC-130, MH-53 and MH-60

Air Force Military Construction, Military Family Housing and BRAC Programs

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MAJOR AWARDS AND DECORATIONS

Defense Distinguished Service Medal with two oak leaf clusters
Distinguished Service Medal
Defense Superior Service Medal with oak leaf cluster
Legion of Merit with two oak leaf clusters
Defense Meritorious Service Medal
Meritorious Service Medal with two oak leaf clusters
Air Force Commendation Medal with oak leaf cluster
Army Commendation Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 6, 1973
First Lieutenant June 6, 1975
Captain June 6, 1977
Major Nov. 1, 1982
Lieutenant Colonel March 1, 1985
Colonel Feb. 1, 1991
Brigadier General Jan. 1, 1996
Major General March 4, 1999
Lieutenant General Jan. 18, 2000
General Oct. 1, 2005

(Current as of August 2009)

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Introduction

The United States confronts a dynamic international environment that is marked by security challenges of unprecedented diversity. Along with our Joint partners, the Air Force will defend and advance the interests of the United States by providing essential capabilities to succeed in current conflicts, while preparing to counter future threats to our national security. As part of this effort, we must ensure that we have the proper infrastructure that enables our most valuable resource, our Airmen, to perform their duties, while ensuring responsible stewardship of fiscal resources. To maximize our contributions to the Joint team, we structured our resource choices by balancing them across the near- and long-term.

Over the last year, the Air Force recommitted ourselves to our hallmark of precision and reliability. We are focused on five priorities, which serve as a framework for this testimony: 1) continue to strengthen the nuclear enterprise; 2) partner with the Joint and Coalition team to win today's fight; 3) develop and care for our Airmen and their families; 4) modernize our air and space inventories, organizations, and training; and 5) recapture acquisition excellence.

Overview

Our Fiscal Year 2011 President's Budget Request contains \$5.5 billion for military construction, military family housing, and Base Realignment and Closure (BRAC), and facility maintenance, which is a 3.8 percent increase above our Fiscal Year 2010 request. Our facility maintenance and repair account represents the largest portion of the request, with \$3.1 billion to maintain Air Force installations, including six installations that were recently transferred to Air Force leadership through Joint Basing. The \$1.5 billion military construction request prioritizes our requirements and ensures new construction is aligned with weapon system deliveries and strategic basing initiatives, while we continue to accept some risk in aging infrastructure recapitalization. Additionally, we continue our efforts to provide quality housing for Airmen and their families by dedicating \$600M to sustaining and modernizing overseas housing, and supporting housing privatization in the Continental United States. We also request a total of \$252 million to continue completing our BRAC 2005 program requirements, and legacy BRAC programs and environmental clean-up. Finally, understanding that resources are precious, we are committed to maximizing efficiencies and stretching resources through an integrated energy strategy and Joint basing initiatives.

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In the course of building the Fiscal Year 2011 budget request, we had to make a number of difficult choices among competing priorities. One of these was a necessary but difficult decision to continue taking risk in our military construction as well as our restoration and modernization accounts. We understand that mitigating the effects of this decision will take first-class facilities sustainment, and we are funding our sustainment account accordingly to keep our “good facilities good.”

The Air Force would like to thank the committee for the American Recovery and Reinvestment Act of 2009 – legislation that has been greatly beneficial to our infrastructure. From this legislation, we received a total of \$1.7 billion to support Air Force projects, including \$1.3 billion for operations and maintenance for facilities sustainment, restoration, and modernization (FSRM); \$327 million in military construction and military family housing for dormitories and child development centers; and \$75 million in research, development, testing and evaluation for projects to improve energy efficiency. In accordance with Congressional intent to allocate the funds quickly, we moved expeditiously to award contracts. By the end of calendar year 2009, we awarded almost 90 percent of the funding allocated for our FSRM and military construction projects. Additionally, with the funding that we saved from competitively bid projects, we funded two additional military construction requirements – a dormitory and a child development center.

Continue to Strengthen the Nuclear Enterprise

Since its inception, the Air Force has served as a proud and disciplined steward of a large portion of the Nation’s nuclear arsenal. We steadfastly operate, maintain, and secure nuclear weapons to deter potential adversaries, and to assure our partners that we are a reliable force providing global stability. The first Air Force priority during the last two years has been to reinvigorate the stewardship, accountability, compliance, and precision within the nuclear enterprise. While we have made progress in this area, we are not content, and we will continue our pursuit of the highest standards of performance.

In addition to ensuring that our organizations and human resource plans support this mission, we are also concentrating on the infrastructure and facilities that are crucial to our success. To support this work, during the past 18 months, Air Force civil engineers have conducted enterprise-wide facility assessments to refine our investment plans, and we are now beginning to execute our long-term investment strategy. Our Fiscal Year 2011 budget request

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includes \$22.8 million in military construction for the nuclear enterprise, including a weapons load crew training facility at Barksdale AFB, Louisiana, and a nuclear security tactics training center at Camp Guernsey, Wyoming. These and similar projects in the years to come will further our goal of a self-sustaining culture of critical self-assessment, continuous improvement, and unwavering excellence.

Partner with the Joint and Coalition Team to Win Today's Fight

Our Air Force continues to bring air, space, and cyber power to great effect in our conflicts in Afghanistan and Iraq, and our men and women make incredible contributions daily. We currently have almost 40,000 Airmen deployed, including nearly 3,950 Air Force civil engineers. Over 50 percent of these Air Force civil engineers are filling Joint Expeditionary Taskings, serving shoulder-to-shoulder with our Joint teammates. Due to their wide array of skills, our Air Force Rapid Engineer Deployable Heavy Operational and Repair Squadron Engineers (RED HORSE) and our Prime Base Engineer Emergency Force (Prime BEEF) personnel are in high demand in several theaters of operation. Additionally, we have more than 150 civil engineers who are supporting relief and recovery operations in Haiti.

In addition to our Airmen's contributions, our Fiscal Year 2011 budget request invests \$449 million in 40 projects that directly contribute to today's fight. Examples include the following:

- *Projects supporting our combatant commanders, particularly in the U.S. Central Command area of operations, that will greatly enhance ongoing operations.* These include a medical evacuation ramp expansion, fire station, fighter hangar, and consolidated rigging facility in support of enduring airdrop operations at Bagram AB, Afghanistan; and an apron expansion, providing vital Afghan theater of operations with refueling capability out of Isa AB, Bahrain.
- *New operations, maintenance, and training facilities for our Air Support Operations squadrons.* Airmen from these units, including Joint Terminal Attack Control specialists, partner with ground forces to integrate airpower in Iraq and Afghanistan. These Active and Air National Guard facilities, located in close proximity to the Army units that they support in both Continental United States and overseas, will further increase our capacity to operate and integrate closely with our Joint partners.

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- *Improvements at Andersen AFB, Guam.* Five projects continue to build our Pacific Air Force Regional Training Center and support the Air Force’s “Guam Strike” initiative, consolidating operational capability for fighter and bomber operations at the base.
- *Remotely-piloted aircraft beddown, operations, and maintenance support infrastructure.* Nine projects at various Active Duty and Air National Guard locations that support this rapidly growing field include an operations facility at Cannon AFB, New Mexico; a fire/crash/rescue squadron at Creech AFB, Nevada; a new launch and recovery element facility at Fort Huachuca, Arizona; and MQ-9 infrastructure support at Fort Drum, New York; and others.
- *Facility recapitalization efforts.* These – our component and major command commanders’ “current mission” priorities – will, among other things, provide a modern operations facility for the National Capital Region’s Joint Air Defense mission; give our special operations Airmen at Hurlburt Field, Florida, a new logistics facility and school; and provide Kunsan AB, Korea, with a facility to house their new F-16 simulator, due to arrive in 2012.

Develop and Care for Airmen and Their Families

The all-volunteer force provides the required foundation for our flexible and agile force. Our Fiscal Year 2011 budget request reflects a commitment to preserving and enhancing our force through education and training, while also improving the overall quality of life of Airmen and their families where they work, live, and play.

Developing our Airmen

Our Airmen are the best in the world, and as such they deserve first-class facilities in which they can train and advance their personal and professional development. Our Fiscal Year 2011 budget request contains five projects totaling \$163 million for this effort. These projects include a flagship Center for Character and Leadership Development at the Air Force Academy, which will provide our future officers with a facility invested with the stature that our Service Core Values demand. Also, renovation and expansion of Air University’s Fairchild Research Information Center – the largest military library in the world – will preserve the historical perspective and current research that form the basis for future airpower and Air Force theory, doctrine, and strategy. Additionally, we are continuing to improve facilities that support our newest Airmen at Lackland AFB, Texas, by building a new recruit dormitory, classroom, and in-

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processing center. These projects continue to improve our Air Force basic military training and provide incoming Airmen with facilities that are commensurate with the commitment that they make to our Nation.

Caring for Our Airmen and Their Families

Because our families are crucial to the success of our Air Force, we designated July 2009 – June 2010 as the “Year of the Air Force Family,” to focus on the contributions of the entire Air Force family – military, civilian, spouses, children, extended family, and retirees – and investigate ways to make their lives better. A large part of this is ensuring that they have first-class homes and dormitories. We also must make certain that our base and community environments are safe and secure, and that they foster a sense of community. Simply put, our goal is to provide an even safer and more supportive environment for our men and women and their families, especially during deployments and other extended absences.

Billeting

Two projects, totaling \$67 million will provide billeting for Airmen in our Fiscal Year 2011 military construction program. Of particular note is a third phase of billeting construction at Al Udeid AB, Qatar, which will continue our effort to provide Airmen, supporting operations in the U.S Central Command theater, with a quality place to live while deployed far from their families. This project will build two dormitories, as well as some much-needed medical and furnishings warehouse space within the Blatchford-Preston Complex community area.

Dormitories

We remain committed to providing excellent housing for our unaccompanied Airmen, and we continue to reference our 2008 Dormitory Master Plan to make this vision a reality. Our Fiscal Year 2011 budget request includes four dormitory projects totaling \$71 million. These include dorms at Cannon AFB, New Mexico; Joint Base McGuire-Dix-Lakehurst, New Jersey; Kapaun Annex, Germany; and Aviano AB, Italy. At Aviano, this single new dormitory will not only provide improved quality of life for Airmen, but also enable the Air Force to close an entire community support annex, which will yield savings in facility maintenance, energy, services, and security costs. Our 2010 Dormitory Master Plan, to be released later this year, will also address dormitories that we gain from Joint Basing.

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Military Family Housing

Our Fiscal Year 2011 budget for military family housing is nearly \$600 million. The Air Force request for housing construction investment is \$78 million to ensure the continuous improvement of over 400 of our nearly 16,500 overseas homes. Our request also includes an additional \$514 million to fund operations, maintenance, utilities, and leases, and to manage privatized units for the family housing program.

Housing privatization is central to the success of our stateside – including Alaska and Hawaii – military family housing initiatives. At the start of Fiscal Year 2011, we will have 38,800 privatized units, to be increased to 52,900 by the end of Fiscal Year 2011. Privatization has leveraged a \$423 million investment to \$6.54 billion in development. We plan to privatize 100 percent of our U.S. Continental family housing by Fiscal Year 2011.

Child Development Centers

Due to the elevated operations tempo in the past eight years of conflict, child care for our families that remain stateside has become an increasingly significant focus area. As part of the American Recovery and Restoration Act, we have been able to allocate \$80 million for eight new child development centers, to help ensure that our force has adequate child care capacity. We have aggressively pursued solutions to eliminate an earlier capacity issue, and we are on course to reduce our child care deficit to zero by 2012.

Modernize our Air and Space Inventories, Organizations, and Training

Modernizing our force to prepare for a wide range of future contingencies requires a significant investment. For Fiscal Year 2011, we are requesting \$460.3 million for a variety of military construction projects, including:

- *Eight projects to prepare to beddown our newest fighter, the F-35.* This includes four projects at Nellis AFB, Nevada, where we will accomplish a large part of the operational test and evaluation for this aircraft. As we continue to assess F-35 program restructuring, we are closely analyzing the impacts that any delivery delays will have on associated military construction requirements.
- *Seven projects supporting our H/MC-130 fleet.* These projects will emphasize the newer “J” models.

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- *Six projects supporting F-22 operations.* This effort will continue to modernize our air superiority fleet, including three projects at Hickam AFB, Hawaii, for the beddown of the Air National Guard squadron there.
- *Other projects.* These will support diverse mission areas, including space control, C-5/C-17 maintenance, and base and airfield operations.

Recapture Acquisition Excellence

The Air Force continues its efforts to maximize its resources by acquiring goods and services. Through continuous process improvement, we are building a culture that supports the warfighter by delivering the right products and services on time, within budget, and in compliance with all applicable laws, policies, and regulations. Where possible, we continue to pursue strategic sourcing opportunities to maximize the use of taxpayer dollars, seeking ways to leverage economies of scale across the purchase of commodities. Our engineering and contracting communities continue to partner on efforts to transform the processes that support Air Force installation-related acquisition.

Other Programs of Note***Overseas Contingency Operations (OCO)***

Our Fiscal Year 2011 Overseas Contingency Operations (OCO) request for military construction supports \$280 million in projects for Afghanistan. This complements our Fiscal Year 2010 OCO request of \$474 million and our Fiscal Year 2009 OCO supplemental request of \$279 million to support the recently announced troop strength increase. The Fiscal Year 2011 OCO projects build upon and expand the operational capacity that was initially provided by the Fiscal Years 2009/2010 requests. These first military construction requirements provided access to operational areas in the rugged, undeveloped regions of Afghanistan. Our subsequent requests will expand that initial capability by providing primary theater hubs in Afghanistan. As such, they will reduce safety risks, increase throughput capacity of cargo and personnel, and increase the effectiveness and efficiency of air operations. In addition to supporting current operations, logistical facilities are required to sustain operations through the transition to Afghan control and will facilitate the eventual redeployment of our forces. Each project will be of great value to the Joint team, and we are committed to executing them as effectively and efficiently as possible.

Base Realignment and Closure Actions

Completing Air Force BRAC actions remains a priority for the Air Force and Department of Defense. The Fiscal Year 2011 request includes \$125 million for legacy BRAC actions at 28 remaining former bases, and \$127 million to continue the seven base closures and 59 realignments at 122 installations that were specified during BRAC 2005. Two of the seven base closures are complete, and this budget request contains resources to close the remaining five in 2011. The Air Force is on track to fully implement all BRAC 2005 recommendations by the mandated September 2011 deadline.

Joint Basing

The Air Force remains committed to joint basing initiatives to maximize installation efficiency, warfighting capability, and jointness, all the while saving taxpayer resources. Of the 12 Joint bases mandated by BRAC 2005, 10 have Air Force equity, and we are the lead Service on six. All told, our current efforts with joint basing are proceeding smoothly, with no major issues. Three of the Phase I joint bases with Air Force equity have already reached full operating capability status, and seven more Phase II bases with Air Force equity have reached initial operating capability status, with full operating capability expected by October 1, 2010. Additionally, we anticipate that efficiencies and cost savings will soon result from the benefits derived from consolidation.

Energy

The Air Force understands the criticality of furthering energy security for the Nation, and we remain committed to realizing our energy goals of reducing demand, increasing supply, and changing our culture to make energy a consideration in everything we do. Energy conservation investment is a significant component of our newly released 2010 Air Force Infrastructure Energy Plan. In Fiscal Year 2011, we will continue our energy conservation efforts, which have already reduced facility energy use 14.6 percent from our 2003 baseline. The Defense military construction budget request of \$120 million contains \$35 million for our Energy Conservation Investment Program, which will save money in the years to come. In Fiscal Year 2009, we exceeded our goals and produced or procured 5.4 percent of our total facility energy through renewable sources, and we have led the federal government as the number one purchaser of renewable energy for the fifth year in a row. The 19 projects in the Fiscal Year 2011 Defense military construction budget, including six solar projects, will continue this trend.

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Conclusion

The Air Force remains a trusted and reliable Joint partner, and provides air, space, and cyberspace capabilities to our combatant commanders. We are truly a "Total Force." A significant portion of our Air Force supports the combatant commands, with Airmen supporting the fight from installations all over the world. In our Fiscal Year 2011 budget request, we had to make a number of difficult choices, including continued risk in some of our infrastructure accounts. However, we believe that these risks are necessary, given numerous other priorities that we face in this time of conflict; and, we have ensured that our budget request remains aligned to our fundamental priorities. In addition to being committed to the infrastructure projects that support our missions, we are also committed to ensuring that we continue to care for our Airmen and their families, to include first-class dormitories and housing, and Airman and family support. Finally, we remain committed to optimizing the utility of our resources through effective Joint basing, completing BRAC actions, and continuing energy conservation efforts.

MILCON PRIORITIES

Mr. EDWARDS. General Schwartz, thank you very much.

Mr. Wamp, would you like to begin questions?

Mr. WAMP. I appreciate the courtesy. I did not realize when I welcomed the generals here that Major Juan Alvarez was in the room here because he so ably served me for a year here in the fellows program and Marine Corps Major Gilbert Dmeza is over my right shoulder now. It is a blessing and benefit to our process here and excellent integration of the services.

I was with you, Chief, when you graduated these outstanding airmen to the fellows program, and I am so very proud of Juan Alvarez.

Can you just lay out your top five MILCON priorities that did not get included? The cost for each—and I am talking about what you still have that could be executable in fiscal year 2011 in terms of MILCON specific programs?

General SCHWARTZ. Sir, perhaps General Byers can address that more specifically. I can tell you though, at the strategic level, that the prime imperative, we are making sure that we have synchronized the construction efforts with delivery of new weapons systems or force structure changes that were dependent on that infrastructure.

And, secondly, that each of the major commands got their first priority. That was a prerequisite for us. We, in most cases, did not get to the number two.

And, General Byers, do you want to add more clarity or—

General BYERS. Yes, sir. We will like to provide the rest for the record. We have a whole list of priorities that the Chief talked about. If we can submit that for the record, we have the list and you can have all that.

[The information follows:]

Our Top Unfunded Military Construction Projects are as follows:

Location	Project	\$ Mil	Remarks
Kirtland AFB	Nuclear System Wing & Sustainment Center	\$55.0	AFMC #1
St. Paul ARS	Aerial Port Facility	9.0	AFRC #1
Hickam AFB	F-22 Combat Aircraft Parking Apron	15.5	New Mission
Edwards AFB	Fitness Center	30.0	Quality of Life
Hickam AFB	Fitness Center	24.0	Quality of Life
Barksdale AFB	Mission Support Group Headquarters	24.0	Global Strike #1
Al Udeid	Blatchford Preston Complex, Ph 4 (4 Dorms)	99.0	Quality of Life
Total .....	.....	\$256.5	

Mr. WAMP. Very good.

I also wanted to look back a little because we know what incredible support the United States Air Force gives to our operations in Iraq and Afghanistan today. But I think back on a briefing that I had in the middle of the night with Speaker Hastert years ago at Elmendorf in the middle of the Balkan liberation. And I am constantly reminded throughout our hearings and meetings with the leadership. I met with Admiral Stravridis, Commander of U.S. European Command, just 2 weeks ago. His allied NATO command had been very beneficial to freedom. It has brought liberty to an entire part of the world for the first time in hundreds of years. The

culture shift and, frankly, the critical role that the United States Air Force played in that operation is amazing.

They are the tip of the spear, so to speak. The preparations we make as a nation for the United States Air Force to respond to future crises similar to those in Afghanistan and Iraq are critical. We will likely face different kinds of conflicts similar to the Balkan experience where the Air Force's superiority was the liberating factor, in my opinion.

In the event of a similar mission, do we have the resources? Do we have the training and equipment? Do we have—and I know that is not necessarily a MILCON question, but we are interested in the entire spectrum of operational support from the Congress—in the event that there is a similar call to action at that high level?

OVERSEAS READINESS

General SCHWARTZ. Congressman, two parts to that. The first part is—and it does really—your jurisdiction over military construction, particularly, overseas—is that that particular campaign, aircraft and Air Force resources were located at about 37 bases in and around that southern European area.

And it gives you a sense—and it is a similar number in the Persian Gulf area, actually, large and small installations where our preparation, our willingness to do—to build ramps, for example, aircraft ramps as we have requested for—as an example, not only allows us to deal with current circumstances but actually postures us to deal with future potential contingencies as well.

I would just like to make the point that you and your predecessors had much to do with the success of that campaign by recognizing that some infrastructure overseas enables us to project combat power. And that was the case then.

SURGE CAPABILITY

In the larger sense, yes, we have surge capability. There are some aspects of our force which are stretched toward a hundred percent utilization. One case is intelligence, surveillance, and reconnaissance. All the predators and reapers, all the intelligence capability that we can bring to bear in Iraq and Afghanistan is, in fact, deployed. A very, very high percentage.

We still are running our school houses and so on and conducting essential training—because if you are not careful, you will eat your seed corn if you don't maintain that training base.

But fundamentally, should another contingency arise—and I think this is also true for the Navy—that we and the Navy have the capabilities that are most available and have the most capacity to surge.

REMOTELY PILOTED AIRCRAFT

Mr. WAMP. Just to follow up, and then I will hold my other questions for the second round in deference to other members.

But we have a 5-year-old company in Tennessee called ISR which is in the drone UAV industry. It is remarkable how the company started. A Vietnam vet leveraged his experience and started the company, and now they have 225 employees and it is a fast-moving

company. Actually, their drones were utilized for surveillance in support of the successful mission addressing the pirate ship off the east coast of Somalia last summer.

I am interested to know how the UAV industry is growing in this country, from your perspective. It obviously is the new paradigm of intelligence gathering. And it looks like it even has tremendous private-sector applications for the future of aviation.

General SCHWARTZ. Sir, I think that—clearly, the use of remotely piloted aircraft—by the way, we do not use the term unmanned aerial systems anymore because they are hardly unmanned.

Mr. WAMP. Right.

General SCHWARTZ. While they are remotely piloted, for example, we need somewhere around 170—operators, maintainers and, importantly, back-end intel capability—to digest the data stream that comes off these platforms for each 24-hour orbit. Nonetheless, they clearly are a major innovation which we are investing heavily. We have 41 orbits today. We will be growing to 50 at the end of 2011 and then to 65 in 2013.

I will only caution that they are not any-time, any-place platforms. You still need relatively benign airspace for these platforms to operate. But assuming that that is the case—which is true in Iraq and Afghanistan—they are terrific because, fundamentally, they provide the situation awareness for youngsters on the ground so they do not have to go around the corner or through a door or through a window without knowing what is on the other side.

They would if they had to, but the question is why should we have them do that. And so that is the great innovation, I think, of the remotely piloted systems.

Mr. WAMP. Is that the terminology? Remotely Piloted System. Is there an acronym now that we need to start using?

General SCHWARTZ. RPA is what we are using—remotely piloted aircraft.

Mr. WAMP. Remotely piloted aircraft. And that includes drones?

General SCHWARTZ. It certainly does.

Mr. WAMP. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Wamp.

Mr. Crenshaw.

ENVIRONMENTAL IMPACT STUDY

Mr. CRENSHAW. Thank you, Mr. Chairman.

Welcome back, General.

I wanted to ask a little bit about the F-35, the joint strike fighter, because Jacksonville International Airport, in my district, is one of the, I guess, four sites being considered to base them. And I know that you have to do an EIS kind of study before. And I want to ask you just two or three questions about that.

Number one, what are some of the factors that go into that EIS study? For instance, in Jacksonville, you have got three military bases. So you have got existing military housing. You have got child-care facilities. You have got dental clinics, medical clinics, a lot of, kind of, support services.

Are those the kind of things—or is that one of the factors that kind of goes into that decision, number one? Number two, I just wondered about the timing. You know, will there be a preliminary

study done, I guess, and will that include kind of a, I guess what you would call a recommended option or a preferred option?

And then, finally, just in terms of the military construction part, I know it is going to be a while, but is there money in the 5-year plan for some of these military construction projects? And do you—is it all the money in there or just a certain amount of money? And do you know, like, how much it might be per base? I guess it will be different.

But just those three items, if you could touch on those.

General SCHWARTZ. Yes, sir. The first question really—there are two processes that proceed. One is what we call our strategic basing process, which is the decision about where equipment would be bed down. Part of that is environmental impact studies.

And essentially, the environmental impact study (EIS) looks at specific installations and evaluates the addition of that force structure and what impacts that may have environmentally. For example, on Clean Air Act compliance, it is an important factor.

But those other kinds of considerations with respect to infrastructure that might make a bed-down more achievable are really done within the strategic basing process. So how much military family housing is in the area, a very important consideration. It is access to airspace for training and so on and so forth, the proximity of tactical ranges and what have you.

And so it is those two aspects, both environmental impact study, which is mandated by National Environmental Protection Act (NEPA), and then the strategic basing process which takes into account both infrastructure and operational considerations are how we go about making a decision.

With respect to F-35, as you know, Jacksonville is one of the potential operational bed-down locations, one of six. The first bed-down, however will be for training and test purposes. We rendered a record of decision for Eglin Air Force Base in accordance with base closure would be the first training location with at least 59 aircraft.

And that EIS is under way now to address things such as Clean Air Act compliance, noise concerns, and so on.

Each of the candidate locations—that is, the five training locations, the six operational locations—had scoping activities at or near the installation or in the surrounding communities. They are all complete now. Each of them is done.

And that outreach activity is part of the environmental impact statement process. So we are well along in that respect.

With regard to timing, we will render a preferred alternative, which I think is the term of art, late this year, late summer, you know, or into the fall, perhaps. And then in early 2011, there will be a formal record of decision on the bed-down for the second training site, if you will, and the first operational site.

Mr. CRENSHAW. How about MILCON? Is that in the FYDP already?

General SCHWARTZ. It is. In fact, there are bed-down dollars for the to-be-determined locations—in the program. And that is specific to these decisions that I just addressed.

JOINT CARGO AIRCRAFT

Mr. CRENSHAW. I have got you.

And just one, Mr. Chairman, one quick question about—we talked last year about the joint cargo aircraft, just kind of the overall strategic aircraft needs. Are you doing a study? I cannot remember what we talked about last year.

But is that—where are we in looking at that? I know that is the kind of—because I think General Casey said that he was spending like \$8 million a month leasing C-130s and then somebody from DOD kind of came in and said, well, you know, we have got—well, they weren't leasing C-130s but similar aircraft.

And then one of the DOD individuals said, well, we having adequate C-130s. And I do not know whether they are being used in Afghanistan or not. And that is where, I guess, this new—

General SCHWARTZ. A couple of quick points, sir, on this. The program of record now is 38 C-27s, 24 of which will be bedded down at six locations, four aircraft each, which have been formally announced. The other 14 aircraft will be bed down at three locations of four each, and then two aircraft will be for training, which will be associated with one of the first six locations still to be decided.

So at the end game here, what we will have is nine four-aircraft bed-downs and eight four-aircraft bed-downs and one six-aircraft bed-down. That is what the total will be.

Now, there is a mandated report which was in last year's National Defense Authorization Act (NDAA) for our game plan. I just talked to General George Casey, in fact, on Tuesday about that report to make sure that he was comfortable with it. And so it is pending Secretary of the Air Force Mike Donley's signature and will be submitted to the committees here shortly. That outlines this eight, nine location bed-down.

With respect to use of the assets, it is true that United States Central Command is contracting for—not really leasing them—contracting for some airlift capability in Afghanistan. And we are reducing that over time. C-27s will probably address some of that. Our other aircraft, including C-130s and C-17s, will certainly address the rest.

For example, one of the things that the contract airplanes do is so-called, low-altitude, low-speed air drop, basically, bundles to remote locations in Afghanistan. And we have qualified our C-130s crews to do that now. And so the number of pounds delivered is up to almost 1.9 million pounds of aerial-delivered cargo which means conveyed do not have to move over the road with the, obviously, entailed risks.

So bottom line, sir, is we are well along on this. The formal response will be submitted shortly. The Army and the Air Force, I think, are completely in agreement with the way forward. And the fundamental thing out of all this was that the United States Air Force is prepared and trained to do direct support whenever the Army requires it.

And direct support means dedicated support to specific maneuver units. It might not be required all the time, probably is not. But when it is, we need to be agile enough to do it. And we ran a test

in Iraq that completed at the end of December. And I think we have persuaded our teammates that we can do it and we will do it when it is needed.

Mr. CRENSHAW. What is the new C-130, the brand-new ones?

General SCHWARTZ. It is a J model, sir.

Mr. CRENSHAW. Let me tell you. We just came back from Afghanistan and Pakistan and stopped in Ramstein. And there were 25 planes taking off every day taking cargo down. And some of them were the new ones.

We were on one. It had 227 miles on it. It smelled like a brand-new airplane kind of like when you get in the car with a—and everybody was so excited. I mean, those things are fantastic. So—and, in fact, I think we flew up from Kabul back to Islamabad.

And so that is a great aircraft.

General SCHWARTZ. Sir, you are right. The last new airplane that I experienced was many, many years ago, in 1975 probably. But I can still remember what it smelled like. [Laughter.]

Mr. CRENSHAW. Thank you, Mr. Chairman.

INADEQUATE HOUSING

Mr. EDWARDS. Thank you, Mr. Crenshaw.

General Schwartz, let me ask—this is something I like to ask each of our chiefs. DOD, as you know, has come out with new standards on the definition of inadequate housing and barracks. And I just want to get a metric each year where we are.

Could you tell me or General Byers tell me, as of today, with the new standards, how many airmen and single airmen do we have and then how many families do we have living in housing or barracks that doesn't meet DOD standards?

General SCHWARTZ. Let me start with housing. About 6,000 is roughly the number of occupied inadequate homes.

Mr. CRENSHAW. Right.

General SCHWARTZ [continuing]. The U.S. government inventory. Another 7,000 or so that currently reside in inadequate privatized housing.

So total about 13,000. And that is out of the total of about 70,000 total occupied family housing units.

Mr. EDWARDS. Okay.

General SCHWARTZ. And the expectation is that, given the demolition, the new construction, the renovation that is occurring in the privatized housing sector, that we will reduce those inadequate homes in the U.S. to zero by 2016.

Mr. EDWARDS. By 2016.

General SCHWARTZ. Now, on the single Airmen side, we have 65 dormitories that are considered tier one or inadequate.

Mr. EDWARDS. I am sorry. How many?

General SCHWARTZ. 65.

Mr. EDWARDS. 65.

General SCHWARTZ. And that is out of a total of 885, roughly. We have requested dormitories in the FY11 budget submission at five locations—Lackland Air Force Base, Texas; McGuire Air Force Base, New Jersey; Cannon Air Force Base in New Mexico; Al Udeid Air Base Qatar; Aviano Air Base, Italy. So two overseas, three in the CONUS.

And the prospect is on the current glide path, we would get to zero inventory of inadequate dormitories in 2017. That is slightly behind the Department of Defense goal of 2015. I acknowledge that. Again, this is trying to keep things in balance.

You could do dormitories faster but maybe you would have to slow down family housing. And this is trying to get to the sweet spot with all of the entire inventory.

Mr. EDWARDS. Given the downturn in residential housing construction of the last year or so, what kind of bid savings are you seeing, General Byers?

General BYERS. Sir, we are seeing pretty significant bid savings, especially as General Schwartz talked about with the number of ARRA projects, the \$1.7 billion that we executed and with our current military construction program. We are seeing about a 13 percent savings as an average across the industry.

And that has been pretty significant, obviously, to help us stay under budget but also, as General Schwartz talked about as well, go after some other projects on our priority list. So that has been really significant.

Mr. EDWARDS. Good.

General BYERS. We see helpful bid savings in this downturn but we also know that we have got some increases especially over in the U.S. Central Command AOR with construction increases—about four-fold and it has lots to do with concrete, steel, labor, and petroleum over there. And so we have been working real hard for an increase, as you know, with the minor construction limitation here in CONUS as well as overseas and also trying to use our P-341 authority that we have. And we tried to increase that for 2010—where we have some bid savings—and then 2011, we are going to increase that as well.

Mr. EDWARDS. Okay. Thank you.

General SCHWARTZ. I would note, as you can imagine, sir, construction in Afghanistan is tough in lots of places. And that is one of the reasons for cost.

Mr. EDWARDS. Okay. Is it raw materials or personnel?

General SCHWARTZ. Security is workforce, and it is raw materials as well.

Mr. EDWARDS. Okay.

General SCHWARTZ. Transportation, for example, is challenging. It is harder to do there than elsewhere, to be sure. And it is a land-locked country.

Mr. EDWARDS. A lot of challenges.

General BYERS. The infrastructure is really hard to get materials in and out. The petroleum products are real expensive, as you could imagine. And the construction costs—and it is mostly concrete steel and the labor and the petroleum related products and delivery.

F-35 JOINT STRIKE FIGHTER TIMETABLE

Mr. EDWARDS. Thank you.

My second and last question on this round would be, in terms of the F-35 joint strike fighter as I understand the acquisition timetable has fallen behind. Does that impact your MILCON needs?

General SCHWARTZ. We are synchronized properly for the early delivery of training aircraft. There are eight or so projects at Eglin Air Force Base to stand up the training operation. I think it is at least \$48 million in military construction.

General Byers can confirm the number. And what we have laid in is synchronized with the expected delivery of assets. It is true that the so-called production rate has been lowered in fiscal year 2015 and out. We are taking 67 fewer deliveries between now and then.

But fundamentally, we still have to have the schoolhouse operation, which is joint and includes a 24-aircraft Air Force unit, a 15-aircraft Navy unit, and a 20-aircraft Marine Corps unit. And that will all be at Eglin Air Force Base in Florida.

We are on track from a construction point of view on that.

I might just mention for the benefit of the members we have restructured the program. As I mentioned to your colleague, Congresswoman Granger, the other day, that I think we are now in a position where we have less optimism and more realism in this program. You know, it was needed, and you are aware of the adjustments that have been made.

But fundamentally, this machine will be the backbone of our tactical fighter fleet going forward. And it is equally true, I think, for the Navy and Marine Corps that we are national partners.

Mr. EDWARDS. All right.

General SCHWARTZ. An important program. We have made internal management changes. We have restructured it. And the contractor, Lockheed, has also made very significant changes under pressure. And that pressure will continue.

Mr. EDWARDS. Okay. Thank you.

Mr. BYERS. Sir, if I may, there were eight military construction projects in fiscal year 2010 request for a total of \$48 million at Eglin. And the follow up on what we have in our 2011 request, we do have projects planned at Eglin and at Nellis. And those four projects are out there.

As General Schwartz mentioned earlier, there are three that were TBD for the next locations for a simulator for squad ops and an academic training center. We also have programmed in our FYDP about \$184 million for future locations as we finish the selection of our strategic basing, we will then fine tune the 2012 budget.

We have put some military construction facilities in place to make sure we can support those F-35 deliveries for the next locations. Just to confirm, the projects we do have in our 2011 program are not early to need, they are about just in time by the time you lay out the military construction progress. And it is in place by the first aircraft start arriving at those locations.

Mr. EDWARDS. Okay. As of right now, you would not want to take the money you requested for MILCON for the joint strike fighter facilities in fiscal year 2011 and put any of that money into—

General SCHWARTZ. Sir, I would not recommend that.

Mr. EDWARDS. Okay. Thank you.

Mr. Wamp.

ENGINEERS

Mr. WAMP. Chief, one of the challenges that our country faces is a shortage of engineers. The United States Air Force, maybe like no other organization, can play a critical role in our global competitiveness going forward with 60,000 civil engineers under your command. I think 4,000 are deployed right now in Iraq and Afghanistan. Which is extraordinary.

In Tennessee, we have a program called American Veterans for Tennessee Engineers. At Y-12, the National Security Complex in my district—they are actively recruiting young men and women to serve our country, and those that may receive a purple heart or some distinguished citation are moved to the front of the line.

It is a partnership to, strengthen our work force and enhance our competitiveness. And engineers are critical. We know that. There is where we are losing it.

If you could, please speak to that because the United States Air Force, again, I think, may be our prime driver for many new engineers in the work force.

General SCHWARTZ. Sir, it is one of those areas on which all the services are highly dependent. And as you know, in the broader sense, this is called science and technology engineering and mathematics, the so-called stem discipline. It is very, very important to us.

And it includes civil engineers and includes aerospace, naturally. The skills that are in that area for the Navy, no doubt, and involves maritime-related engineering skill sets.

I think this is true for us as well as in industry where good engineering talent is in high demand. And what is important, I think, for us—and we beat the bushes. For example, I was at an event a couple of weeks ago in Baltimore where the Black Society of Engineers, a very influential organization whose purpose is to stimulate interest in engineering disciplines and encourage promising young students to seek careers there.

Among other reasons, my purpose was to solicit interest in careers in the Air Force or at least in the armed forces. It is vitally important.

What is happening in Tennessee is a great idea. You know, this is vitally important. In order to run big programs like F-35, you cannot do this with youngsters or folks with inadequate experience. You need people who know what systems engineering is about. You need people who know what cost estimating is about. You need people who can run big programs.

And, of course, you grow them over time, but they start with technical degrees and an interest in public service like we all have. And it is very important to cultivate that in our youngsters. And I certainly encourage continuing to do that. Even if they do not end up in the armed forces, it is good for the country.

PANAMA CANAL

Mr. WAMP. This is off the beaten path, but I was interested because I lived there as a boy. What became of Howard Air Force Base and the Panama Canal Zone,

General SCHWARTZ. It has gone back to the Panamanians some years ago. We occasionally fly through there but it is no longer. We have no personnel assigned there and no responsibility for the installation.

Mr. WAMP. Actually, when I was there, the iguanas really had control of it, not—

[Laughter.]

General SCHWARTZ. It is still the case, I am sure. [Laughter.]

Mr. WAMP. Is there anything else that has either come up in your mind while you have been here or anything else that we need to know before we storyboard the MILCON bill for the year?

General SCHWARTZ. Yes, sir. I think that—as I suggested earlier, we have some tough choices. And what you see in the 2011 program we will have an opportunity to revisit and tweak in 2012. And we intend to do that.

To be candid, there were very significant close-out pressures at the conclusion of the fiscal year 2011 budget cycle. And to put it in sort of the vernacular of balancing-the-books pressures.

We balanced some of our books, particularly after 2011 and 2012, and out through use of the military construction commodity. We will revisit that in 2012.

So what I wanted to reassure you was that, while there were some tactical decisions made based on budgeting priorities at the conclusion of closing the books last year, that I hope that you will not read that as a lack of commitment toward maintaining, sustaining and keeping our infrastructure where it needs to be.

We know we have some adjustments to make in the 2012 cycle.

Mr. WAMP. Thank you, Mr. Chairman.

BALANCING THE BUDGET

Mr. EDWARDS. Could I follow up on that? You were honest in your opening comments, which I appreciate. We all know, at the end of the day, there are tough choices you have to make. And when you have to make tough choices and set priorities, there are going to be some unmet needs.

In terms of the MILCON decisions made in fiscal year 2011 to balance the budget, what one, two, or three areas had to be sacrificed the most that we need to look at in years ahead?

General SCHWARTZ [continuing]. The OSD mandate is 2015. We are behind that by a couple of years based on the current projections. We probably would have done more.

I would indicate though that we got \$1.7 billion out of the recovery act. We did very well. Frankly, part of the logic of this was that we benefitted substantially from the recovery act investment. We can maybe trade some of that benefit for some near-term relief elsewhere in the program.

But dormitories is the case in point. Clearly, we will need to pay close attention to the need for facilities related to F-35, to low-observable maintenance facilities related to F-22, and what have you.

So I think, there is some mission military construction. There is some family-related and single Airmen-related issues. I would just like to emphasize that we intend to do better in the next cycle.

Mr. EDWARDS. Okay.

General SCHWARTZ. Yes, sir.

Mr. EDWARDS. And this may relate to that, but as I understand it, in your total force MILCON program of about \$1.5 billion, I think only \$184 million or thereabouts was dedicated to current missions facilities. Is that an example—I would have to assume you cannot maintain that level of commitment without really degrading the facilities.

General SCHWARTZ. Right. We need to do better there. Another area is the relative distribution of projects for both the active duty, the Air Force Reserve, and our Air National Guard.

Of note, about 80 percent of the plant replacement value is in the active duty. And actually, about 87 percent. And we—this year, we had about 80 percent of the investment stream going into the active duty.

In the Air National Guard, it is actually about 10 percent, and we had 17 percent investment going into the Air National Guard needs. So they did a little better. The Air Force Reserve did not do as well. They are about 4 percent of the plant replacement value, and we ended up funding them at about 2 percent.

And it does shift from year to year. But it is important for us, again, to take care of the whole family because everybody counts.

Mr. EDWARDS. Right.

General SCHWARTZ. And the Air Force Reserve got one project which was a maintenance facility at Patrick Air Force Base. But that is another area that we have to look at carefully in the next cycle.

Mr. EDWARDS. All right. Thank you.

General SCHWARTZ. Yes, sir.

GUAM

Mr. EDWARDS. And there are a number of questions we will follow up in writing to you and to your staff. But I would like to ask about Guam. Where are you in your MILCON plans at Guam? And to what extent do the complications of working out the agreements with the Japanese impact the timing of your MILCON concerns?

General SCHWARTZ. The bottom line is Andersen Air Force Base is our flagship on Guam. We are somewhat independent of the decision of the Japanese government here. That is the relocation of the Marines.

Now, there is a project on the north side of the runway which would bed down the aviation elements of the Marines. That is about a billion four project and maybe higher depending on how hardened the facilities need to be.

But with respect to the Air Force mission space, we had two projects in 2011. One was the south ramp project that, if I recall correctly, about \$12.2 million or thereabouts. And then another project called Strike Operations, which was an operations facility at \$9.1 million.

We are proceeding along. In 2010, we had some utilities work to the south side ramp and what have you. And in addition, Defense Energy Support Center is funding a second fuel line. Right now, there is a single-thread fuel line that goes from the port at Apra Harbor to the base. They will be funding a second redundant fuel line, which makes very good sense there as well.

So collectively, I think we are doing reasonably well at Andersen. And we will let you know what happens with regard to the May decision that the Japanese government is supposed to take with respect to the agreements between us and them on adjusting Okinawa bed-down.

Mr. EDWARDS. Do you need to get your construction done before we have this massive construction with relocation of the Marines in Guam so we do not have a kind of inflation we are facing in Afghanistan?

General SCHWARTZ. I think that is the path we have been on. And you can confirm this, but we have been fairly disciplined and deliberate with doing projects each year and are trying to get ahead of a spike in construction requirements if that is how it turns out.

Can you answer that?

General BYERS. Yes, sir. At Andersen, we have done some studies over the years to determine the construction workload capability. There is a huge labor force that would have to come in along with bringing in the material. It is not unlike Afghanistan when we think about what is there from a labor force and materials perspective.

And so we have been working real close with the Joint Guam program office as we work with the Navy and the Marines on the Guam bed-down and their timing. And as General Schwartz had talked, he related that we were working real close on Andersen proper with those two projects that pull out the utilities and then, of course, the strike tanker bomber squad operations.

The other piece is over at our northwest field as well, and we have a request in there for three projects to really fill out our training area where we have assets coming in from Korea and Japan. The Commando Warrior, which is our security forces training facility, combat communications operations facility, and our RED HORSE engineering facilities that are being out there. And that is part of our request in fiscal year 2011 as well.

Our concern is once the Marines would come in, that construction, as they go through their EIS today, highlights several concerns. Several concerns with the environment, the fish and wildlife, construction workload and the stress that will be on the infrastructure and, particularly, the water and sewer systems and the road systems.

And so we would really like to keep on our timeline to complete work before the Marine bed-down. That would just really complicate all those issues.

Mr. EDWARDS. Thank you for that. I have no additional questions.

Mr. Wamp, do you?

General Schwartz, I would just finish by saying I appreciate your straightforwardness and recognizing that, in military construction there were some tough choices made. This committee is always respectful of the fact that America is at war, and your first priority has to be to support your war fighters. We also know you have, as a priority, major recapitalization of your weapons systems.

So at the same time, I am very happy to hear that—at least as you look at 2012, you recognize you have to find a way to prevent slipping too far behind on these long term quality-of-life issues.

General SCHWARTZ. Yes, sir. Like I said, we made some tactical decisions consciously.

Mr. EDWARDS. Right.

General SCHWARTZ. You know, with forethought. But was we want to do is what I know you all do is to take a longer view here as well. And we will do that as well.

Mr. EDWARDS. Great.

General SCHWARTZ. Yes, sir.

Mr. EDWARDS. Well, thank you. Let me finish this up.

Thank you both for your incredible service to our country and to the amazing men and women that you have the privilege of leading. Thank you for serving here today.

We will stand adjourned.

[Questions for the Record submitted by Chairman Edwards]

F-35 BEDDOWN

Question. General Schwartz, regarding the funds requested for F-35 beddown projects at locations “To Be Determined,” when will the Air Force be able to provide the Committee with site-specific 1391s?

Answer. The Air Force will be able to provide the Committee with site-specific 1391s after the environmental impact analysis process is complete for both training and operations locations, and the SECAF and CSAF make a final basing decision in early 2011.

STRATEGIC BASING PROCESS

Question. Why did the Air Force develop the Strategic Basing Process to make decisions regarding the stationing of force structure—i.e., what were the deficiencies of the previous decision-making process?

Answer. Prior to the fall of 2008, Air Force major commands decentrally managed and executed our basing process. In December 2008 to obtain better control and oversight, the Secretary of the Air Force directed basing decisions take place at the Headquarters Air Force level. The Air Force Strategic Basing Executive Steering Group was established to oversee and ensure a transparent, standardized, and repeatable process for required basing actions across the Air Force enterprise.

Question. What major basing actions currently are being pursued through the Strategic Basing Process, and what are the timelines for these actions?

Answer. The major weapons systems currently undergoing the Air Force strategic basing process include:

F-35A Training Base(s)

- Current Status: Environmental Impact Statement ongoing
- Release of Criteria: September 2009
- Release of Candidate Bases: October 2009 (Boise Air Terminal AGS, Eglin AFB, Holloman AFB, Luke AFB, Tucson IAP AGS)
- Final Basing Decision: March 2011

F-35A Operational Base(s)

- Current Status: Environmental Impact Statement ongoing
- Release of Criteria: September 2009
- Release of Candidate Bases: October 2009 (Burlington IAP AGS, Hill AFB, Jacksonville IAP AGS, Mountain Home AFB, Shaw AFB-McEntire AGB)
- Final Basing Decision: March 2011

MC-12W

- Current Status: Site surveys being conducted
- Release of Criteria: March 2010
- Release of Candidate Bases: April 2010
- Final Basing Decision: April 2011

C-27J Formal Training Unit

- Current Status: Identifying candidate bases
- Release of Criteria: April 2010
- Release of Candidate Bases: May 2010

- Final Basing Decision: October 2011
- C-27J Operational Bases
 - Current Status: Identifying candidate bases
 - Release of Criteria: April 2010
 - Release of Candidate Bases: June 2010 (First six bases announced in Jul 08 are Martin State AGS [Baltimore, MD], W.K. Kellogg Airport [Battle Creek, MI], Bradley IAP AGS [Bradley, CT], Hector Field AGS [Fargo, ND], Mansfield Lahm RAP [Mansfield, OH], and Key Field AGS [Meridian, MS])
 - Final Basing Decision: October 2011
- MQ-9 Remote Split Operations for Two Active Duty Squadrons
 - Current Status: Identifying candidate bases
 - Release of Criteria: April 2010
 - Release of Candidate Bases: May 2010
 - Final Basing Decision: June 2010
- C-17 Basing for Eight Aircraft
 - Current Status: Identifying candidate bases
 - Release of Criteria: April 2010
 - Release of Candidate Bases: April 2010
 - Final Basing Decision: June 2011
- MQ-9 Remote Split Operations for Creech Dispersal and Remainder of 65 CAP Requirement
 - Current Status: Developing criteria
 - Release of Criteria: August 2010
 - Release of Candidate Bases: September 2010
 - Final Basing Decision: January 2012
- Light Mobility Aircraft (LiMA)
 - Current Status: Developing criteria
 - Release of Criteria: October 2010
 - Release of Candidate Bases: November 2010
 - Final Basing Decision: June 2011
- Light Armed Attack Reconnaissance Aircraft (LAAR)
 - Current status: Developing criteria
 - Release of Criteria: February 2011
 - Release of Candidate Bases: June 2011
 - Final Basing Decision: April 2012
- Tanker
 - Current status: Developing criteria
 - Release of Criteria: October 2010
 - Release of Candidate Bases: January 2011
 - Final Basing Decision: September 2012

MILITARY CONSTRUCTION IN AFGHANISTAN

Question. You mentioned some of the challenges in executing military construction in Afghanistan. Are there any statutory or budgetary impediments to executing military construction in Afghanistan in a more efficient manner?

Answer. The Air Force requests the current Operation and Maintenance unspecified minor construction threshold be raised from \$750,000 to \$3,000,000 per project for Overseas Contingency Operations. This statutory change would provide a more timely and responsive mechanism for executing small construction projects required to establish expeditionary bases, particularly in U.S. Central Command's Area of Responsibility.

QDR AND "RESILIENCY" OF FACILITIES

The Quadrennial Defense Review report makes numerous references to the need to increase "resiliency" at overseas bases, including the "hardening" of key infrastructure. The Air Force FYDP includes \$275 million for unspecified "resiliency" military construction at Andersen Air Force Base, Guam.

Question. What type of construction is required to improve "resiliency"?

Answer. The Department does not have a standard definition for "resiliency". As a result, DOD budgeted \$25 million in Fiscal Year 2011 for a study to help determine how best to plan and program future "resiliency" military construction projects. This study is named the Hardened Installation Protection for Persistent Operations (HIPPO) Joint Capability Technology Demonstration (JCTD).

The HIPPO JCTD is expected to deliver a range of proven (threat-tested) sheltering methods which will improve "resiliency" (i.e., super hardened aircraft shelters, redundant/reinforced command and control nodes, hardened munitions storage facilities, etc.), a cost estimated strategy with a phased implementation schedule, an

independent report of demonstrated operational utility, and a concept of operations which addresses methods to achieve the maximum combined effect.

The Quadrennial Defense Review report makes numerous references to the need to increase “resiliency” at overseas bases, including the “hardening” of key infrastructure. The Air Force FYDP includes \$275 million for unspecified “resiliency” military construction at Andersen Air Force Base, Guam.

Question. What other overseas bases will require this type of construction, and what is the cost estimate for such measures?

Answer. At this time it is too early to know what other installations may require “resiliency” and the estimated costs for such construction. Several ongoing efforts across the Department of Defense (DOD) will aid the Office of the Secretary of Defense, Joint, and Service planners in assessing what additional military construction will be required in the Pacific and other areas of operations. A Joint Capability Technology Demonstration (JCTD) is slated for Fiscal Year 2011. The JCTD will evaluate cost-effective measures to aid in improving “resiliency” at Andersen AFB, GU and elsewhere. Further classified analyses will enable DOD to determine courses of action for future “resiliency” construction funding.

MANAGEMENT OF THE DORMITORY MASTER PLAN

I understand that the Air Force will centralize the management of the dormitory program, relieving the major commands of making the decision whether to put dormitories forward as their priority.

Question. Why is the Air Force making this change, and what will be the impact on the prioritization and funding of the dormitory program?

Answer. We are moving to a centrally-managed dormitory military construction program to provide an enterprise-wide analysis of the worst dorms. With a centralized program, the dormitories in the poorest condition will be replaced first. Also, with this centralized plan for military construction projects, an operations and maintenance Dormitory Focus Fund Initiative will be used to repair and maintain dormitories in a systematic way, ensuring serviceability and functionality until they are replaced.

AIR NATIONAL GUARD & AIR FORCE RESERVE UNFUNDED REQUIREMENTS

Question. What are the primary unfunded MILCON requirements of the Air National Guard and the Air Force Reserve?

Answer. The primary Air National Guard (ANG) military construction requirements that could not be funded in Fiscal Year 2011 budget request include new weapon system projects supporting the beddown of the F-22, C-27, C-130, Component Numbered Air Force, and current mission deficiencies and recapitalization efforts described in the ANG Future Years Defense Program (FYDP), altogether totaling over \$393 million. Additional projects that would not fit in the FYDP (as the Air Force continues to accept risk in infrastructure), but were eligible for submission as the ANG’s Title 10 Section 10543 report, total \$166 million. An important element of executing these requirements is resourcing the design funding to accompany the construction. To execute the total of \$559 million in unfunded military construction, the ANG would seek an additional \$44 million in design funds. Below is a list of ANG unfunded military construction requirements.

PRIORITIZED UNFUNDED AIR NATIONAL GUARD MILCON

Priority	Project Title	State	Installation	Project Cost (\$K)
1	TFI—F-22 Combat Aircraft Parking Apron	HI	Hickam AFB	15,500
2	TFI—F-22 Flight Simulator Facility	HI	Hickam AFB	19,800
3	TFI—F-22 Weapons Load Crew Training Facility.	HI	Hickam AFB	7,000
4	TFI -CNAF Beddown	MA	Otis ANGB	7,800
5	TFI—CNAF Beddown Phase I	MS	Key Field	10,469
6	TFI—Contingency Response Group Facility	KY	Louisville IAP	11,200
7	TFI—Establish C-130 FTU	TN	Nashville IAP	6,900
8	TFI—C-27 Conversion	CT	Bradley IAP	9,600
9	TFI—C-27 Conversion—Construct Squadron Operations.	MD	Martin State Airport	6,400
10	TFI—C-27 Conversion—Add to and Alter Maintenance Shops.	MD	Martin State Airport	6,600
11	TFI—C-27 Conversion	MI	W. K. Kellogg Airport	5,700
12	TFI—C-27 Convert Maintenance Shops	MS	Key Field	2,200

PRIORITIZED UNFUNDED AIR NATIONAL GUARD MILCON—Continued

Priority	Project Title	State	Installation	Project Cost (\$K)
13	TFI—C-27 Beddown	ND	Hector Field	9,550
14	TEC Expansion-Dormitory and Classroom Training Complex.	TN	McGhee-Tyson Airport	18,000
15	Replace Fire Station	OR	Klamath IAP	8,300
16	Replace Operations, Training and Dining Hall Facilities.	PA	Fort Indian Town Gap	8,200
17	Dining Hall and Services Facility	NJ	Atlantic City IAP	9,300
18	Add to and Alter Aircraft Maintenance Hangar.	MA	Barnes Municipal Airport	15,000
19	C-130 Aircraft Maintenance Shops	DE	New Castle County Airport	12,600
20	Dining and Security Forces Facility	AL	Birmingham IAP	10,400
21	C-130 Squadron Operations Facility	GA	Savannah-Hilton Head IAP	8,300
22	Replace Squadron Operations Facilities	NC	Charlotte—Douglas IAP	8,500
23	ASE, Group Shops and Weapons Release Facilities.	IN	Fort Wayne IAP	7,000
24	Replace Squadron Operations Facility	LA	New Orleans NAS	9,700
25	Force Protection Measures—Relocate Hobbs Road.	TN	McGhee-Tyson Airport	6,500
26	Add to and Alter Security Police Facility	IA	Sioux Gateway Airport/ Colonel Bud Day Field.	1,950
27	Add to and Alter Communications Facility	AK	Eielson AFB	6,500
28	Replace Fire Station	WI	General Mitchell IAP	8,300
29	C-130 Fuel Cell/Corrosion Control Hangar	AR	Little Rock AFB	10,700
30	C-130 Fuel Cell and Corrosion Control Hangar.	NJ	Atlantic City IAP	8,800
31	Upgrade Taxiway Juliet and Lima	CO	Buckley AFB	4,000
32	C-130 Parking Apron	RI	Quonset State Airport	1,800
33	Deployment Processing Facility	OH	Rickenbacker IAP	2,700
34	DRBS Storage Facility	GU	Andersen AFB	2,000
35	Force Protection—Relocate Road	WV	Yeager Airport	13,000
36	TFI—Replace Squadron Operations Facility	AL	Montgomery Regional Airport.	7,500
37	Range Training Support Facilities	KS	Smoky Hill Range	10,000
38	Replace Communications Training Facility	WV	Yeager Airport	6,250
39	Corrosion Control Hangar	IA	Des Moines IAP	4,700
40	Replace Operations and Training Facility	SC	McEntire Joint NGB	6,900
41	Widen Taxiways and Arm/Disarm Aprons	VT	Burlington IAP	16,500
42	Aircraft Maintenance Shops	SD	Joe Foss Field	10,000
43	Medical Training and Security Forces Complex.	CA	Fresno-Yosemite IAP	7,000
44	Replace Security Forces Facility	TX	Ellington Field	5,800
45	Add to and Alter Fire Crash and Rescue Station.	ME	Bangor IAP	7,200
46	Replace Troop Training Quarters	MI	Alpena County Regional Apt.	10,000
47	Security Forces and Medical Training	MS	Jackson IAP	7,700
48	Replace Security Forces Complex	OH	Toledo Express Airport	12,200
49	Aircraft Support Equipment Storage	OH	Rickenbacker IAP	1,000
50	Replace Operations and Training Facility	MI	W. K. Kellogg Airport	9,000
51	Replace Operational and Training Facility	ND	Hector Field	8,000
52	Force Protection Measures—Relocate Main Gate.	CA	Moffett Federal Airfield	4,756
53	Air Traffic Control Squadron Facility	NH	Pease Tradeport	7,900
54	Upgrade Vehicle Maintenance & Communications Complex.	OH	Blue Ash	1,400
55	Replace Troop Training Quarters	WI	Volk ANGB	10,900
56	Solar Power Generation System	CA	Fresno-Yosemite IAP	5,700
57	Replace Warehouse	AR	Fort Smith MAP	8,800
58	Aircraft Conversion	NY	Stewart IAP	5,000
59	Add/Alter Civil Engineer Facility	TX	Carswell ARS	2,700
60	Antiterrorism Force Protection/Gate/Land Acquisition.	AZ	Tucson IAP	7,000
61	C-130 Fuel Cell Hangar	DE	New Castle MAP	11,200
62	Relocate ROSC	WY	Cheyenne MAP	1,900

PRIORITIZED UNFUNDED AIR NATIONAL GUARD MILCON—Continued

Priority	Project Title	State	Installation	Project Cost (\$K)
63	Add to DCGS	IN	Hulman MAP	15,500
64	Wind Power Generating System	MT	Great Falls IAP	3,700
65	Solar Power Generation System	NJ	Atlantic City IAP	3,700
66	Replace Operations and Training Facility	NV	Reno-Tahoe IAP	9,800
67	TFI—B-2 Command and Control Facility	MO	Whiteman AFB	6,400
68	Add/Alter Senior Scout Complex	UT	Salt Lake City IAP	23,000
	Total			559,375

The Air Force Reserve has validated, and prioritized, a \$1.2 billion backlog of military construction requirements to recapitalize existing infrastructure and remedy critical deficiencies. Of that backlog, the top 25 priority projects totaling \$346.7 million are as follows:

1. \$9M, Aerial Port Squadron Facility at Minneapolis
2. \$16.3M, Guardian Angel Facility at Davis-Monthan
3. \$14.5M, Fire Station and Security Complex at Dobbins
4. \$9.9M, Control Tower at March
5. \$7.3M, Base Operations at March
6. \$14.4M, Aircraft Parking Ramp at Maxwell
7. \$9.8M, Entry Control Complex at Homestead
8. \$34M, Air Force Regional ISO Maintenance Hangar at Westover
9. \$14.9M, Joint Regional Deployment Processing Center, Phase 1 at March
10. \$9M, RED HORSE Readiness and Training Facility at Charleston
11. \$9.5M, Tanker Parking Apron Expansion at Seymour Johnson
12. \$12M, Reserve Lodging Facility at Duke Field
13. \$2.3M, Logistics Readiness Squadron Facility Addition at Whiteman
14. \$13.3M, Operations Group Facility at Seymour Johnson
15. \$10.9M, Wing Headquarters Facility at Pittsburgh
16. \$5.8M, Aerial Port Squadron Facility at Maxwell
17. \$2.9M, Addition to 68th Airlift Squadron Operations at Lackland
18. \$11 M, Fitness Center at Dobbins
19. \$8.4M, AFRC Headquarters Infrastructure Phase 1 at Robins
20. \$34.3M, AFRC Headquarters Facility, Phase 2
21. \$4.2M, Airlift Control Flight Facility at McGuire
22. \$9.5M, Joint Squadron Operations at Niagara Falls
23. \$10.3M, Add/Alter Aircraft Maintenance Hangar at Grissom
24. \$36.6M AFRC Headquarters Facility Phase 3 at Robins
25. \$36.6M, AFRC Headquarters Facility Phase 4 at Robins

U.S. STRATEGIC COMMAND, OFFUTT AFB, NE

The Air Force's 2011–2015 FYDP displays an anticipated MILCON requirement of \$564 million, excluding an additional \$550 million for communications and other equipment, to recapitalize U.S. Strategic Command (USSTRATCOM) facilities at Offutt Air Force Base, Nebraska.

Question. What is the Facility Condition Index rating of USSTRATCOM facilities at Offutt?

Answer. The average Facility Condition Index rating of the USSTRATCOM facilities at Offutt AFB, Nebraska is at best, 72, and equates to the Department of Defense facility model as a Q3. However, this Facility Condition Index does not fully consider the significant communication and power infrastructure requirements necessary for successfully executing the USSTRATCOM mission.

The Air Force's 2011–2015 FYDP displays an anticipated MILCON requirement of \$564 million, excluding an additional \$550 million for communications and other equipment, to recapitalize U.S. Strategic Command (USSTRATCOM) facilities at Offutt Air Force Base, Nebraska.

Question. How much is budgeted for planning and design for this project?

Answer. The Air Force has a total of \$33 million of USSTRATCOM planning and design funds through Fiscal Year 2011.

The Air Force's 2011–2015 FYDP displays an anticipated MILCON requirement of \$564 million, excluding an additional \$550 million for communications and other equipment, to recapitalize U.S. Strategic Command (USSTRATCOM) facilities at Offutt Air Force Base, Nebraska.

Question. What is the FY11 sustainment budget for USSTRATCOM facilities at Offutt?

Answer. The approximate sustainment budget for the USSTRATCOM facilities at Offutt AFB, Nebraska is \$2.4 million (90 percent of the Fiscal Year 2011 Facility Sustainment Model requirement).

U.S. CYBER COMMAND

The Air Force FYDP also indicates the need for FY12–15 funding for “U.S. CYBERCOM Stand Up” in four increments, but no dollar amounts are provided.

Question. How will the site selection for USCYBERCOM be determined? Will it proceed through the Strategic Basing Process, or some other method?

Answer. The Air Force is committed to a repeatable, defensible and transparent basing process and is now executing an enterprise-wide look for all basing actions. Site selection for USCYBERCOM will proceed through the AF strategic basing process, with criteria developed collaboratively among applicable USCYBERCOM stakeholders.

The Air Force FYDP also indicates the need for FY12–15 funding for “U.S. CYBERCOM Stand Up” in four increments, but no dollar amounts are provided.

Question. When will a USCYBERCOM MILCON estimate be available to the Committee?

Answer. Currently, the USCYBERCOM MILCON estimate is not available since no decisions have been made about its location, scope, schedule and budget. The USCYBERCOM MILCON requirements will be developed and vetted through the Office of the Secretary of Defense and the Air Force corporate structure during the development of Fiscal Year 2012 budget. The Air Force will be in a better position to provide information after the release of the Fiscal Year 2012 budget request.

COCOM REQUIREMENTS

Question. As discussed in the hearing, there is great pressure on the Air Force military construction budget, limiting the amount of funding that can be made available for current mission needs. Given current combatant command requirements, plus large future requirements for USSTRATCOM recapitalization and USCYBERCOM stand up that apparently will be borne by the Air Force, are you concerned that combatant command requirements will further crowd out current mission needs in the future?

Answer. Yes, I am concerned with the Air Force’s ability to meet both the combatant command facility recapitalization requirements and continue to recapitalize our existing infrastructure. Going forward, the Air Force will continue to assess our infrastructure investment requirements to ensure that we are focusing on our worst facilities first, and that we are addressing those facilities most crucial to mission accomplishment.

FRIDAY, MARCH 19, 2010.

FY2011 DOD Overview

WITNESSES

**ROBERT F. HALE, UNDER SECRETARY OF DEFENSE (COMPTROLLER)
DOROTHY ROBYN, DEPUTY UNDER SECRETARY OF DEFENSE (INSTAL-
LATIONS AND ENVIRONMENT)**

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS. I would like to call the subcommittee to order.

Secretary Hale, Secretary Robyn, thank you both for being here. We are normally very committed to starting hearings on time, but at least we have one vote behind us now, and I think we will be able to proceed for about 20, 25 minutes, and then we will have two additional votes.

I also want to apologize to you. We had you scheduled before our committee a week or so ago, and I think there was a Democratic caucus called, and that interrupted all the appropriations hearings. So thank you for coming back.

And, obviously, the purpose of today's subcommittee hearing is to discuss the Department of Defense fiscal year 2011 budget request for military construction, BRAC, and family housing. I am going to defer any long opening comments just to allow us more time for your testimony and time for questions, answers, and discussion.

But we are glad you are both here.

And I would like to recognize Mr. Crenshaw for any opening comments he would care to make.

Mr. CRENSHAW. Thank you, Mr. Chairman. I will wave those, as well, and just welcome Secretary Robyn back the second time this week.

Ms. ROBYN. Thank you.

Mr. CRENSHAW. And, Secretary Hale, welcome back to you, and look forward to hearing your testimony.

Mr. EDWARDS. And at this time, let me just say, you have been through this routine many times. Your full written testimony will be included in the record, but I would like to recognize you now for any opening comments you care to make.

STATEMENT OF THE HONORABLE ROBERT F. HALE

Mr. HALE. Well, thank you for the chance to be here. And let me just start by thanking the committee and you two particularly for all your support for the men and women in the military. What you do to help us means we can accomplish our national security objectives, and it is appreciated.

I have a long statement—actually a short statement, that I am going to summarize.

Let me say just a couple words about the overall base budget for context. We asked, as you know, for \$549 billion in discretionary budget authority, in real terms, a 1.8 percent increase fiscal 2011 over 2010. Over a 5-year period, 2010 to 2015, our average real growth is 1 percent a year.

Mr. HALE. We believe this reflects the administration's commitment to modest real growth that we need to equip and sustain a military at war.

This is a budget that builds on the Quadrennial Defense Review, which I think deepened and supported the themes in the budget, and it furthers the secretary's three overriding goals, first, to reaffirm our commitment to take care of the all-volunteer force, which is our highest priority; second, to rebalance this military in order to focus on today's wars, as well as providing a base of capability against future conflicts; and, finally, to reform what and how we buy.

And we have this year proposed another seven terminations or programs that are either unneeded or are not performing well, including the C-17 aircraft and the alternate engine.

For military construction and family housing, as I think you know, we have asked for \$18.7 billion, which is a decrease of, as compared to last fiscal year, 20 percent. That decline, as again I think you know, is due to the decrease in BRAC 2005 funding. As we come to the fiscal 2011, BRAC 2005 deadline most of the major capital investments have been made.

If you exclude BRAC and family housing, military construction is one of the fastest growing accounts in the budget. It is up \$1.1 billion, or 8.4 percent. The increase is primarily due to mainly for Army modular force units, the relocation of Marines to Guam, and recapitalization at DOD schools.

Our family housing, request is \$1.8 billion. That represents a small decrease, but funds the programs we believe are needed, including improvements to existing housing units, normal operation and maintenance, the housing assistance program (HAP). It is down largely because of the \$300 million that Congress added in fiscal 2010 for HAP expansion.

We are also requesting funds for overseas contingency operations. Our wartime budget represents a substantial funding request of \$159.3 billion in fiscal 2011, of which \$1.3 billion is for military construction. All of the DOD construction funds in fiscal 2011 are for projects in Afghanistan.

We have also submitted a supplemental request for \$33 billion and another one for approximately \$655 million operations in for Haiti. The \$33 billion request covers the costs of the additional 30,000 troops that are deploying to Afghanistan. Included in that request is \$500 million in military construction, primarily for new facilities for those additional troops.

And finally, I will briefly mention the American Recovery and Reinvestment Act, in which we are currently executing \$7.4 billion. \$2.2 billion in MILCON primarily for we are executing two large hospitals, as well as a number of other projects.

In conclusion, we believe this is a budget that is the right budget for our time. It asks for the minimum resources we need to meet

our critical national security objectives, including a strong military construction program, and I urge your support.

Let me thank you again for your support of the Department. After Dr. Robyn concludes her testimony, I would be glad to answer any questions.

[Prepared statement of the Honorable Robert F. Hale follows:]

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"FY 2011 Military Construction Budget Request"

Statement

of

The Honorable Robert F. Hale
Under Secretary of Defense (Comptroller)

before the

U.S. House of Representatives
Committee on Appropriations
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies

March 19, 2010

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Mr. Chairman, members of the Committee, thank you for the opportunity to discuss the Military Construction portion of the Fiscal Year 2011 budget request for the Department of Defense.

On behalf of all of us at DoD, I want to express our gratitude to the Congress for continued support of America's Armed Forces. Thanks to you, they have the resources to carry out their missions and to ensure the security of the United States.

To set the stage this morning, I would like to provide a brief overview of our proposed budget and the amount we are asking for Military Construction. Dr. Robyn, Deputy Under Secretary for Installations and Environment, will follow with details on our Military Construction proposals.

Base Budget

Mr. Chairman, the President's base budget for FY 2011 requests \$549 billion in discretionary authority. That is an increase of more than \$18 billion or 3.4 percent over the enacted level in FY 2010. Taking inflation into account, the real growth in this request is 1.8 percent. Over the five years from FY 2010 through FY 2015, real growth averages 1.0 percent per year.

This growth reflects the Administration's commitment to the modest real growth necessary to equip and sustain a military at war. Before making this proposal, the President carefully considered and balanced our national security needs with our economic security, taking into account the deficit.

The base budget continues the vital reforms that were introduced in the present fiscal year, including our commitment to allocate defense dollars more wisely and to reform DoD's processes. It also builds on the conclusions of the 2010 Quadrennial Defense Review, which established strategic priorities and identified key areas for needed investment.

In the process, the FY 2011 budget reinforces and supports the three major institutional priorities laid down by Secretary Gates for the Department:

- First, it reaffirms our commitment to take care of the all-volunteer force, which the Secretary considers our greatest strategic asset.
- Second, the proposed budget continues to rebalance the Department's programs to prevail in current conflicts by continuing increases in Special Operations forces, providing more rotary-wing capability, and increasing intelligence, surveillance and reconnaissance.

Rebalancing also means maintaining and enhancing capabilities for future conflicts by -- among other things -- providing funds for continued development of the Joint Strike Fighter and procurement of 42 aircraft, development of a new aerial refueling

tanker, buying 10 new ships, improvements in Army ground forces, missile defense enhancements, and a new U.S. Cyber Command.

- And third, the FY 2011 budget request reforms how and what we buy, by promoting a fundamental overhaul of our approach to procurement, acquisition, and contracting.

Specifically, this budget proposes to end seven programs that are either performing poorly or are no longer needed, including the C-17 aircraft and the JSF alternate engine. The budget also continues our commitments to reform acquisition processes, increase efficiency through selective in-sourcing of work now performed by contractors, and slow the growth in health care costs while continuing to provide high-quality health care services.

Military Construction and Family Housing

The Military Construction and Family Housing portion of this request supports these three budget objectives. We are asking for \$18.7 billion for Military Construction and Family Housing, a reduction of almost 20 percent compared with the enacted level in FY 2010.

This change is largely due to a \$5.2 billion decrease in funding for Base Realignment and Closure (BRAC). By law, FY 2011 is the final year to implement BRAC, and as a result, most major capital investments have already been made.

Excluding BRAC and Family Housing, the FY 2011 MilCon request is actually \$1.1 billion higher than the FY 2010 enacted amount, an increase of about 8.4 percent. This increase is associated with facilities in support of new Army Modular Force units, the relocation of 8,000 Marines from Okinawa to Guam, and recapitalization of schools under the DoD Education Activity (DoDEA).

The total FY 2011 budget request for Family Housing is \$1.8 billion, which is about 19 percent or \$436 million less than the FY 2010 enacted amount. Included are funds for new housing, improvements to existing housing units, operation and maintenance of government-owned housing, leasing, the Military Housing Privatization Initiative (MHPI) program, and the Homeowners Assistance Program (HAP).

HAP assists military and civilian personnel who were adversely affected by the downturn in the housing market and who are also facing a necessary move. In FY 2010 Congress added \$300 million to the DoD budget to fund HAP expansion, and its omission in FY 2011 accounts for most of the decrease in the Family Housing budget for next year.

Overseas Contingency Operations

In addition to the base budget, our FY 2011 request seeks funds to support overseas contingency operations (OCO), largely in Afghanistan and Iraq. We have also requested supplemental appropriations of \$33 billion in FY 2010 to cover the costs of the additional 30,000 troops that President Obama ordered deployed to Afghanistan. We are hopeful that Congress will approve that request by spring.

Our FY 2011 OCO request is \$159.3 billion. This request provides our troops with what they need to carry out their mission. It also supports a responsible drawdown of U.S. forces in Iraq and a stronger force in Afghanistan.

The proposed OCO budget for FY 2011 includes \$1.2 billion for Military Construction. The requested amount will be spent in Afghanistan. Given the limited pre-existing infrastructure for our troops in that country, it is necessary to construct facilities to sustain, protect, and house them. Accordingly, this request includes operational facilities, such as runways and parking aprons, as well as associated support facilities, such as utilities, roads, housing, environmental projects, and dining facilities.

American Recovery and Reinvestment Act

Little more than a year ago, the Department received \$7.4 billion in Defense-related funding under the American Recovery and Reinvestment Act (ARRA). That amount included nearly \$4.3 billion for the sustainment and restoration and modernization of facilities, \$2.2 billion for military construction, \$0.1 billion for the Energy Conservation Investment Program (ECIP), \$0.3 billion for Research, Development, Test, and Evaluation (RDT&E), and nearly \$0.6 billion for the Homeowners Assistance Program.

Through this funding we will be able to execute over 4,400 projects in the 50 States, the District of Columbia, Guam, and Puerto Rico. These projects will improve the facilities where our military and civilian personnel work and live, enhance energy efficiency in the recapitalization and construction of facilities, and generate needed jobs to help stimulate the nation's economy.

As of February 17, 2010 -- the first anniversary of the Recovery Act -- the Department had obligated approximately \$4.2 billion (more than 57 percent) of the funds received for more than 3,700 projects. These projects will not only stimulate the economy; they will also improve the quality of life of our Service Members and their families. Additionally, through the funds made available for the Housing Assistance Program, the Department has already been able to pay more than 600 claims to assist military and civilian personnel and expects to pay many more.

In military construction, 97 of 117 projects have been awarded. The remaining 20 projects involve \$1.7 billion of unobligated funds, including \$1.2 billion for two

hospitals that are scheduled for award near the end of the fiscal year – one at Camp Pendleton, California, and the other at Fort Hood, Texas.

Conclusion

I believe that the FY 2011 budget request represents a prudent request that asks for the minimum resources we need to meet our critical national security objectives. Our budget supports a strong Military Construction program. I urge your support for DoD's FY 2011 budget request.

Lastly, Mr. Chairman, I want to thank you and the members of the committee once again for your strong support of the men and women of the Department of Defense. We are very grateful.

-END-

Mr. EDWARDS. Thank you, Mr. Hale.
Dr. Robyn.

STATEMENT OF DOROTHY ROBYN

Ms. ROBYN. Thank you very much.

Bob gave you the overall numbers on military construction, so I want to just say a word about three of my priorities in the overall budget.

The first is Guam. I am deeply involved in the department's effort to move 8,000 Marines and their families from Okinawa to Guam. Like any international effort this large and complex, the build-up of Guam faces an array of challenges, but no single realignment or effort generally has higher profile within the department. The deputy secretary is personally overseeing the effort.

Our budget includes \$452 million for military construction on Guam. These are projects that will yield long-term benefits to all the military forces on Guam, including the ones that are there now, as well as the Marines who are scheduled to go there. And these projects will also demonstrate our commitment to working with the governor of Guam, whose strong support has been absolutely critical to our effort there.

I very much appreciate the support this committee has given to our past investment in Guam. And we look forward to working with you on this year's investment.

Second, let me mention energy. Management of installation energy, it is important to the department for two reasons. One is cost. We have more than 300,000 buildings, 2.2 billion square feet of space. That is a footprint 10 times that of GSA, four times that of Wal-Mart. So our corresponding energy bill is high, roughly \$4 billion annually, and we need to manage that and get it down.

The second reason installation energy is important is mission assurance. Our installations support operations more directly than ever before. We are piloting UAVs in Afghanistan from a building in Nevada, for example, and many, many other ways. And these bases in the U.S. in turn rely on an electricity grid that is fragile and vulnerable to cyber attack and a variety of other problems.

Our energy security strategy has two main thrusts: lowering demand through investment in energy efficiency and conservation and increasing local supply through renewable energy projects.

This subcommittee is helping us make significant investments in energy efficiency. One is through, most directly, the ECIP program, Energy Conservation Investment Program, where we have \$120 million in the budget for ECIP, which is a significant plus-up over the request a year ago. It is down from the overall amount, but ECIP benefited from stimulus funding last year.

And then, more broadly, the military construction money is critical to our energy efficiency strategy, because it allows us to incorporate more efficient design material equipment into our facilities.

And then, finally, our spending on sustainment and restoration. And let me just say that is the third issue I want to highlight as a priority, better managing our sustainment and recapitalization of facilities. For sustainment, which is the regularly scheduled repair and maintenance, we use industry standards for different types of buildings to estimate what our annual investment should be.

We require the military departments to invest at 90 percent of that level. Our budget is consistent with that, and that is a very good story.

For recapitalization, which is the less predictable, really big-ticket items, we are moving toward a new approach that targets investment in facilities that are in poor or failing condition. That seems very logical to focus on the condition of individual buildings, but we actually did not do that in the past. We had a target for the overall inventory, and we have good data on condition of individual buildings, so we are developing a methodology that will allow us to get rid of buildings that are in poor or failing condition over a relatively limited period of time.

So those are my highest priorities. I look forward to working with you all on those and to answer any questions today.

[Prepared statement of Dorothy Robyn follows:]

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HOLD UNTIL RELEASED
BY THE COMMITTEE

Statement of
Dr. Dorothy Robyn
Deputy Under Secretary Of Defense
(Installations and Environment)

Before the Subcommittee on
Military Construction, Veterans, and Related Agencies
of the
House Appropriations Committee

March 19, 2010

Chairman Edwards, Representative Wamp, and distinguished members of the subcommittee: thank you for the opportunity to present the President's Fiscal Year 2011 budget request for the Department of Defense programs that support our installations.

Installations are the military's infrastructure backbone—the platform from which our soldiers, sailors, airmen and marines accomplish their missions. Installations have long supported the maintenance and deployment of weapons systems and the training and mobilization of combat forces. Increasingly, they have an even more direct link to combat operations, by providing “reachback” support. For example, we operate Predator drones in Afghanistan from a facility in Nevada and analyze battlefield intelligence at data centers in the United States. Our installations are also becoming more important as a staging platform for homeland defense missions.

Installations affect not just our mission effectiveness but the very quality of life that our service members and their families enjoy. Families' satisfaction with the most critical services they receive—housing, healthcare, childcare, on-base education—is linked to the quality and condition of our buildings and facilities.

The Department must manage its installations—the natural as well as the built environment—efficiently and effectively. This is a major challenge. The Department's 507 permanent installations comprise more than 300,000 buildings and 200,000 other structures—everything from bridges to flagpoles—and have an estimated replacement value of more than \$800 billion. These installations are located on some 5,000 sites and occupy 28 million acres of land here in the United States and overseas. These lands are home to archaeological and sacred sites, old-growth forests and more than 300 threatened and endangered species.

Today, I will focus on the key elements of the budget that support our installations: Military Construction, including Overseas Contingency Operations and International Basing; Base Realignment and Closure; and Family Housing. I will also discuss our Facilities Sustainment, Restoration and Modernization programs. Finally, I will describe our strategy for improved management of energy at our installations.

I. MILITARY CONSTRUCTION, BRAC AND FAMILY HOUSING

The FY 2011 Military Construction (MilCon) and Family Housing appropriations request totals more than \$18.7 billion, a decrease of approximately \$4.6 billion from the FY 2010 enacted level. This decrease primarily reflects the decline in the level of investment needed for BRAC 2005 as we approach the statutory deadline for completion (September 2011). This budget request will allow the Department to respond rapidly to warfighter requirements, enhance mission readiness and provide essential services for its personnel and their families.

Comparison of Military Construction and Family Housing

(\$ Millions)	FY 2010 Enacted	FY 2011 Requested
Military Construction	12,545.8	13,705.7
Base Realignment and Closure IV	496.7	360.5
Base Realignment and Closure 2005	7,455.5	2,354.3
Family Housing Construction/Improvements	488.8	356.8
Family Housing Operations & Maintenance	1,444.1	1,448.7
Chemical Demilitarization	151.5	125.0
Family Housing Improvement Fund	2.6	1.1
Energy Conservation Investment Program	174.2	120.0
NATO Security Investment Program	197.4	258.9
Homeowners Assistance Program	323.2	16.5
TOTAL	23,279.8	18,747.5

Military Construction

Our request for “pure” military construction (i.e., exclusive of BRAC and Family Housing) is \$13.7 billion. This is a \$1.2 billion increase over last year’s enacted level (\$12.5 billion). Let me highlight three areas where we focus our FY 2011 MilCon budget request.

First and most important, the budget request supports operational mission requirements. MilCon is key to initiatives such as Grow the Force and Global Defense Posture realignment, which require the synchronized movement of troops and equipment, as well as to the fielding of modernized and transformational weapon systems. Our budget request includes training and support facilities to accommodate the increases in the Army and Marine Corps endstrength; initial funding for the new and improved infrastructure needed to relocate 8,000 Marines and their dependents from Okinawa to Guam; support for the bed down of the Joint Strike Fighter; improved and expanded communications and intelligence capabilities for Special Operations Forces; and fuel distribution facilities for the Defense Logistics Agency.

Second, the President’s budget request initiates a major recapitalization of our DoD-dependent schools here in the United States and overseas. Fully 134 of the 192 DoD-dependent schools are in poor or failing physical condition—the result of longstanding underinvestment by the Department. Many of these schools have simply lasted beyond their expected service life. Others are improperly configured, lacking in essential capabilities, or reliant on temporary structures. The FY 2011 budget request

includes \$439 million to repair or replace ten of these schools. This represents the first phase of a 5-year plan to recapitalize all 134 inadequate schools.

Third, the FY 2011 budget request includes more than \$1 billion to upgrade our medical infrastructure. By modernizing our hospitals and related facilities, we can improve healthcare delivery for our service members and their families, and enhance our efforts to recruit and retain personnel. The FY 2011 request provides funds for our top two priorities: the replacement of the Naval Hospital in Guam and the Ambulatory Care Center at Lackland Air Force Base, Texas. It also allows us to continue improving the chemical/biological defense facilities that are conducting such vital work.

Overseas Contingency Operations

Military construction serves as a key enabler in Overseas Contingency Operations (OCO), by providing the facilities that directly support military activity. Our FY 2011 budget request includes \$1.3 billion for MilCon necessary to support the new strategy for counterinsurgency and increased force levels for ongoing OCO in the U.S. Central Command's area of responsibility. Specifically, our FY 2011 budget request expands the logistical and facilities backbone needed to increase our operational capability, replaces expeditionary facilities at the end of their lifecycle, consolidates functions and facilities, and supports Special Operations Forces. These additional operational facilities will provide support for tactical airlift; airborne intelligence, surveillance and reconnaissance; and additional fuel, storage, and cargo handling and distribution capability at critical locations. The request also provides for replacement of temporary housing, dining facilities and other basic infrastructure.

International Basing

To project power globally, the Department must have the right mix of military forces and facility infrastructure at strategic locations. We are undergoing a global re-stationing, both to strengthen our forward military presence and to transform overseas legacy forces, Cold War basing structures and host-nation relationships into a flexible network of capabilities to which we and our allies and partners have shared access.

My office works closely with the Joint Staff and other Defense organizations to ensure that our overseas base structure supports the needed range of strategic missions across all theaters. While our work on overseas basing has traditionally focused primarily on the cost and engineering aspects of military construction and sustainment/recapitalization, we have recently taken on a broader role in support of emerging global posture initiatives: increasingly, we provide analytic input to strategic discussions, by evaluating existing infrastructure capacity relative to emerging mission requirements.

Our goal is to ensure that decisions reflect joint planning and rigorous analysis that integrates requirements across all of the Services. Current focus areas include: providing guidance and monitoring in support of the Army's consolidation of command and control activities in Weisbaden, Germany; analysis and evaluation of options for full recapitalization of the Landstuhl Regional Medical Center in Germany; and analysis and support for efforts to relocate more than 8,000 Marines and their dependents from Okinawa to Guam.

Rebasing Marines from Okinawa to Guam

The realignment of Marines from Okinawa to Guam, which is perhaps the most significant change in our force posture in Asia in decades, will further several strategic goals. First, it will strengthen our alliance with Japan by resolving long-standing problems with our presence in Okinawa. Second, it will ensure the continued long-term presence of U.S. forces in Japan and in the Western Pacific. Third, by making better use of Guam's strategic advantages, this realignment will more effectively array U.S. forces for the complex and evolving security environment in Asia.

The political situation in Japan remains extremely delicate and the stakes are high. The U.S. Government is unlikely to get another opportunity to craft a strategic realignment that not only enhances our regional force posture but also incorporates more than \$6 billion of Japanese financing. The Government of Japan has undergone a transition with the creation of the Democratic Party of Japan (DPJ)-led government in September 2009. The DPJ leadership, working with coalition partners, has initiated a process to review the Realignment Roadmap before endorsing the agreement in full, which is expected to happen in May 2010. The U.S. government remains committed to successful implementation of the Realignment Roadmap because it provides a needed solution to critical strategic challenges to the long-term presence of U.S. military capabilities in Japan and the Asia-Pacific region.

The FY 2011 President's Budget request includes \$452 million to support the relocation of Marines from Okinawa to Guam. This includes projects to upgrade the wharf, provide utilities, ramp and roadway improvements, and carry out site preparation and utilities construction for the Marines' main cantonment area. These projects will yield long-term benefits for all the military forces on Guam. They will also demonstrate the Department's commitment to working with the Governor of Guam, whose strong support for the relocation can have a significant impact on Guam's population.

In support of the relocation, the Department released the Draft Environmental Impact Statement (DEIS) on November 20, 2009, for public review. In addition to the analysis for rebasing of the Marines, the DEIS also includes analysis for construction of a new deep-draft wharf with shore-side infrastructure to support a transient nuclear-

powered aircraft carrier, and facilities and infrastructure to support establishment and operation of an Army Missile Defense Task Force. The public comment period for the DEIS ended February 17, 2010. The Department is working with the Council on Environmental Quality, the Environmental Protection Agency and other resource agencies to address the concerns that were raised by the federal agencies and the public.

To address challenges regarding the realignment and to provide the appropriate oversight, the Department last year established the Guam Oversight Council (GOC), chaired by the Deputy Secretary of Defense. The GOC meets regularly to validate requirements, identify and resolve issues, provide resource guidance and clarify governance structures. Initial challenges taken up by the GOC include the aggressive timeline for completion of the realignment of Marines from Okinawa to Guam; safety of the Futenma Replacement Facility in Okinawa; adequacy of training in the Pacific; strategic, operational, and logistic implications of posture changes in the Pacific; and successful partnership with the Government of Guam.

Base Realignment and Closure

Domestic basing is no less important than international basing, and we rely heavily on the Base Realignment and Closure (BRAC) process to adapt and improve that basing structure. We are entering our sixth and final year of implementation of BRAC 2005, the largest BRAC round undertaken by the Department. BRAC 2005 has been a significant engine for the recapitalization of our enduring military facilities. By the end date (September 15, 2011), the Department will have invested \$24.7 billion in military construction to enhance capabilities and another \$10.4 billion to move personnel and equipment, outfit facilities, and carry out environmental clean-up. These investments will generate nearly \$4 billion in annual savings beginning in FY 2012. The DoD components have implemented BRAC 2005 conscientiously and transparently, according to a well-defined process. The Department continues to monitor the process closely to ensure that we are meeting our legal obligations. To date, 28 BRAC 2005 recommendations have been certified as completed.

The FY 2011 President's Budget includes \$2.4 billion for BRAC 2005, which fully funds the investments needed to complete implementation. This represents a \$5.1 billion decrease from the FY 2010 enacted level for BRAC 2005. The reduction in funding is due primarily to a decrease in construction projects as we near the September 2011 completion date. To support continued property disposal actions at Prior-BRAC round sites, the FY 2011 budget request includes \$360.5 million, a decrease of \$136 million from the FY 2010 enacted level.

Environmental cleanup at BRAC locations is essential in putting unneeded property back in the hands of local communities. The total BRAC environmental budget request for FY 2011 is \$445 million (\$108 million for BRAC 2005 sites and \$337 million for

Prior-BRAC round sites). These funds will help us continue to meet stakeholder expectations and complete cleanup at an additional 154 sites impacted by BRAC decisions. Although this request represents a decrease of \$109 million over the FY 2010 request, the reasons for the drop are positive. Specifically, the decrease is due to a) contract efficiencies, such as those achieved through performance-based acquisition and competitive bidding, and b) bid cost savings--a silver lining in the economic downturn. In addition, as the Military Departments have refined their characterization of munitions sites, they have found that fewer acres will require cleanup, which has lowered projected costs.

Comparison of Base Realignment and Closure Funding

(\$ Millions)	FY 2010 Enacted	FY 2011 Requested
Base Realignment and Closure IV	496.7	360.5
Base Realignment and Closure 2005	7,455.5	2,354.3
TOTAL	7,952.2	2,714.8

Despite our progress and the significant investment we have made, the Department has been perceived as ignoring the impacts of its actions, particularly in some communities that are experiencing significant growth as a result of BRAC 2005 consolidation. One area where growth can have an adverse impact is local transportation. Transportation impacts have been and will continue to be mitigated through the application of our authority and funding under the Defense Access Road (DAR) program. The criteria used to determine whether a project qualifies under DAR are limited, however. In particular, they may not adequately address the scenario in which a defense action causes a significant increase in traffic congestion, as may occur in one or more cases as a result of BRAC 2005 consolidation.

To address this and related issues, the National Academy of Sciences is undertaking a BRAC Transportation Improvements Study as required by the FY 2010 Military Construction and Veterans Affairs and Related Agencies Consolidated Appropriations. A blue-ribbon panel named by the National Academy's Transportation Research Board will evaluate the DAR criteria and assess the funding of transportation improvements associated with the BRAC 2005 program. We hope to receive an interim report in May of this year.

One of the most important initiatives with a basis in BRAC 2005 is the consolidation and realignment of medical care delivery in the National Capitol Region (NCR), with its focus on transforming medical care through a joint delivery system. As I recently testified, this extraordinarily complex undertaking will deliver major benefits that would not have been possible without BRAC. Moreover, its successful completion is dependent on the strict discipline that the BRAC process provides. The construction

now underway represents a balanced and reasonable approach to combining the functions of the old Walter Reed Army Medical Center into the new National Military Medical Center at Bethesda, Maryland. The result will be a medical delivery platform far superior to what we have now—and one on which we can continue to build.

Another BRAC 2005 action that my office has championed is the consolidation of 26 installations into 12 joint bases. At each joint base, a *supporting* Service Component provides installation leadership for one or more *supported* Service Components. By consolidating installation management and delivery of installation support, joint bases will be able to provide more efficient and effective support for the overall military mission.

Our joint bases represent realigned, reconfigured national military assets for the joint teams they serve. The first five joint bases reached full operational capability on October 1, 2009. The remaining seven joint bases reached initial operational capability on January 31, 2010, and are on their way to full operational capability this coming October. We are no longer "implementing joint basing." We are now "operating joint bases."

I had the opportunity to meet personally with most of the joint base commanders in January, and I am encouraged by their can-do spirit and dedication to providing excellent installation support to the joint teams at each base. Additionally, I have had the opportunity to tour two of our joint bases recently: Joint Region Marianas on Guam and Joint Expeditionary Base Little Creek-Ft. Story in Virginia. Having seen firsthand the extraordinary work they are doing, I have confidence that our joint base commanders will achieve efficiencies and other benefits as their installation support organizations mature.

Family Housing and Barracks

Housing is key to quality of life—in the military no less than in the civilian world. The FY 2011 President's Budget request includes \$1.8 billion for Family Housing. This is a decrease of \$436 million from the FY 2010 enacted level, which largely reflects the maturation of our Military Housing Privatization Initiative. Our request provides for the continued reduction of inadequate units; for operations and maintenance of government-owned housing; and for the privatization of more than 500 family housing units, most of them to support the Department's Grow the Force initiative.

The Services have increasingly relied on privatization to address the oftentimes poor condition of military-owned housing and the shortage of affordable private rental housing available to military families. In my view, housing privatization is the single most effective reform my office has carried out.

Privatization allows the Military Services to partner with the private sector to generate housing built to market standards. It is extremely cost effective. To date, the Military Services have leveraged DoD housing dollars by a factor of 10 to 1: \$2.7 billion in federal investments have generated \$27 billion in privatized housing development at Defense installations. The privatized housing is also of high quality and often more appealing to young families than what the military construction process would produce. Moreover, the private owners have an incentive to maintain quality because they are responsible for maintenance and operation, including necessary recapitalization, during the full 50 years of the contract.

Comparison of Family Housing

(\$ Millions)	FY 2010 Enacted	FY 2011 Requested
Family Housing Construction/Improvements	488.7	356.8
Family Housing Operations & Maintenance	1,444.0	1,449.0
Family Housing Improvement Fund	2.6	1.1
Homeowners Assistance Program	323.0	16.0
TOTAL	2,258.3	1,822.9

The FY 2011 President's Budget request also includes funding to reduce inadequate (non-privatized) family housing in the United States and at enduring locations overseas. The budget includes \$34 million for the Army to construct 64 family housing units in Baumholder, Germany, and \$37 million for the Navy to replace 71 units at Naval Station Guantanamo Bay, Cuba.

The Department is committed to improving housing for its unaccompanied Service members, not just its families. The FY 2011 President's Budget includes \$2.3 billion for 57 construction and renovation projects that will improve living conditions for approximately 17,000 unaccompanied personnel. The Army has also used its privatization authorities to improve unaccompanied housing. Bachelor officer quarters and senior enlisted bachelor quarters have been added to existing family housing privatization projects at Fort Bragg, North Carolina; Fort Stewart, Georgia; Fort Drum, New York; and Fort Irwin, California. A fifth project is planned soon at Fort Bliss, Texas.

The Navy, too, has used privatization as a tool to improve unaccompanied housing—specifically by bringing shipboard junior enlisted sailors ashore using a special pilot authority in the FY 2003 National Defense Authorization Act (10 USC 2881a). The first pilot project was awarded in December 2006 at San Diego, California, and the

second was awarded in December 2007 at Hampton Roads, Virginia. Both projects have demonstrated that, with authority to provide partial Basic Allowance for Housing to single service members, privatizing single, junior enlisted personnel housing is more cost effective than the traditional Government-owned barracks model.

Homeowners Assistance Program

The Homeowners Assistance Program (HAP) represents a very different type of program but one no less important to the quality of life of those who qualify. Since 1966, HAP has provided financial assistance to military personnel and DoD civilians at locations where home values decreased as a result of Defense action. The FY 2011 President's Budget request includes \$17 million for HAP.

In February 2009, Congress provided \$555 million in the American Recovery and Reinvestment Act (Recovery Act) to expand HAP to address unique economic pressures faced by military personnel who are required to relocate during adverse housing market conditions. Congress added another \$300 million for HAP in the Consolidated Appropriations Act for 2010.

HAP seeks to minimize the amount of financial harm—including risk of foreclosure, credit damage or bankruptcy—that service member and civilian beneficiaries experience when they are compelled to move. As of March 3, 2010, HAP has assisted 771 homeowners at a program cost of \$84 million. Another 4,652 homeowners are currently eligible.

II. FACILITIES SUSTAINMENT AND RECAPITALIZATION

In addition to investing in new construction, we must maintain, repair, and recapitalize our existing facilities. The Department's Sustainment and Recapitalization programs strive to keep our inventory of facilities in good working order and mission-capable. By providing a consistent level of quality in our facilities, we can raise the productivity of our personnel and improve their quality of life. The FY 2011 budget request includes \$9.0 billion for sustainment and \$4.6 billion for recapitalization (restoration and modernization) of our facilities.

Comparison of Sustainment and Recapitalization

(\$ Millions)	FY 2010 Enacted	FY 2011 Requested
Sustainment (O&M & MilPers)	8,251.0	9,042.0
Recapitalization (O&M, MilCon, MilPers, RDTE)	6,448.0	4,583.0
TOTAL S & RM	14,699.0	13,625.0

Sustainment represents the Department's single most important investment in the overall health of its inventory of facilities. Sustainment includes the regularly scheduled maintenance and repair or replacement of facility components—the periodic but predictable investments that should be made throughout the service life of a facility to slow its deterioration and optimize the owner's investment. We use a Facilities Sustainment Model (FSM) based on industry benchmarks to estimate the annual cost of regularly scheduled maintenance and repair for different types of buildings. We then require the Military Departments and Components to fund sustainment of their facilities at a level equal to at least 90 percent of the FSM-generated estimate. Our FY 2011 budget request is consistent with that requirement.

The second key investment we make in the health of our facilities is recapitalization (restoration and modernization). Recapitalization serves to keep the inventory of facilities modern and relevant in an environment of changing missions and standards, to extend the service life of facilities, and to restore capability lost due to man-made or natural causes including inadequate sustainment. Compared with sustainment, recapitalization needs are much harder to forecast because they are often a function of change, such as a new functional standard for enlisted housing, the availability of new technology (e.g., improved technology for heating and cooling), or even a change in the very mission that the facility supports. The FY 2011 budget request (\$4.6 billion) is \$1.9 billion lower than the FY 2010 enacted level primarily because we are nearing the end of the BRAC 2005 process, which drove a significant amount of recapitalization.

In the past, the Department used a target recapitalization rate to establish an annual investment level for the entire building inventory. In recent years our goal was to recapitalize buildings every 67 years. However, this approach did not provide information on the condition of individual buildings—precisely the kind of information that one should use to guide decisions on specific investments.

Since 2006, the Federal Real Property Council (FRPC) has required federal agencies to rate the quality of individual facilities using a Facility Condition Index (FCI). This quality rating, expressed in terms of the relationship between what it would cost to replace a facility and what it would cost to repair it, allows us to identify those facilities in greatest need of investment. By this measure, 18 percent of the 539,000 facilities in the Department's inventory are in poor condition and another 7 percent are in failing condition.

Using the facility condition data that DoD is already collecting, my staff is developing a new methodology for determining the level of investment needed overall and the optimal method of targeting that investment. We will consider factors other than just the condition of the building—e.g., mission priority. The result will be a capital investment plan to eliminate facilities that are in poor and failing condition.

In addition to sustaining and recapitalizing our facilities, we are committed to eliminating facilities that we either no longer need or cannot repair economically. Demolition is an important tool in any recapitalization and will also play a role in our capital investment plans. The FY 2011 budget request includes more than \$200 million for this purpose.

III. MANAGING OUR ENERGY USE

The recently released Quadrennial Defense Review (QDR) makes clear that crafting a strategic approach to energy and climate change is a high priority for the Department. Although much of the focus has been on the energy we use in a combat setting (“operational energy”), the management of energy on our permanent installations (“facility energy”) is also extremely important. The Energy Conservation Investment Project (ECIP) is a key element of the Department’s facility energy strategy: ECIP supports energy efficiency and renewable energy projects based on payback and has achieved an estimated \$2.16 in savings for every dollar spent. The FY 2011 President’s budget requests \$120 million for ECIP. This is \$30 million above our FY 2010 request but less than the FY 2010 enacted amount (\$174 million).

To put ECIP in context, let me briefly discuss why facility energy management is so important and what we are doing to improve it.

The way we manage energy at our permanent installations is important for two key reasons. First, facilities energy represents a significant cost. In 2009, DoD spent \$3.8 billion to power its facilities—down from \$3.96 billion in 2008. That represents about 28 percent of the Department’s total energy costs (that fraction is higher in peacetime, when we are not consuming large amounts of operational energy). Moreover, energy needs for fixed installations in the United States will likely increase over the next several years as we “grow” the Army and the Marine Corps, reduce our presence in Iraq and Afghanistan, and continue to improve the quality of life for soldiers and their families—for example, by installing flat-panel TVs in individual rooms in a barracks that now has just one TV per common room.

Facilities energy is costly in other ways as well. Although fixed installations and non-tactical vehicles account for less than a third of DoD’s energy costs, they contribute nearly 40 percent of our greenhouse gas emissions. This reflects the fact that our installations rely on commercial electricity, which comes from fossil fuels—principally coal. Given that facilities energy as a share of total DoD energy will increase when we reduce our presence in Iraq and Afghanistan, fixed installations will likely become DoD’s major source of greenhouse gas emissions.

Second, installation energy management is key to mission assurance. According to the Defense Science Board, DoD's reliance on a fragile commercial grid to deliver electricity to its installations places the continuity of critical missions at serious and growing risk.¹ Most installations lack the ability to manage their demand for and supply of electrical power and are thus vulnerable to intermittent and/or prolonged power disruption due to natural disasters, cyber attacks and sheer overload of the grid.

Over the last five years, the Department has steadily reduced energy consumption per square foot at our permanent installations, largely in response to statutory and regulatory goals. While continuing that very positive trend, it is time for us to adapt our approach to installation energy management from one that is primarily focused on compliance to one that is focused on long-term cost avoidance and mission assurance.

In the last year, the Department has made energy policy a significantly higher priority. First, Secretary Gates has expressed his strong support for the goal of reducing energy consumption, and the QDR reflects his desire for a more strategic approach to energy security. As one indication of this commitment, the Department recently announced that, under Executive Order 13514, it will reduce greenhouse gas emissions from non-combat activities—largely installations and non-tactical vehicles—by 34 percent by 2020. Since greenhouse gas pollution is due overwhelmingly to direct energy use, this aggressive target, along with DoD's High Priority Performance Goals, will require major gains in energy efficiency at our installations.

Second, the Department is investing more to improve the energy profile of our fixed installations. Financing for these investments has come from annually appropriated funds, including military construction, operations and maintenance, and ECIP. We have utilized third-party financing through Energy Savings Performance Contracts and Utilities Energy Service Contracts. We are also pursuing other innovative financing mechanisms, such as Enhanced Use Leases and Power Purchase Agreements (PPAs).

Our basic investment strategy is twofold: 1) reduce the demand for traditional energy through conservation and energy efficiency; and 2) increase the supply of renewable and other alternative energy sources. Investments that curb demand are the most cost-effective way to improve an installation's energy profile. As Department of Energy (DOE) Secretary Steven Chu has observed, "Energy efficiency is not just the low hanging fruit; it's the fruit lying on the ground."

A large percentage of our demand-side (energy efficiency) investments are expended on projects to retrofit existing buildings. The Department spends almost \$10 billion a year to sustain, restore and modernize our facilities. About one-sixth (\$1.7

¹ "More Fight-Less Fuel," Report of the Defense Science Board Task Force on DoD Energy Strategy, February 2008.

billion) of this is spent on projects designed directly to improve energy efficiency. Typical projects install improved lighting, high-efficiency HVAC systems, double-pane windows, energy management control systems and new roofs. As we replace major components and subsystems in our buildings, the newer, more energy-efficient systems contribute to DoD's overall energy reduction goals.

In addition to retrofitting existing buildings, we are taking advantage of new construction to incorporate more energy-efficient designs, material and equipment into our inventory of facilities. The Department spent about \$25 billion on military construction in FY 2009 and we will devote another \$23 billion to construction in FY 2010. (As discussed earlier, we are asking for \$18.7 billion for MilCon in FY 2011.) New construction must meet Leadership in Energy and Environmental Design (LEED) Silver standards and/or the five principles of High Performance Sustainable Buildings, which includes exceeding the energy efficiency standard set by the American Society of Heating, Refrigerating and Air-Conditioning Engineers by at least 30 percent.

On the supply side, our military installations are well situated to support solar, wind, geothermal and other forms of renewable energy. As you know, we have the second largest solar array in North America at Nellis Air Force Base in Nevada. Additionally, the geothermal plant at Naval Weapons Center at China Lake, California, is providing electricity to the state's electrical grid; hydrogen fuel cells provide back-up power for facilities at Fort Jackson, South Carolina; and the Marines will test a wave power program at Kaneohe Bay, Hawaii, in the near future.

The Department took advantage of the \$7.4 billion it received through the Recovery Act to invest in both energy efficiency and renewable energy projects. We devoted \$2 billion of that amount to projects designed to improve existing buildings, largely through upgraded systems and equipment. Of that, \$120 million went to ECIP. Another \$1.6 billion of Recovery Act funds is going to construct new facilities, all of which will meet LEED Silver standards and/or the five guiding principles of High Performance Sustainable Buildings.

Finally, our military installations can play a valuable role as a test bed for next generation technologies coming out of laboratories in industry, universities and the Department of Energy. DoD's built infrastructure is unique for its size and variety, which captures the diversity of building types and climates in the United States. For a wide range of energy technologies, DoD can play a crucial role by filling the gap (the "valley of death") between research and deployment. As both a real and a virtual test bed, our facilities can serve as a sophisticated first user, evaluating the technical validity, cost and environmental impact of advanced, pre-commercial technologies. For technologies that prove effective, DoD can go on to serve as an early customer, thereby helping create a market, as it did with aircraft, electronics and the internet. This will

allow the military to leverage both the cost savings and technology advances that private sector involvement will yield.

We are pursuing the energy test bed approach on a small scale through the Environmental Security Technology Certification Program (ESTCP). Using \$20 million in Recovery Act funding, ESTCP awarded contracts through a competitive solicitation to nine projects to demonstrate technologies that will provide for increased energy efficiency or that will generate cost effective renewable power on site. For example, one ESTCP project team is conducting a multi-site demonstration of building-integrated photovoltaic roof concepts. By verifying that an energy efficient roof can perform its expected function, DoD can increase its capacity to generate renewable energy. The Naval Facilities Engineering Command leads this project in collaboration with Lawrence Berkeley National Laboratory. Demonstrations are taking place at Luke Air Force Base and Marine Corps Air Station Yuma, both in Arizona, and Naval Air Station Patuxent River in Maryland.

The test bed approach is key to meeting the Department's needs, but it is also an essential element of a national strategy to develop and deploy the next generation of energy technologies needed to support our built infrastructure. We hope to expand it, working closely with the Department of Energy and other agencies and organizations.

The Department is pursuing several other initiatives to address specific challenges or impediments to improved installation energy management. Let me briefly describe two of them.

First, we have begun what will likely be a major effort to address the risk to our installations from potential disruptions to the commercial electric grid. The Department is participating in interagency discussions on the magnitude of the threat to the grid and how best to mitigate it. We are also looking at how to ensure that we have the energy needed to maintain critical operations in the face of a disruption to the grid. As required by the National Defense Authorization Act, the Secretary of Defense this year will give Congress a plan for identifying and addressing areas in which electricity needed for carrying out critical military missions on DoD installations is vulnerable to disruption. The development of renewable and alternative energy sources on base will be one element of this effort, because—in combination with other investments—these energy sources can help installations to carry out mission-critical activities and support restoration of the grid in the event of disruption.

Second, we are devoting considerable time and effort to a complex and growing challenge—ensuring that proposals for domestic energy projects, including renewable energy projects, are compatible with military requirements for land and airspace. As noted above, military installations lend themselves to renewable energy development, and a renewable project can benefit the host installation by providing a secure source of

energy and reduced energy costs. In some cases, however, a proposed project can interfere with the military mission. For example, wind turbines can degrade air- and ground-based radar, and solar towers can cause interference by creating thermal images detrimental to sensitive testing of weapons systems. The current process for reviewing proposals and handling disputes is opaque, time consuming and ad hoc.

The Department is working to balance the nation's need for renewable sources of energy with military mission needs. The DoD "product team" devoted to sustaining our test and training ranges, which I co-chair, is working to come up with a better process for evaluating proposals from energy developers who want to site a renewable project on or near an installation. We have begun to reach out to potential partners, including other federal agencies, energy developers, state and local governments, and environmental organizations. In addition to working to improve the current approval process, the Department is looking at the role of research and development. New technology can allow us to better measure the potential impact of a proposed project. It can also help to mitigate the impact. For example, recent press accounts suggest that developments in stealth technology as applied to turbine blades can reduce the harm to ground-based (but not air-based) radar.

Conclusion

My office, Installations and Environment, takes very seriously our mission to strengthen DoD's infrastructure backbone—the installations that serve to train, deploy and support our warfighters. Thank you for your strong support for the Department's installation and environment programs, and for its military mission more broadly. I look forward to working with you on the challenges and opportunities ahead.

QUADRENNIAL DEFENSE REVIEW AND BRAC COMPLETION

Mr. EDWARDS. Thank you, Dr. Robyn.

Mr. Hale, let me begin with regard to the QDR. The QDR recommendations came in pretty late in the budget process. You referenced some of this, but if you could go into more detail—apparently, you were able to incorporate some of those recommendations into the MILCON budget for 2011, but did you have to leave others out? Will the 2011 budget fully reflect the QDR priority?

Mr. HALE. Well, first of all, the QDR report was submitted with the budget. The QDR was very much a part of the entire budget formulation process. And I can tell you, since I sat through all the budget meetings—and there were many of them—that the QDR was discussed in virtually every one. How are we doing? Is it consistent? Is the budget consistent with that?

In terms of military construction, the major QDR item is the Mayport proposal. We were planning to have a proposal on the Brigade Combat Teams (BCTs) in Europe, however there—the final decision was we needed some time to work with our allies, so I would anticipate that decision may be reflected being in the fiscal 2012 budget request.

I think the major items, as they relate to MILCON and, indeed, policy in general, are in this budget, and there may be more as we go along.

Mr. EDWARDS. While there will be additional expenses in Europe because of the decision to keep two more brigades there, there should be some cost savings at Bliss and White Sands, shouldn't there? That is where those two brigades were supposed to go.

Mr. HALE. I do not want to prejudge that decision. It is still an open issue as to what is the final—

Mr. EDWARDS. Okay. Okay.

Mr. HALE [continuing]. Decision with those one or two BCTs.

Mr. EDWARDS. Okay. Let me ask you also, when Dr. Robyn was here during our BRAC hearing, we talked about the commitment to implement all of the BRAC recommendations by September 15th of 2011, and that is the law of the land, and we salute you. Congress appreciates it when the executive branch respects congressional priorities set into the law.

But in this particular case, there have been some briefings that have identified up to \$189 million of costs just to try to follow this—maybe I shouldn't say arbitrary, but this specific deadline.

At what point do we say, "Look, we are just not going to spend this many more dollars in order to meet September 15th of 2011. If there are two or three projects that need to be pushed back 6 months and we can save the taxpayers hundreds of millions of dollars that we could put into higher-priority needs for our servicemen and women, we ought to do that?"

Have you thought at all about that? Or are you completely committed at whatever cost to implement the September 15th deadline? And I understand that would require congressional change in the law if you reconsider that, but I would like to hear your recommendations. Do we stick to September 15th no matter the cost? Or is there some point at which we need to look at a couple of projects and provide some flexibility there?

Mr. HALE. Well, we are committed to September 15th. As you said, it is the law of the land. I think it is very important to us that we maintain that deadline so that all or almost all—projects makes it by then.

I hear your concerns on the extra funding we have for temporary solutions to meet the deadline. In some cases, it is for things we can use afterwards. I am less concerned about that. There are potentially a few cases where we are spending money solely for the purpose of meeting the deadline. And I think that it is something we have to work with the Congress on, but, overall we remain committed to meeting that deadline for all of the projects that we possibly can. And if there are any that are not, I hope it is a very tiny number.

Did you want to add to that?

Ms. ROBYN. No, I think I—

Mr. EDWARDS. She was very eloquent the other day in terms of arguing that we—

Mr. HALE. We talked a lot about this—

Mr. EDWARDS. Yes, she argued that the plus of keeping the discipline, and we understand that. That is why Congress set a deadline in the law. And we have got to be careful. We do not want to open the floodgate.

I would just urge the two of you to look at this. And if, at some point, there are just a couple of very limited examples of where we could save a lot of money that could be used to build a new barracks for our troops or better family housing for our military families rather than meeting the September 15th deadline and one or two or three examples, just please keep an open mind on that. And I know you watch over the tax dollars carefully. That is your job.

At some point, we had a threshold where we go, “Jeez,” you know. I do not know if it is \$189 million or I do not know if it is \$500 million, but let us just keep talking, if we could, on that.

Mr. Crenshaw.

MAYPORT

Mr. CRENSHAW. Thank you, Mr. Chairman.

Secretary Hale, you mentioned, when you said “Mayport,” my ear kind of perked up. [Laughter.]

Mr. HALE. Yes, right.

Mr. CRENSHAW. But I just want to kind of just ask a couple of questions, because I remember when you were here last year, we talked about the—decision that had been entered and everything. And we have gone through the QDR and the final decision, I think—I guess I want to ask you—does that sound like the final decision to you?

Mr. HALE. Yes.

Mr. CRENSHAW. And is that something that you were part of? As best you can tell, that is the final decision?

Mr. HALE. Yes, it is the final decision by the Department of Defense. We understand there is a separate branch of government that may have differing opinions.

I was involved as a senior DOD leader, and it was considered at the most senior levels in the Department of Defense. The Navy

took the lead on the risk assessment and the funding of that project, but it was considered fully.

Mr. CRENSHAW. You know, I have seen some of the military construction projects laid out over—kind of a good part of the 5-year plan. And I know that—I guess you could either put it all in at once or space it out. Spacing out, was that more of a budgetary constraint or was it kind of an operational constraint, to say, “We have got to build a road before you build this,” or just based on our budget constraints, you said—the decision was that, “Let us phase—you know, put the money—kind of phase it in over that period of time?”

Mr. HALE. Well, I would urge you to address that question to the Navy, because I think the secretary’s decision was to review the risk assessment and the overall goal and then make a decision, but the United States Navy is responsible for the funding.

My understanding is, they needed some time to plan. But I also think that once that planning is done, they may want to reconsider the pacing of the Mayport project. So I think it would be good to ask them; maybe you already have.

GUAM

Mr. CRENSHAW. I think it tends to be more budgetary, just because, you know, these are difficult times, and rather than put a lump sum in there, say, well, if we are going to spend it little by little, then we will do that. And that kind of brings me, maybe, to a question for Secretary Robyn real quick.

You know, when you look at Guam—and you mentioned—I think the number was like \$500 million plus—

Ms. ROBYN. \$452 million.

Mr. CRENSHAW. \$450 million—just in military construction, what is the overall cost, have you figured out, to do that move? It is going to be expensive—

Ms. ROBYN. Well, the number that is commonly referred to is \$10 billion, of which the Japanese government would pick up 60 percent, or \$6 billion, so that is—you know, maybe it would be more than that, but that is typically the number—

Mr. CRENSHAW. And, I mean, you know, when you talk about budgetary constraints, that is a lot of money.

Ms. ROBYN. Right.

Mr. CRENSHAW. And I just wondered, you know, in general, is that something you all are kind of looking at kind of day by day? I know you have got the council that kind of oversees that. But it seems to me there is a lot of questions in terms of planning, in terms of training, that are still up in the air.

And so where are we in that process? I mean, what is your view? I know you are relatively new, but if you look at this, if we are going to commit that much money, is that the best way to spend all these dollars? I mean, we got the Japanese government. We are kind of—we do not know exactly how it is all going to work out. Give us kind of your overall assessment of that plan.

Ms. ROBYN. Well, I think Guam is a tremendous strategic asset. It is ours. It is U.S. territory. And it is one of a number of islands. Whatever happens with the Japanese, Guam will remain an enormous strategic asset to the U.S. military. And it is hard to imagine

a scenario in which we are not very much present on Guam and even more so than we are currently.

So it is a challenge. We are on a little bit of a pause with respect to the Futenma Replacement Facility, while the Japanese government deals with their internal politics, but we are moving ahead.

And the projects that we are proposing for this year are projects that have long-term benefit. Some of them are at Andersen Air Force Base. Some of them are for the wharf where we need to be bringing in materials. So it is a—you know, this is a long-term big deal. From a strategic standpoint, it is extraordinarily important.

Mr. CRENSHAW. But it has put some strain. I mean, some of the questions—like the Navy, for instance, in terms of upgrading the wharfs and making sure you have got ship repair, maintenance facilities, all those kind of things. That is all being considered?

Ms. ROBYN. Yes, no, that is all—that is very much part of it.

Mr. CRENSHAW. Okay.

Ms. ROBYN. But just keep in mind that 60 percent of that \$10 billion figure would come from the Japanese government. And the reason that we are—that it is so important to continue to fund these military construction projects is because that also then says to the Japanese government, “You need to continue to put your money into this.”

We have gotten—I do not remember the exact number—from the Japanese government, \$300 million, \$400 million, \$500 million. We are scheduled to get another tranche of funding from them this year. We need to continue to invest in Guam in order to keep their—

Mr. CRENSHAW. So far, they have been keeping their end of the bargain?

Ms. ROBYN. Yes. Yes, absolutely.

Mr. CRENSHAW. Good.

Mr. HALE. May I underscore what Dorothy just said? And that is, we need your help to appropriate those funds so that we do not send the wrong decision to the Japanese—the wrong signal, I should say, to the Japanese. I understand there are some delicate negotiations going on, but we want to prevail in this case, and we hope that you will support us.

It is 5-year money. If there were to be changes, we could accommodate them in the future. So I would ask your help. I know it is a tough one.

Mr. EDWARDS. So your point—if I could piggyback—is if we underfunded the administration’s request, the Japanese would see that as a signal where we are in the negotiations, that would be a bad signal to send, in your opinion?

Mr. HALE. I believe it would.

Mr. CRENSHAW. That is it. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

We are privileged to have the chairman of the Defense Appropriations Committee as a longtime member of this subcommittee, certainly no stranger to you. Mr. Dicks.

Mr. DICKS. Thank you, Mr. Edwards.

And let me continue on this Guam issue. What are the major projects that have to be done? And I am a big supporter of this,

and Madeleine Bordallo is a valued member, who has talked to me repeatedly about this.

What I am worried about is there appears to be some things that the government of Guam is supposed to do—

Ms. ROBYN. Right.

Mr. DICKS [continuing]. That may be difficult for them to do, to deliver on. And I see that you have got this up to the deputy secretary, which is good, but what are the major projects that have to happen to make this all happen? And I realize the Japanese are putting up part of the money, but kind of describe the major elements.

Ms. ROBYN. Well, there is funding within inside defense, if you will, and the \$452 million is for projects inside the fence this year. It is for existing wharf infrastructure, which has been degraded by typhoon damage, utilities in ramp improvements at Andersen Air Force Base, which, of course, is an enduring facility. Existing roads are limited, do not support the construction traffic associated with the wharf improvements and the Andersen improvements. I think those are the main areas—

Mr. DICKS. For this year?

Ms. ROBYN. This is for the \$452 million within the fence and the—

Mr. DICKS. What about the rest of it? What are the other elements of this?

Ms. ROBYN. And some of the Japanese money will go for upgrading the utilities in the Guam infrastructure. And that is the outside-the-fence piece.

Mr. DICKS. Okay.

Ms. ROBYN. And that is the delegate—Delegate Bordallo—has been very articulate about Guam's needs, and we recognize those. The infrastructure in Guam is not in good shape. The military build-up will add to the problem. And so we need to work with the governor, the government of Guam, to upgrade and expand its infrastructure, power, wastewater, water, sewage.

Mr. DICKS. Those are all pretty important issues.

Ms. ROBYN. Yes, absolutely. And we want to do it—we have to do this in what we call—there are two terms. One is a one Guam approach. We do not want to have a—you know, everything nice inside the fence and then less so outside the fence. We do not want to have a fortress DOD approach. We need to do this in a way that we are drawing on the infrastructure of the broader island and helping to upgrade this.

So this has the potential to be a very positive thing for the island, which is why the governor is supportive.

Mr. DICKS. Is there a written document that lays out what is supposed to happen, like a 5-year plan or a 10-year plan?

Ms. ROBYN. Yes. I believe the Navy has that sort of a document, which I would be happy to share with you—

Mr. DICKS [continuing]. I think this is very important—

Ms. ROBYN. I mean, the—

Mr. DICKS [continuing]. For us to understand, you know, what the Japanese are supposed to do, what—

Ms. ROBYN. Okay, yes.

Mr. DICKS [continuing]. The U.S. government is supposed to do, and what is expected of Guam. That is the part that I am worried about.

Ms. ROBYN. Well, I think the U.S. versus Japan piece is pretty clearly laid out in the AIP, the agreement between the U.S. and Japan. I think the financing plan for the infrastructure is not as clear, and that is where the governor and the delegate, Bordallo, spoke to the Economic Adjustment Committee, the EAC, which the deputy secretary chaired 2 weeks ago.

And the Defense Department agreed to take the lead on identifying and costing out the needs for infrastructure improvement outside the fence and for coming up with a plan—and this is the other term—a whole-of-government approach. That means an approach so that the Defense Department is paying its fair share, but other entities are contributing, as well.

Mr. DICKS. But other agencies, for example, EPA, would be—you know, there could be some help to the clean water revolving fund—

Ms. ROBYN. EPA, Interior—

Mr. DICKS [continuing]. The safe drinking water revolving fund—

Ms. ROBYN. That is right, yes.

Mr. DICKS [continuing]. That they would be eligible for.

Ms. ROBYN. Right. That is right.

Mr. DICKS. We did have a Trident submarine base at—

Ms. ROBYN. Yes.

Mr. DICKS [continuing]. At Kitsap County. I was heavily involved in this. We had an impact aid program. And actually, at the time, that we not only had the impact aid program, but also the president said to all of the regional agencies that they were supposed to try to help.

Ms. ROBYN. Right.

Mr. DICKS. So there was really a team effort, and there were—you know, someone came through transportation, and it was a pretty substantial—but I think something like that is going to be needed here. I am just worried that—because I know Guam is worried, I know Madeleine is worried that the government of Guam itself may not be able to do some of the things that are currently being expected of it. So—

Ms. ROBYN. They are limited in their capacity. And the governor has made a very compelling presentation—

Mr. DICKS. Like states are all over the country right now.

Ms. ROBYN. Yes, they are limited by the Organic Act of 1950. They cannot take on debt over more than—I think it is something like 10 percent of the value of their real estate. So their borrowing capacity is limited.

Mr. DICKS. Yes, well, I have got over my time here, but this is a—Mr. Chairman, I really believe that this is something we really have to look at—one other thing.

Ms. ROBYN. Sure. Sure.

Mr. DICKS. Quickly.

Mr. EDWARDS. Sure.

ENVIRONMENTAL IMPACT STATEMENT FOR GUAM

Mr. DICKS. I am told that there are some concerns by the Department of Interior on the environmental impact statement.

Ms. ROBYN. Right.

Mr. DICKS. They feel that it was not the strongest statement that they have seen on the environment.

Ms. ROBYN. That is a fair statement. The EPA gave it the lowest grade possible, the draft. This was the draft, not the final.

Mr. DICKS. And this is Interior, too? This is EPA and Interior, I guess. So all I am saying is, it makes—you know, we try to do as good a job as you can in looking at the concerns that they have raised about the EIS.

Ms. ROBYN. The Navy has no choice—

Mr. DICKS. This administration—

Ms. ROBYN. Right, no, no, no, we—

Mr. DICKS [continuing]. Standards on the environment.

Ms. ROBYN. Yes, yes, absolutely. And I think when the president gets to Guam in June, I think you will hear him say that. No, we are very committed.

The EIS was weak. I think there are some legal differences of opinion over how much analysis needs to be done regarding—or the nature of the analysis regarding coral impact and then, even more importantly, the impact of what is called the induced growth, the growth on the island, the impact from having a large number of construction workers and then all of the—

Mr. DICKS. Cumulative effects.

Ms. ROBYN [continuing]. The cumulative effects. And I think the Navy had one view of what level of analysis was required. EPA and the research agencies have another view. All that needs to be worked out in the next couple of months so that we can get the record of decision and the final EIS—

Mr. DICKS. Who is in charge of that?

Ms. ROBYN. That is Navy.

Mr. DICKS. That is the—

Ms. ROBYN. I mean, the Guam Oversight Committee—

Mr. DICKS. Okay.

Ms. ROBYN [continuing]. Which the deputy secretary chairs, we—

Mr. DICKS. But the Navy is doing—

Ms. ROBYN. But the Navy is doing the EIS, yes.

Mr. DICKS. Thank you, Mr. Chairman.

Ms. ROBYN. It is all being done out of Hawaii.

Mr. EDWARDS. Thank you.

Mr. DICKS. Thank you for—

WHOLE-OF-GOVERNMENT APPROACH FOR GUAM

Ms. ROBYN. And can I just say one other thing? Because I think we have talked about BRAC, and I think BRAC is actually a good model for this whole-of-government approach. Non-DOD federal agencies contributed roughly \$2 billion to reuse assistance for base closure communities between 1988, the first BRAC round, and 1995. That doesn't include the 2005 round.

That was a very, very nice model. I was very involved in that during the 1990s when I was in the Clinton White House. And EPA, Department of Labor, Interior—

Mr. DICKS. HUD. I am sure HUD—

Ms. ROBYN. HUD, HUD was huge, yes. AG. I mean, it was a wonderful effort by all of these agencies. It is tougher now because the economy is difficult, but we need sort of a whole-of-government approach. We do not have the authority to do a lot of this, and it is better done collectively. So that is what we are shooting for.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. EDWARDS. I would hope, just following up on the analogy—and then I will recognize Judge Carter, but I think one of the shortcomings of BRAC is the investment in transportation infrastructure outside the fence.

Ms. ROBYN. Yes.

Mr. EDWARDS. We are obviously seeing that at Bethesda and at Fort Belvoir. And if we do have another round of BRAC someday, I hope we take that into account. We cannot just ignore the fact there is going to be massive traffic congestion, but it is going to be outside the fence. And our DOD dollars have been limited, haven't they, in terms of—

Ms. ROBYN. Yes. You have the Defense Access Roads program, which we run together with federal highway, has put a relatively small amount of money into BRAC bases in the—or BRAC communities. We do have—the National Academy of Sciences is actually looking at this issue because of some language in last year's approps bill.

So we will have a report—we will have an interim report in May looking at the DAR criteria, which are the basis for determining how much money is appropriate.

Mr. EDWARDS. Good.

Judge Carter.

Mr. CARTER. Thank you, Mr. Chairman.

TUITION ASSISTANCE FOR FAMILY MEMBERS

I am sure you are aware of my bill, which provides up to \$6,000 for military spouses for job training, a wildly successful program. But my offices are being flooded with angry phone calls, from spouses and some college administrators.

As a member of the Military Family Caucus, I signed a letter to join with my colleagues asking for an explanation for the program's suspension and that it be reinstated. And it, in fact, was ultimately reinstated. However, the program was only reinstated for the current 136,000 enrollees, leaving thousands of military spouses out of luck.

What is the department's plan, if any, to reopen this enrollment? I will just give you an example: it seems like one of my children has been in college for the last 40 years. And one problem is that if you had not been to a university recently, it doesn't take long for schools to say, "You have got to retake that credit."

If you are taking an English class and you cannot pay for it, and you have to drop out of that class, by the time you get readmitted, maybe it is another 18 months before you get back into class, you may find out you have to start over and take the class again.

I think this is wrong, but they do that. And so the longer we delay, people that are in the process of this degree, the harder it is going to be and the more money it is going to cost for them to attain that degree. And I hope that the department takes that into consideration. And what are your plans—

Mr. EDWARDS. I am going to interrupt here. And this is your call. We have probably about 2 minutes left on the second vote.

Do you want to go cast the second vote and then allow them a full answer?

Mr. CARTER. Yes, that is a great idea.

[Recess.]

Mr. EDWARDS. What I am going to do is call the subcommittee back to order. And pending Judge Carter's return, hold off on your answering his question until he gets back. We can take advantage of a few moments.

BID SAVINGS

Could I ask this question? In terms of your fiscal year 2011 MILCON projects, did you build into those cost estimates for each individual project an estimated savings based on lower contract bids? Or were these numbers project by project built on past models of cost and construction per square feet?

Mr. HALE. We did assume some overall reduction. I mean, first off, the projects are costed independently, but overall, about 5 percent below where we were in 2008. In 2009, we saw that—

Mr. EDWARDS. Five percent?

Mr. HALE. We saw that reduction in 2009. We are seeing bid savings in 2010. It is too early to know how much. It is a projection in 2011, and we will have to watch it carefully. But let me just check. That is right, yes, 5 percent?

Mr. EDWARDS. Okay. Okay. Because we actually in our bill for fiscal year 2010 was an assumption of the certain percent of savings. And I want to be sure we do not—

Mr. HALE. We are seeing savings. I think it is just too early to be sure that we will utilize them all, but we are seeing savings.

Mr. EDWARDS. At least we should take into account, you have already assumed a 5 percent reduction over fiscal year 2009 execution. So if we think it is going to be 10 percent, that could be an additional savings, but 5 percent is already—

Mr. HALE. But I would urge caution, Mr. Chairman. We do not know where the construction industry is going. We all hope the economy recovers. It is a problem. It may be easy to realize bid savings. We can do something else with your permission. If we do not get the savings, and we have to add money, that is a problem.

Mr. EDWARDS. Right, okay. Okay.

All right. Judge Carter is here. We will want to recognize you to answer Judge Carter's question.

Mr. EDWARDS. You bet.

Mr. CARTER. Okay, thank you.

TUITION ASSISTANCE FOR FAMILY MEMBERS

Mr. HALE. Sure. My CAA surprised us, to be frank. It had been going on some months. We were not getting high take rates. Sud-

denly, I think due to some better publicity, the take rates just soared.

We were running out of money and facing even a potential Anti-Deficiency Act violations. So I think we had to stop. But I apologize for the inconvenience we caused to people.

Mr. HALE. As you know—and as quickly as we could—we have reopened the program—call it phase one—for all of the spouses who actually signed up, the full \$6,000 is now available again. We found another temporary funding source. We will have to submit a reprogramming request to the Congress to fill in the holes that were created, but that is back in place.

Phase two is under review now. There are about 136,000, as you said, that were affected by phase one. There is a total of around 750,000 spouses, so we have another 600,000 potential folks out there.

This time, we need to do a more careful job of the cost estimates and thinking of the funding. And it is not just 2010, although that is a great concern. We have a problem in 2011, as well, so we are going to have to work with the Congress on a solution.

That is under review—quick a review. The Secretary of Defense is fully committed to this program. I can speak personally to that. And so the personnel readiness staff, working with comptroller staff, are looking carefully at options. We need to develop—a good cost estimate and a funding approach and get back to the Secretary. I hope that occurs within weeks. It better be, or you may have a new comptroller. [Laughter.]

Mr. CARTER. All right. Thank you. I appreciate that.

Mr. EDWARDS. Any additional questions?

Mr. CARTER. I have got another question.

Mr. EDWARDS. Go ahead. You have some time.

TRICARE

Mr. CARTER. Okay. The Secretary of Defense rolled out the 2010 QDR—2011 budget. It says in a statement, “There have been no increases in TRICARE premiums for 15 years.” For a family of three, the out-of-pocket expenses are \$1,200 per year for the federal—and for a federal employee, \$3,300 a year. Congress has disapproved DOD’s request for modest increases the past 2 years.

The military health care program costs have gone from \$19 billion to \$50.7 billion. I think everybody knows that health care is on everybody’s mind right now. I will give you an example—town hall meeting the day before yesterday. I did a webcast last night. And, of course, I have a huge amount of military folks in my district.

Whenever I do one of those things, I get at least five to ten people saying, “What is going to happen to TRICARE? What is on the road to TRICARE?” And I tell them, this bill has nothing about TRICARE in it, so this is not about TRICARE, and I think that is an honest answer.

But they said, “Well, yes, but”—and I said, “Well, yes,” but I do not know the answer to it, because they are hearing there are going to be increases. They are concerned about it. And so I am asking for information. What is the reason for the tradeoff? How

do you propose to figure out this tradeoff? And how will it be implemented if it happens?

Mr. HALE. Well, first, let me say, we are fully committed to the TRICARE program, to maintaining high-quality care both for active-duty dependents and retirees. As the comptroller, I also recognize we have seen, as so many businesses have, great increases in our health care costs.

And we have not proposed either this year or last year any change in TRICARE premiums—we continued to look for efficiencies in the TRICARE program. We are implementing several right now. The most important ones which we are still working to implement concern our ability to use the federal ceiling on drug pricing that is available to the Veterans Administration, and we have received authority to implement that efficiency. We were also sued by the drug companies. So far we have won. We have about \$840 million built into our budget for this efficiently. I think we are going to succeed there.

There are two small efficiencies in this budget for TRICARE, one dealing with supply chain, better buying, and an effort also to find better ways to eliminate fraud, waste and abuse. There are no fee changes in co-pays. It is a tough year for health care initiatives.

But I have to tell you, we need to continue to work with the Congress to look at ways to slow the growth of health care costs. Efficiencies are our first goal, but I believe that we will also have to work with the Congress on fees, as well. I do not think we can leave them fixed in nominal terms forever.

Mr. CARTER. Well, and I am going to ask you the question that I get a lot. As you look down the road, and if you assume that maybe this Sunday we pass this bill and whatever comes out of this bill, when it gets completed, it is going to be the next national health care system for the country.

People ask me, maybe it is not happening now, but will TRICARE be eliminated and thus be put in the national—single-payer system.

Mr. HALE. I do not think there are—there are certainly no plans that I know of—

Mr. CARTER. They are very upset that that might happen.

Mr. HALE [continuing]. To have that happen. It is the personnel and readiness folks who are the health care experts, and I think I would be aware if there were any plans to—

Mr. CARTER. That is the answer I give, and so I want—

Mr. HALE. We are committed to TRICARE. It is not, as you said, directly affected, to the best of my knowledge—it may be indirectly aided, if we are able to contain overall health care costs in the country, because they influence what we pay for health care. So there may be some benefits.

The Department of Defense is committed to high-quality care and to TRICARE. As the comptroller, I think—as I said before—we need to work with the Congress to slow the growth as much as we possibly we can, while not sacrificing the quality of the care.

Mr. CARTER. Thank you.

Mr. EDWARDS. Thank you, Judge.

Mr. Israel.

Mr. ISRAEL. Thank you, Mr. Chairman. And forgive me for being late.

DOD ENERGY CONSUMPTION

I have a question for Secretary Robyn about energy consumption. I spend a considerable amount of my time trying to help figure out how the Department of Defense can decrease its energy costs. We borrow money from China to fund our defense budgets, to buy oil from the Persian Gulf, to fuel our weapon systems, to protect us from those that would do us harm in the Persian Gulf. And that is not sustainable.

I think that the total number last year for full DOD energy consumption was about \$14 billion for everything, and the Air Force spent about half of that on one thing, and that is jet fuel. We also have a Defense Science Board report that was done by Jim Woolsey and Dr. Schlesinger that said that one of the biggest vulnerabilities we have is hundreds of military installations in the U.S. that are entirely reliant on the electrical grid. And so we have got to work on that.

So during my research, I actually was going to propose, Mr. Chairman, to the subcommittee that we create a fund to allow commanders of military bases to tap into new financing for energy efficiency and renewable energy projects. And imagine my surprise when, after several months of research, talking to base commanders, I learn that you actually have an energy conservation investment program.

Great program, about \$100 million. It seems to me that the problem is that hardly anybody knows that it exists. And so what do we need to do to educate base commanders and DOD officials as to the availability of these funds? Is \$100 million enough? And how would you suggest that we improve and strengthen this program?

Ms. ROBYN. Yes, it is the ECIP program. It is a terrific program. Actually, I do not think lack of awareness of the program is an issue, because we get the services put forward portfolios of projects. My office selects them based on a variety of criteria, including the payback. So the services are well aware that the ECIP program exists, and it is very oversubscribed. This is a program, by the way, that OMB loves. And my first meeting with OMB in July, after arriving on the job, they said, you know, we love this program. We are always trying to get DOD to up this program.

Last year, ECIP was several hundred million because \$120 million in stimulus funding went into it. ECIP—it is important to see it as part of a broader portfolio of how we tackle both the demand side, reducing consumption—I refer to that as energy efficiency, conservation—and then the supply side, tapping into renewable and alternative energy supplies.

ECIP does both, typically, small projects, a couple of million dollars, a lot of it on the both renewable and energy efficiency projects. It is by no means enough money to get us to where we need to be, in terms of an improved energy profile. It is a key piece.

I am trying to figure out whether we want to target ECIP differently. I think historically it has been—and the reason OMB loves it is because it is—the money has been awarded based on the

potential for payback. So we advertise that for every dollar that goes into ECIP, we see returns of \$2.16.

That may actually not be the right criteria. We have another mechanism called energy savings performance contracts, ESPCs, performed by ESCOs, energy savings companies or contractors, like Honeywell, Johnson Controls, where we use—we draw on private money. We have Honeywell come into a facility, say an airplane hangar or some other facility, and say, “We think you can reduce your energy consumption and your utility bill by X amount if you do the following things,” and we then draw up a contract.

They carry out those improvements, and they are paid out of savings. So it is an alternative financing mechanism that is absolutely critical to—and about 20 percent of our energy efficiency improvements come from—from ESCOs or ESPCs.

There are some issues which I could go into with that. It is not a perfect approach. But I think—and, you know, that tends to—there are real, relatively early payback tend to get done using ESPCs, and we probably want to use the ECIP program to tackle some of the higher-hanging fruit, some of the things with the longer-term payback, such as renewables. But we are trying to figure out exactly what the niche should be for the ECIP program so that it isn’t just another pot of money.

Mr. ISRAEL. Well, I would love to work with you on this.

Ms. ROBYN. Great.

Mr. ISRAEL. And I am not sure whether ECIP is in this subcommittee’s jurisdiction—

Ms. ROBYN. Yes, it is.

Mr. ISRAEL [continuing]. Or HAC–D—it is in this subcommittee’s jurisdiction?

Ms. ROBYN. Yes. Yes, it is. I oversee it.

Mr. ISRAEL. So I think I am happy to hear that it is oversubscribed. I do think that, from my own research, there are still people who do not know about it, and if it is oversubscribed and OMB loves it, then we ought to just increase the investment, because we save money and enhance our security in return.

So if we could have a meeting, you know, separately to talk about what we need to do to—

Ms. ROBYN. I would love to.

Mr. ISRAEL [continuing]. To focus on the program, I would be grateful.

Ms. ROBYN. I would love to. And I am just going to use this question as an occasion to tout something that I think is tremendously important to the Defense Department’s ability to improve its facility energy profile, but also to the national effort on energy.

As I have said, we have 300,000 buildings, 2.2 billion square feet of space. Unlike Wal-Mart, which has a bunch of big box stores—they are all the same—we have incredible variety. We have data centers. We have commissaries. We have airplane hangars, barracks, office buildings, tremendous variety in every imaginable climate and tremendous size.

Our facilities are a phenomenal test bed or can be a phenomenal test bed for the technology coming out of DOE labs, out of industry, out of universities. We are doing this on a small-scale with our energy security technology certification program. Using about \$20

million in stimulus funding, we awarded about nine or ten projects, typically a consortium of industry, universities demonstrating something at a particular facility, micro-grid project at Twentynine Palms, for example.

DOE, the Department of Energy, is very excited about this. This is such an ideal marriage, because historically, DOE's weakness has been that when technology comes out of their labs, it is all technology push. There is no customer there to hand it off to.

The reason DOD has been so successful historically in developing new technology is that it is both the performer of the R&D and the customer, going back to interchangeable machine parts for musket production and Eli Whitney in the 1800s. I mean, we sponsored the R&D, and we were there as the customer, and that hand-in-glove relationship is absolutely critical. DOE has not had that, and that has been the major source of their weakness. So they are actively looking to DOD to be their customer.

Mr. ISRAEL. But if I may, briefly, you have a new culture at DOE right now. You have a team in place.

Ms. ROBYN. Yes. No, no, no, it is terrific.

Mr. ISRAEL. And they are very aggressive, Secretary Robyn—

Ms. ROBYN. Yes.

Mr. ISRAEL [continuing]. About wanting to create these partnerships. You are the largest consumer of energy in the federal government, which is the largest consumer of energy in the United States of America. You are the commercial platform for these technologies, and they get it, I think.

Ms. ROBYN. They do. No, they absolutely do, from Steven Chu on down. And they have, as you know, a new program, their RPE, modeled after DARPA, run by a former colleague of Steven Chu's named Arun Majumdar. And someone introduced Arun and me electronically and said she has these facilities which you should, you know—and he followed up within 15 minutes, and we met during his first week, and we are deep into talking about partnering.

And I think this potential exists outside of just facilities, but I am focused on the facilities piece.

Mr. EDWARDS. Good—work with the Department of Energy and encourage them to work with you. So I am thrilled to hear you say those—

Ms. ROBYN. Yes, no, this is a huge potential.

Mr. EDWARDS. Great. Thank you.

Mr. Israel, I look forward to your pursuing that and seeing what we can do in our fiscal year 2011 bill.

Mr. ISRAEL. Thank you.

Mr. EDWARDS. Mr. Berry.

Okay, thank you. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman.

MILITARY TRAINING FOR GREEN CONSTRUCTION

I want to just follow up on Mr. Israel's comment. A few budgets ago, the Navy wanted to upgrade their energy facility at Guantanamo at the prisoner camp, and they wanted a big diesel plant, and it was multi-millions of dollars. And this committee said this is a foolish expense. Have you examined solar? Have you examined wind? Have you examined alternatives?

Being that isolated and then having to get all the fuel from mainland, it was just not cost-effective, and the committee knocked it out.

Ms. ROBYN. Interesting. I was not aware of that.

Mr. FARR. What was interesting was Admiral Fargo was here, and he came up to me afterwards, and he said, "Congressman, we do not really have any place to train the people that are giving you those recommendations."

Ms. ROBYN. Yes.

Mr. FARR. He said, "Our architects and engineers are not being trained in green construction." And then he said, "Why don't you open up a center at the Naval Postgraduate School to train them all?"

I thought about it, talked to Admiral Oliver out there, and nothing came of it. But I think that issue is valid—people who are in construction have been doing these things the same way for years, and they haven't got any modernized training, and you might want to look at your capacity to do that.

NATIONAL SECURITY INVOLVING DEPARTMENT OF STATE

I am learning in all the years that I have spent in public life—county supervisor, state legislator, and a congressman—and in each one of those, you learn the entire mission of that government.

And you really begin to realize how many silos are out there. And essentially, what government is is just a bunch of silos and they are not even connected. They are not even connected to the top level because these layers do not talk to each other.

And it seems to me that where we are in now and what has happened since Iraq and Afghanistan is a whole new posture, the quadrennial review that the DOD does, which is phenomenal. I think it is a great process.

And I understand that now State is doing something similar and homeland security is doing something similar. So the question goes is, what about doing a quadrennial national security review that would examine the budgets of all three agencies? Because I think there is going to be a lot of savings and duplications of effort.

Congress has adopted this legislation to put this cadre of professional people who are coming out of State Department and USAID into stabilization and reconstruction assignments—and essentially bridging the gap between State and USAID.

And they are right there in Afghanistan along with the soldiers, so we are more integrated and overlapped than we have probably ever been in American history. And perhaps a unified national security budget would really achieve the goal of looking at our defense and foreign policy.

You have the resources and I am just wondering whether you think the Pentagon could begin that dialogue.

Mr. HALE. Well, I wish I had Michele Flournoy here, our undersecretary for policy, so I could defer to her, but let me try to be helpful and, if I could, see if we should expand. This is not an area I work on day to day.

I think there is an organization charged with doing this on the National Security Council. They are quite active in terms of over-

seeing—and on the budget side, there is the Office of Management and Budget.

I also think this administration is blessed by a secretary of defense and a secretary of state who work very well together, and so I think the coordination between State and the Department of Defense is pretty good, not to say it couldn't be better, but it starts from the top, and there is a tone at the top that says you have got to work together on these projects, for example, getting more people on the provincial reconstruction teams.

I would have no problem with coordinated budgets. At some point, budgets get so big, they are hard to administer. It is already a problem with the Department of Defense. To greatly expand, to say there would be a department of national security that was even bigger, I would worry about our ability to execute, frankly.

But coordination, another issue, your point is well-taken. We probably could do better. The National Security Council would be a good place to start.

I am not sure I have answered your question.

Mr. FARR. Well, in part. I think the point is that each of the departments are now using these quadrennial reviews concepts which you initiated—

Mr. HALE. Right.

Mr. FARR [continuing]. And, DOD has to be the most experienced—

Mr. HALE. It was the Congress—well, we initiated it. It is in the law now, as you know.

Mr. FARR. And they came to you to find out how to do it. And it seems to me this is the next step. Basically, you would have to have those quadrennial reviews inclusive of all three. From therein, your budget policies would develop.

Mr. HALE. I think it is an issue worth discussing—but I am not sure I am the right person to give you a definitive answer on it.

Mr. FARR. Well, can you, with your colleagues, just talk about it—

Mr. HALE. Sure.

Mr. FARR [continuing]. And see if there is any—

Mr. HALE. Let me commit to getting some comments from our policy folks to add to the record for this—extend my answer to this question.

[The information follows:]

Fostering greater integration across department/agency strategies and budgets—regardless of the specific mechanism that we use—is an important goal. The White House emphasized the importance of interagency collaboration throughout each of the quadrennial reviews ongoing and undertaken over the past several years—the Quadrennial Defense Review, the Quadrennial Homeland Security Review, the Quadrennial Intelligence Community Review, the Quadrennial Diplomacy and Development Review—as well as the National Security Strategy, Ballistic Missile Defense Review, the Nuclear Posture Review, and the Space Posture Review.

We have conducted these reviews collaboratively across departments and agencies, and with the guidance of the White House and the National Security Staff. The 2010 QDR was much more transparent to the other departments and agencies than previous QDR efforts, through both formal and informal mechanisms, participation, and input than any of its predecessors. With a greater degree of this kind of coordination and cooperation among departments and agencies on programs, there is more synergy, and consequently, a more comprehensive and balanced approach to national security.

A quadrennial national security review that examines the resources available for national security programs could be beneficial and might refine agency roles and responsibilities, highlighting gaps and recognizing potential synergies. However, certain existing bureaucratic and budgetary considerations in the executive and legislative branches may be obstacles to such a review. Department and agency equities tend to be viewed in zero-sum terms. Also, given the cross-jurisdictional nature of a quadrennial national security review, it would be important to ensure clear requirements for delivering the report to Congress and for engagement after the review. Finally, the resulting budget, should it be comprehensive in nature, would be extremely difficult to execute.

Mr. FARR. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Farr.

Mr. Crenshaw.

PRIVATIZED FAMILY HOUSING

Mr. CRENSHAW. Thank you, Mr. Chairman.

Let me ask you all a little bit about privatized housing. Probably Secretary Robyn, I think this committee—I have certainly been a big proponent—and I think the committee has. I think if you look at the numbers, we have got like \$27 billion involved with the housing, for investment, about one-tenth of that.

Ms. ROBYN. Right.

Mr. CRENSHAW. So it is kind of a 10 to 1 leverage ratio. And I have seen some of the married housing. I mean, it kind of makes you want to join the military—when you go to San Diego and see the outstanding work they have done out there. [Laughter.]

And I know that there is a little different issue when you talk about bachelor housing, but as I understand it, there was a pilot project in San Diego, then a pilot project in Hampton Roads. There was going to be a pilot project in Washington state. That was kind of the third pilot project. And then I think eventually they were going to do one—they have done some married housing in my area.

But do you know—I haven't heard anything about the third pilot program. Is that going to happen, not going to happen? Does anybody know?

Ms. ROBYN. I am told by Joe Sikes, who runs our housing office, that the authority for that one expired. But I certainly am interested in—as a policy matter—in seeing us extend this more broadly for—

Mr. CRENSHAW. Does anybody know why it expired? Once it expires, does it have to get reauthorized? And why did it not happen on time? Does anybody know that?

Mr. EDWARDS. Could you come up and identify yourself for the transcription, please, if you would?

Mr. SIKES. I am Joe Sikes, the director for housing for Dr. Robyn. The authority allowed us to pay a partial allowance. That was the key to it, so they did not have to pay a full allowance to the members that live there to make the project work.

Then the Navy tried to do it in the third place that you mentioned, that I think they had two attempts at it. They were unsuccessful in getting that executed. The authority expired. We actually asked to extend the authority. The Congressional Budget Office scored it because of what they said would be the extra expense based on the inflation that had happened since then, and so it

dropped out. And right now, we do not have authority to do it with partial allowances.

We are doing it for senior enlisted, where it is appropriate to pay the full allowance and build an apartment. The Army is doing a lot of that, and the Navy, I think, is going to pursue that, too. But that is the problem right now.

Mr. CRENSHAW. Is it a partial basic allowance?

Mr. SIKES. Yes, sir.

Mr. CRENSHAW. Somebody would have to authorize that?

Mr. SIKES. Yes, sir. The key to the Navy authority was that, when you are going to put them in a real barracks, as opposed to an apartment, the regular allowance is too much, and so the economics do not work. And that is what the Navy did in both in Norfolk and in San Diego. And they cannot do that now.

So it is hard to do it for the junior enlisted, where you are actually trying to privatize the barracks as opposed to build—

Mr. CRENSHAW. Who makes the decision about whether they have the authority to do that? Is that something the Navy decided or do we decide that? Who decides about the partial basic allowance?

Mr. SIKES. Congress grants that. There is a partial allowance that is paid for a different reason that was leveraged off—when it was originally passed, and it allowed the flexibility to set it at the proper amount to make a project for it. It is normally only about \$10, but we had authority to increase it to be appropriate to whatever the project needed to make it work.

Mr. CRENSHAW. And Congress took away that authority?

Mr. SIKES. It expired. And it did not get renewed, partly because of the budget scoring issue, I believe.

Mr. CRENSHAW. Well, I mean, from you all's standpoint, has it worked well in those first two? Because it certainly works well on the—different economics when you have got a family housing, but did it work at Hampton Roads? And did it work at San Diego when you had that authority to do the partial allowance?

Mr. SIKES. Yes, sir. It worked great in both of those places, and those are great projects. I—

Mr. CRENSHAW. Is it something you all think is worth pursuing?

Mr. SIKES. Yes, sir.

Mr. CRENSHAW. Because it seems to me, you know, when you talk to some of the people, even the single guys and gals that live in those kind of facilities, it is a whole lot nicer than the kind of typical barracks or living on the ship or whatever, so it seems like something we ought to pursue, Mr. Chairman, if that is the reason it is not going forward.

We ought to think about that, if you all think it is worked, if you have learned some lessons from doing the first two pilots.

Mr. SIKES. Yes, sir. And the Navy definitely wants to do it. Some of the other services have been watching. And since it expired, they did not pursue it, obviously, but—

Mr. CRENSHAW. I imagine—and maybe on that—the point of privatized housing—you know, when we started this, the economy was in better shape, housing was in better shape. And I know there have been, you know, some isolated incidents where it had not worked out the way we hoped it had worked out.

But on balance, would you say overall the privatized housing has been successful? And in the midst of these difficult times, is that creating any particular problems that we ought to be aware of and deal with? Can you give us—

Ms. ROBYN. I said the other day—and I am not sure if you were in the room at the time—and I say this everywhere I go. Housing privatization is the single most effective thing my office has overseen. It was an effort started in the Clinton administration, and it faced enormous resistance from the services, from OMB on scoring grounds.

And my predecessors kept at it. Their successors in the Bush administration continued to push it. I think it is a tremendous success story. Everywhere I go, I hear from people who live in that housing, but also from officers or from senior military officials. The ACMC, the assistant commandant of the Marine Corps, says what a fabulous thing this is, and he acknowledges that he opposed it initially. But I think it is tremendously successful.

Joe reminds me that we really are still at an early stage and we cannot let up the oversight and the attention to it. These are 50-year contracts. We are at most 10 years into those. So it is a great success story, but we have got to continue to attend to it carefully.

Mr. CRENSHAW. There are not any particular problems that you have identified, you know, that we ought to deal with, other than the bachelor housing? I think, Mr. Chairman, in terms of quality of life, if there are things we can do to kind of help those pilot projects go forward, I think we will find them just as successful on the bachelor side, single side, as we have on the married side.

Mr. EDWARDS. I would encourage you to push that, if you want to take that initiative.

You know, because it took this subcommittee 8 years working with the Clinton and the Bush administrations to change the method of building family housing. And it might take some cooperation and pushing.

Ms. ROBYN. Yes, and apologies for not acknowledging your all's role. I tend to have—you all played a huge—you were, I know, huge advocates for this, without which we could not have done it. Thank you.

Mr. EDWARDS. It is a great, great success story.

Mr. CRENSHAW. Thank you, Mr. Chairman.

PRIVATIZED UNACCOMPANIED HOUSING

Mr. EDWARDS. You know, lessons learned—as you said, I know it is not apples to apples, but it is a little different economic situation when you are talking about single housing. But maybe we can make it work.

Ms. ROBYN. Sir, it is really important to the men and women.

Just as a historical note, I want to point out that the basic concept of housing privatization really began in Congressman Farr's district, with a visionary commander named Fred Meurer, who traded real estate for construction of some housing. And that was the genesis of the program. And he is now city manager at Monterey, and I draw on him continually. He is—

Mr. EDWARDS. What year did that happen?

Mr. SIKES. That was in the 1960s or 1970s—

Ms. ROBYN. Right, yes.

Mr. FARR. It was about 1985.

Mr. CRENSHAW. 1980, was it?

Mr. SIKES. Yes, sir.

Mr. FARR. It was before anybody ever talked about base closures.

Ms. ROBYN. Yes. And the genesis for that was something Fred did, where he brought in a shepherd—he was having problems on some of their grassland at Fort Ord—fires in the fall, when they would have training exercises—and the smoke would bother the neighbors. He brought in a shepherd to graze in these areas in exchange—and in exchange for that, the shepherd would do fence repair for him.

So it was that barter arrangement that gave him the idea for what became the genesis of housing privatization.

Mr. EDWARDS. That is very—Clinton administration and Ray DuBois in the Bush administration deserved Purple Hearts and—

Ms. ROBYN. Absolutely.

Mr. EDWARDS [continuing]. For their—

Mr. FARR. And Chairman Hobson with his background in real estate development. He really understood—

Mr. CRENSHAW. Well, just one last question. On that point, do you all know that pilot project that expired—does anybody know the cost if we were to reauthorize that? Is that something handy? Can you get back to us or let us know?

[The information follows:]

In FY 2010, the Administration endorsed the Navy request to extend their UPH privatization pilot authority (10 U.S.C. 2881a) from September 30, 2009 to September 30, 2011. This provision authorized up to three pilot projects, of which the Navy had only awarded two projects (at San Diego, CA and Hampton Roads, VA), before it expired. As such, an extension was needed to provide additional time to award the third pilot project. The CBO Cost Estimate, dated July 14, 2009 (pages 17–18), scored the third project at \$45 million. Unfortunately, as a result of this scored cost, the UPH privatization pilot authority was not extended and expired on September 30, 2009.

Mr. SIKES. Yes, sir. Yes, sir. There was a number that went with it. I just do not remember it right now.

Mr. EDWARDS. How many years out is CBO forcing us to count revenues?

Mr. SIKES. In this particular—

Mr. EDWARDS. Expenditures rather than—

Mr. SIKES. Well, it would be the whole life of the project, so it would be 30 years. In that particular case, it was less because it was an incremental score since we actually already had the authorities. I think what would happen if we started the authorities over again, they probably would try to score the whole amount.

Mr. EDWARDS. That is something we are going to have to figure out, because 30 years of rental payments counted in year one.

Mr. CRENSHAW. And that is the reason we do the privatization, so we can leverage the dollars—make people understand that it is better to pay for it over 30 years than pay for it upfront.

Mr. CARTER. Do they treat—the same way on the private side?

Mr. EDWARDS. I do not know if I would say—housing, because they changed the costing for 801 housing, and it wiped that program out.

Mr. CARTER. I do not think we do.

Mr. FARR. Our communities require what they call include sharing housing, so if you are a developer and you are going to build, say, 10 houses, 30 percent of those, three of them would have to be marketed at an affordable level, and the developer absorbs the cost.

Mr. EDWARDS. You might have to work with CBO and see—Yes, sir? Do you have any thoughts on how we can get together and work with CBO to figure out a new approach on that?

Mr. SIKES. Yes, sir, I am very much in favor. And I first met you when John Goodman brought me over here, so you have been a big supporter from the beginning.

Mr. EDWARDS. Well, congratulations to you on all your work.

Ms. ROBYN. He has done a great job.

Mr. EDWARDS. It is a great success story.

Mr. SIKES. Thank you, sir. I will go back to my place. [Laughter.]

TOUR NORMALIZATION IN KOREA

Mr. EDWARDS. Let me ask about Korea. I have been long concerned that, with the OPTEMPO, Judge Carter's constituents at Fort Hood and other military installations, you can go to Iraq, come back home, get reassigned to Korea, and with such a small percentage of our troops there that are allowed to bring their families with them, then spend a year in Korea, and then you could be sent back to Iraq or Afghanistan. I mean, theoretically, you could end up spending 3 years away from your family and your children.

I know the Department of Defense is making some effort to increase the capacity of accompanied tours in Korea. Can either of you tell me where we are in that effort?

Mr. HALE. Well, we are implementing phase one of Korea's tour normalization, as it is called. It will affect slightly less than 5,000 families, and involve fairly modest MILCON costs at this point. There are other phases, two and three, that are under consideration. The costs for these phases will be substantially higher.

And I have learned from long experience that you need to consider these decisions in the context of our overall resources. So I can tell you that that is an issue under active consideration; I am not prepared to indicate what decision the Department will make.

Mr. EDWARDS. And, obviously, you are having to make tough choices every day and cannot meet every need, but given the OPTEMPO of these families, I just hate the thought that you could end up spending literally 3 years away from your family.

Are the cost drivers the housing? Or is it school factor or what—

Mr. HALE. It requires a major investment in infrastructure in order to support families, and we do not want to do it unless that infrastructure is there. And so there are a variety of considerations. Scoring is an issue that comes to play again in terms of the cost of these—we are looking at public-private partnerships, there are a lot of issues being discussed.

I would expect there would be a further proposal or a decision not to in next year's budget.

Mr. EDWARDS. Once phase one is completed, what percent of our troops in Korea will be accompanied?

Mr. HALE. I want to say that it is 5,000 families. Anybody have any ideas—a third-ish? Can I supply that for the record?

[The information follows:]

Phase I of tour normalization is currently being implemented. There are 4,923 military families programmed for Korea at the completion of this phase. The infrastructure is in place to support these families.

Full implementation of Phase II and III are projected to have an end-state of 14,250 families in Korea upon approval.

Mr. EDWARDS. Sure, that would be fine. Let me also just commend you, Secretary Hale I think DOD finally came up with a standardized definition of what adequate housing is. I have always been bothered by service—and the definition changes from year to year. And the definitions, some of them just simply were inadequate.

I mean, saying if we spent \$50,000 more to improve a house, and that is all it would take to improve to standard, then it meets standards, whether you ever spent a dime of that \$50,000 or not.

So I commend the administration for this new standard, but now we can look from year to year and see if we are making progress or falling further behind.

Mr. HALE [continuing]. Although I get blamed for a lot of things I do not do—I cannot take credit for this year. I think it is more to—

Mr. EDWARDS. I salute you, Dr. Robyn. We have to know what a problem is, you have got to be able to identify it. And now we can at least compare apples to apples each year to see if we are moving ahead or falling backwards on that.

Same thing on DOD schools—I think our committee required a report to be done, and DOD saw that report and is taking action. What would it cost to bring all of our overseas DOD schools up to standard?

IMPROVING THE QUALITY OF DOD SCHOOLS

Ms. ROBYN. This year, we are putting a down payment, about \$500 million, to—I think that covers 10 schools. I believe 134 of the 194 DODEA schools are considered inadequate, which is to say they are in poor or—

Mr. EDWARDS. I am sorry. What were those—

Ms. ROBYN [continuing]. 134 of 192 are considered inadequate, which would be poor or failing condition. And that could be for a variety of reasons. In a lot of cases, I think the buildings have simply outlived their normal life expectancy.

Mr. HALE. I think my memory is correct, but we will submit for the record. Over the 5 years, we will fix all of those with failing infrastructure under our current plan, and about two-thirds of those with poor infrastructure. We may need to get for the record the total cost.

[The information follows:]

Over a 5-year period beginning in FY 2011, the Department will replace or renovate with military construction funding 103 schools at a total cost of \$4.0 billion. Of that amount, \$2.3 billion is for 60 overseas school projects.

Mr. EDWARDS. That would be great. And—

Ms. ROBYN. Yes, it is \$3.8 billion.

Mr. HALE. That is for all of them.

Ms. ROBYN. That is for all. That is for poor and failing.

Mr. EDWARDS. Great. Well, I salute you for that. We all know that we are at a time of war, and the first thing you have to do is support the troops in harm's way. But I know how I would feel if I were on my second or third tour of duty and then my kids were in a DOD school that was dilapidated and too small and falling apart, so thank you for that.

Judge Carter.

MILITARY PAY RAISE

Mr. CARTER. This year, we got the budget—the president's budget—a very, very minimal pay increase: 1.4 percent, I think, is what is being proposed, which I believe is going to be the lowest pay increase—of course, since the 1970s, anyway.

And, you know, these people are—at least where I have got my soldiers, or most of them have deployed three times and are in their fourth deployment now. I am concerned that they do not feel appreciated at that level. I do not know if there is anything we can do about it, but they do ask questions about it.

When I go to Fort Hood, I have spouses especially ask questions about pay increases. And I think part of that is because they are at home taking care of the finances while soldiers are at war. And even though they are talking on the telephone, not a whole lot the soldier can do about their economic situation back home. And some of them are getting in some pretty dire straits with loans and loan—I would call them sharks and other people like that. And we are working on that.

But just curious if you see any light at the end of the tunnel on—situation—they are not getting rich, but they are sure taking a lot of chances on our behalf.

Mr. HALE. Well, Judge Carter, the pay raise is based on the full increase in the employment cost index over the last year. So it will make, on average, military and civilian personnel their salaries equal to the private sector. It is low because the economy is tough and pay raises and inflation are quite low.

I would ask your help and the Congress' in considering the following problem that we have. The last 3 years, Congress has added 0.5 percentage point to the military pay raise. I agree with you that we need to provide the military with generous pay, but we should also provide them training and equipment so they can carry out their mission. Each extra 0.5 percent is about \$500 million, and it is cumulative, so over the last 3 years it is now \$1.5 billion.

Because our total resources are inevitably fixed, what we spend on the pay increase we cannot spend on equipment. I will mirror what the Secretary said in his testimony, we ask you to approve the full raise, but we also ask that you not increase it in order that we can maintain the balance of sustaining and equipping a military in tough economic times.

Mr. CARTER. It is a frank answer. [Laughter.]

Mr. HALE. I hear you.

Mr. CARTER. I think you would get a standing ovation, I am sure.

Mr. HALE. Oh, I do not think so. [Laughter.]

Comptrollers are not used to standing ovations.

Mr. CARTER. And this is a little off the subject, but we are a little bit candidly—having a conversation. We still drill for those terrible things called hydrocarbons in our part of the country, and a very interesting thing. If you would have bet money a year-and-a-half ago if there was anything to be drilled for in the Fort Hood area, they would have laughed you off the face of the Earth.

They just drilled a test well in Gatesville into the gas shale, natural gas shale is going to be one of the great things that happens to this country—have since developed it, and they hit hydrothermal water. And so they are putting together—and it is all done by private industry. It is not government involved.

They are putting together a solar-boosted, hydroelectric power plant attached to the well head of that gas well. They are going to produce natural gas through the shale process, but they are going to use this super hot water that they hit as they were going to the gas to drive a hydroelectric plant—I mean, a thermal electric plant.

And I think they could produce an awful lot of electricity that way, and they are going to keep it going, keep the water hot with solar panels. It is a really interesting concept, so you may have all the power you need right there in the—

Mr. EDWARDS. That is great. Thank you.

Mr. Farr.

Mr. FARR. Thank you. I have a couple questions.

INTERNATIONAL MILITARY EDUCATION TRAINING

I have been a big fan of IMET, international military education, and obviously, a school that I represent, the Naval Postgraduate School, is a big beneficiary.

We learned from the officers that it is the longest time that a foreign officer spends in the United States, because they come there to get a master's or PhD degree. They live in the housing with the military families. Their kids all go to this wonderful public school there that speaks 67 languages. It is just amazing.

And it is a very, very positive program. And it has been, I think, one of the most successful programs in promoting our national security by recognizing the value of our allies and their ability to be co-partner with us, and so we learn a lot about them and them about us.

The problem with the IMET funding—and the military would like to expand this—is it is in the State Department budget. And it is in the 150 account, I believe. And it competes with—Peace Corps, foreign aid, everything that is in that same account.

Defense Department has got a lot of money, so why are we paying for it out of the State Department? The State Department wants to keep this program. But I would hope that you could begin a discussion with them, because I think we are going to get a better bang for the buck if we can fund that out of the Defense Department.

The benefit goes to the Defense Department. It is scaled so if you are a wealthy country, you pay the full cost. If you are a poor country, we help pay for it. But I hope that you would look into that and see if we could get that budget into the Defense Department.

Mr. HALE. I will look into it. I confess, I am not looking for more things to pay out of the defense budget, but I understand.

Mr. FARR. It is a small item, but it is important to the Defense Department.

STABILIZATION AND RECONSTRUCTION

The other issue I want to understand is how to get something in the Defense Department. Last year, Secretary Gates said—I have got his quote here—he says that, “It has become clear that America’s civilian institutions of diplomacy and development have been chronically undermanned and underfunded for too long, relative to what we spend on the military.”

Chairman Mullen just recently said, “Defense and diplomacy are no longer discrete choices, one to be applied when the other fails, but must complement one another throughout the messy process of international relations.”

And given that the senior leadership has recognized the need for stabilization and reconstruction education and training—and we have a program to do that, and officers are studying to get that—but it has always been an earmark.

And the question is, how do you get that POMed? How do you get it into the Defense Department budget? It is certainly consistent with directive 3005.05 and 05. What is the process?

Mr. HALE. Well, there is certainly a process in our overall budget review process. I confess, I do not know where that specific program is in the process, but perhaps I could get back to you, if I could.

Mr. FARR. Yes, we would really appreciate you taking a look at it, because I think it warrants being in your budget. Again, it is a very small item. But Congress keeps having to put the money in, rather than you ask for it.

Mr. HALE. I will check it out.

[The information follows:]

The International Military Education and Training (IMET) program falls under the responsibility of the Department of State. Therefore, DoD cannot legally fund the IMET program. The Department strongly supports the IMET program.

In fact, the February 2010 Quadrennial Defense Review, on page 20, pledges that “U.S. Armed Forces will continue to require capabilities to create a secure environment in fragile states in support of local authorities and, if necessary, to support civil authorities in providing essential government services, restoring emergency infrastructure, and supplying humanitarian relief.” In building the FY 2012 budget, DoD Components and the Secretary’s staff must decide how best to meet this QDR pledge. Additionally, Secretary Gates and other DoD leaders have continued to urge strong funding for State Department and other budgets to increase expertise and capabilities for stabilization and other vital non-military elements for strengthening America’s long-term security.

We will continue to encourage the Department of State to adequately fund the IMET program.

Mr. FARR. Well, thank you.

Mr. EDWARDS. Thank you, Mr. Farr.

Mr. Crenshaw, do you have any additional—

MILCON IN AFGHANISTAN

Mr. CRENSHAW. Just one more question. As the subcommittee knows, I just came back from Afghanistan and Pakistan with Chairman Dicks. And when we met with General McChrystal, we did not really get into the military construction projects. We talked

about how incredibly difficult a job he has got. And I am sure he is focused more on the operation side.

But in the budget that you all submitted, I think it is \$1.2 billion. Most of that is going to go to Afghanistan. And, number one, kind of highlight where—you know, that is a lot of money to be spent very quickly, I guess, if the operation is supposed to end next July.

And, number two, are there any—when you submit a supplemental, which I guess in the next few weeks, will there be some money there for MILCON projects in Afghanistan? Well, just highlight, what are those projects?

Mr. HALE. Well, let me give you a general answer. The supplemental request that is before you right now, the \$33 billion, contains \$500 million for military construction. A majority of those projects are in Afghanistan, and the majority of them are to build facilities at new forward operating bases for the increase of 30,000 troops. I think we need those funds in order to support those troops, and so I would urge your support.

The \$159.3 billion for the fiscal 2011 overseas contingency operations includes the \$1.3 billion of which \$1.2 billion is DOD money. All of the \$1.2 billion is for projects in Afghanistan.

You say the operation is ending next summer. That is not quite true. That is not true, really. We will begin an inflection point and some sort of withdrawal, but the pace of that withdrawal remains to be seen, and so there will certainly be a period of time when we will need facilities for troops over there.

Some of the facilities that are there now that are being replaced by projects in that \$1.3 billion request are temporary facilities reaching the end of their lives. Some of them do not have adequate force protection.

I understand the concerns about MILCON and a situation where we know our stay there is temporary, but I also know all of us want to be sure the troops get all the protection they need, so I would urge your support for that \$1.2 billion.

Mr. CRENSHAW. Yes, and there is nobody that supports that effort any more than I do, and I think this committee—I was just curious as to what—you know, if there are one or two critical projects that are really—

Mr. HALE [continuing]. One or two. I have looked at the sheet. I do not remember them all. We can certainly get them for you. There is a couple dozen maybe? How many?

VOICE. Fifty-seven.

Mr. HALE. Fifty-seven projects. I mean, there are a number of them. There are—

Mr. HALE [continuing]. Airfields. I mean, it is a lot of different things that are going on.

Mr. CRENSHAW. One of the things I know—we were in Germany. And there are 25 C-130s taking off every day with—I cannot remember what they call them, but they are kind of temporary housing units that sound like—you know, they are all stacked up, and you kind of put them together. It is a whole lot better than a tent. They are doing a lot of that. I mean, there is a lot of temporary stuff going—

Mr. CRENSHAW. But I can tell you, after sleeping in what they call the hooches at Camp Evers, they could use some additional housing units over there.

So, anyway, again, just curious, and glad to hear that it has been well thought out and going to be critical to our success there, because that is an incredibly difficult situation, but I think I came back very encouraged, from talking to General McChrystal and our folks over there.

Thank you.

Mr. EDWARDS. Great, thank you.

I know the two of you have noon appointments here in the Capitol. Any additional questions I have I will submit in writing.

Judge Carter, anything else?

Mr. CARTER. No, sir.

Mr. EDWARDS. If not, thank you both for being here today.

Ms. ROBYN. Great. Thank you.

Mr. EDWARDS. We stand adjourned.

[Questions for the Record submitted by Chairman Edwards]

QDR AND "RESILIENCY"

Question. The QDR report makes numerous references to the need to improve the "resiliency" of our overseas posture, including the "hardening" of key facilities. Does the Department have a detailed investment plan to address this requirement? What is the MILCON cost estimate for "resiliency"?

Answer. The Department does not yet have an investment plan or a cost estimate for resiliency. As articulated in the QDR, the Department is studying options to increase resiliency in selected theaters. Various options are being considered in this study to address this issue—from hardening of key facilities and critical infrastructure to dispersal and redundancy of critical assets. These results of the study will then inform the process of establishing requirements.

GUAM

Question. What has been requested in fiscal year 2011 by non-DOD agencies for costs associated with the relocation of marines from Okinawa to Guam? What are the key non-DOD milestones to be achieved?

Answer. Based on information obtained by Office of Management and Budget, there has been no specific requests in the fiscal year 2011 budgets for non-DOD agencies associated with the relocation of Marines from Okinawa to Guam; however, below details proposed non-DOD federal funding for Guam in FY11 as well as prior years:

Agency, subagency or bureau	FY2008 (actual—\$m)	FY2009 (actual—\$m)	FY2009 ARRA (actual—\$m)	FY2010 enacted est—\$m)	FY 2011 PB (est—\$m)
Department of Commerce	\$4	\$5	\$0	\$5	\$5
Department of Education	65	73	121	71	70
Department of Energy	0	0	46	0	0
Department of Health and Human Services	45	48	10	53	50
Department of Homeland Security	35	34	2	53	55
Department of Housing and Urban Development	41	42	5	46	48
Department of the Interior	66	68	2	73	74
Department of Justice	4	5	7	5	5
Department of Labor	6	6	4	6	7
Department of Transportation	83	53	24	46	47
Department of the Treasury	0	0	27	0	0
Department of Veterans Affairs	22	23	0	24	25
Environmental Protection Agency	7	7	5	20	19
Federal Communications Commis- sion	18	18	0	16	16
National Endowment for the Arts	0	0	0	0	1
National Science Foundation	0	0	0	0	0

Agency, subagency or bureau	FY2008 (actual-\$m)	FY2009 (actual-\$m)	FY2009 ARRA (actual-\$m)	FY2010 enacted est-\$m)	FY 2011 PB (est-\$m)
Social Security Administration	102	112	3	119	123
Small Business Administration	7	7	5	8	8
U.S. Department of Agriculture	96	111	184	130	134
TOTAL	602	612	445	676	686

FAMILY HOUSING

Question. Please provide a snapshot of where each of the services stands with respect to current inventories of inadequate family housing units, and the program each service has to replace or otherwise eliminate those units.

Answer. In FY2009, OSD changed how we define inadequate family housing units. Instead of the previous threshold of \$50,000 of work required on a family housing unit, OSD is reporting the Quality-rating (Q-rating) for family housing units, using the Real Property Inventory Database. Facility Condition Indices or Quality (Q) Ratings are developed for budgeting purposes and are consistent with guidance from the Federal Real Property Council (FPRC). A Q-rating is a relative comparison (from 0 to 100%) representing the work required to restore a facility compared to the cost to replace it. A 100% rating means the facility is in excellent condition and needs no work. The Q-rating bands are as follows:

- Q1—100% to 90% (considered adequate)
- Q2—89% to 80% (considered adequate)
- Q3—79% to 60% (considered inadequate, but not necessarily uninhabitable)
- Q4—59% to 0% (considered inadequate, but not necessarily uninhabitable)

While there are Q3/Q4 government-owned family housing units in the inventory, these units are often still safe and habitable units. In addition, there may be a Q1/Q2 unit which needs critical but relatively low-cost repairs before it is habitable.

The vast majority of the Services' housing inventories have been revitalized through privatization. According to the FY 11 Budget Estimates, the Services' government owned inventories of Q3/Q4 units are as follows: Army, in FY10 has approximately 4,500 (27%) Q3/Q4 government-owned units mostly in foreign locations. The Air Force, in FY10 has approximately 6,500 (19%) Q3/Q4 government-owned units, the majority of which are located in the U.S. The Navy, in FY10 has approximately 3,300 (32%) Q3/Q4 government-owned units, mostly in foreign locations. The Marine Corps, in FY10, has one (less than 0.5%) Q3/Q4 government-owned unit, located in the U.S.

As published in the Department of Defense Fiscal Year 2011 Budget Request Overview, by FY 2012, the DoD will maintain at least 90 percent of government-owned Family Housing inventory in the United States at good and fair (Q1-Q2) condition.

UNACCOMPANIED PERSONNEL HOUSING

Question. Please provide a snapshot of where each the services stand with respect to current inventories of inadequate unaccompanied personnel housing spaces, distinguishing between permanent party and training/transient UPH, and the program each service has to replace or otherwise eliminate those units.

Answer. Starting in FY 2009, OSD changed how the Military Services report on the condition of their unaccompanied personnel housing (UPH) inventory. Instead of allowing the Services to establish their own definitions of adequacy and inadequacy, OSD now requires reporting based on Quality-ratings computed per guidance from the Federal Real Property Council (FPRC). A Q-rating (0 to 100%) represents the work required to restore a facility compared to the cost to replace it. A 100% rating means the facility is in excellent condition and needs no work. The Q-rating bands are as follows:

- Q1—100% to 90% (considered adequate)
- Q1—89% to 80% (considered adequate)
- Q1—79% to 60% (considered inadequate, but not necessarily uninhabitable)
- Q1—59% to 0% (considered inadequate, but not necessarily uninhabitable)

Military service	Percentage of UPH considered adequate (Q1/Q2)					
	Permanent party (active component)			Training (active component)		
	U.S.	Outside U.S.	Worldwide	U.S.	Outside U.S.	Worldwide
Air Force	88	82	86	100	N/A	100
Army	79	89	81	65	100	66
Navy	41	9	31	36	N/A	36
USMC	65	48	62	43	N/A	43

The Military Services all have substantial funding (MILCON & SRM) programmed through their future year defense plans to repair, replace, and modernize existing inadequate UPH, and build new footprint construction to support initiatives such as Grow the Force, BRAC, global restationing, Homeport Ashore, and other force structure initiatives.

TOUR NORMALIZATION IN KOREA

Question. Is the Department committed to full tour normalization for U.S. Forces Korea, and if so, is there a target date for completion?

Answer. As stated in the QDR, the Department's goal is to phase out all unaccompanied tours in Korea. In support of this goal, the Department has already begun implementing tour normalization, and we are assessing the most effective and sustainable manner to continue implementation in the long-term. The Department has not determined a target date for its completion.

MILCON FOR "ENDURING" BASES IN AFGHANISTAN

Question. The Department has designated two bases in Afghanistan, Bagram and Kandahar, as "enduring." There are other indications that the Department and CENTCOM have longer-term expectations for these two locations that go beyond the immediate operations in Afghanistan. MILCON associated with "enduring" functions has been programmed into the base FY 11 request. Yet when we look at the service FYDPs, particularly Army and Air Force, we see no Afghanistan MILCON programmed beyond FY11. How do you explain that?

Answer. Our intent is to maintain a long-term relationship with Afghanistan, and Bagram and Kandahar are enduring locations that are best suited to sustain ongoing and planned DoD operations. We anticipate our presence at these two key locations to continue through the FYDP, and we will issue guidance to the Military Departments to plan and budget accordingly.

CYBER COMMAND

Question. The Department plans on standing up a new Cyber Command as a sub-unified command under STRATCOM. The Air Force FYDP indicates a future requirement for CYBERCOM standup, but provides no funding estimate. What is your short-term plan for locating and housing this new command, and what is your long-term plan? Do you expect Air Force to accommodate the cost of facilities for this new command within its current MILCON program?

Answer. We have established Cyber Command (CYBERCOM) and it is currently operating in existing National Security Agency facilities made available on Fort Meade. The NSA personnel displaced by the command's standup will be accommodated through a private sector lease arrangement. The Department is continuing to work out the details for the permanent location and required facilities for this new command. The review will also result in the funding and timeline to implement the CYBERCOM's permanent siting.

[Questions for the Record submitted by Congressman Wamp]

QUADRENNIAL DEFENSE REVIEW

The Department released the QDR on February 1, 2010. I believe that the Department has testified that the QDR, among other things, revolves around the imperative to fight both the wars that we're in today and also prepare for future contingencies and to reform how and what we buy.

Question. In what ways does the QDR represent a forward-looking document?

Answer: In addition to a focus on prevailing in current conflicts, our analysis and scenarios looked into the future: 2016 was the mid-term snapshot; 2028 was the

long-term. This is the first QDR to look beyond the traditional security lens, including strategic trends that exacerbate conflict, such as demographics and economics, and to evaluate the effects of energy and climate change on the Department's operations. The 2010 QDR has gone to great lengths to account for defense of the homeland, defense support to civil authorities, and prevention activities in its force analysis, as well as concurrent overseas contingencies. This review also recasts global defense posture.

The 2010 QDR is especially forward-looking in elevating the need to preserve and enhance the All-Volunteer Force—the most important pillar of America's defense. To take better care of U.S. forces and their families over the long-term, the Department is focusing on several fronts: wounded warrior care; sustainable deployment tempo; recruiting and retention; supporting families; and developing the total defense workforce.

The 2010 QDR strategy balances the risk of near- and longer-term resource allocations, taking into account the aggregate military capacity needed to prevail in a series of overlapping operations. The QDR employed several scenario combinations to represent the range of likely and/or significant challenges anticipated in the future, and tested force capacity against them. Combinations of scenarios assessed in the 2010 QDR included the following:

A major stabilization operation, deterring and defeating a highly capable regional aggressor, and extending support to civil authorities in response to a catastrophic event in the United States. This scenario combination particularly stressed the force's ability to defeat a sophisticated adversary and support domestic response.

Deterring and defeating two regional aggressors while maintaining a heightened alert posture for U.S. forces in and around the United States. This scenario combination particularly stressed the force's combined arms capacity.

A major stabilization operation, a long-duration deterrence operation in a separate theater, a medium-sized counterinsurgency mission, and extended support to civil authorities in the United States. This scenario combination particularly stressed elements of the force most heavily tasked for counterinsurgency, stability, and counterterrorism operations.

Question. Specifically, how does the QDR address the need for preparing for future contingencies?

Answer. Although the 2010 QDR recognizes and places the highest priority on prevailing in today's conflicts, specific emphasis has been placed on reflecting the complexity of the security environment and the need for flexible and adaptable forces to address the need to prepare for future contingencies. The 2010 QDR moves beyond the two major theater war construct, and includes plans for a wider range of challenges, based on analysis of key geopolitical trends and the shifting operational landscape. The 2010 QDR strategy balances the risk of near- and longer-term resource allocations, taking into account the aggregate military capacity needed to prevail in a series of overlapping operations.

The QDR employed several scenario combinations to represent the range of likely and/or significant challenges anticipated in the future, and tested force capacity against them. Combinations of scenarios assessed in the 2010 QDR included the following:

- A major stabilization operation, deterring and defeating a highly capable regional aggressor, and extending support to civil authorities in response to a catastrophic event in the United States. This scenario combination particularly stressed the force's ability to defeat a sophisticated adversary and support domestic response.
- Deterring and defeating two regional aggressors while maintaining a heightened alert posture for U.S. forces in and around the United States. This scenario combination particularly stressed the force's combined arms capacity.
- A major stabilization operation, a long-duration deterrence operation in a separate theater, a medium-sized counterinsurgency mission, and extended support to civil authorities in the United States. This scenario combination particularly stressed elements of the force most heavily tasked for counterinsurgency, stability, and counterterrorism operations.

The Department seeks to acquire and maintain capabilities that are applicable across a broad range of contingencies, and not optimized for one specific future. The QDR sets a long-term course for DoD to follow and will provide a strategic framework for DoD's annual program, force development, force management, and corporate support mechanisms. Our analysis of future security challenges has brought about greater investment in multiple capability areas to include counter anti-access, counter-WMD, space and cyber capabilities, intelligence, surveillance and reconnaissance (ISR), and other key enablers.

Question. The QDR focuses “to reform how and what we buy”. Please put this into a Military Construction context. Has the QDR identified ways that could improve the way that we budget and appropriate dollars for Military Construction?

Answer. The QDR did not specifically address the way that we budget and appropriate dollars for Military Construction, but focused on improving processes for acquiring weapons systems and information management systems, reforming security assistance, strengthening the industrial base, reforming the export control system, and managing the effects of climate change.

However, while the QDR did not explicitly address military construction, the Department has been pursuing process improvements that will provide quality facilities in less time and at lower cost. An example of this is the Army’s Military Construction Transformation initiative, which includes efforts such as standardizing design for certain facility types, building to meet life-safety requirements as well as energy saving goals, and the adoption of private sector best practices.

COMPETITION FOR CONSTRUCTION MATERIALS/LABOR

Question. Obviously we all want to see the economy improve. Because of the current state of the economy, we are in a pretty favorable environment for military construction, and I understand that the FY 11 Military Construction request reflects a five percent reduction due to the favorable construction climate. Do you feel confident that this will be the case throughout the next fiscal year and are you seeing any changes in the construction economy that we should be concerned with as we move this bill forward?

Answer. The five-percent reduction in FY 2011 project estimates reflected the difference between the escalation we originally assumed for FY 2009, and the negative escalation that actually happened (as we measure it) for the same period. The sharp FY 2009 market drop has not continued through FY 2010, and construction prices have generally stabilized. We are projecting modest escalations for FY 2010 and FY 2011, which have held up through the first half of FY 2010.

GUARD/RESERVE OP TEMPO/BUDGET REQUEST

As I look over the President’s budget request, I have to wonder if there are some holes in the budget as it relates to our men and women who serve in the Guard and Reserve. The President’s budget request is \$185 Million below last year’s enacted level of \$1.623 billion for the Guard and Reserves.

Question. What would be the impact to the Air Guard, and the Reserve forces of the Army, Navy and Air Force if this subcommittee approves the President’s budget request, as submitted, for these key components of our Nation’s defense?

Answer. The impact to the Reserve Component (RC) will be the ability to execute their MILCON programs. The question refers to the \$1.623 billion for the National Guard and Reserve, which seems to relate specifically to the Military Construction program. The President’s FY 2011 RC MILCON request of \$1.44 billion supports those construction projects necessary to enable the RC to provide sufficient facilities for their members to complete their assigned strategic and operational missions.

Question. What is the projected op tempo for guard/reserves in FY II? Are you estimating that it will increase, decrease or stay the same?

Answer. The estimated force OPTEMPO is expected to remain the same. Achieving the defense strategy articulated in the Quadrennial Defense Review requires a vibrant National Guard and Reserve which is seamlessly integrated within the Total Force. With the recurring and predictable nature of many of the requirements we face today, the National Guard and Reserve are ideally suited to the future and are anticipated to remain relevant. With this steady OPTEMPO level we continue to make progress toward achieving the Secretary of Defense goal of a 1:5 deployment ratio for the Reserve and National Guard. Continued judicious use of the Reserve Components, under the established utilization guidelines, will increase Active Component dwell to deployment ratio and help to sustain that force for future use.

Question. What are some things that this Committee could do to help the guard and reserves meet their operational tempo that did not make it into the budget and what is the cost?

Answer. The National Guard and Reserve are being utilized at higher operating tempo levels than a decade ago in performing missions at home and overseas. The FY 2011 President’s Budget request provides funds to facilitate current OPTEMPO levels in a way that closely integrates the Reserve and Active Components. As operational situations change we will work with Congress to address any shortfalls or issues.

HOMEOWNERS ASSISTANCE PROGRAM

Congress has provided \$855 Million to the Department for the Homeowners Assistance Program. The bulk of this money has been available since February of 2009.

Question. How much of these funds have been expended, and what is the current obligated balance of the program?

Answer. As of March 31, 2010, \$133.5 million has been expended and the obligated balance is \$146.4 million.

Question. What is the fiscal year 2010 projected end-of-year balance for this program?

Answer. We expect to expend \$329 million by September 2010.

Question: Have the 4,652 homeowners, based on Dr. Robyn testimony, that are currently eligible for the HAP applied for assistance or is that just the potential total universe of eligibles?

Answer. The "4,652 homeowners" refers to the number of applicants who were eligible to receive benefits as of March 3, 2010.

Question. The testimony notes that the National Academy of Science is undertaking a BRAC Transportation study. Has the NAS been in contact with the Department yet to initiate this study? What kind of questions are they asking?

Answer. The National Academy of Sciences (NAS) initiated their study in March. They are finalizing the formation of their committee and held their first meetings on April 8th and 9th. The meetings were open to the public. The NAS's contact with the Department has included establishing the contract (i.e. obtaining the BRAC account funding as directed by Congress), an initial meeting with me and my staff, and establishing contact with the Defense Access Roads program office. The initial discussions have, therefore, been focused on organizational issues.

JOINT BASING

It has been a remarkable achievement that the DOD is well on their way to operating joint bases, and by October of 2010 all 12 joint bases will be fully operational.

Question. How long before we know, based on actual data, that this effort has provided the efficiencies that everyone hopes this will provide?

Answer. While we are always looking for efficiencies, we are shooting for the long term, 3–5 years from now, for finding and institutionalizing efficiencies in the delivery of installation support services.

Question. Has the Department developed a set of metrics in order to measure the efficiency and effectiveness of joint basing? Please provide for the record.

Answer. Yes, we have developed 274 metrics, called Common Output Level Standards (COLS) for measuring performance. Performance at each joint base is reported quarterly, and the senior installation leadership reviews performance data regularly. Our office also holds semi-annual program management reviews. A copy of the COLS is provided for the record.

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ANNEX W. ICC-APPROVED COMMON OUTPUT LEVEL STANDARDS

PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
1. Housing Services	Family Housing	Housing Referral Services	1	Customer satisfaction	85% Customer Satisfaction with Housing Referral Services.	ODUSD(I&E) DHCS	Total number of families assigned to or supported by Installation	Based on Navy Standards for Resident Satisfaction Surveys of all families assigned to or supported by the installation whether they live in Govt owned/controlled, privatized, or community housing.
		Family Housing Loaner Furnishings, OCONUS only	2	Furnishings packages delivered	95% of furnishings packages delivered by the required date.	ODUSD(I&E) DHCS	Total number of Loaner Furnishing sets required	
	Unaccompanied Personnel Housing	Permanent Party UPH Management Services	1	Occupancy Percentage	Maintain 95% occupancy based on normal capacity.	AR 420-1, AFI 32-6005; CNIC 11103, Ser CN1/15962; MC Order P11000.22 (LFF-3)	Total number of UPH spaces	
		Actual Replacement Time Period for Case/Hard Goods	2	Case/Hard Goods Replaced	Replace case/hard goods between 7 and 10 years.	AR 420-1, AFI 32-6004; CNIC P,OM Guidance, MC Order P10150.1	Total number of furnished living spaces	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
III. Community Services	Children and Youth Services	Child Development and School Age Care	1	Child Development Program Placement	100% of children are placed within 3 months of request.	OSD (OCY)	Number of Children ages birth to 12 years of age	Based on Navy CYP COLS. Children are defined as eligible children who have requested placement in the child development program.
		Child Development and School Age Care	2	CDC and SAC certifications and certificates	100% of CDC and SAC programs are certified and possess valid certificates.	DoDI 6060.2, DoDI 6060.3, PL104-106	Number of CDC SAC Programs	
		Child Development and School Age Care	3	CDC and SAC accreditation	100% of the eligible CDC and SAC are initially accredited and accreditation is sustained with no gap in accreditation status.	DoDI 6060.2, DoDI 6060.3, PL104-106	Number of CDC SAC Programs	A program in the process of going through accreditation in a Headquarters approved status with a plan for achieving accreditation meets the intent of the standard.
		Youth Program Services	4	Youth Program certifications and certificates	100% of the youth programs are certified and possess valid certificates.	DoDI 6060.4	Number of Youth Programs	
		Youth Program Services	5	Youth Program Partnerships	100% of joint bases maintain partnerships with national youth organizations to expand and enhance programs for youth.	DoDI 6060.4, Social Compact	Number of Youth Program Participants	The Service Headquarters develops and maintains the official agreement; the installation will maintain the agreement.
		Youth Program Services	6	Youth Program Participants	35% of eligible youth participate in DoD/Service Youth Programs.	OSD (OCY)	Number of eligible Youth Program Participants, Infrastructure, Transportation	The percentage is computed at the Headquarters level, not the installation level.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
III. Community Services (cont.)	Lodging	Temporary Duty (TDY)	1	Lodging Program Compliance	100% of the rooms at each installation meet the DoD Lodging Program Standards.	DoDI 1015.11, DoDI 1015.12	Total Room Inventory	Room standards are in ASD (FMP) memorandum, "DoD Lodging Program Standards," 1 Sep 99.
		Temporary Duty (TDY)	2	Room Availability	95% of the rooms are available for sale.	ODUSD (MC&FP) (MWR Policy)	Total Room Inventory	Off-market rooms are those under renovation or repair as defined in "Uniform System of Accounts for the Lodging Industry," 10th rev edition, American Hotel and Lodging Association.
		Temporary Duty (TDY)	3	Occupancy	Maintain a 70 – 85% occupancy for right-sizing lodging facilities.	DoDI 1015.11	Occupancy Rate	If occupancy is <70% for an avg of 3 years, lodging rooms must be permanently divested. If occupancy is >85% for an avg of 3 years, lodging room expansion must be considered, unless significant justification is provided. Occupancy is designed to be measured annually, using 3 FYs of annual data.
		Permanent Change of Station (PCS)	4	Lodging Program Compliance	100% of the rooms at each installation meet the DoD Lodging Program Standards.	DoDI 1015.11, DoDI 1015.12	Total Room Inventory	Room standards are in ASD(FMP) memorandum, "DoD Lodging Program Standards," 1 Sep 99.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
II. Community Services (cont.)	Lodging (cont.)	Permanent Change of Station (PCS)	5	Room Availability	95% of the rooms are available for sale.	ODUSD (MC&FF) (MWR Policy)	Total Room Inventory	Off-market rooms are those under renovation or repair as defined in "Uniform System of Accounts for the Lodging Industry," 10 th rev edition, American Hotel and Lodging Association.
		Permanent Change of Station (PCS)	6	Occupancy	Maintain a 60 - 70% occupancy for right-sizing lodging facilities.	DoDI 1015.11	Occupancy Rate	If occupancy is <60% for an avg of 3 years, lodging rooms must be permanently divested. If occupancy is >70% for an avg of 3 years, lodging room expansion must be considered, unless significant justification is provided.
	MWR Program	Mission-Sustaining Programs	1	Mission-Sustaining Program Compliance	100% of installations provide mission-sustaining programs in accordance with DoDI 1015.10.	Title 10, DoDI 1015.10, DoDI 1015.15	Population and Market Demand	Population is defined as the number of Active Duty Personnel
		Mission-Sustaining Programs	2	Program Costs APF Authorization	100% of authorized costs are supported with APF.	DoDI 1015.10, DoDI 1015.15	Population and Market Demand	Population is defined as the number of Active Duty Personnel
		Mission-Sustaining Programs	3	Program Costs APF Supported	85% of total expenditures are supported with APF.	DoDI 1015.10	Population and Market Demand	Population is defined as the number of Active Duty Personnel; Formula is APF obligated (excluding military construction) divided by the sum of APF obligated (excluding military construction) and NAF support (excluding depreciation and cost of goods sold)
		Mission-Sustaining Programs						

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
II. Community Services (cont.)	MWR Program (cont.)	Community Support Programs	4	Community Support Program Compliance	100% of installations provide community support programs in accordance with DoDI 1015.10.	Title 10, DoDI 1015.10, DoDI 1015.15	Population and Market Demand	Population is defined as the number of Active Duty Personnel
		Community Support Programs	5	Program Costs APF Authorization	100% of authorized costs are supported with APF.	DoDI 1015.10, DoDI 1015.15	Population and Market Demand	Population is defined as the number of Active Duty Personnel
		Community Support Programs	6	Program Costs APF-Supported	65% of total expenditures are supported with APF.	DoDI 1015.10	Population and Market Demand	Population is defined as the number of Active Duty Personnel; Formula is APF obligated (excluding military construction) divided by the sum of APF obligated (excluding military construction) and NAF support (excluding depreciation and cost of goods sold)
	Warfighter and Family Services	Mobilization and Deployment Readiness	1	Mobilization and Deployment Briefs/Program s/ Services	100% of requested deployment and mobilization briefs/programs/ services and training are provided to all alerted mobilized members, families, and commanders to meet their deployment needs.	DoDD 1342.17, DoDI 1342.22; Army Common Level Standards (CLS)	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	Timelines will vary based upon specific service members' needs (some may deploy with only 24 hours notice while some receive months).

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
II. Community Services (cont.)	Warfighter and Family Services	Personal and Family Life Readiness	2	Crisis/Critical Incident Response, DP, Sexual Assault Response, FAP, Domestic Abuse Advocacy	100% of requests for assistance and support, including referrals and coordinated planning and response to family and personal issues through prevention and intervention programs, are provided for the following: crisis/critical incident response, disaster preparedness, sexual assault prevention and response, Family Advocacy Program, and domestic abuse victim advocacy.	PL 103-337, DoDD 1342.17, DoDD 6400.1, DoDD 6400.1-M, DoDI 6400.06	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	For Air Force, Personal and Family Life assessment/referral available in Warfighter and Family Centers, other services available on installation or adjacent community. The cost impact is directly related to providing a structured advocacy system for special needs (EFMP). Substance Abuse not included in Navy's Warfighter and Family Service Program. Army Community Services does not provide substance abuse.
		Personal and Family Life Readiness	3	Excep. Family Member Prgm, NPSP, Substance Abuse Prgm, Pers and Fam Life Ed	100% of identified needs for assistance and support, including referrals and coordinated planning and response to family and personal issues through prevention and intervention programs, are provided for the following: Exceptional Family Members support, New Parent Support Program (NPSP), personal and family life education, and substance abuse prevention.	PL 103-337, DoDD 1342.17, DoDD 6400.1, DoDD 6400.1-M, DoDI 6400.06, Army (CLS)	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	Provided is defined as offered, available, and significant community outreach has been attempted. Provided does not mean received.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
II. Community Services (cont.)	Warfighter and Family Services (cont.)	Personal and Family Life Readiness	4	Counseling Services	100% of requests for assistance and support, including referrals and coordinated planning and response to family and personal issues through prevention and intervention programs, are provided for counseling services.	PL 103-337, DoDD 1342.17, DoDD 6400.1, DoDD 6400.1-M	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	Provided is defined as offered, available, and significant community outreach has been attempted. Provided does not mean received.
		Mobilization and Economic Readiness	5	Relocation Assistance Programs and Emergency Aid	100% of mobility and economic readiness programs to include requests for education, aid, and resources, are available to members, families, and commands for the following: Relocation Assistance Programs and Emergency Aid.	PL 101-189, DoDI 1338.19, DoDD 1342.17	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	
		Mobilization and Economic Readiness	6	Mandatory Pre-separation Counseling	100% of separating/retiring active duty members receive mandatory pre-separation counseling, to include information about programs such as TurboTAP and the Transition Assistance Program web portal, and are made aware of and offered the DOL employment workshop, in accordance with current statutory requirements.	10 USC Sec 1142 Ch 58, 10 USC Sec 1144 Ch 58, 10 USC Sec 1148 Ch 59, DoDD 1332.35, DoDI 1332.36	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
III. Operational Mission Services	Warfighter and Family Services (cont.)	Mobilization and Economic Readiness	7	Family Member Trng, Employment, Career Prgrm, Financial Readiness, Volunteers	100% of mobility and economic readiness programs, to include requests for education, assistance, and resources, are provided to address the needs of Service members, families, and commands for the following: family member training, employment, and career program, personal financial readiness program, and volunteer assistance program.	PL 99-145, Title 10 Sec 1144, PL 107-107, Sec 571, 10 USC Sec 1148 Ch 58, 10 USC Sec 1056, DoDD 1342.17, NDAAs of 2002, 37 USC Sec 402A, DoDI 1338.19	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	Provided is defined as offered, available, and significant community outreach has been attempted. Provided does not mean received.
		Information and Referral Services	8	Data Accuracy	100% of installations provide accurate installation-specific information on appropriate webpages.	ODUSD (MC&FP) (OPF/CY)	Installation Active Duty, Reserve, Extended Family Member, Retiree, and Deployed Civilian Population	
Airfield Operations	Weather Services	Weather Services	1	Forecast Accuracy	96% accuracy rate for average mission execution forecast.	AFI 15-114, NMOC 3443.1G, AR 115-10	Published airfield operating hours, Briefing Requests, Equip being used	Normally operational forecast accuracy are established at each individual base. Air Force provides weather services to Army, Navy has centralized weather services.
		Weather Services	2	Observation error free rate	96% error free rate for reporting average manual weather observation encoding and dissemination.	AFI 15-114, NMOC 3443.1G, AR 115-10	Published airfield operating hours, Briefing Requests, Equip being used	Normally average manual weather observation encoding and dissemination error free rate is established at each individual base.

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III. Operational Mission Services (cont.)	Airfield Operations (cont.)	Air Traffic Control	3	Service during airfield operating hours	100% on time service rate for providing Air Traffic Control services during published airfield operating hrs.	AFI 13-204, AR 95-2, FAA AC 150/53	Published airfield operating hours	
		Air Traffic Control	4	Separation errors	100% rate for no violation of aircraft separation standards criteria.	FAAO 7110.65	Quality Control	
		Airfield Management Services	5	Service during airfield operating hours	100% on time rate for providing Airfield Management services during published airfield operating hours.	AFI 13-213, AR 95-2	Published airfield operating hours	
		Airfield Management Services	6	Airfield Inspections	Conduct a minimum of one daily airfield safety and compliance inspection.	AFI 13-213, AR 95-2, FAA AC 5200-18	Quality Control	Checks: Maintaining airfield surveillance throughout the day or responding to airfield emergencies, lighting checks, foreign object debris, or construction problems
		Airfield Management Services	7	Airfield Checks	Conduct a minimum of two daily airfield checks.	AFI 13-213, AR 95-2, FAA AC 5200-18	Quality Control	Timeliness of corrective actions of airfield discrepancies is based on risk, cost, and the impact to mission.
		Airfield Management Services	8	ID Airfield discrepancies and hazards	100% of airfield discrepancies corrected or mitigated until correction.	AFI 13-213, AR 95-2	Quality Control	
		Airfield Management Services	9	NOTAMS	100% compliance rate for all NOTAMS processed with Department of Defense NOTAM System (DINS).	AFI 11-208, AR 95-10, OPNAVINST 3721.20C	Quality Control	
		Air Traffic Control Communications	10	Service during airfield operating hours	100% of the time operational capability and certified airfield equipment/systems will be provided during published airfield operating hours.	AFI 13-204, AR 95-2	Published airfield operating hours/ Type and numbers of equipment	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
III. Operational Mission Services (cont.)	Airfield Operations (cont.)	Air Traffic Control Landing Systems/Radar Maintenance	11	Service during airfield operating hours	100% of the time Air Traffic Control Landing System (ATCALS/Radar) maintenance services will be provided during published airfield operating hours.	TO 00-33A-1001; OPNAV 3721.5K	Published airfield operating hours	Equipment includes: Airport Surveillance Radar (ASR), Instrument Landing System (ILS), Precision Approach Radar (PAR), Tactical Air Navigation (TACAN), VHF (Very High Frequency) Omni-directional Radio-range (VOR) or VORTAC
		Air Traffic Control Landing Systems/Radar Maintenance	12	Operational Readiness of ATCALS/RAD AR	99% Or for ATCALS radar and NAVAIDS equipment.	TO 00-33A-1001; OPNAV 3721.5K	Published airfield operating hours/Type/numbers of equipment	OR: probability that the system is operating satisfactorily at any point in time when measured under specified conditions where downtime for scheduled maintenance and training is excluded
		Air Traffic Control Landing Systems/Radar Maintenance	13	Operational Readiness of NEXRAD	98% Or for Next Generation Weather Radar (NEXRAD) and weather systems.	TO 00-33A-1001; OPNAV 3721.5K	Type/ number of equipment	
		Aircraft Services	14	Service during airfield operating hours	100% of the time Aircraft ground services will be provided during published airfield operating hours.	HQ AFFSA/A3AP	Published airfield operating hours and number of aircraft	
	Port Services	Ship Movements	1	Ship Movements	95% of predicted Ship Movements are completed.	NAVSO P-1000	Number and Type of ships that arrive/depart	Not applicable to AF or Marines; with direct liaison with a Ports customers, this standard is attainable
		Ship Movements	2	Provide Tugs	90% of tugs provided within 30 minutes of desired time.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines.

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III. Operational Mission Services (cont.)	Port Services (cont.)	Ship Movements	3	Provide Pilots	90% of Pilots provided within 30 minutes of desired time.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines.
		Berth Days	4	Berth Days	95% of predicted Berth Days provided.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines; with direct liaison with a Ports customers, this standard is attainable
		Berth Days	5	Pierside Berth	67% of ships have a pierside berth.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines.
		Berth Days	6	Provide Ship Preservation Equipment	90% of ship preservation equipment provided within 24 hours of request.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines.
		Berth Days	7	Provide Store Evolutions	90% of store evolutions provided within 30 minutes of desired time.	NAVSO P-1000	Number, type of ships, and length of time berthed	Not applicable to AF or Marines.
		Magnetic Silencing	8	Provide Degaussing Runs	95% of predicted Degaussing Runs are provided.	OPNAVINST C8950.2G	Number and type of ships that arrive/depart and deperm	Not applicable to AF or Marines.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
III. Operational Mission Services (cont.)	Port Services (cont.)	Magnetic Silencing	9	Complete Degaussing Runs Successfully	85% of Degaussing Runs completed successfully.	OPNAVINST C8950.2G	Number and type of ships that arrive/depart and deperm	Not applicable to AF or Marines.
		Magnetic Silencing	10	Complete Deperming	95% of predicted Deperming completed.	OPNAVINST C8950.2G	Number and type of ships that require deperm	Not applicable to AF or Marines; actual Depermings are rare and normally completed when scheduled.
		Magnetic Silencing	11	Complete Tech Assists	90% of predicted Technical Assists completed.	OPNAVINST C8950.2G	Number and type of ships that arrive/depart and deperm	Not applicable to AF or Marines; technical assists are either done in support of a pending degaussing run or after an unsuccessful run.
		Magnetic Silencing	12	Complete Tech Assists	90% of Technical Assists are completed within 24 hours.	OPNAVINST C8950.2G	Number and type of ships that arrive/depart and deperm	Not applicable to AF or Marines.
		Spill Response	13	Complete Ship Booming Evolutions	90% of predicted ship booming evolutions are completed.	OPA-90	Number and type of ships that arrive/depart and deperm	Not applicable to AF or Marines.
		Spill Response	14	Provide Spill Response	100% of Spills will be responded to within 1 hour of being reported.	OPA-90	Number and type of ships that arrive/depart	Not applicable to AF or Marines.

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III. Operational Mission Services (cont.)	Small Arms Range Management							
		Range Clearances	1	Range Clearance	100% of ranges cleared as required.	ODUSD(Readiness) Directorate, Readiness & Training	Number of Clearances	Not applicable to Army or Marines.
		Range Clearances	2	Adherence to Housekeeping Standard	Maintain 100% adherence to housekeeping standards for removal of debris, packaging, and crating material.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Training Events	Not applicable to Army or Marines.
		Range Schedules	3a	Ability to Accommodate Training	95% of routine training requests will be accommodated within 90 days of request.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Training Requests	Not applicable to Army or Marines.
		Range Schedules	3b	Ability to Accommodate Training	100% of Deployment and Emergency Training requests are accommodated by required deadline.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Training Requests	Not applicable to Army or Marines.
		Range Management Plan	4	Range Management Plan	Update Range Management Plan annually.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Updates	Not applicable to Army or Marines.
		Targets	5	Provide Targets	100% of the time, provide appropriate targets for training.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Targets	Not applicable to Army or Marines.
	Range Control	6	Usage Reports	100% of range usage reports are submitted.	ODUSD (Readiness) Directorate, Readiness & Training	Number of Training Days	Not applicable to Army or Marines.	
	Range Safety	7	Qualified Range Safety Officers	Maintain 100% of qualified range safety officers.	ODUSD (Readiness) Directorate, Readiness & Training	Operating Hours and Number of Trainees	Not applicable to Army or Marines.	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IV, ITSM	ITSM	Fixed Voice	1	Reserve Capacity of Telephone Circuits	Maintain an average of 20% reserve capacity of telephone circuits.	ASD/NIH (A&I)	Number of Users: Capacity to expand switch	Based on industry & Army C4IM standard
		Fixed Voice	2	Telephone Dial Tone Availability	Maintain at least 99.99% telephone dial tone availability.	ASD/NIH (A&I)	Number and duration of Outages	Based on industry & Army C4IM standard. Does not include scheduled downtime
		Fixed Voice	3	MACs	95% of MAC requests resolved within 5 working days.	ASD/NIH (A&I); NCTCI 2066.1B Navy Base Comms Manual, Nov. 24, 1998; HQMC C4 CP Division	Number of MAC Requests in Queue	Based on Industry/Army C4IM. Assumes small scale requests. Large scale MAC requests involving 25+ lines will not be subject to the standard and must be negotiated.
		Fixed Voice	4	First Time Connectivity	99% of all Telephone calls (commercial, local/long distance) shall be connected on the first attempt between the hours of 0800 and 1700.	ASD/NIH (A&I); CJCSI 6215.01B Sept. 23, 2001; HQMC C4 CP Division	Number of Users attempting to call; Trunking capacity	Based on industry & Army C4IM standard
		Fixed Voice	5	Wait Time to Speak to an Operator	80% of calls are answered in 30 seconds or less.	ASD/NIH (A&I)	Number Requests for Operator Services in Queue	Based on industry & Army C4IM standard
		Wireless Connectivity (LMR)	6	Service Capacity and Availability	100% LMR coverage for populated area and 85% total base area.	ASD/NIH (A&I); HQMC C4 CP Division	Number of Wireless Users; Ability to provide coverage	Populated areas include items such as airfields, housing areas, entrance/exit gates, and other improved and continuously populated mission areas of the installation.
		VTC Services	7	VTC Availability	98% or greater availability rate for VTC.	ASD/NIH (A&I)	Number, sequence, and duration of VTC User Requests	Refers to installation level shared VTC suites / studios, not peer to peer (does not include tenant maintained VTCs)

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IV, ITSM (cont.)	ITSM (cont.)	VTC Services	8	VTC Reserve Capacity	Maintain an average of 20% reserve capacity of VTC services.	ASD/NIH (A&I)	Number, sequence, and duration of VTC User Requests	Refers to installation level shared VTC suites / studios, not peer to peer (does not include tenant maintained VTCs)
		Infrastructure Support	9	Technical Drawings	98% of requests for location data result in no incidents of misidentified data.	ASD/NIH (A&I)	Number of Changes in IT Infrastructure that Require Documentation	Based on industry & Army C4IM standard
		Infrastructure Support	10	Safety/Security/Other Critical Circuits	99.7% availability rate for all safety, security, and other critical circuits.	ASD/NIH (A&I)	Number and severity of Outages	Based on NAVY/AF contracts standards & Army C4IM standard
		Infrastructure Support	11a	Critical Circuit Outages Response	99% of the time respond to critical circuit outages within 90 minutes.	ASD/NIH (A&I); National Comm. System Manual 3-1-1, May 5, 2000; HQMC C4CP Division	Number and severity of Change/Repair Requests	Based on NAVY/AF contracts standards & Army C4IM standard. Response time = time for service technician to initiate work; includes arrival on-site as necessary. A critical circuit outage is when a critical service is down or severely degraded for the entire joint base or a large portion of the installation. Examples of installation critical services that would trigger a critical outage include base network and building network.
		Infrastructure Support	11b	Critical Circuit Outages Restriction	98% of the time restore critical circuit outages within 4 hours.	ASD/NIH (A&I)	Number and severity of Change/Repair Requests	Based on industry & Army C4IM standard. A critical circuit outage is when a critical service is down or severely degraded for the entire joint base or a large portion of the installation. Examples of installation critical services that would trigger a critical outage include base network and building network.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes	
IV. ITSM (cont.)	ITSM (cont.)	Service Desk Support	12a	Mission Critical Trouble Tickets Response	95% of mission critical trouble tickets are responded to within 4 hours.	ASD/NIH (A&I)	Number of Trouble Tickets in Queue	Based on NAVY/AF contracts standards & Army C4IM for service tech to initiate work; includes arrival on-site as necessary	
		Service Desk Support	12b	Mission Critical Trouble Ticket Resolution	95% of mission critical trouble tickets are resolved within 2 working days.	ASD/NIH (A&I)	Number, Severity, and Complexity of Trouble Tickets in Queue	Industry/Army C4IM and ITA Standards	
		Service Desk Support	13a	Non-Mission Critical Trouble Ticket Response	95% of non-mission critical trouble tickets are responded to within 2 working days.	ASD/NIH (A&I)	Number of Trouble Tickets in Queue	Response time = time for service technician to initiate work; includes arrival on-site as necessary	
		Service Desk Support	13b	Non-Mission Critical Trouble Ticket Resolution	95% of non-mission critical trouble tickets are resolved within 4 working days.	ASD/NIH (A&I)	Number, Severity, and Complexity of Trouble Tickets in Queue		
		COOP and Disaster Recovery	14	IT COOP Plans	100% of the time IT COOP plans to be exercised at least once every year.	ASD/NIH (A&I); HQMC Deputy Commandant PP&O	Overall COOP complexity; criticality of mission	Based on DoD/FISMA/Service Standards	
		COOP and Disaster Recovery	15	IT Disaster Recovery Plans	100% of the time IT Disaster Recovery Plans to be exercised at least once every year.	AFPD 33-2, AFI 33-200; HQMC Deputy Commandant PP&O	Overall DR complexity; criticality of mission	Based on DoD Standard. "Exercise" can include either a real world event or a drill.	
		Information Assurance	16	Information Assurance Manager	100% of the time at least one (1) certified Information Assurance Manager (IAM) is appointed and retained.	ASD/NIH (A&I)	IA Span and Control; Number of COMSEC Devices	Established DoD Standard	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IV. ITSM (cont.)	ITSM (cont.)	All	17	Customer Survey Distribution	95% rate to distribute follow-up surveys to customers within 3 working days of service request resolution.	ASD/NII (A&I)	Personnel assigned to manage Customer Surveys	Standard based on COLS process and Army C4IM standards. Includes any type of IT or VI service
		All	18	Customer Survey Results	92% of surveys result in a satisfactory rating or better.	ASD/NII (A&I)	Number of Surveys and personnel assigned to work customer service	Includes any type of IT or VI service. Used industry and COLS process to develop standard.
		VI	19	Graphics Products	95% rate to produce and deliver graphics products within 6 working days.	ASD/NII (A&I)	Number and Complexity of Requests for Graphics Products in Queue	Based on Army C4IM standard
		VI	20	Photographic Products	95% rate to produce and deliver photographic products within 5 working days.	ASD/NII (A&I)	Number and Complexity of Requests for Photograph Products in Queue	Based on Army C4IM standard
		VI	21	Video Products	95% to produce and deliver video products within 7 working days.	ASD/NII (A&I); HQMC Combat Camera	Number and Complexity of Requests for Video Products in Queue	Video Services includes providing professional video documentation of uncontrolled events and self help video consultation services.
		VI	22	Multimedia Products	95% rate to produce and deliver multimedia products within 16 working days.	ASD/NII (A&I); HQMC Combat Camera	Number and Complexity of Requests for Multimedia Products in Queue	Used COLS survey data to develop standard.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IV, ITSM (cont.)	ITSM (cont.)	VI	23	Command Access Channel	99.9% of the time the Command Access Channel is available 24x7 less scheduled downtime.	ASD/NIJ (A&I)	24X7 Requirement, Installation Operations and Maintenance	Based on Army C4IM standard
		Environmental Compliance	1	Public Water Systems	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	Compliance includes permits, training requirements, record keeping, reporting, documentation, plans, surveys, hazardous waste disposal, and Environmental projects.
IX, Environmental	Environmental	Environmental Compliance	2	Air Pollutants	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Compliance	3	Enforcement Actions	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Compliance	4	Toxic Release Inventory	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Compliance	5	Wastewater Discharge	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Pollution Prevention	6	Hazardous Waste Shipping	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Pollution Prevention	7	Per Capita Solid Waste	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IX. Environmental (cont.)	Environmental (cont.)	Environmental Pollution Prevention	8	Facility Score	100% Environmental Compliance in accordance with legal and regulatory requirements.	ADUSD(E) Memo, "Revised P2 and Compliance Metrics," 12 Oct 2004	Regulatory Requirements	
		Environmental Conservation	9	Integrated Natural Resource Management Plan	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	
		Environmental Conservation	10	Cultural Resource Management Plan	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	
		Environmental Conservation	11	Planning Level Survey and Inventory of Biological Resources	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	
		Environmental Conservation	12	Wetland Inventories	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	Includes preparation of Natural Resources Management Plans, completion of planning level survey and inventory of Biological Resources, and completion of Wetland inventories.
		Environmental Conservation	13	Planning Level Survey and Inventory of Cultural Resources (Historic)	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
IX. Environmental (cont.)	Environmental (cont.)	Environmental Conservation	14	Planning Level Survey and Inventory of Cultural Resources (Archaeological)	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	Includes preparation of Cultural Resource Management Plans, completion of planning level survey and inventory of Cultural Resources.
		Environmental Conservation	15	Archaeological Resources Compliance	100% Environmental Compliance in accordance with legal and regulatory requirements.	DoDD 4715.1E, DoDI 4715.6, 2007 Defense Installations Strategic Plan	Regulatory Requirements	Includes installation level plans, assessments, consultation, oversight, HAZMAT/Waste reduction/recycling, equipment and projects that reduce environmental footprint and minimize impacts.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
V. Command Support	Advisory Services	EEO Complaints	1	Pre-Complaints Process	100% of all informal pre-complaint processes are completed with 30 days of receipt of the complaint, or 90 days if participating in ADR, or approved extension granted.	29 CFR 1614.1, MD 110	Civilian Employees	Civilian employees are defined as civilian applicants, employees, and former employees
		EEO Complaints	2	Formal Complaints Process	100% of EEO counselors' reports are submitted within 15 days of being advised that a complaint has been filed	29 CFR 1614.105(c)	Civilian Employees	Civilian employees are defined as civilian applicants, employees, and former employees who participate in pre-complaint counseling and/or pre-complaint ADR services
		EO Complaints	3	Formal Complaints Process	90% of all formal complaint investigations are completed within 20 days of receipt of complaint.	AFI 36-2706, OPNAVINST 5354.1	Military Population	Military Population is defined as military personnel, family members, and retirees
		EO Complaints	4	EO Complaints Appeal Process	90% of all EO Complaints appeals are processed within 30 days of receipt.	AFI 36-2706, OPNAVINST 5354.1	Military Population	Military Population is defined as military personnel, family members, and retirees
		EEO/EO Training and Education	5	Training Slot Availability	100% of all training slots are made available to the service civilian population and military supervisors who require EEO/EO mandatory training and education annually.	DoDD 1020.02, DoDD 1350.2, DoDD 1440.1, MD 715, NOFEAR	Civilian employees and military members	Civilian employees are those paid by appropriated and non-appropriated funds; military supervisors and managers are those military personnel who directly or indirectly supervise civilian personnel.
		EEO/EO Training and Education	6	Personnel Training Completion	100% of all military personnel complete annual EO training requirements.	DoDD 1350.2	Civilian employees and military members	Civilian employees are defined as all government civilian employees.
		EEO Advisory Services	7	Annual state of the agency briefing	100% of commanders and directors receive the annual EEO state of the agency briefing.	MD715	Number of Briefings	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
Command Support	Advisory Services (cont.)	EO Advisory Services	8	Annual climate assessment briefing	100% of commanders and directors receive the annual EO climate assessment briefing.	DoDD 1350.2	Number of Briefings	The standard is the current standard for Army, Navy, and Marine Corps. Air Force currently briefs bi-annually.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
V. Command Support (cont.)	Advisory Services (cont.)	Military Drug Testing	9	Random tested TDPs	Services test their military members at a goal of 100% unit strength pursuant to DoDD 1010.1.	DoDD 1010.1; Service-specific policies and procedures; SAF/MR letter 1 Aug 03; Ref. approved AF deviance from standard for "Smart Testing" at 85% rather than 100% DASD Counternarcotics letter, 24 Sep 04	Military Members	Services use established collection organization in accordance with Service specific regulations. Supporting component on joint base will functionally oversee Service military urinalysis programs. Services will continue to test, according to their service-specific policies and procedures, their military personnel assigned to joint bases and geographically separate units/detachments under their command.
		Civilian Drug Testing	10	Random tested TDPs	100% test rate for all Joint Based agency collections pursuant to DoDD 1010.9. Testing procedures must be in accordance with Department of Health and Human Services guidelines and respective DOD policy memorandum.	DoDD 1010.9	Civilian Employees	Civilian employees are defined as all civilian employees and NAF employees.
		Employee Assistance Program	11	Available EAP	100% of civilian employees have access to an EAP.	5 CFR 792, DoDD 6485.1	Civilian Employees	Civilian employees are defined as all government civilian employees.
		Model EEO Program Elements	12	MD-715 report preparation	100% required data provided by established Service Component timelines	MD 110, MD 715, NOFEAR	Staff Preparation Time	Required data necessary to complete annual EEOC 462 report and the annual No FEAR Act report to Congress.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
V. Command Support (cont.)	Chaplain Ministry	Worship Services, Rites, Ordinances, Sacraments, and Special Events	1	Rites, Ordinances, Sacraments, and Religious Ceremony Requirements	Accommodate 95% of rites, ordinances, sacraments, and religious ceremony requirements in accordance with DoD policies.	CUSD(P&R) MPP-AFCB	Active Duty Population	Active duty includes active duty families and reserves/guard on active duty. Requests will be reviewed in conjunction with the JBC's requirements and Needs Assessment surveys.
		Worship Services, Rites, Ordinances, Sacraments, and Special Events	2	Special Events Requests	Accommodate 90% of special event requests (i.e., prayer breakfasts, invocations, benedictions, community relations projects/outreach, memorial ceremonies).	CUSD(P&R) MPP-AFCB	Number of Special Event Requests; Active Duty Population	
		Worship Services, Rites, Ordinances, Sacraments, and Special Events	3	Worship Services and religious education	Accommodate 95% of requests for worship services and religious education.	CUSD(P&R) MPP-AFCB	Number of Requests for Worship Services; Active Duty Population	Requests will be reviewed in conjunction with the JBC's requirements and Needs Assessment surveys.
		Chaplaincy Education and Training	4	Professional Development Training and Installation and Training Requirements.	Chaplains and Religious Ministry Support Team (RMST) successfully complete necessary training to support credentialing and meet 95% of installation education and training requirements.	CUSD(P&R) MPP-AFCB	Training Requirements	Includes mandatory military and professional development training for Chaplains and Assistants; denominational training required to maintain credentials and endorsements; Chaplains and Assistants training required to conduct training for active duty personnel and their family members
		Advice to Commander, Chaplain Counseling, and Care	5	Pastoral Counseling Requests	Initiate contact in response to pastoral counseling requests within 24 hours 95% of the time.	CUSD(P&R) MPP-AFCB	Number of Pastoral Counseling Requests	

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PE Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
	Advice to Commander, Chaplain, Counseling, and Care	6	Emergency and Crisis Requirements	Respond to 100% of emergency and crisis requirements within 2 hours of the timeframe requested.	OUSD(P&R) MPP-AFCB	Number of Emergency and Crisis Events	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
V. Command Support (cont.)	Command Management	Administrative Management	1	Complete Routine Administrative Actions	90% of all routine administrative actions are completed within the required suspense date.	ADUSD (Installations)	Number of Administrative Requests	
		Administrative Management	2	Complete Priority Administrative Actions	98% of priority administrative management actions are completed within the required suspense date.	ADUSD (Installations)	Number of Administrative Requests	
		Administrative Management	3	Complete Privacy Act Responses	100% of Privacy Act responses are completed in accordance with statutory requirements.	PL 104-106, Clinger-Cohen Act of 1996; 107-347, e-Government Act of 2002; DoDD 5400.11, DoD Privacy [Act] Program.	Number of Administrative Requests	
		Administrative Management	4	Process FOIA Requests	100% of FOIA requests are processed within 20 business days from receipt of the request.	PL 104-106, Clinger-Cohen Act of 1996; and DoDD 5400.7, DoD Freedom of Information Act (FOIA) Program.	Number of FOIA Requests	This standard applies only to Joint Base FOIA requests. Each service will continue to process their own FOIA requests that are non-Joint Base related. For requests that meet the unusual or exceptional circumstance provisions of the FOIA, "process" is defined as filing an extension.
		Publication and Printing Services	5	Develop Publications and Forms	95% of all Joint Base publications and forms are accepted by the customer within the following timelines: 0-50 pages/20 working days, 51-150 pages/25 working days, > 150 pages/30 working days	DODI 5025.01; AR 25-30	Number of Publication Requests	This standard applies only to publications and forms developed for Joint Base operations and/or services.

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PE Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
V. Command Support (cont.)	Publication and Printing Services	6	Process Copier Service Requests	95% of copier service requests are processed within the required timeframe.	DODI 5330.03	Number of Copier Service Requests	This standard applies only to publications and forms developed for Joint Base operations and/or services for authorized customers. No performance standard has been developed for Printing and Duplication Services because Document Automation and Publication Services (DAPS) will continue to be the primary printing and duplication service provider and already has established standards. Calculation: (count of copier service requests are processed within the required timeframe) / (all copier service requests)
	Postal Services	7	Incoming Mail Delivery	100% of deliverable mail (incoming official/personal mail) is made available to the customer within 24 hours of receipt.	DODI 4525.7; DODI 4525.8; DODD 5030.50; DODD 5101.11; DoD 4525.6-M; DOD 4525.8-M	Base Population	"Customer" is defined as the individual and/or organization (customer, addressee, or unit mail clerk) receiving the mail from the installation controlled mail facility. "Made available" is defined as item is delivered to customer mailbox, unit, or office. Installation specific MOA will detail how mail is delivered.
Command Management (cont.)	Postal Services	8	Outgoing Mail Dispatch	100% of properly prepared outgoing official and/or personal mail is processed and dispatched within 24 hours of receipt (i.e., one business day).	DODI 4525.7; DODI 4525.8; DODD 5030.50; DODD 5101.11; DoD 4525.6-M; DOD 4525.8-M	Base Population	"Properly prepared mail" is defined as a piece of mail that is correctly addressed and can be accurately processed.

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V. Command Support (cont.)	Financial Management	Records Administration Services	9	Locally Held Record Retrieval	95% of locally held records are retrieved within 10 business days of a request for records.	DoD 5015.2-STD; DoDD 5015.2; National Archives and Records Administration (NARA).	Number of Records on File	
		Records Administration Services	10	Records Processing	95% of records are processed within 20 business days of a requirement.	DoD 5015.2-STD; DoDD 5015.2; National Archives and Records Administration (NARA).	Number of Records on File	
		Records Administration Services	11	File Plans	95% of all Joint Base file plans are established, developed, and/or updated annually in accordance with applicable regulations and guidance.	DoD 5015.2-STD; DoDD 5015.2; National Archives and Records Administration (NARA).	Number of Records on File	
		Financial Services and Customer Support	1	Customer inquiry response time	95% of initial responses to customer requests, inquiries, forms, and advice are provided to the customer within one business day of the customer request.	ODUSD(I&E)/IRM	Installation Population	This includes but is not limited to payroll services, claims for reimbursement, purchase and travel cards, and management reporting. Because of centralization this may not be possible for some locations (e.g. Guam, Korea). Many Air Force customer support functions are migrating to a centralized call center that will be open 24 hours a day at Ellsworth Air Force Base.

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		Management and Oversight of Current Budget Resources	2	Reports are submitted within the required timeframe	90% of the required financial reports are submitted within the required timeframe.	ODUSD(I&E)/IRM	Reporting Requirements	Army/Navy submit monthly, AF submits quarterly. Activities necessary to spend funds in accordance with an approved plan, following all applicable laws and regulations, correctly reporting all funding and financial transactions, and reporting status to all appropriate parties. Examples of financial reports include monthly reports, quarterly reports, annual reports, and any ad hoc reports requested.
		Accounting Liaison Services	3	Accounting performed in accordance with DoDFMR	100% of account transactions are performed in accordance with the DoDFMR and DFAS.	DoDFMR, DFAS	Transaction Workload	Assurance (QA) of financial transactions, entry of transactions into a commitment register, and reconciliations.
		Regulatory Control of all Appropriated Funds	4	Regulatory Control performed in accordance with DoDFMR	100% of fiduciary responsibilities are performed in accordance with the DoDFMR and Appropriations Law.	DoDFMR, Appropriations Law	Installation Population	Provides for management of fund certification authority appointments, reconciliations of funding documents with accounting systems.

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V. Command Support (cont.)	Honors and Protocol	Honors and Protocol - Ceremonial Honors	1	Provide Ceremonial Honors Support	Provide direct ceremonial honors support to 90% of all ceremonies authorized to receive direct support from the Protocol Office.	AFI 34-1201, OPNAVINST 1710.7A, AR 600-25	Number of Authorized Events	
		Honors and Protocol - Event Management	2	Provide Event Support	Provide direct support to 100% of all events authorized to receive direct support from the Protocol Office.	AFI 34-1201, OPNAVINST 1710.7A, AR 600-25, AR 600-60	Number of Authorized Events	
Inspector General / Internal Review	Investigations		1	Percentage of investigations completed	100% of investigations are completed prior to the approved deadline or IAW supporting component guidelines.	AFI 90-301, AR 20-1, SENAVINST 5430.57G, SENAVINST 5370.5B, CNICINST 5430.1, CNICINST 5370.1, DoDD 7050.6	Number of investigations	
			2	Percentage of inspections and evaluations completed	100% of required inspections/evaluations are completed IAW applicable supporting component guidance.	AFI 90-201, AR 20-1, AR 1-201, SENAVINST 5430.57G, SENAVINST 5370.5B, CNICINST 5430.1, CNICINST 7050.6	Number for inspections and evaluations	
Command Support	Installation Safety	Training	1	Provide Safety Training	80% of safety training provided within 30 days, and 100% within 90 days, of a supported organization's request for safety training of an individual.	DoDI 6055.1, 6055.4	Requests for Training	Organizations request training as newly arrived personnel are identified as requiring training (e.g., new motorcycle riders)

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V. Command Support (cont.)		Inspections, Evaluations, and Tech Consults	2	Provide inspections, evaluations, and technical consultations	50% of inspections, evaluations, and technical consultations completed within 30 days, and 100% within 90 days, of a supported organization's request. The supported organization prioritizes requests.	DoDI 6055.1, 6055.5	Requests for Inspections, Eval's, and Tech Consults	One-time on-request evaluations and technical consultations (e.g., indoor air quality complaint, requests for environmental differential pay) are ad hoc.
			3	Provide mishap and near miss investigations	80% of investigations completed within 30 days, and 100% within 90 days, of request.	DoDI 6055.7	Historic Number of Mishaps and Near-Misses	Investigation procedures – and level of effort to complete an investigation – are driven by policy of the DoD Component suffering the loss
			4	Deliver awareness programs	80% of awareness promotions completed within 30 days, and 100% within 90 days of request.	DoDI 6055.1, 6055.4	Military, Family Members, and DoD Civilians on installation	Typical safety awareness products delivered. 75% mishap reduction. Click-It-or-Ticket, TRIPS, Drunk Driving, and High Risk Behavior activities (e.g. sky diving, ATV, motorcycles).
	Installation Safety	Law Enforcement Practice	1	Service quality and court timelines	All law enforcement services are completed within court directed timelines with quality required by U.S. Attorney prosecutorial standards.	DoD OGC	Number of law enforcement services	Based on DoJ, Service, and state Prof. Resp standards. UCMJ actions exempt from transfer under joint basing and not included here.
			2	Timely completion and quality of services.	All land, facilities, and installations operations legal services are completed within a required timeframe agreed to between client and attorney and consistent with professional responsibility standards.	DoD OGC	Number of L.F. and IO services	Based on base level practice, not higher level organizations. Used Survey and AF/NAVY Table Top Exercises and PR standards of MILDEP and licensing state as basis.
	Legal Services	International Law Practice	3	Timely completion and quality of services.	All international law services are completed within a required timeframe agreed to between client and attorney and consistent with professional	DoD OGC	Number of international law services	Based on base level practice, not higher level organizations. Used Survey and AF/NAVY Table Top Exercises and PR standards of MILDEP and

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V. Command Support (cont.)	Legal Services (cont.)	Legal Services (cont.)			responsibility standards.			licensing state as basis.	
				4	Timely completion and quality of services.	All commercial and business legal services are completed within a required timeframe agreed to between client and attorney and consistent with professional responsibility standards.	DoD OGC	Number of commercial and business law services	Based on base level practice, not higher level organizations. Used Survey and AF/Navv Table Top Exercises and PR standards of MILDEP and licensing state as basis.
				5	Timely completion and quality of services.	All claims services are completed within a required timeframe agreed to between client and attorney and consistent with professional responsibility standards.	DoD OGC	Number of claims	Recently most claims matters have been centralized and are no longer a base level function; based on base level practice, not higher level organizations.
				6	Timely completion and quality of services.	Legal assistance provided on site, notaries and powers-of-attorney available same day, and other assistance provided in a timely manner, as determined by client needs and consistent with responsibility standards.	DoD OGC	Number of legal assistance services provided	Based on base level practice, not higher level organizations; military personnel services exempt from transfer under joint basing. Used Survey and AF/Navv Table Top Exercises and PR standards of MILDEP and licensing state as basis.
				7	Timely completion and quality of services.	All administrative law services are completed within a required timeframe agreed to between client and attorney and consistent with professional responsibility standards.	DoD OGC	Number of administrative law services	Based on base level practice, not higher level organizations. Used Survey and AF/Navv Table Top Exercises and PR standards of MILDEP and licensing state as basis.
				1	OMB Circular A-76 Studies	100% of OMB Circular A-76 Studies meet timeline requirements.	CNIC/N53	Number of Strategic/Sourcing Studies	
				Requirements Development Support					
	Management Analysis								

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	Requirements Development Support	2	Resource analyses/ requirements determinations	80% of resource analyses/ requirement determinations completed within timeline requirements.	CNIC/N53	Number of Resource analyses	
	Requirements Development Support	3	Program and budget documentation	90% of program and budget documentation completed on time as required by PPBES.	CNIC/N53	Number of program and budget actions	
	Facilitate Performance Management Systems	4	Performance and cost measures	80% of performance and cost measures reviewed in accordance with installation level standards.	CNIC/N53	Number of performance and productivity reviews/ reports	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes	
V. Command Support (cont.)	Procurement Operations	Contract Operations	1	Procurement Acquisition Lead Time (Simplified)	70% of actions awarded using simplified acquisition procedures have a procurement lead time of 30 days or less. For large acquisitions, 70% of procurement awards meet the agreed upon milestone plan for procurement lead time. If no milestone plan is established, procurement lead time standard defaults to 180 days.	DPAPSS/CPIC	Number of Contract Actions	Standards based on Table Top Exercise information and feedback from Service POCs	
			2	Procurement Acquisition Lead Time (Large Acquisitions)	Ensure that 100% of initial and refresher training is conducted in accordance with DoD Component or Agency requirements.	DPAPSS/CPIC	Number of Contract Actions	Standards based on Table Top Exercise information and feedback from Service POCs	
		GPC Surveillance and Management	3	GPC Training	DoD Government Charge Card Guidebook for Establishing & Managing Purchase, Travel, and Fuel Card Programs	DoD Government Charge Card Guidebook for Establishing & Managing Purchase, Travel, and Fuel Card Programs	Number of GPC Accounts		
			4	Conduct Surveillance of GPC Approving Officials	DoD Government Charge Card Guidebook for Establishing & Managing Purchase, Travel, and Fuel Card Programs	DoD Government Charge Card Guidebook for Establishing & Managing Purchase, Travel, and Fuel Card Programs	Number of Approving Officials		
		All Sub-Functions (Customer Satisfaction)	5	Customer Satisfaction Surveys	Customer Surveys will be conducted on at least 20% of awarded actions (except funding and administrative modifications) quarterly.	DPAPSS/CPIC	Number of Procurement Actions	Survey topics should include timeliness, quality, communication, teamwork and training	
			6	Customer Satisfaction Surveys	Returned customer surveys will achieve an average rating of at least a "3" on a 5 point scale.	DPAPSS/CPIC	Number of Procurement Actions	Survey topics should include timeliness, quality, communication, teamwork and training	

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V. Command Support (cont.)	Public Affairs	Internal (Command) Information	1	Commander-directed PAO products	95% of required Commander-directed Public Affairs Officer (PAO) products completed by Commander-directed deadlines.	ASD (PA)	Installation Population	Standards based on OSD PA Expertise, COLS Survey Data
		Internal (Command) Information	2	Information Products	90% of identified information products completed by mutually agreed upon timelines.	ASD (PA)	Installation Population	
		Internal (Command) Information	3	PA Guidance Packages	90% of PA guidance packages delivered to interviewee prior to a public event.	ASD (PA)	Number of Interviews	
		Internal (Command) Information	4	Communications Plans	95% of Communications Plans produced by Commander-directed timelines.	ASD (PA)	Number of Major Events	
		Internal (Command) Information	5	Training Command Groups	90% of Command Groups trained.	ASD (PA)	Installation Population	
		Public Info (Media Relations)	6	Media Requests	90% of media requests for available information or services responded to by the media's deadline.	ASD (PA)	Number of Media Requests	
		Community Relations	7	Community Support Outreach Opportunities	95% of target community support outreach opportunities accomplished.	ASD (PA)	Installation Population	
		Community Relations	8	Community Requests	90% of community requests will receive response.	ASD (PA)	Installation Population	
		Community Relations	9	Environmentally-focused Products and Services	95% of environmentally-focused products and services reach target audiences.	ASD (PA)	Installation Population	
		Community Relations	10	Contingency Plans	100% of local contingency plans are in place and include a PA annex.	ASD (PA)	Installation Population	

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		Community Relations	11	PA Personnel for Contingencies	80% of authorized PA personnel are trained and equipped to meet local emergency requirements.	ASD (PA)	Number of Personnel for Contingencies	

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VI. Human Resources Management	Military Personnel Services	Customer Support Services	1	Awards & Decorations	Process 90% of awards and decorations by Service timeliness standards	AR 600-8-22, SECNAVINST 1650.1, AFI 36-2803		Calculation: (Count of Awards and Decorations processed within time required) / (Count of all Awards and Decorations processed this quarter)
		Customer Support Services	2	Enlisted Performance Evaluations	Process 90% of enlisted performance evaluations by Service timeliness standards	AR 623-3, AFI 36-2406, Bureau of Naval Personnel Instructions 1610.10A, Marine Corps Order P1610.7E		Calculation: (Count of Enlisted Performance Evaluations processed within time required) / (Count of all Enlisted Performance Evaluations processed this quarter)
		Customer Support Services	3	Identification/C Common Access Card (ID/CAC) Issuance	Process 90% of Common Access Card (CAC) and Identification (ID) card issuance requests within Department of Defense Human Resource Activity (DHRA) timeliness standards	AFI-36-3026		The Department of Defense Human Resource Activity (DHRA) standard for card issuance is 20 minutes for a CAC card, and 15 minutes for an ID card, from the time the customer is seated with a card issuance specialist. Calculation: (Count of cards issued within time standard) / (count of all cards issued this quarter)
		Process Workforce Changes	4	Reenlistments	Achieve 90% of Service reenlistment goals			Calculation: (Number reenlisted) / (Service goal for this quarter)
		Process Workforce Changes	5	Enlisted Assignments	Process 90% of enlisted reassignment orders by Service timeliness standards			Calculation: (count of enlisted reassignment orders processed within time required) / (count of all enlisted reassignment orders processed this quarter)

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		Process Workforce Changes	6	Transition Assistance Program	Provide 100% of retiring/separating active duty members pre-separation counseling			Pre-separation counseling done by the MILPERS function refers to "outprocessing" actions and benefits counseling. Calculation: (Count of active separation counseling) / (count of active duty members separating or retiring this quarter)

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VII. Security Services	Security Services	Law Enforcement Patrols	1a	Patrol Response	Provide 1st law enforcement patrol response within 15 minutes, and back-up patrol available for any response.	CNIC/N3AT	Number of patrols required	Patrol support functions to address in MOA: training, vehicles, supply, and administration and reports.
		Law Enforcement Patrols	1b	Patrol Response	Provide immediate, non-delayed patrol response to emergencies, consistent with Service safety guidance.	CNIC/N3AT	Number of patrols required	
		Law Enforcement Patrols	1c	Military Working Dogs	Provide 24/7 MWD and contract dog teams response capability.	CNIC/N3AT	Number of patrols required	MWD capability may be managed at Region or Command levels due to mission requirements, and some MWD teams are deployable.
		Law Enforcement Services	2a	Investigations / Crime Prevention	90% of investigations are completed within 30 days, with investigations staff size matched to base population.	CNIC/N3AT	Number of services required	Standards are baseline and scalable to installation requirements. There are no crime prevention standards.
		Law Enforcement Services	2b	Investigations / Crime Prevention	Maintain 7 days processing time for law enforcement information to meet legal and command requirements for adjudication/action.	CNIC/N3AT	Number of services required	
		Physical Security Patrols	3a	Patrol Planning / Response, Verification	Provide dedicated patrol response based on asset, back up patrols available for any response.	DoD 5200.08-R, AR 190-16	Number of patrols, sentries, and customer service rqrmts.	
		Physical Security Patrols	3b	Patrol Planning / Response, Verification	Provide immediate, non-delayed patrol response to emergencies, consistent with Service safety guidance.	DoD 5200.08-R, AR 190-16	Number of patrols, sentries, and customer service rqrmts.	

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VIII. Logistics Support	BSV&E	Physical Security Patrols	3c	Patrol Planning / Response, Verification	Verify 100% of personnel, vehicles, cargo, and baggage.	DoD 5200.06-R, AR 190-16	Number of patrols, sentries, and customer service rqrmts.		
		Antiterrorism Plan	4	Antiterrorism Plan	Develop, validate, and exercise antiterrorism plan which meets DoDI 2000.16 requirements, installations meet AT requirements for FPCONs, and installations comply with COCOM "TACON for FP" requirements	DoDI 2000.16	Number of Installations		
		Provide Vehicles and Equip without Driver	1	Provide Class C-Pooled Vehicle	90% of the time provide Class C Pooled Vehicle without Driver when requested.	ADUSD (TP)	Number of Requests	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario	
		Provide Vehicles and Equip with Driver	2	Provide Class C-Pooled Vehicle and Driver	90% of the time provide Class C Pooled Vehicle with Driver when requested.	ADUSD (TP)	Number of Requests	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario	
		Passenger Bus Service	3	Maintain Capacity	Vehicles must have 12 passenger capacity or more and operate at minimum 50% capacity on a monthly basis.	ADUSD (TP)	Number of Passengers	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario	
		Vehicle / Equipment Maintenance	4a	Maintain Vehicle Mission Capable Rate	Maintain 90% Vehicle Mission Capable Rate.	ADUSD (TP)	Number of Vehicles	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario	
		Vehicle / Equipment Maintenance	4b	Maintain Vehicle Mission Capable Rate	Provide mobile maintenance one hour response time.	ADUSD (TP)	Number of Vehicles	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario. Standard applies to emergency service scenarios	

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VIII. Logistics Support (cont.)	Food and Dining	Vehicle / Equipment Maintenance	4c	Maintain Vehicle Mission Capable Rate	60% rate for 24-hour Vehicle Turn Around Rate achieved.	ADUSD (TP)	Number of Vehicles	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario
		Vehicle / Equipment Maintenance	4d	Maintain Vehicle Mission Capable Rate	100% rate for Emergency Roadside Maintenance/Recovery 24/7 achieved.	ADUSD (TP)	Number of Vehicles	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario
		Transportation Services	5	Provide Operating Licenses	100% of the time operating licenses issued within 24 hours of passing requirements.	ADUSD (TP)	Number of Requests	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario
		Transportation Services	6	Maintain Vehicle Life Expectancy	The percentage of vehicles exceeding the life expectancy (IAW DoD 4500.36-R) will not vary in excess of 5% between like vehicles assigned to subordinate joint base fleets.	ADUSD (TP)	Number of Vehicles	All BSV&E Standards based on Air Force/Navy Joint Basing Table Top Exercises/Scenario
		Permanent Facility Installation Meals; Remote Facility Installation Meals; Specialized Meals (Flight Line, Box Lunches)	1	Nutritionally adequate IAW DoD Joint Nutrition Standards	98% of all meals meet DoD Joint Nutrition Standards as outlined in appropriate publication(s).	DoD 1338.10.M, Title 10, Army Regulation 40-25, BUMEDINST 10110.6, AFI 44-144	Number of meals served; base population	
		Permanent Facility Installation Meals	2	Meals contain four items in each food category	98% of all meals contain a variety of options to the diner in each food group category. Fruits, Vegetables, Carbohydrates, Protein/Dairy, Fats, and Sweets.	DoD 1338.10.M, Title 10, Army Regulation 40-25, BUMEDINST 10110.6, AFI 44-144	Number of meals served; base population	
Permanent Facility Installation Meals	3	Wait time in line	Wait time in line for a meal must not exceed five (5) minutes after passing the headcounter's station.	DoD 1338.10.M, Title 10	Number of meals served; base population			

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	Installation Movement	Subsistence Supply Distribution	4	Operational rations availability on demand	96% of all operational rations available on demand.	DoD 1338.10.M, Title 10	Number of operational rations served	Army uses a food service organization for distribution function; other Services may use a combination of unit and/or installation supply function for distribution.
		Official Passenger Travel	1	Travel Authorizations	Travel authorizations successfully executed 100%; Ability to support passenger requirements received prior to 72 hours 100%.	DTR 4500.9-R, Part I	Number of Travelers	
		Personal Property Moves	2	Household Goods Shipments	100% of Household goods shipments processed and completed in accordance with Defense Transportation Regulation (DTR) Part IV – Personal Property.	DTR Part IV	Number of Transportation Control Numbers (TCNs)	
		Cargo Movement Services	3	Bill of Lading Airway Bills	100% of all Bills of Lading (BOL) Airway Bills (AWB) successfully initiated and closed; 100% of all Letters of warning issued by the origin Installation Transportation Officer/Traffic Management Officer (ITC/TMO) based on missed Required Delivery Date (RDDs) by commercial carriers.	Defense Transportation Regulation (DTR) Parts I-VII	Number of Transportation Control Numbers (TCNs)	
VIII. Logistics Support (cont.)	Installation Movement (cont.)	Unit Mobility Support	4	Cargo/Unit Equipment	Cargo/unit equipment and personnel prepared documented and ready to load based on customer requirements; Unit movements/deployments supported within required timeframe 100%.	Defense Transportation Regulation (DTR) Part II and Part III	Number of Unit Line Numbers (ULN)	

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Laundry and Dry Cleaning	Manage Installation Transportation Office	5	Transactions Meet Customer Requirements	Ensure transactions meet 100% compliance with customer requirements as well as procedures established within the DTR Parts I thru VII for cargo, passenger, personal property, and personnel moves.	DTR Parts I-VII	Number of Transactions		
		1	Availability not to exceed 3 days	98% of the time laundry items are made available in 3 working days.	AR 210-130; industry; COLS survey results	Number of Laundry Items; Base Population		
	Dry Cleaning	2	Availability not to exceed 3 days	98% of the time dry cleaning items are made available in 3 working days.	AR 210-130; industry; COLS survey results	Number of Dry Cleaning Items; Base Population		
		1	Requisition Time	90% of requisitions processed within the times specified for the Issue Group priorities - 1 thru 13.	DoD4140.1-R; DoD 5160.65-M	Number of Requisitions	Standards are based on DOD level requirements.	
	Supply, Storage, and Distribution (SSD) Munitions	Receipt / Customer Returns	2	Receipt Processing Time	100% of receipts processed within the times specified in reference.	DoD4000.25-2-M (C4.6 and C12.8)	Number of receipts/ returns	Standards are based on DOD level requirements.
		Receipt / Customer Returns	3	Warehouse, Control, and Protect Munitions	50% of returns processed within times specified in references.	DoD4000.25-M (C17.3.4); DoD 4000.25-1-M (C4.9); DoD4140.1-R (C6.3)	Number of receipts/ returns	Standards are based on DOD level requirements.
		Store and Warehouse	4	Clear Floor Space	Maintain 15% clear floor space to facilitate efficient handling of materiel.	JSM for Storage and Materials Handling	Storage Requirements	Standards are based on DOD level requirements.
	Supply, Storage, and Distribution (SSD) Munitions	Issue / Shipment	5	Shipment Effectiveness	95% issue effectiveness IAW DoD 4000.25-1-M.	DoD4000.25-M (C17.3.4); DoD4000.25-1-M (C4.9); DoD4140.1-R (C6.3)	Number of issues/ shipments	Standards are based on DOD level requirements.

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VIII. Logistics Support (cont.)	Supply, Storage, and Distribution (SSD) Non-Munitions	Inventory Management	13	Stockpile Serviceability	95% of assets of stockpile meets serviceability requirements.	DoD5160.65-M	Line Items carried by the Supporting Supply (Class V) Activity	Standards are based on DOD level requirements.
		Requisition	1	Requisitions Processed	85% of requisitions processed within one working day.	DODR 4140.1R, UMMIPS, AR 710-2 p 1-22e	Number of Requisitions Processed	Navy and Air Force Exception for Class IX Aviation Repair Parts: 95% of IPG 1 issues within 1 hour; 98% of IPG 2 issues within 2 hours
		Requisition	2	Receipts Processed	85% of receipts processed within one working day.	DODR 4140.1R, UMMIPS, AR 740-1, p 4-2h	Number of Receipts Processed	Navy and Air Force Exception for Class IX Aviation Repair Parts: 95% of IPG 1 issues within 1 hour; 98% of IPG 2 issues within 2 hours
		Inventory Management	3	Inventory Accuracy	Maintain 95% first-time inventory accuracy.	AR 710-2, P440.5, SECNAVINST 7320.10, AF 23-110	Frequency, number of Inventory Items	
		Inventory Management	4	Stockage Effectiveness	Maintain 85% stockage effectiveness.	AR 710-2, MAF Log Suprt Ctr Std	Percent of On-Hand Stock	
		Reutilization of Materiel, Prods, and Customer Returns	5	Retrograde Return Time for Class IX DLRs	Maintain average retrograde return time of 1 day for Class IX items.	AFI 21-129, AR 710-2	Number of Items Retrograded back to Depot/Repair	
		Inventory Management	6	Fuel Specifications	100% of fuel meets required specifications.	DoD 4140.25-M	Number of Fuel Tests Performed	
Inventory Management	7	Fuel Available	100% of fuel is available to meet requirements.	DoDD 5101.8	Frequency of Re-Supply, Storage Capacity			

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		Store and Warehouse	8	Fuel Response Time	96% of the time, response time not to exceed 30 minutes.	OADUSD/L&MR (SC)	Number of Customer Requests for Servicing	

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X: Facility Operations	Facility Operations	Utilities	1	Operations, administration and performance of fire and emergency services	Maintain 100% compliance with comprehensive standards for operations, administration and performance of fire and emergency services as detailed in DoDI 6055.06	DoDI 6055.06	Installation, real property and mission operations	
			2	Electricity and fuel	Provide electricity for lighting, power, ventilation, heating and cooling, and building equipment. Also includes electricity for lighting outdoor areas. Provide fuel for heating and cooling or plant operations.	DoDI 4001.01, DoDI 4170.10-11, UFC Series 3-500 Electrical, DPACT 05, EISA 07, EO 13423	Demand	
			3	Operate central plants	Provide heating, cooling and humidity control to maintain temperatures in comfort zones consistent with ASHARE design standards. Operate central plants; generate steam, hot water, chilled water for heating, cooling, domestic hot water, and/or facility processes.	DoDI 4001.01, DoDI 4170.10-11, UFC Series 3-44, ASHARE	Climate and work place operations	Includes in-house and contract labor to operate heating and cooling systems. Also includes materials, chemicals, and other contract costs for operations
			4	Potable water for mission and domestic use to meet demand	Provide potable water for mission and domestic use to meet demand. Includes water for irrigation and firefighting from potable or non-potable sources.	DoDI 4001.01, DoDI 4170.10-11	Operations as defined by facility type and size	
			5	Removal and/or treatment of domestic and industrial waste water	Removal and/or treatment of domestic and industrial waste water to meet discharge standards.	DoDD 4715.4, UFC Series 3-200	Operations as defined by facility type and size	

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		Pavement Clearance	6	Installation pavement clearance plan	Installation Pavement Clearance Plan developed in accordance with best practices of Military Components to meet safety and mission needs. Runways and taxiways maintained, if possible, to a "no worse than wet" condition during inclement weather.	USDOT, FAA AC 150.5220-20, AFI 32-1002	Operations, climate, pavement/walks surface area	
		Solid Waste Mgmt (General Pick-up)	7	Dumpster overflow	General garbage dumpsters are tipped the minimum amount to avoid overflow and unsanitary conditions. Dumpsters maintain a professional appearance in accordance with local installation appearance requirements.	40 CFR Subtitle D, AFI 32-7042	As generated by mission operations	
		Solid Waste Mgmt (Food Waste)	8	Dumpsters and Containers	Dumpsters and containers emptied once a day while facility operational. Dumpsters and containers maintain a sanitary and professional appearance in accordance with installation appearance requirements.	40 CFR Subtitle D, AFI 32-7042	As generated by mission operations	
		Recycling	9	Recycling program	The recycling program should be executed in accordance with the installation's Solid Waste Mgt Plan and CRP. Dumpsters and containers maintain a professional appearance in accordance with local requirements.	DoD 4715.4	As generated by mission operations	
X: Facility Operations (cont.)	Facility Operations (cont.)							

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X. Facility Operations (cont.)	Facility Operations (cont.)	Grounds Maint (Improved and Semi-Improved Grounds)	10	Grass Height	Maintain improved grass height at 2-4" and semi-improved grass height at 4-10". Accomplish necessary trimming, edging, pruning, landscaping, etc to maintain healthy vegetation and professional appearance.	OSD (AT&L) I&E	Climate, vegetation type, acreage	Standard based on HQ USAF Civil Engineering standard with concurrence by the other Military Depts.
		Grounds Maint (Unimproved)	11	Grass Height	Maintain vegetation as necessary for safety, security, wildlife control and to minimize fire fuel. (generally keep grass height at 10-14")	OSD (AT&L) I&E	Climate, vegetation type, acreage	Standard based on HQ USAF Civil Engineering standard with concurrence by the other Military Depts.
		Grounds Maint (Airfields)	12	Grass Height	Accomplish necessary trimming, edging and pruning to maintain healthy vegetation and professional appearance. Grounds must be maintained in a manner to meet BASH requirements.	AFI 91-202	Climate, vegetation type, acreage	
		Pest Control	13	Pest Control	Comprehensive standards for operations, administration and performance of pest control services are detailed in DoDI 4150.7.	DDI4150.7, AFI 32-1063, AR 200-1	Installation population, real property and mission ops	

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X. Facility Operations (cont.)	Facility Operations (cont.)	Custodial (Prestige Service)	14	Maintain clean and healthy environment	Maintain clean and healthy environment, along with professional appearance. Restrooms should be cleaned daily. Twice per week, sweep and mop floors, vacuum carpet, remove trash, and clean walk-off mats. Monthly, buff floors. Semi-annually, clean interior windows. Annually, maintain/strip floors, shampoo carpets, and clean exterior windows.	OSD (AT&L) I&E	Quantity of space	Standard based on HQ USAF Civil Engineering standard with concurrence by the other Military Depts. Prestige: Installation leadership offices, lobbies and conference rooms. Also includes facility waiting areas and Community facilities (Library, Ed Ctr, Passenger Terminal, Chapels, etc.)
		Custodial (Basic Service)	15	Maintain clean and healthy environment	Maintain clean and healthy environment, along with professional appearance. Three times per week, clean restrooms. Once per week, sweep and mop floors, vacuum carpet, remove trash, and clean walk-off mats. Monthly, buff floors. Annually, maintain/strip floors, shampoo carpets, and clean windows (interior and exterior).	OSD (AT&L) I&E	Quantity of space	Standard based on HQ USAF Civil Engineering standard with concurrence by the other Military Depts. Basic: General administrative and industrial areas
		Custodial (Special Service)	16	Custodial for facilities accreditation	Maintain facilities as required to maintain certification/accreditation status, but not less than basic service.	OSD (AT&L) I&E	Quantity of space	Standard based on HQ USAF Civil Engineering standard with concurrence by the other Military Depts. Special: Child Development Ctrs, Youth and Fitness Ctrs, Medical Facilities, Food Service, Labs, and any other facilities requiring unique custodial services to maintain certification/accreditation status or comply with health reqts.

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	RP&ES	17	Overall mgmt of BCE/DPW services	Provide overall management of BCE/DPW services and advisory services.	DoDI 4001.01 AR 420-1, AFPD 32-10, UFC 1-200-05A	Real Property and Services Support	Includes personnel administration, labor relations, goals and objectives, customer relations, community relations. Includes business and BCE/DPW financial management activities, e.g., development of metrics, collecting and collating data from multiple sources, performing analysis, and generating reports
	RP&ES	18	Acquire, dispose, grant use, and account for Real Estate	Acquire, dispose, grant use, and accurately account for Real Estate and Real Estate Interests; and provide Space Management Services to efficiently use real property.	DoDD 4165.6, DoDI 4165.14, DoDI 4165.70-71, DoD FMR Vol 4, Ch 6, UFC 1-300-08	Real Property and Services Support	
	RP&ES	19	Space Utilization Studies	Provide proper and efficient space use within existing facilities. Consult applicable Unified Facilities Criteria (UFC) documents and Military Handbook 1190 for policy on space criteria.	DoDI 4165.70 Military Handbook 1190	Work Center Ops and Facility Type	

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X. Facility Operations (cont.)	Facility Operations (cont.)	RP&ES	20	Long range, environmental, land-use and utilities assessment	Provide a long-range analysis, environmental analysis, land-use analysis, utilities assessment and analysis and a transportation assessment. Develop sites for future growth.	DoDD 4165.06, UFC 3-210-02An, UFC 3-210-01A	Real Property and Services Support	
		RP&ES	21	Service Calls	Service calls shall be accepted 24/7 and prioritized to respond based on impact to mission failure, safety and health, protection of installation physical assets, to general requests with limited to no impact on mission.	DoDI 4001.01	Real Property and Services Support	
		RP&ES	22	Service Contract Quality Assurance	Provide service contract quality assurance to plan and administer service contracts (i.e., custodial, refuse collection, grounds maintenance, grease trap cleaning).	DoDI 4001.01	Real Property and Services Support	
		RP&ES	23	Facility and infrastructure maintenance repair and construction projects program	Develop a facility and infrastructure maintenance repair and construction program to sustain and modernized to meet mission needs and to provide for installation community support and quality of life.	DoDI 4001.01, UFC 3-210-01A, UFC 3-700 Series	Real Property and Services Support	
		RP&ES	24	Appliance/furniture delivery and repair services	Provide OCONUS equipment and appliance/furniture delivery and repair services for family housing and unaccompanied housing.	AFI 32-6004	Real Property and Services Support	

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	Emergency Management	Planning	1	Comprehensive Emergency Management Plan (CEMP)	100% of CEMPs are reviewed/updated annually.	AFI 10-2501, OPNAV/CNIC 3440.17, MCO 3440.8/3302.1D/110, 00.11B, HSPD 5 and 8, DSD/Approved Action Plan, EMPD	Complexity of response elements, frequency of updates to CEMP	CEMP development includes the Hazard and Capability Assessments.
	Emergency Management (cont.)	Planning	2	JB Emergency Management Working Group (EMWG)	100% of installations hold EMWG meetings quarterly.	AFI 10-2501, OPNAV/CNIC 3440.17, MCO 3440.8/3302.1D/110, 00.11B, HSPD 5 and 8, DSD/Approved Action Plan, EMPD	Existence of existing EM group (if any), number of installations, number of tenants size/mission of installation, size of working group, frequency of meetings	
		Training	3	EM Training	100% of Emergency Management Training is provided in accordance with Emergency Management Program Directive for Implementing and Operating a Joint Base (EMPD).	AFI 10-2501, OPNAV/CNIC 3440.17, MCO 3440.8/3302.1D/110, 00.11B, HSPD 5 and 8, DSD/Approved Action Plan, EMPD, DoDI 200.18, Joint Pub 1-02	Base Population, Attrition Rate	
		Exercises	4	Emergency Notification	100% of emergency notification tests occur on a monthly basis.	AFI 10-2501, OPNAV/CNIC 3440.17, MCO 5530.14A/3440.8/3302.1D/110, 00.11B, HSPD 5 and 8, DSD/Approved Action Plan, EMPD, DoDI	Notification system medium	

Department of Defense Supplemental Guidance for Implementing and Operating a Joint Base Memorandum of Agreement (MOA) Template
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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
X. Facility Operations (cont.)	Emergency Management (cont.)	Exercises	5	TTX, CPX, FTX	100% of EM Exercise programs are performed in accordance with EMPD. Includes annual exercises, exercise evaluations, After Action Reporting (AAR), and incorporation of lessons learned into the annual CEMP review/update process.	200.18 AFI 10-2501, OPNAV/CNIC 3440.17, MCC 3440.8/3302.1D/110 00.11B, HSPD 5 and 8, DSD, Approved Action Plan, EMPD, DoDI 200.18, HSEEP	Size of Installation (Base Population), Exercise Complexity	
		Equipment	6	Provide and Sustain	100% of emergency response equipment (HAZMAT/CERNE, etc.,) is provided and maintained in accordance with DoDI (Dprat), Joint Base EM Supplemental Guidance, or applicable supporting component guidance.	AFI 10-2501, OPNAV/CNIC 3440.17, MCC 3440.8, HSPD 5 and 8, DSD, Approved Action Plan, EMPD, DoDI 200.18	Number of emergency response personnel, complexity of CEMP	
		Command and Control	7	Emergency Operations Center	EOC is capable of managing continuity, response, and recovery operations to support the Installation CEMP.	AFI 10-2501, OPNAV/CNIC 3440.17, MCC 3440.8/3302.1D/110 00.11B, HSPD 5 and 8, DSD, Approved Action Plan, EMPD, DoDI 200.18	EOC Capabilities	
		Command and Control	8	Dispatch	95% of the time alarms are processed and dispatched in accordance with NFPA standards for dispatch.	AFI 10-2501, OPNAV/CNIC 3440.17, MCC 11000.11B, NFPA Std 1221, HSPD 5 and 8, DSD, Approved Action Plan, MEPD, DoDI 200.18, DoDI 6085.06	Pieces of equipment, Infrastructure upgrades, equipment life cycle/24-7 operation	

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
XI. Facilities Investment	Facility Sustainment	Command and Control	9	Mass warning and notification	100% of INWS are maintained and updated in accordance with DoDI 2000.16.	DoDI 2000.16	System Upgrades; Notification Medium. Number of people by category. Dispersion of people. Integration of Joint Base INWS	
		Unscheduled maintenance	1	Emergency Service Order Response Time	90% of emergency Service Orders are responded to within 1 hour.	AFPAM 32-100AV3	Number of emergency service orders	Emergency is defined as any facility deficiency that immediately compromises the mission or life, health and safety. Always includes, but is not limited to, failure of any utility, fire protection, environmental control, or security alarm systems. Response means personnel arrive on-scene.
		Unscheduled maintenance	2	Emergency Service Order Resolution time	100% of emergency Service Orders are resolved within 24 hours.	AFPAM 32-100AV3 Army ISR service performance stds	Number of emergency service orders	Emergency is defined as any facility deficiency that immediately compromises the mission or life, health and safety. Always includes, but is not limited to, failure of any utility, fire protection, environmental control, or security alarm systems. Resolve means emergency has been addressed. Any remaining work is non-emergency.

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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
XI. Facilities Investment (cont.)	Facility Sustainment (cont.)	Unscheduled maintenance	3	Urgent Service Order Resolution time	90% of urgent Service Orders are resolved within 5 working days.	AFPAM 32-100AV3 Army ISR service performance stds	Number of urgent service orders	Urgent is defined as any deficiency that does not immediately endanger personnel or property, but extended delays of repairs could result in damage to Government property, or soon affect the security, health, or well-being of personnel or the continued operation of a service or system.
			4	Routine Service Order Resolution time	90% of routine Service Orders are resolved within 30 calendar days.	AFPAM 32-100AV3 Army ISR service performance stds	Number of routine service orders	Routine is defined as any deficiency that does not qualify as emergency or urgent, but is needed to maintain the agreed upon facility condition.
			5	Required PM performed	90% of PM is completed that is required by manufacturers recommendations, generally accepted industry practices, or a locally agreed upon PM schedule.	DoD facilities sustainment model	Number and type of facilities	No existing DoD standard, but consistent with benchmarks in the facilities sustainment model (F-SM)
	Facility Sustainment (cont.)	Scheduled component replacement and repair	6	Components replaced when needed	90% of components are replaced IAW the component useful service life.	DoD facilities sustainment model	Number and condition of facilities	Useful service life is the actual life of the component and may differ from the expected service life. Useful service life is defined by failure or based on an economic analysis indicating repair costs exceed 70% of the replacement value.
			7	Customer Satisfaction survey	Achieve 80% customer satisfaction on an evaluation performed at least annually that contains a representative cross sample of customers.	AFPAM 32-100AV2	Number of customers; Number of Service Orders	
	Facility Sustainment (cont.)	All						

Department of Defense Supplemental Guidance for Implementing and Operating a Joint Base Memorandum of Agreement (MOA) Template
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PE	Function	Sub-function	Metric #	Description of Standard	Standard	References	Estimated Cost Driver	Notes
XII. Facilities Restoration and Modernization	Facilities Restoration and Modernization	All	8	Time to Award R&M Projects	Within 6 months of receiving approval and funding, non-major MILCON projects are ready for contract solicitation.	31 USC 1502(a)	Number of R&M Projects	
XIII. Facilities Demolition	Facility Demolition	All	9	Time to demolish replaced facilities	Facilities on the Joint base replaced by new construction on the joint base will be demolished within 12 months of the beneficial occupancy date of the replacement facilities if they are no longer needed.	2007 Defense Installations Strategic Plan	Number of facilities replaced	

BRAC 2005 ACCOUNT UNOBLIGATED BALANCES

Question. According to the budget appendix on page 305, the BRAC 2005 account is projected to have an unobligated balance carrying forward from 2010 into FY 2011 of \$1,185,000,000 and \$1,185,000,000. What is the explanation for this high level of unobligated balances at the end of FY 2010 and FY 2011, and in the exact same amount?

Answer. As reported in the Section 2906A Report to Congress on BRAC 2005 Obligations and Expenditures for FY 2009, which was delivered to the Congress on December 3, 2009, the total unobligated balance for the BRAC 2005 account at the end of FY 2009 was \$2.025 billion. This represents a 92% obligation rate for funds available from FY 2006–FY 2009. The difference between this amount and the FY 2009 figure on page 305 of the budget appendix is attributable to a data entry error in the database used to estimate obligations and expenditures. The formula for calculating the obligations and expenditures uses the prior year unobligated amount, therefore, the error compounds and contributes to the amounts for FY 2010 and FY 2011 shown in the budget appendix. The error will be corrected for the submission of the FY 2012 President's Budget.

The most recent accounting data (February 2010) indicates the total unobligated balance for the BRAC 2005 account is \$1.299 billion or an obligation rate of 95%. The Department anticipates the funding necessary for the implementation of BRAC 2005 actions will be obligated by the September 15, 2011 deadline.

[Question for the Record submitted by Congressman Carter]

FEDERAL LEADERSHIP IN ENVIRONMENTAL, ENERGY, AND ECONOMIC PERFORMANCE

Question. As I understand it, the President's Executive Order No. 13514 on sustainability of federal agencies, also applies to federal contractors. Is that correct? If so, how will the DOD get these contractors to report their greenhouse gas emissions? Is there a reporting requirement that has to be written into the contracts? Are these reporting requirements in place? If not, when will they be in place? Will the reporting requirements include specific data protocols? What are they? Does the Department have to include the reporting requirement before the contracts are executed to give contractors some notice? Isn't such data essential to the DOD getting any leverage on the private sector?

Answer. Section 13 of E.O. 13514 requires the General Services Administration, in coordination with the Department of Defense, the Environmental Protection Agency, and other agencies, to review and provide recommendations to the Council on Environmental Quality and Office of Management and Budget's Office of Federal Procurement Policy (OFPP) regarding the feasibility of working with the Federal vendor and contractor community to help Federal Agencies track and reduce the scope of greenhouse gas emissions related to the supply of products and services to the Government. These recommendations will address the feasibility of:

- (a) requiring vendors and contractors to register with a voluntary registry or organization for reporting greenhouse gas emissions;
- (b) requiring contractors, as part of a new or revised registration under the Central Contractor Registration or other tracking system, to develop and make available their greenhouse gas inventories and descriptions of efforts to mitigate greenhouse gas emissions;
- (c) using Federal Government purchasing preferences or other incentives for products manufactured using processes that minimize greenhouse gas emissions; and
- (d) other options for encouraging sustainable practices and reducing greenhouse gas emissions.

The Department of Defense will implement any policies issued by OFPP.

TUESDAY, MARCH 23, 2010.

VA MENTAL HEALTH

WITNESSES

TODD BOWERS, DEPUTY POLICY DIRECTOR OF PUBLIC AFFAIRS, IRAQ AND AFGHANISTAN VETERANS OF AMERICA (IAVA)

IRA KATZ, M.D., PH.D., DEPUTY CHIEF OFFICER, MENTAL HEALTH SERVICES, OFFICE OF PATIENT CARE SERVICES, VETERANS HEALTH ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

THOMAS R. INSEL, M.D., DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH, NATIONAL INSTITUTES OF HEALTH, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Good morning. I would like to call the subcommittee to order and thank all of the witnesses for being here today. The purpose of today's hearing is to focus on an issue that is so vitally important to all of us and every American veteran, and that is how we are doing in terms of mental health-care services to our vets. We look forward to exploring what the V.A. is doing, where we are making progress, where there are gaps. And I think this will be a very, very productive hearing.

We have a number of witnesses that are scheduled today. Someone is apparently stuck in the process of trying to get into the Capitol, Mr. Todd Bowers, who is with the Iraq and Afghanistan Veterans of America. Mr. Bowers is a staff sergeant in the Marine Corps Reserves and has served two tours of duty in Iraq.

Dr. Ira Katz is the deputy chief officer for mental health-care services with the V.A.

Dr. Katz, thank you for being here. We look forward to your testimony.

We also have Dr. Thomas Insel, who is the director of the National Institute of Mental Health at NIH.

And thank you. We look forward to your testimony as well.

Not testifying—is that correct—Dr. Batres will not be testifying but is here to address questions. And we know—and we know there will be interest in talking to you, Dr. Batres, about our vet centers and how we are doing there. But he is the chief readjustment counseling officer with VHA and oversees our vet centers.

As is our process, we will submit for the record your entire written statement but would like to recognize you now for opening comments of approximately 5 minutes. We are a little bit informal in this committee. We are not going to keep you on a timer.

But, Dr. Katz, if we could begin with your testimony and then Dr. Insel.

STATEMENT OF IRA KATZ

Dr. KATZ. Thank you. Chairman Edwards, Mr. Crenshaw, and other distinguished members of the committee, thank you for the opportunity to appear today to discuss V.A.'s response to the mental health needs of America's veterans. I am accompanied today by my colleague Dr. Alfonso Batres, chief readjustment counsel officer, and Mr. Paul Kearns, chief financial officer for the Veterans Health Administration.

In the time that I have available, I want to make three key points. First, VA's clinical programs are improving the lives and well-being of veterans with mental health conditions. To demonstrate this, I can point to several objective outcome measures to support this claim.

To begin, the number of homeless veterans has declined significantly over the past 2 years from 154,000 in 2007 to 131,000 in 2008 and 107,000 in 2009. The decline will be continuing and accelerating with the secretary's 5-year program to end homelessness among veterans. But the numbers thus far already demonstrate that those veterans most in need are receiving the care and services necessary.

Further, veterans with serious mental illness who use V.A. services do not have the mortality gap that is present elsewhere. In this and other countries, individuals with serious mental illness have an average life expectancy more than 20 years less than those without mental illness. However, in V.A., the difference in life expectancy is less than 2 years.

Finally, the suicide rate among veterans using V.A. health care has declined since 2001, translating to about 250 fewer suicides per year. Rates for young veterans, aged 18 to 29, who use V.A. services have declined since the start of mental health enhancements in 2005.

In 2005, those young veterans who came to us had suicide rates 13 percent higher than those who did not. However, in 2007, they had suicide rates that were 30 percent lower. Looking at one key component of our suicide prevention programs, in 2009, our suicide prevention hotline intervened to rescue more than 3300 veterans judged to be at imminent risk for suicide.

Based on this evidence, we know that our programs are working for those who use them. To extend these benefits, we need to reach still more veterans. We have a variety of outreach initiatives, and we are enhancing them.

More fundamentally, at the same time, that we continue to enhance our clinical programs, we are implementing a broader public health model for mental health care.

My second point is that V.A. is committed to a robust research program that identifies causes and effective treatments for mental health conditions. Our current budget for research in mental health is more than \$100 million a year, and we are using these resources to determine biological, genetic, psychological, and social factors that increase a person's risk.

We are also investigating treatment strategies and using the results to improve care. For one example, V.A. research has determined that suicide rates are especially high during the time imme-

diately after veterans are discharged for mental health in-patient care. And this led to system-wide requirements that all patients must have follow up within 1 week of discharge.

For another example, other V.A. research provided evidence that exposure-based psychotherapies were effective treatments for PTSD. Even before these findings were published, the results led V.A. to implement training programs to ensure that our staff throughout the country were able to administer these treatments to our patients.

My third main point is that V.A. offers veterans meaningful alternatives for accessing care for mental health issues that goes beyond that which is available in medical centers and clinics. V.A.'s Vet Centers embrace a veteran-centric model program that makes personal and empathetic connections to help veterans overcome stigma and other barriers to care.

About 80 percent of all staff members are veterans, 60 percent are combat veterans, and one-third are OEF-OIF veterans. Through the end of 2009, Vet Centers made contact with over 420,000, almost 40 percent of all separated OEF-OIF veterans, providing outreach usually at the demobilization sites to about 320,000 and readjustment counseling usually in Vet Centers to almost 110,000.

Very significantly, within hours of the shootings at Fort Hood, Vet Centers deployed staff, including four mobile vet centers, to the Fort Hood community where they provided readjustment counseling services to more than 6,600 veterans, active-duty service members, and families. The vet centers are a very substantial national resource.

In conclusion, V.A. has used its appropriations aggressively to increase the resources available to address the mental health needs of veterans. We are also working closely with our partners on the DOD to improve the access, quality, and continuity of care for veterans and service members alike.

Mr. Chairman, Ranking Member, this is work we can all be proud of. And we thank you for your support. Thank you again for the opportunity to appear. My colleagues and I are prepared to answer your questions.

[Prepared statement of Ira Katz follows:]

**STATEMENT OF
IRA KATZ, M.D., PH.D.
DEPUTY CHIEF OFFICER, MENTAL HEALTH SERVICES
OFFICE OF PATIENT CARE SERVICES
VETERANS HEALTH ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS' AFFAIRS,
AND RELATED AGENCIES
* * * * *
MARCH 23, 2010**

Mr. Chairman, Mr. Ranking Member, and Distinguished Members of the House Appropriations Committee, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies: thank you for the opportunity to appear today to discuss the Department of Veterans Affairs' (VA) response to the mental health needs of America's Veterans. I am accompanied today by my colleagues, Dr. Alfonso Batres, Chief Officer of VA's Readjustment Counseling Service; and Mr. Paul Kearns, Chief Financial Officer for the Veterans Health Administration (VHA).

VA has responded aggressively to address previously identified gaps in mental health care by expanding our mental health budgets significantly. In fiscal year (FY) 2010, VA's budget for mental health services reached \$4.8 billion, while the amount included in the President's budget for FY 2011 is \$5.2 billion. Both of these figures represent dramatic increases from the \$2.0 billion obligated in FY 2001. VA also has increased the number of mental health staff in its system by more than 5,000 over the last 3 years. During the past 2 years, VA trained over 2,500 staff members to provide psychotherapies with the strongest evidence for successful outcomes for post-traumatic stress disorder (PTSD), depression, and other conditions. Furthermore, we require that all facilities make these therapies available to any eligible Veteran who may benefit. In FY 2010 and FY 2011, we will continue to expand inpatient, residential, and outpatient mental health programs and continue our emphasis on integrating mental health services with primary and specialty care. We thank the subcommittee for its strong support over the past several years, as without its help, none of this would be possible.

VA is working closely with our colleagues at the Department of Defense (DoD) to improve the quality of care for Veterans and service members alike. Since October 2009, VA and DoD have held two major conferences related to the mental health needs of Veterans and service members.

My testimony today will make three points. First, it will describe VA's approach to treating mental health conditions and our efforts to ensure that treatment options should be widely available and uniquely tailored to the individual needs of each Veteran. Second, it will detail VA's policy and guidance to the field, as specifically identified in the *Uniform Mental Health Services in VA Medical Centers and Clinics Handbook*. This

Handbook is being implemented across VA's health care system to expand access to mental health services for Veterans. Finally, my testimony will conclude by providing evidence VA has gathered that our programs are successful. In sum, our programs are saving lives and improving the quality of life for Veterans with mental illness.

VA's Approach to Mental Health Care

VA has been making significant enhancements to its mental health services since 2005, through the VA Comprehensive Mental Health Strategic Plan and special purpose funds available through the Mental Health Enhancement Initiative from FY 2005 to FY 2009. In 2007, VA approved the *Handbook on Uniform Mental Health Services in VA Medical Centers and Clinics* to define what mental health services should be available to all enrolled Veterans who need them, no matter where they receive care, and to sustain the enhancements made in recent years.

VA's enhanced mental health activities include outreach to help those in need to access services, a comprehensive program of treatment and rehabilitation for those with mental health conditions, and programs established specifically to care for those at high risk of suicide. To reduce the stigma of seeking care and to improve access, VA has integrated mental health into primary care settings to provide much of the care that is needed for those with the most common mental health conditions. In parallel with the implementation of these programs, VA has been modifying its specialty mental health care services to emphasize psychosocial as well as pharmacological treatments and to focus on principles of rehabilitation and recovery. VA is ensuring that treatment of mental health conditions includes attention to the benefits as well as the risks of the full range of effective interventions. Making these treatments available responds to the principle that when there is evidence for the effectiveness of a number of different treatment strategies, the choice of treatment should be based on the Veteran's values and preferences, as well as the clinical judgment of the provider.

VA's Vet Centers embrace a Veteran-centric program model that goes beyond formal procedures in making a personal and empathic connection that helps combat Veterans overcome stigma and other barriers to care. Approximately 80 percent of all Vet Center staff members are Veterans, and 60 percent are combat Veterans. In addition to 100 Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veteran Outreach Specialists, more than one-third of all staff now serving in Vet Centers are OEF/OIF Veterans. Early access to readjustment counseling in a safe and confidential setting can help reduce the risk of suicide and promote recovery among service members returning from a combat theater. Through the end of December 31, 2009, Vet Centers have made contact with 424,398 (39 percent) of all separated OEF/OIF Veterans, and 317,309 were provided outreach services, primarily at demobilization sites, while 107,089 received substantive readjustment counseling in a VA Vet Center.

Crucial to initiating such care, VA requires that all new patients to primary care be screened for post-traumatic stress disorder (PTSD), depression, and problem drinking. If the PTSD or depression screen is positive, an evaluation for suicidality also is required. VA repeats this screening at consistent intervals, since problems can arise at

any time, not just on initial access to VA care. Any positive screen leads to further evaluation in the primary care setting, followed by initiation of mental health services, if needed, in the primary care setting or through referral to mental health specialty care.

For patients identified through these screens, or in any other way, VA has established access standards that require prompt evaluation of new patients (those who have not been seen in a mental health clinic in the last 24 months) with mental health concerns. New patients are contacted within 24 hours of the referral by a clinician competent to evaluate the urgency of the Veteran's mental health needs. If it is determined that the Veteran has an urgent care need, appropriate arrangements (e.g., an immediate admission) are required. If the need is not urgent, the patient must be seen for a full mental health diagnostic evaluation and development and initiation of an appropriate treatment plan within 14 days. Across the system, VA is meeting this standard 95 percent of the time.

VA has expanded services throughout the system. One important set of requirements in the Handbook was to ensure that evidence-based psychotherapies are available for Veterans who could benefit from them and that meaningful choices between effective alternative treatments are available. To ensure Veterans are monitored appropriately while they are receiving mental health services, including treatment with psychotherapeutic medications, VA requires that these integrated care programs include evidence-based care management and co-located, collaborative care by a mental health professional.

Care management for depression includes repeated contacts with patients to educate them about depression, medications, and other treatment, as well as to provide evaluations of both therapeutic outcomes and adverse effects. The benefits of the frequent contact program relate to increased patient engagement in care. Also, information from patient monitoring is translated into decision-support for providers about when they should modify treatment. Two programs that are used frequently in VA primary care settings are Translating Initiatives in Depression into Effective Solutions (TIDES) and the Behavioral Health Laboratory (BHL), both of which are evidence-based interventions supported by extensive research. Studies on care management for depression in primary care settings have demonstrated that these interventions can decrease both depression and suicidal ideation in older adults.

In addition, research has shown the value of having co-located, collaborative mental health staff that can complement the medication-focused care management programs with psychosocial interventions to address depression and other mental health problems. The mental health providers co-located in primary care also can engage with family members when appropriate to listen to their concerns, ensure they understand the care the Veteran is receiving, and describe how they can contribute to ongoing treatment for the Veteran.

For several years, VA has provided training to clinical mental health staff to ensure that there are therapists in each facility able to provide evidence-based psychotherapies for

the treatment of depression and PTSD as alternatives to pharmacological treatment or as a course of combined treatment. VA has begun training Vet Center mental health professionals in Cognitive Processing Therapy (CPT). 100 Vet Center staff members are participating in training courses leading to certification as CPT providers in VA. Vet Center staff training will also be enhanced this year through national training in May commemorating the Vet Center program's thirtieth year in existence. VA is initiating a training academy for all Vet Center team leaders. VA implemented the broad use of evidence-based psychotherapies in response to evidence that for many patients, specific forms of psychotherapy are the most effective and evidence-based of all treatments. Specifically, the Institute of Medicine report on treatment for PTSD emphasized findings that exposure-based psychotherapies, including Prolonged Exposure Therapy and Cognitive Processing Therapy, were the best-established of all treatments for PTSD. Other specific psychotherapies included in VA's programs include Cognitive Behavioral Therapy and Acceptance and Commitment Therapy for depression and Skills Training and Family Psycho-Education for schizophrenia. VA is adding other treatments such as Problem Solving for Depression, Cognitive Behavioral Therapy and Contingency Management for Substance Use Disorder, and behavioral strategies for managing both pain and insomnia.

VA has expanded care for Veterans with Substance Use Disorders (SUD), for example, greatly expanding Intensive Outpatient Centers for Veterans with Substance Use Disorders. These Centers have the strongest evidence base for effective treatment; they provide a team of mental health professionals in a comprehensive program format that offers care at least 3 days each week for at least 3 hours each day. In addition, SUD care also has been integrated in PTSD Clinical Teams by including a SUD provider to work with these Teams at each VA facility.

A central concept for all services is a recovery orientation. For those with serious mental illness, the focus on recovery reflects major scientific advances in treatment and rehabilitation. Although it is still not possible to offer definitive cures for all patients with serious mental illness, it is realistic to offer the expectation of recovery. Veterans, often with their families, should collaborate with their providers in planning treatments based on the goals that will help the Veteran live the kind of life he or she chooses, in spite of any residual signs or symptoms of mental illness. To achieve this vision, VA has hired a Local Psychosocial Recovery Coordinator at every facility and has hired staff members to provide peer support, trained clinicians in evidence-based strategies for treatment and rehabilitation, enhanced the care in residential treatment settings, developed Psychosocial Rehabilitation and Recovery Centers and strengthened programs that involve families.

Mental Health Settings

Mental health care for all of these programs, and others covered in the Uniform Mental Health Services Handbook, are supported by care offered in three kinds of settings. Outpatient care is the most typical environment, and is available in primary care settings or in mental health clinics found in every facility. Additional outpatient care is provided

in community-based outpatient clinics (CBOC) by mental health staff on site or through telemental health offered by mental health professionals at the facility that guides the CBOC's services. Inpatient care is provided when patients are a danger to themselves or others and need intensive care, usually in a secured inpatient program. Such programs are designed to meet the needs of Veterans with acute problems and have short lengths of stay designed to stabilize the Veteran and move him or her to a less restrictive level of care. Inpatient care is provided at 120 VA medical centers, and at least one program is available in every VISN. VA's Residential Rehabilitation Treatment Programs (RRTP), which include VA Domiciliaries, provide a place to live in a VA-staffed program that provides intensive rehabilitation services for lengthier stays than in acute inpatient care. Veterans in such programs have a comprehensive mental health treatment plan, and the mental health and SUD services that flow from it provided throughout the week. This includes evening and weekend services to promote recovery. RRTPs are not locked units, so they provide opportunities for Veterans also to maintain community linkages while participating in longer term care to address complex mental health issues. VA requires that such programs be available in every VISN. RRTPs also serve as a cornerstone in VA's plan to ultimately end homelessness among Veterans.

Vet Centers

VA's Vet Centers are another environment in which Veterans can receive care. Vet Centers serve combat Veterans and their families by providing quality readjustment counseling for Veterans and their families. Vet Center staff welcome home combat Veterans with honor by providing readjustment counseling in a caring, non-clinical setting. Vet Center care consists of a continuum of social and psychological services including community outreach to special populations and referrals to services with community agencies. VA maintains a trained and qualified cadre of professional mental health professionals and other licensed counselors to provide professional readjustment counseling for combat-related PTSD and co-morbid conditions such as depression and substance use disorders. Over 60 percent of Vet Center direct readjustment counseling staff members are qualified mental health professionals (licensed psychologists, social workers and psychiatric nurses). When necessary for the treatment of more complex mental health conditions, Vet Centers refer Veterans to VA medical facilities for mental health services, and promote active partnerships with their VA mental health counterparts to better serve Veterans.

A core value of the Vet Centers is to promote access to care by helping Veterans and families overcome barriers that impede the receipt of needed services. To extend the geographical reach of Vet Center services, VA has implemented initiatives to ensure that new OEF/OIF combat Veterans can access its care. Following the onset of hostilities in Afghanistan and Iraq, VA hired 100 OEF/OIF Veteran Outreach Specialists to contact, proactively, their fellow returning Veterans at military demobilization sites, including National Guard and Reserve locations.

Family members are central to any combat Veteran's readjustment. VA has developed Staff Training and Experience Profiles (STEP) criteria for qualifying family counselors

working in Vet Centers. VA is currently implementing a plan to enhance its capacity to serve families by hiring the additional staff necessary to place a STEP-qualified family counselor in every Vet Center. Military family members of fallen active duty service members are also served through the Vet Center Bereavement Counseling program. Between August 2003 and February 2010, Vet Centers served the families of 1,939 fallen service members, 1,152 (60 percent) were in-theater casualties in Iraq or Afghanistan.

VA's Mobile Vet Center program is another major initiative for expanding outreach and counseling services to OEF/OIF combat Veterans and families. VA has deployed 50 Mobile Vet Centers to strategically selected Vet Centers across the country. VA placed these Mobile Vet Centers to cover a national network of designated Veterans Service Areas that collectively covers every county in the continental United States. The 50 Mobile Vet Centers are being utilized to provide early access to returning combat Veterans via outreach to active military demobilization sites, including National Guard and Reserve sites, and extending services to Veterans at Post-Deployment Health Reassessments (PDHRA). Through early March 2010, the 50 Mobile Vet Centers have attended 1,472 outreach events. The vehicles are also extending Vet Center outreach to more rural communities and are available to respond to emergency situations. For example, 4 Mobile Vet Centers were deployed in response to the shooting at Fort Hood in November 2009. Working in concert with other deployed VA staff, these Mobile Vet Centers provided assistance to over 6,600 Veterans, military service personnel, and family members.

VA is also increasing the number of Vet Centers. VA authorized an additional 23 Vet Centers in 2008 for a total of 232 Vet Centers and an additional 39 Vet Centers for 2009 for a total of 271 Vet Centers. A third expansion of 28 Vet Centers is underway for 2010. Collectively the three expansions will increase the number of Vet Centers from 209 in 2007 to 299 by the end of 2010. The Vet Centers on Puerto Rico and Guam, a new Vet Center planned for American Samoa, and the long established Vet Center outstations on American Indian reservations provide ethnic minority Veterans access to culturally sensitive services.

Suicide Prevention Efforts

Preventing suicides is a top priority for VA. A suicide by a service member or Veteran is a tragedy for the individual, his or her friends and family, and the Nation. Data indicate that while civilian suicide rates have remained fairly static over the past 30 years, there has been a deeply concerning increase in the suicide rate among members of the Armed Forces over the last 5 years. Eighteen deaths per day among the Veteran population are attributable to suicide. More than 60 percent of suicides among VA health care users are among patients with a known mental health diagnosis. We have initiated several programs that put VA in the forefront of suicide prevention for the Nation. Chief among these are:

- Establishment of a National Suicide Prevention Hotline, including a major advertising campaign to provide this phone number to all Veterans and their families;

- Placement of Suicide Prevention Coordinators at all VA medical centers;
- Significant expansion of mental health services; and
- Integration of primary care and mental health services to help alleviate the stigma of seeking mental health assistance.

In 2007, VA developed its signature program, the Suicide Prevention Hotline (1-800-273-TALK (8255)), in partnership with the existing Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Suicide Prevention Hotline. At the same time, VA provided specific funding and training for each facility to have a designated Suicide Prevention Coordinator; it also held the first Annual Suicide Awareness and Prevention Day. The same year, VA initiated system-wide screening for suicide in primary care patients, instituted training for Operation S.A.V.E. (which trains non-clinicians to recognize the SIGNS of suicidal thinking, to ASK Veterans questions about suicidal thoughts, to VALIDATE the Veteran's experience, and to ENCOURAGE the Veteran to seek treatment), and required Suicide Prevention Coordinators to begin tracking and reporting suicidal behavior. In addition, VA added more suicide prevention coordinators and suicide prevention case managers in our larger medical centers and community-based outpatient clinics, doubling the number of dedicated suicide prevention staff in the field. By 2008, VA had re-established a monitor for mental health follow-up after patients were discharged from inpatient mental health units and held a fourth regional conference on evidence-based interventions for suicide. In 2009, VA launched the Veterans Chat Program to create an online presence for the Suicide Prevention Hotline. Veterans Chat and the Hotline are intended to reach out to all Veterans, whether they are enrolled in VA health care or not. VA also added a flag to patient records to notify physicians of patients at risk for suicide. This year, VA has already held a Suicide Prevention Coordinator conference and co-hosted a conference with the Department of Defense (DoD) to discuss ways VA and DoD can reduce the prevalence of suicide among Veterans and service members.

VA has adopted a broad strategy to reduce the incidence of suicide among Veterans. This strategy is focused on providing ready access to high quality mental health and other health care services to Veterans in need. This effort is complemented by helping individuals and families engage in care and addressing suicide prevention in high risk patients. VA cannot accomplish this mission alone; instead, it works in close collaboration with other local and federal partners and brings together the diverse resources within VA, including individual facilities, a Center of Excellence in Canandaigua, New York, a Mental Illness Research and Education Clinical Center in Veterans Integrated Service Network (VISN) 19, VA's Office of Research and Development, and clinicians.

This evidence clearly demonstrates that once a person has manifested suicidal behavior, he or she is more likely to try it again. As a result, VA has adopted a comprehensive treatment approach for high risk patients. This includes a flag in a patient's chart, necessary modifications to the patient's treatment plan, involvement of family and friends, close follow up for missed appointments, and a written safety plan

included in the Veteran's medical record. This plan is shared with the Veteran and includes six steps: 1) a description of warning signs; 2) an explanation of internal coping strategies; 3) a list of social contacts who may distract the Veteran from the crisis; 4) a list of family members or friends; 5) a list of professionals and agencies to contact for help; and 6) a plan for making the physical environment safe for the Veteran.

During 2009, the VA Call Center for the Suicide Prevention Hotline (1-800-273-TALK) received approximately 10,000 calls per month, approximately 20 percent of all calls to the National Suicide Prevention Lifeline. Approximately a third of these calls are from non-Veterans. These calls led to 3,364 rescues of those determined to be at imminent risk for suicide and 12,403 referrals to VA Suicide Prevention Coordinators at local facilities. In 2009, the VA Call Center received calls from 1,429 active duty service members, a little more than one percent of all calls. To address the needs of the active duty population, VA worked with SAMHSA to modify the introductory message for Lifeline, developed memoranda of understanding with DoD, and established processes for facilitating rescues, including collaborations with the Armed Services in Iraq. Also during 2009, the Hotline services were supplemented with Veterans Chat, which has been receiving more than 20 contacts a day.

The online version of the Hotline, Veterans Chat, enables Veterans, family members and friends to chat anonymously with a trained VA counselor. If the counselor determines there is an emergent need, the counselor can take immediate steps to transfer the visitor to the Hotline, where further counseling and referral services can be provided and crisis intervention steps can be taken. Since July 2009, when Veterans Chat was established, VA has learned many valuable lessons. First, it is clear that conversations are powerful and capable of saving lives. As a result, opening more avenues for communications by offering both an online and phone service is essential to further success. Second, training and constant monitoring is very important, and VA will continue pursuing both of these efforts aggressively.

The Lifeline and VA Call Center may be the most visible components of VA's suicide prevention programs, but the Suicide Prevention Coordinators are equally important. Both the VA Call Center and providers at their own facilities notify the Suicide Prevention Coordinators about Veterans at risk for suicide. The Coordinators then work to ensure the identified Veterans receive appropriate care, coordinate services designed specifically to respond to the needs of Veterans at high risk, provide education and training about suicide prevention to staff at their facilities, and conduct outreach and training in their communities. Other components of VA's programs include a panel to coordinate messaging to the public, as well as two Centers of Excellence charged with conducting research on suicide prevention: one, in Canandaigua, focused on public health strategies, and one in Denver, focused on clinical approaches. VA also has a Mental Health Center of Excellence in Little Rock, Arkansas, focused on health care services and systems research.

VA's Accomplishments

As stewards of the public interest and bearing the responsibility for caring for America's Veterans, VA conducts ongoing analyses of its programs and continually asks itself how they can be improved. VA's mental health enhancements were designed to implement evidence-based practices. Evidence led VA to adopt specific requirements for follow-up care after hospital discharge, and to require depression care management. There also is evidence that VA's clinical programs are improving the lives and well-being of Veterans with mental health conditions. Several objective outcome measurements support this claim. To begin with, the number of homeless Veterans continues to decline. These data are gathered annually and show that those Veterans most in need are receiving the care and services necessary to re-establish their lives. Another outcome measure is that Veterans with serious mental illness, who use VA services, do not have the mortality gap that is present elsewhere. In this and other countries, individuals with serious mental illness have an average life expectancy approximately 20 years less than those without mental illness; however, in VA, the difference in life expectancy is within two years.

Data also support the conclusion that high quality mental health care can prevent suicide. The suicide rate for all Veterans who used VA health care declined significantly from FY 2001 to FY 2007, as the attached chart indicates. Fully understanding these data require some background on VA's efforts to track suicide rates for Veterans. First, it is important to consider who accesses VA health care. For this, it is useful to refer to findings on those Veterans returning from Afghanistan and Iraq who participated in the Post-Deployment Health Re-Assessment (PDHRA) program administered by DoD. Between February 2008 and September 2009, approximately 119,000 returning Veterans completed PDHRA assessments using the most recent version of DoD's form. Of the more than 101,000 who screened negative for PTSD, 43,681 came to VA for health care services (43 percent). Among 17,853 who screened positive for PTSD, 12,674 came to VA for health care services (71 percent). These findings demonstrate that Veterans screening positive for PTSD were substantially more likely to come to VA for care. Findings about depression were similar. Both sets of findings support earlier evidence that those Veterans who come to VA are those who are more likely to need care and to be at higher risk for suicide. The increased risk factors for suicide among those who came to VA is often referred to as a case mix difference.

Working with the Centers for Disease Control and Prevention's National Violent Death Reporting System, VA recently calculated rates of suicide for all Veterans, including those using VA health care services and those who do not. This analysis included data from 16 states for individuals aged 18-29, 30-64, and 65 and older for the years 2005, 2006, and 2007 (during the period of VA's mental health enhancement process). The year 2005 marked the beginning of enhancement, while the year 2007 is the most recent one for which data are available.

Suicide rates for Veterans using VA health care services aged 30-64, and those 65 and above were higher than rates for non-users, and they remained higher from 2005 to 2007, probably a reflection of the case mix discussed above. However, findings for those aged 18-29 were quite different. In 2005, younger Veterans who came to VA for

health care services were 16 percent more likely to die from suicide than those who did not. However, by 2006, those younger Veterans who came to VA were 27 percent less likely to die from suicide, and by 2007, they were 30 percent less likely. This difference appears to reflect a benefit of VA's enhancement of its mental health programs, specifically for those young Veterans who are most likely to have returned from deployment and to be new to the system.

Because the number of Veterans from the 16 states in this group is relatively low, the rates are, for statistical reasons, variable. Nevertheless, they demonstrate important effects. In 2005, 2006, and 2007, respectively, those who came to VA were 56, 73, and 67 percent less likely to die from suicide. Those who utilized VA services were, to some extent, protected from suicide with an effect that appeared to increase during the time of VA's mental health enhancements. More broadly, the rate of suicide among Veterans receiving health care from VA has declined steadily since FY 2001; specifically, the rate declined more than 12 percent during this time. From a public health perspective, the decline in rates is significant, corresponding to about 250 fewer lives lost as a result of suicide.

Work Remaining for VA

We are proud of our greatly expanded mental health services, including greater access to care and provision of care that is innovative, Veteran-centered, and driven by the strongest possible evidence base. We also are pleased with great progress in implementation of the *Uniform Mental Health Services Handbook*. At the same time, VA recognizes that there is further work to do to fully complete that implementation, and we are committed to continuing our efforts to ensure that full implementation is accomplished, guided by VA's Office of the Inspector General (OIG) findings and our careful internal monitoring of implementation. VA has been closely following its facilities' performance measures and monitors. We also have provided direct technical assistance in the early phases of the Handbook's implementation and have designed a program for ongoing technical assistance driven by repeated surveying of implementation efforts. VA welcomes the Committee's attention to the importance of monitoring and sustained efforts to ensure full implementation of VA's visionary *Uniform Mental Health Services Handbook*.

Furthermore, there is always more research to be done on the causes of and best treatments for mental health conditions. Mental illnesses are among the most prevalent conditions affecting Veterans of all generations, wars or conflicts. VA research continues its commitment to defining the most effective mental health treatments. VA investigators have generated many major findings related to behavioral and psychiatric disorders such as schizophrenia, depression, substance use (including alcohol, illicit drugs, and nicotine), suicide prevention, and PTSD. From conducting large clinical trials to supporting center-based research programs to improving care delivery, mental health research continues to be a major priority for the VA research program.

In one line of research, VA scientists are investigating factors related to improving adherence and compliance. This includes studies on anti-depressant adherence

among older Veterans, reducing the impact of drug side effects, and a patient-centered approach to improve screening for side effects of second-generation antipsychotics. Efforts to improve the quality of care for persons with severe mental illness have focused on the inclusion of family members as active participants in the patient's treatment. VA researchers are also evaluating how to best implement an integrated health care approach for Veterans with serious mental illness. Combined with a number of other behavioral and psychological intervention studies, VA has been at the forefront of mental health research that seeks to improve treatment options for clinicians and patients dealing with mental health care needs.

VA research is also striving to identify critical risk factors for major mental health disorders. One unique study is looking at Veterans who were deployed to Iraq as active duty Army, National Guard, or Reservists who had baseline physical and mental health assessments before deployment. Planned follow-up studies will determine the effect of the combat experience on mental health, emotions, reactions, and cognition – shortly after return from Iraq as well as over ensuing years. Research is also changing how care is provided to individuals with less access to treatment facilities or providers. VA investigators successfully adapted a collaborative/team care approach to treat depression in older Veterans using telemedicine to address rural health disparities. Subsequently, this study provided the support for implementing telemedicine-based collaborative care in hundreds of small rural CBOCs that do not have on-site mental health specialists.

Moreover, VA is working to better understand risk factors associated with suicide and the optimal means to prevent suicide. VA investigators focused on suicide prevention recently reported a correlation between chronic pain and suicide suggesting an important risk factor and highlighting a potentially at-risk group. Additional research is ongoing to evaluate the effectiveness of suicide hotline interventions, firearm safety, and how to care for Veterans receiving treatment for substance use disorder and depression who express suicidal thoughts.

Conclusion

VA, as a system, is committed to improving the quality and availability of mental health care to Veterans. VA's mental health enhancements have included major initiatives – far too many to itemize completely, but including effective efforts to increase access to mental health care, increase the use of evidence-based psychotherapy for the treatment of PTSD and depression, enhance the safe use of psychotherapeutic medications, provide effective suicide prevention interventions, fully utilize psychosocial rehabilitation and recovery-oriented services, and ensure the appropriate level of trained staff are available to provide needed services. VA firmly believes that each eligible Veteran has earned an individual determination of the best treatment and routine follow up for his or her specific condition, and its clinical guidelines support this endeavor. Thank you again for the opportunity to appear, and my colleagues and I are available to address any questions from the Committee.

Mr. EDWARDS. Thank you, Dr. Katz.

Dr. Insel, before we go to you, I got one step ahead of myself. I did not recognize our ranking member, Mr. Crenshaw, for any opening comments that he would care to make.

And my apologies, Mr. Crenshaw.

Mr. CRENSHAW. No problem at all. I am just a stand-in ranking member.

Mr. EDWARDS. He is the ranking member today.

Mr. CRENSHAW. No. I just wanted to welcome everyone and thank you for being here. Thank you for the work that you are doing, and I look forward to asking some questions.

Mr. EDWARDS. Thank you.

Dr. Insel.

STATEMENT OF THOMAS R. INSEL

Dr. INSEL. Yes. Thank you, Mr. Chairman and Ranking Member Crenshaw. Thanks for having me here.

Let me explain a little bit about why I am here. I am from the National Institutes of Health, which is probably not an agency that you meet with very often on this subcommittee, but it is really the nation's investment in biomedical research.

And my particular role is as director of the National Institute of Mental Health, which cares greatly about issues around PTSD, depression, TBI, suicide. Those are all very much within our domain.

I have submitted for the record written testimony. I think rather than going through that, if I can just very quickly give you the 1-minute schedule of where we are with the science in this area because that is really what my role is here.

You will hear from others about the tremendous service needs and the importance of providing evidence-based care and access to care and all of the service and supports that veterans will need.

Our piece in this is to make sure that we have got the right evidence base to determine how we improve the diagnosis and the treatment—and even the prevention—of a disorder like PTSD so that we can do a better job when we do provide services, by making sure that our services are more effective.

If we were talking about cancer, I would say the same thing. It is very important to provide really good services for cancer and heart disease and diabetes. But the reality is that even with the very best treatments we have today, people with cancer die, and that is true for PTSD as well.

And we do not have the best treatments, the treatments that will make the greatest difference for every individual. We have things that help, but we are still not where we want to be. So there is a very important role for science in trying to move the agenda so that we can always provide better services going forward.

So very quickly, where we are in terms of the science, there are probably three things that you could take away from reading the entire literature of the last 2 or 3 years. And it is a vast and very exciting literature.

So first point to make is that this is an area of huge progress, and—in the area particularly of PTSD—I think this is the best area that we cover in my institute for understanding a disorder from the molecular level to the cellular level, the systems level, and

as a brain disease because we have animal studies that have been incredibly powerful and instructive and because so much of what we learned from those map beautifully onto what we are learning from human imaging and from studying patients.

The bottom line from that is that it has become very clear that all of the work that we had done on fear and anxiety is not quite right here; that this is much more about understanding how people recover from fear; and that the biology of the recovery from fear is very different. It is an active process. It is not just forgetting that you had a traumatic event. It is an active process of recovery. And that has its own specific neurobiology that we now can begin to map out in exquisite detail. It is really kind of an extraordinary story that we can now tell.

In fact, there is a piece out yesterday, I think, in *Scientific American* where I try to lay this out as what I call a faulty circuit. The faulty circuit is the problem of PTSD, why the circuit is not working. It is not that different than if we were talking about heart disease, and I talk to you about arrhythmia. That is the way we think about these kinds of disorders now.

So point one is that we have got this very exciting, what we will call translational, science that is informing this area.

The second point to think about is that in the same way that I said this is the kind of difference from learning fears, about getting over fear, extinguishing fear, what we are understanding now is that the problem of PTSD is really a problem of recovery. All of us, every one of us with a traumatic event, will have stress responses, nightmares, sleep disturbance, hypervigilance, that whole package. But for most of us, after a few weeks, it goes away.

What we do not understand is what it is that does not allow that to happen in some 10, 20, 30 percent of people exposed. So a lot of the research now, both from the V.A.—and Dr. Katz described the \$100 million that they are investing every year trying to understand this—and also from the NIH where we have a very big investment in the same question, is trying to understand how much of this is due to the nature of the trauma, and how much of it is due to the nature of the individual.

And do people come into these traumatic events with some specific susceptibility? You know, it could be genetic. It could be based on their past experience. It could be something about their brains that are wired a little bit differently.

But trying to pin that down so that we could predict who is most vulnerable and, at some point, just as we do with heart disease where we identify risk because of cholesterol level or maybe family history and maybe something about genetics, that you are somebody who may be at risk for—heart disease. We would like to be able to do that as well for PTSD and for the response to stressors.

And the final point where I think we are making some of the most exciting progress is not only in trying to understand this question about vulnerability, but also in thinking about treatments and trying to come up with better treatments. As Dr. Katz mentioned, we do have effective treatments that are both psycho-social and psycho-therapy and, increasingly, the use of medications.

But what we would like to figure out is a package that really is more of a cure than just a treatment; something that we know we

can predict—as we have done in the rest of medicine—will really be a game changer. And there are amazing leads in that respect. There are a couple of things that are a little bit counterintuitive.

I mean, there is a piece out about a month ago in the *New England Journal of Medicine* that suggested that those soldiers who have combat trauma and are treated are morphine do better than those who are not treated with morphine in terms of PTSD. The effects are not huge, but they are significant enough to make us think that is something we ought to look at.

We need to know if there are aspects of the very acute phase of this and how we intervene in the first hours after a traumatic event that might tell us how we can greatly reduce the consequence of PTSD or TBI later in depression?

The second is thinking—and this maybe is the most unexpected—that there is apparently just a specific pathway that seems to be important, and specific molecules that are really key to recovery from trauma. And there is one now that we are looking at in several different studies that does really show promise. It shows promise for overcoming other kinds of phobias, and other kinds of anxiety responses. And it looks like it may have some real value here.

We will not know all of that for about another year, but that is certainly an area of great interest. There is a compound that is now being developed specifically just for helping people overcome nightmares. So there is a whole range of things that look like they may be able to really give us a better toolkit, a better set of interventions. So even when we cannot do the prevention piece, we can at least look for better therapies.


Let me close by saying that the agency I work for, the National Institute of Mental Health, was actually founded almost 65 years ago—about 63 years ago—by Harry Truman specifically for this problem. He was very concerned about men—at that point, it was almost exclusively men—coming back from World War II, particularly the European front with—they didn't call it PTSD or TBI. They called it at that point, "traumatic neurosis" or "combat neurosis."

But it was very much the same problem. And we have been at this a long time. The problem has changed in a number of ways, but this is a tough, tough problem. I mean, it is not one that—I would like to be able to say that we have invested enough and that we have been at it long enough to solve it. But we are not there.

I continue to think that research is going to be a critical piece of the way forward here. We do want to make sure that people are getting the very best services, but just as in medicine, we want to make sure that we are getting better and better services to provide. And that is where the science comes in.

Thank you very much. And I look forward to your questions.

[Prepared statement of Thomas R. Insel follows:]

	<p>Testimony Before the Subcommittee on Military Construction, Veterans Affairs, and Related Agencies Committee on Appropriations United States House of Representatives</p>
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**Research Activities at the National
Institute of Mental Health Affecting
Veterans and Their Families**

Statement of
Thomas R. Insel, M.D.
Director
National Institute of Mental Health
National Institutes of Health
U.S. Department of Health and Human Services



For Release on Delivery
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Good morning Chairman Edwards, Ranking Member Wamp and members of the Subcommittee. I am Thomas R. Insel, M.D., Director of the National Institute of Mental Health (NIMH) at the National Institutes of Health, an agency in the Department of Health and Human Services. Thank you for this opportunity to present an overview of the research activities at NIMH regarding post-traumatic stress disorder (PTSD) and other mental health issues that affect veterans of Operations Enduring Freedom and Iraqi Freedom (OEF/OIF) and their families. In my testimony I will briefly review the clinical challenges, treatment options, research opportunities, and some new efforts from NIMH.

What challenges do today's veterans face?

When NIMH was founded more than 60 years ago, its primary focus was the psychological consequences of war. OIF and OEF present unique challenges that are in many ways different from those of previous wars. The nature of combat, the range of different people going to war, the ability to stay connected to loved ones through technology while in theatre, and the conditions of life back home have altered the physical and psychological risks of war. These new realities of combat, and especially its invisible wounds, are national concerns that affect all of us and all of our communities. NIMH is committed to its research collaborations with the Department of Veterans Affairs (VA) and the Department of Defense (DoD). Not only is this important to the VA and military, but the knowledge we gain will be critical to the civilian sector: many veterans seek care within their home communities and the problems of soldiers are shared by the society they serve.

From a clinical perspective, we worry the most about depression, PTSD, and other trauma-related conditions such as traumatic brain injury (TBI). A 2008 study by the Rand Corporation found that 19 percent of OEF/OIF veterans suffered from TBI, 14 percent met

criteria for major depression, and 14 percent met criteria for PTSD.¹ A person with PTSD experiences intrusive thoughts such as flashbacks, avoids situations that recall the trauma, and often becomes hyperaroused, meaning he or she cannot sleep, is very restless, and can be very irritable. Some of these symptoms are common for many people after a traumatic event, but most people recover. PTSD is a failure of recovery, a persistence of trauma. And it usually is made worse by several coexisting mental disorders,^{2,3} especially depression and substance abuse. We do not have consistent and reliable data to determine how many veterans contend with multiple mental disorders, but a study tracking veterans' use of VA health care found that 29 percent of OEF/OIF veterans had two mental disorder diagnoses, while one-third had three or more.⁴ And a 2008 report estimates that more than 9 percent of veterans ages 21 to 39 experienced at least one major depressive episode in the past year. Among those with depression, more than half reported being severely impaired at home, work, in personal relationships and in social activities.⁵ Other significant medical problems are also likely to develop, such as high blood pressure, asthma, and digestive and stomach problems.⁶

¹ Tanielian T and Jaycox L eds. *Invisible Wounds of War: Psychological and Cognitive Injuries, Their Consequences and Services to Assist Recovery*. Santa Monica, CA: Rand Corporation. 2008.

² Breslau N, Davis GC, Andreski P, Peterson E. Traumatic events and posttraumatic stress disorder in an urban population of young adults. *Arch Gen Psychiatry*. 1991; 48:216-22.

³ Resnick HS, Kilpatrick DG, Dansky BS, Saunders BE, Best CL. Prevalence of civilian trauma and posttraumatic stress disorder in a representative national sample of women. *J Consult Clin Psychol*. 1993; 61:984-91.

⁴ Seal KH Metzler TJ, Gima KS, Bertenthal D, Maguen S, Marmar CR. Trends and risk factors for mental health diagnoses among Iraq and Afghanistan veterans using Department of Veterans Affairs Health Care, 2002-2008. *American Journal of Public Health*. 2009 Sept. 99(9):1651-1658.

⁵ SAMHSA Office of Applied Studies. National Survey of Drug Use and Health Report. Major Depressive Episode and Treatment of Depression Among Veterans Ages 21 to 39. November 6, 2008.

⁶ Leserman J, Drossman DA, Li Z, Toomey TC, Nachman G, Glogau L. Sexual and physical abuse history in gastroenterology practice: how types of abuse impact health status. *Psychosom Med*. 1996; 58:4-15.

PTSD also increases one's risk for suicide. Research among civilian populations has noted that PTSD is more strongly associated with suicide than any other anxiety disorder. In fact, having PTSD increases a person's risk for a suicide attempt by six-fold.⁷

What mental health treatments are available now for today's veterans?

There are effective treatments for PTSD and depression. Carefully controlled clinical trials have demonstrated the value of a type of psychotherapy called cognitive behavioral therapy, or CBT, to help treat depression as well as PTSD. CBT helps a person focus on his or her current problems and how to solve them. A trained therapist helps the patient learn how to identify distorted or unhelpful thinking patterns, recognize and change inaccurate beliefs, relate to others in more positive ways, and change behaviors accordingly.

Medication also is used to treat PTSD and depression. Antidepressant medications, such as selective serotonin reuptake inhibitors (SSRIs), are recommended to treat both depression and PTSD. Two SSRIs, sertraline (Zoloft) and paroxetine (Paxil), are FDA-approved to specifically treat PTSD. These medications can help control some of the most disabling PTSD symptoms such as fear, anger and sadness. When these symptoms are controlled, psychotherapy tends to be more effective.

What efforts are underway to improve mental health treatments for today's veterans?

Although we do have effective treatments, unfortunately, they do not work for everyone, and they are not available to everyone. That is why NIMH invests heavily in research aimed at

⁷ Kessler R. Posttraumatic stress disorder: the burden to the individual and to society. *J Clin Psychiatry*. 2000;61[suppl 5]:4-12).

better understanding PTSD, developing more effective treatments, and improving access to care. Recent NIMH-supported research has made significant strides in understanding the nature of anxiety-related disorders like PTSD. Researchers today view PTSD as a brain disorder, related to specific circuits in the brain necessary for overcoming or extinguishing fear.⁸ Recently, scientists have discovered that “fear extinction” in the brain is an active learning process, not a passive process of forgetting.⁹ Researchers have identified at least one specific chemical that may help to improve the brain’s process of extinction learning, and it is currently being tested as an adjunct for treating PTSD.¹⁰ And they have identified periods at which people are most receptive to treatment that may facilitate fear extinction. New research suggests that therapy administered within a certain time frame after the traumatic event may enhance recovery.¹¹ This research and other studies provide hope that our new understanding of fear extinction can be applied to the development of new behavioral therapies to promote more rapid recovery among those suffering from PTSD.

In Fiscal Year 2009, NIMH spent over \$41 million in 97 grants, in 23 states, dedicated to helping veterans. We are working with DoD, VA, and academic clinicians and researchers to focus on the mental health needs of active duty, National Guard, and Reserve service personnel, as well as veterans and their families. We are coordinating what we know and need to know regarding the nature and magnitude of mental health needs related to deployment and war-related

⁸ Milad MR, Quirk GJ. Neurons in medial prefrontal cortex signal memory for fear extinction. *Nature*. 2002; 420:70 – 74.

⁹ Bouton ME. Context and behavioral processes in extinction. *Learn Mem*. 2004; 11:485– 494.

¹⁰ Walker DL, Ressler KJ, Lu K-T, Davis M. Facilitation of conditioned fear extinction by systemic administration or intra-amygdala infusions of D-cycloserine as assessed with fear-potentiated startle in rats. *J Neurosci*. 2002; 22:2343–2351.

¹¹ Schiller D, Monfils MH, Raio CM, Johnson DC, LeDoux JE, Phelps EA. Preventing the return of fear in humans using reconsolidation update mechanisms. *Nature*. 2010 Jan 7,463(7277): 36-37.

trauma. We are working together to identify the barriers to care that some veterans may be facing, and evaluating systems of care within the military and civilian sectors to ensure that all those who might benefit from mental health care receive it. For example, a grant made possible with funds from the American Reinvestment and Recovery Act of 2009 is currently evaluating the implementation of evidence-based psychotherapies used to treat PTSD among veterans, allowing us to specifically measure the impact of these treatments.¹² Other ongoing research is evaluating ways we can increase veterans' willingness to seek out and use mental health services.^{13 14} And we are actively trying to make effective psychosocial treatments like CBT and specific CBT techniques that target PTSD more widely available, with Internet-based therapy and telephone-assisted therapy,¹⁵ not only for veterans but for their spouses as well.¹⁶

Moreover, in the last decade, rapid progress in understanding the mental and biological foundations of PTSD has led scientists to focus on prevention. For example, research is underway to identify genetic biomarkers that may increase a person's vulnerability to developing PTSD. NIMH-funded researchers are exploring new medications that may target the underlying causes of PTSD in an effort to prevent the disorder. Others are studying potential medications that appear to selectively affect how traumatic memories are stored in the brain. Still other research is attempting to enhance cognitive, personality, and social protective factors and to

¹² Cook, J. Yale Univ. Theory-driven mixed-methods evaluation of PTSD treatment implementation in VA Res. 1RC1-MH088454-01

¹³ Stecker T. Dartmouth College. Outreach intervention for OIF veterans to promote use of mental health services. 3R34MH078898-04S1

¹⁴ Stecker T. Dartmouth College. Increasing PTSD treatment engagement among returning OEF-OIF veterans. 1R01MH086939-01.

¹⁵ Engel C. Uniformed Services of the U.S. Randomized trial of an online early intervention for combat PTSD in primary care. 5R34MH078874-02

¹⁶ McFarland B. Oregon Health and Science Univ. Preventive web-based intervention for spouses of traumatized military personnel. 5R34MH083494-02

minimize risk factors to ward off full-blown PTSD after trauma. Still more research is focused on mitigating insomnia and other sleep issues among veterans with PTSD.

Finally, in an effort to reduce the increasing rate of suicide among U.S. Army personnel, NIMH and the U.S. Army have partnered to conduct the Study to Assess Risk and Resilience of Service Members (Army STARRS)—the largest mental health study of military personnel ever undertaken. The study's goal is to identify, as rapidly as possible, risk and protective factors that will help the Army develop effective strategies for reducing rising suicide rates and addressing associated mental health problems among service members. The project has been called a Framingham study for the Army.¹⁷ What Framingham did for identifying risk and protective factors for cardiovascular disease, Army STARRS aims to do for suicide and associated mental health problems such as depression, anxiety disorders, and PTSD. The study's findings will also inform our understanding of suicide in the overall population, leading to more effective prevention and treatment for service members and civilians alike.

Army STARRS investigators have designed the study to provide information rapidly so the Army can immediately improve suicide prevention efforts and better address related mental health issues. By October 2010, Army STARRS investigators plan to be conducting more than 6,500 interviews per month with new recruits, plus more than 3,000 interviews per month with Army soldiers in various stages of their career and deployment, including post discharge.

I appreciate the opportunity to discuss the research activities NIMH is undertaking in partnership with the VA and DoD on behalf of our veterans. We have made real progress, and with your continued support and that of the American people, we will more quickly and effectively be able to help these valiant warriors.

¹⁷ The **Framingham Heart Study** is a long-term, ongoing cardiovascular study on residents of the town of Framingham, MA. The study began in 1948 with 5,209 adult subjects from Framingham.

Thomas R. Insel, M.D.
Director, National Institute of Mental Health

Thomas R. Insel, M.D., is Director of the National Institute of Mental Health (NIMH), the component of the National Institutes of Health charged with generating the knowledge needed to understand, treat, and prevent mental disorders. His tenure at NIMH has been distinguished by groundbreaking findings in the areas of practical clinical trials, autism research, and the role of genetics in mental illnesses.

Prior to his appointment as NIMH Director in the Fall 2002, Dr. Insel was Professor of Psychiatry at Emory University. There, he was founding director of the Center for Behavioral Neuroscience, one of the largest science and technology centers funded by the National Science Foundation and, concurrently, director of an NIH-funded Center for Autism Research. From 1994 to 1999, he was Director of the Yerkes Regional Primate Research Center in Atlanta. While at Emory, Dr. Insel continued the line of research he had initiated at NIMH studying the neurobiology of complex social behaviors. He has published over 250 scientific articles and four books, including the *Neurobiology of Parental Care* (with Michael Numan) in 2003.

Dr. Insel has served on numerous academic, scientific, and professional committees and boards. He is a member of the Institute of Medicine, a fellow of the American College of Neuropsychopharmacology, and is a recipient of several awards including the Outstanding Service Award from the U.S. Public Health Service. Dr. Insel graduated from the combined B.A.-M.D. program at Boston University in 1974. He did his internship at Berkshire Medical Center, Pittsfield, Massachusetts, and his residency at the Langley Porter Neuropsychiatric Institute at the University of California, San Francisco.

RESEARCH BUDGET

Mr. EDWARDS. Thank you, Dr. Insel.

Let me begin the questions by following up, Dr. Insel. Can you tell me again how much money you are investing in PTSD or mental health care research that applies directly to veterans? I know probably everything you do in some way, directly or indirectly, could apply to veterans. But maybe PTSD specific.

Dr. INSEL. Yes. If you just pull out PTSD specifically, it is \$63 million, 170 grants. TBI runs \$59 million in 2008 with about 302 grants. So the TBI work is done largely through the National Institute of Neurologic Diseases and Strokes. It is our sister agency.

Mr. EDWARDS. What is your total annual research budget?

Dr. INSEL. It is \$1.4 billion, a little more than that, but it is in that range. With Recovery Act funds, it goes up to about \$1.5 billion.

Mr. EDWARDS. If we had additional funds and were not facing tough budget challenges—we may not end up with additional funds—but if you had additional funds, where would we want to put more research efforts to try to specifically address the PTSD issue?

Dr. INSEL. Well, that is a question that we should probably talk about together. I think one of the things that we always look for is the kind of match between necessity and opportunity. The necessity is there because of the huge public health burden.

Mr. EDWARDS. Right.

Dr. INSEL. The opportunity is not always as evident. So where do we have the most traction in the science? I would say that one large area right now is this business of translation, of trying to understand—PTSD is a brain circuit problem and trying to really identify what are the targets there that could be critical for the next generation of medications that we might develop.

And I would give you the same answer if you asked me about cancer of the pancreas or if you asked me about heart disease. I would probably just say the same thing. We want to fund mental health-related basic science right so we know how to move forward.

I think the other—which is maybe not expected—is that we do not do well enough on the delivery of the things that we know work now. And that may not sound like a scientific question, but it is. There is a question about where we failed and how do we do apply science to do a better job to make sure that those people who really could benefit from the treatments we have today are getting those treatments in a way that has optimal impact.

And that gets into a number of issues. It will get into issues of stigma, issues of access, issues of disparities. And some of them do not sound like the kind of hard science of brain imaging or molecular biology, but they are as complicated and they need just as much energy behind them to make sure that we not only translate from bench to bedside but from bedside to practice.

Mr. EDWARDS. How do you interact with the V.A. if you have a new area of research where you are beginning to gain confidence that a certain treatment or medication or a combination thereof can really make a positive difference—the data begin to show that?

How do you interpret that new idea into policies or procedures at the V.A.?

Dr. INSEL. Well, there is a lot of conversation between the V.A. and, in my case, NIMH. Dr. Katz sits on my Advisory Council. That is one thing. So he is actually involved in every stage of what we do. We also have a number of joint projects. And we have even released joint requests for applications with the V.A.

On the TBI front, there is even now a joint task force between V.A., DOD, and several other agencies to try to come up with common language and common efforts. And then, frankly, our biggest project that we are doing—I think it is the biggest project my institute has ever taken on—is a joint effort with DOD. It is called the STARRS Initiative, which stands for Study to Assess Risk and Resilience in Soldiers.

It is a study that actually came from the Secretary of the Army who asked us to get involved in helping them with the challenge of the increasing rate of suicide in the Army. So we have launched together what you could call a Framingham study. It is a very broad study that will look at all incoming soldiers over the next 4 to 5 years to try to understand this issue of risk and resilience, who is vulnerable, how we can identify upfront who might become the person who we will worry about later, and how do we drive the suicide rate from where it is now to where it used to be. And so we are interested in looking at that as well.

In case you have not heard of the Framingham Study, this was a study that started back in the 1950s and 1960s when the nation was struggling with the problem of sudden cardiac death. It is actually very analogous. And at that point, someone came to NIH and requested help to reduce the rate of sudden cardiac death. And this is still, believe it or not, a fairly rare event but to understand it, you are going to have to step back and understand who is at risk.

And so the people of Framingham, Massachusetts, became a large laboratory, basically. And that entire community was studied for two or three decades. But even in the first few years, it became clear that hypertension, high-blood pressure, high cholesterol, obesity were all risk factors that we didn't know about.

Mr. EDWARDS. Right.

Dr. INSEL. We have had a 63 percent reduction in the rate of mortality from sudden cardiac deaths, largely because of that kind of approach. So we are looking for the same kind of impact for suicide in the Army. And that is what we hope we will be able to do over the next 3 to 4 years with this overall lab and this very large project.

Mr. EDWARDS. Great. I would like to have additional questions, but let me go to Mr. Crenshaw and then we will continue on.

TEMPORAL SEQUENCE

Mr. CRENSHAW. Thank you, Mr. Chairman.

Just to follow up, Mr. Chairman, one thing I would say is it is pretty encouraging to hear both of you all talk about the homelessness is down, suicide rates are down, making some great strides. I was going to say to you it sounds like, since we focused on this in the last, really, about the last 5 years, that may be one of the reasons everything was so exciting in terms of research was be-

cause everything was kind of brand new. Then I heard you say we have been doing it for 63 years.

But so I appreciate that, but I imagine, just as we focus on different aspects, you would say that is kind of a new and exciting field because we didn't talk about PTSD maybe 60 years ago. It was a different kind of reaction.

So I am curious, you know, some of the things that you talked about, you know, one of the things, like, maybe in terms of treatment, if you can reach somebody right after kind of you find out they have had this kind of situation. What does that mean in terms of timeframe? Is that when they recognize they have got a problem, or you recognize that they should have a problem? How does that timeframe fit into that early treatment or detection or whatever in terms of long-term solutions?

Dr. INSEL. That is a great question, and this has to do with trying to understand what is actually the process involved here. Is that traumatic memory, which is what we are talking about, the result of a different kind of memory? Or is it something that becomes a problem because you just cannot let it go?

And in about the last 6 to 9 months, we have had a revolution in the way we understand memory. We used to think that you had an event, good or bad, and that event stayed in memory in a kind of storage that was like putting something in the freezer and then, a year later, when the question comes up, you can take it out of the freezer and revive it or defrost it.

The last year or two, the revolution that has taken place is we have realized that memories, in a way that we hadn't quite understood, are always being reconsolidated. They are always coming out of the freezer on a regular basis.

And what we think is happening in PTSD is that they are coming out and getting intensified as if you are re-traumatizing yourself over and over again. So to get to your question, the interesting piece is that we have begun to realize that the key is not so much getting there right after the impact but getting there right after the reconsolidation takes place.

Each time this thing comes out of the freezer, you have an opportunity not only to make it worse but to make it better. And so we are trying to map exactly what that temporal sequence. And a piece that was just published in the last few weeks showed that, if you intervene at the right time, you can show the impact of that even a year later without any more interventions taking place.

These are not in people with PTSD but just healthy volunteers who were given a fear memory and are shown how they can overcome that within just a few minutes in one of these reconsolidation experiments.

So this is an area of great interest—just trying to actually get the temporal map of how fear memories come back over and over again and how we can turn down the gain on these so that they ultimately go away.

Mr. CRENSHAW. And that gets into kind of a question I was going to ask Dr. Katz about just outreach and access. Maybe you are a better person to answer it.

But I would think if timing is important, one of the things I know that, you know, people that live in rural areas, they do not

have the access, always, to all the services. And I wondered, like, with the Internet and with phone-based, you know, counseling, is that something you see maybe, Dr. Katz as well, one way because, you know, you read stories about somebody that lives 80 miles from the closest, you know, clinic really cannot get there. They have to wait several weeks or whatever because of their own personal timing.

Does that fit in? I mean, are there things that you all are doing that—in terms of the Internet, in terms of the phone to kind of help in that timing aspect so that, if you really need help, you can kind of get it?

Dr. KATZ. There are two barriers that are very linked in our ability to reach veterans and they are time and space. And we have got to get to people across the country as a whole, including very rural areas as soon as we can. We do this. We have, between vet centers, medical centers, and clinics substantially over a thousand points of contact. We cover a substantial part of America, but, of course, not the whole country.

And there are geographic areas that are beyond our reach or beyond convenience for veterans in getting to us.

One of the most exciting things that we are doing is using electronic communication ranging from a full-bandwidth tele-mental health to plain-old telephone to overcome the geographic barriers.

There is some research that is ongoing now in the Pacific Islands division of our National Center for PTSD that has shown highly promising results with tele-mental health, that good bandwidth communication from one island in the Pacific to another still lets people deliver exposure-based therapies effectively.

That is a big deal and a key for moving forward to really reach veterans where they live no matter where they are. The translation of that to real life for real people in real places is complex. We are developing strategies to allow credentialing and privileging of PTSD experts around the country so that our expert in Vermont can provide services for the veteran in New Mexico or Montana or Guam. These are the challenges that we are facing.

But the principles seem clear that electronics as well as face-to-face contact can really help us get the care where the veteran needs it.

Al, you are a big part of VA's outreach efforts too.

Dr. BATRES. A few things that we have done is we have hired a lot of the OEF–OIF veterans in our program, as Dr. Katz said. Over 34 percent of all of our staff are combat veterans who served in OEF–OIF. I cannot tell you how important that is.

The fact of the matter is that understanding the culture of the military, what it is like to be a warrior and having served in a combat zone, especially with their age is important. I am a disabled Vietnam veteran. My son served in Iraq. I am not as good at making contact with the young separating troops as a young OEF–OIF veteran would be.

They know their music, and they can understand a lot of it is what the veterans or the soldier brings back to the unit because they get to select where they access care. And I think that is one of the best systems we have for fighting stigma; to make that connection.

Stabilizing and getting warriors into a system as early as we can and working closer with DOD. We have 50 mobile vet centers that are driving out to rural areas. We have a GWOT veterans, what we called them because we started before there was an OEF–OIF actually recruiting the younger cohort of warriors. And we have a counselor on board.

The mobile vet centers have VSAT units where we can do telehealth and connect to rural areas when we go out and do outreach. One of our targets is going to National Guard units and their families where they are and partnering with the family centers to work jointly with the military and the National Guard units to meet with them, make contact with them, and provide information. Then we offer our services through contracts, community resources, or out of the V.A. So there is a lot of community resources in rural areas and trying to get the warriors to where they need to be at that particular time.

We are doing all this at demobilization and we have done most of the National Guard and Reserve assessments but we have partnered with them and are there. And what I would like to stress is there is multiple contacts that we make with the soldier at different times. So much of it is timing.

When I got back from Vietnam, the last thing I wanted to do was to be held up in processing when I wanted to be somewhere else. So it is a continuum of services from VA to include everything from phone calls, screening, and then follow up at every level so we can make connections with them and make the services available.

A lot of times, it is not PTSD. A lot of times they may have family problems. They may have employment problems.

So we approach it from the whole-person psychosocial approach, and biology is important, and research is important. But also making contact in a relevant way with these troops to include their whole family and their home situation is very critical.

I think that is where we play a role. And those are a few of the things that we are doing that I think are improving what we are doing with providing a whole person approach.

Mr. CRENSHAW. Well, that is encouraging because I think, you know, when you hear about this exciting research that is being done, you hear about the way you utilize your personnel, but the bottom line is making sure that these folks know what is available to them because you can have the greatest treatment in the world, the greatest facilities in the world, but if you are not really specifically reaching out—it sounds like you are, because if you look at the homelessness, that is coming down. And suicide is coming down.

And then you are spending the money that, in the last few years, has been sizeable doing a better job with the treatment part but also making sure that folks—that is what I would just stress with you all that everything you can do to specifically make sure that they know what is available to them. You mentioned the stigma. We will probably talk about that.

We found that, historically, so many people felt like, well, I do not want to kind of tell somebody I have got a, you know, mental problem; I am a soldier, I am a warrior and I cannot be looked upon as being weak.

And so somebody has got to reach out to them. And it sounds like that is what you are doing. So I would just encourage you to continue that and keep that in mind as you do all the wonderful things you are doing in terms of treatment to make sure that, more importantly and maybe most importantly, is to make sure that when folks come home that they know what is available to them and that you can reach them and get them help.

Dr. BATRES. What Dr. Insel said is very critical. The early intervention is very important as is making sure that they have support and if there are multiple resources and multiple ways to get support that is being communicated.

Mr. CRENSHAW. Thank you. I have got some other questions. I will wait, Mr. Chairman.

Mr. EDWARDS. Okay.

Sergeant Bowers, let me just say, while I regret the inconvenience the lock-down caused you, it makes me feel safer knowing that a combat-tested Marine could not get into the Capitol. [Laughter.]

But thank you for being here. We understand completely what happened, and sorry for that inconvenience to you. But we are thrilled that you are here, and we had decided earlier we wanted to put our two panels together and combine them so we could have just an informal dialogue and interaction here. So your timing is perfect now that you are here.

And I just want to thank you for your service in Iraq, your two tours of duty in Iraq. And as I understand, you are continuing on in your military service even as you represent the Iraq and Afghanistan War veterans, you are serving as a reserve sergeant in the Marine Corps. Is that correct?

Mr. BOWERS. Yes, sir.

Mr. EDWARDS. Well, we thank you for that service and for your leadership on mental health care issues and other issues on behalf of our Iraq and Afghanistan war veterans.

What I would like to do is recognize you at this point for any opening comments you would care to make. You have been through this process before, so we will submit your full testimony, as you know, for the record.

But I would like to recognize you if you would like to take 5 minutes or so to summarize your key points, then we will continue on with the questions and conversation.

Mr. BOWERS. That would be fantastic. Again, I apologize to everybody for not—

Mr. EDWARDS. Could you pull that microphone up a little bit?

STATEMENT OF TODOL BOWERS

Mr. BOWERS. Certainly. I apologize for taking so long to get here. I am very glad this is being done informally because I feel much more comfortable being able to do that.

I actually just returned 2 months ago from a tour in Afghanistan since I last saw you. I spent 9 months in the Farah Province.

Mr. EDWARDS. Thank you for that.

Mr. BOWERS. And the big piece that I kind of pulled away from this deployment was, this being my third combat deployment, I thought it would get easier to readjust. And I will be very candid

in this room and tell everybody this was the hardest one to readjust from. It caught me very off guard the difficulties that we ended up facing on the ground and, more important, what was difficult for me was that, having been here on Capitol Hill, worked with the committee so closely and really understood veterans issues, I felt, hey, I am going to be a pioneer and be able to take care of my team when we get home.

Fifty percent of my team right now is facing charges. One, a domestic assault charge; one, a drunk-in-public charge; one, an assault charge. It is an extremely daunting task, and I think a lot of credit is due to these individuals to be able to understand how hard that is because here I was on the ground with them, bringing them home and readjusting. And I found that it is a task that I could not even fully fulfill. It is extremely difficult.

The hardest thing I think, though, that we see in regards to reintegration for service members is the communication aspect. It is very difficult for them to understand and know what resources are out there in regards to mental health. The second piece being that the stigma that is included in regards to mental health is apparent across the board.

It was very strange for me, within a 2-week period, I went from wading through, you know, 11 dead bodies in Afghanistan to sitting on my sofa by myself. And you go through those sort of adjustment periods where you say, I really do not know what to do with myself. I do not know, do I pick up the phone right now? Do I pick up the bottle of Jack Daniels? What is the best course of action to deal with that?

And no matter how many deployments you go through, it just gets more and more difficult. I am very fortunate—and I think you hit it on perfectly, sir—is that I have a good support network, both my family, my co-workers, my fellow Marines. They are there, and they are the key element from the outside that can say we are seeing changes in you.

I cannot identify changes in myself. I cannot identify that I am staying up later than I used that; that I am having difficulty sleeping and things like that.

But when I show up with bags under my eyes, my co-workers say, what are you doing. You know, are you having a hard time sleeping? They are the ones—they are that first—almost the first-responder, if you will, to a lot of these mental health transitional issues that people end up facing.

The big piece that I have noticed with younger service members is—I met a Marine, actually—excuse me for going back. I met a Marine on my deployment who was 25 years old. He was finishing up his fifth deployment. And that just blew my mind. It blew my mind. And I asked him, I said, you know, how is it been; you know, it has been difficult; has it gotten easier. He said it just does not get any easier.

He has been through a divorce already. It is just extremely difficult for these transitions. I asked him, I said, what is the biggest piece that you think is missing. And he surprised me when he said, well, I am a reservist. And I said, okay, well, what is the problem with that? He said, well, when I come home, I have got my 96 hours of leave, and then I have got my week, and then I am off

to the wind again. And it all falls on my shoulders and on my friends' and family's shoulders to make sure that I put my foot in the door at the Department of Veterans Affairs and/or Department of Defense, depending on what their status really is in the military.

The V.A. has taken outstanding steps in the 2 years that I have been working with IAVA to increase their outreach. They are on Facebook. They are on Twitter. I just followed your guy's Tweets a few minutes ago, actually.

They are reaching out on this new generation of social media. And more importantly, they are involving veterans from this generation in the many pieces that are going to be critical for effective outreach in the future.

Just yesterday, we met with—the Department of Veterans Affairs and private consultants on how they are going to move forward with their suicide prevention hotline campaign and actually did focus groups with a lot of our veteran members here in the Washington, D.C., area, wanted strategic input, wanted to know is it flyers, is it TV—what works best.

It has taken some time to get to this point, but they are making outstanding strides and just making that little step to be able to say what is it you understand. And our hope is—you are aware of the Ad Council campaign that we have been doing as outreach to OIF and OEF veterans. It is almost as if that model—we are very pleased that that became sort of a model on how to do effective messaging for this new generation of service members.

Not saying, “you are home from a war, you have dealt with a lot, and so you are different”, that is a bad thing. But identifying you are different. These are natural responses to unnatural circumstances. And here is ways you can go forward.

You know, the Marine Corps has a very good saying where we say, “Pain is weakness leaving the body.” And I think it is very true. It is very difficult to make these transitional phases, and it is very difficult to step up and say “I need some help.”

But by doing it, it makes you stronger. And these new campaigns seem to really focus on that messaging, which I think will draw more people in. It is a culture change that has to happen. It is happening slowly but surely at DOD. I think it is happening a little quicker at the Department of Veterans Affairs, that changing that sort of mold. And it is just going to take time, and it really ultimately fast down on the individual. There are always other circumstances that make it difficult.

While I was deployed, I received a “Dear John” letter from a girlfriend who didn't want to deal with me being deployed anymore. I always thought that was just stuff you saw on movies. I did not think it would be so emotionally tasking. And it ultimately made it very difficult for about a month or so while I was over there because you have no way to deal with it other than to talk to your Marine buddies, smoke some cigarettes, and, you know, eat an MRE to try and lighten the mood. You know?

So it gets difficult. I think that the biggest thing that we are seeing right now is that, as we are seeing more people go into Afghanistan, the DOD is doing a great job on the ground to identify some of these problems.

And case in point was the last 2 weeks that one of the infantry battalions that I was supporting was there, they took all of their squad leaders and did a stand-down on operations for 72 hours. Those squad leaders went down to a main base—Camp Leatherneck in the Helmand Province of Afghanistan—went through a 2-day suicide prevention training course.

And it was not completely token military where it was just PowerPoint presentations and things like that. They were taught how to socially interact with their junior Marines, with no rank on, to discuss some of the things that they may face when they get home. This was in theater. This had to be completed within 14 days before they pulled out of theater.

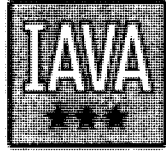
I was extremely impressed to see the way the squad leaders dealt with this issue. There was always that token, ah, you know, if you are crazy, do not deal with it. But they did it behind closed doors, so it was Marines that they had deployed with, that they had served with, and that they were going to be able to ultimately connect with when they come home to identify these things.

It was extremely impressive. I was really blown away by it, and I do not think that the Department of Defense—and I guess it is the Marine Corps as a whole—has really gotten the pat on the back that they deserve for making these advancements.

The transition home has to start while you are in theater. That is one of the key elements. You cannot just pop people out and throw them back in. My first deployment to Iraq in 2003, it was within a 48-hour period that I went from the streets of Al Kut to sitting on my sofa here in Washington, D.C.

It was mind blowing. It just blew my mind, and it was very difficult to get back into the swing of things. So, again, I hope that was constructive. I am sorry that I pulled away sort of from my written testimony, but I hope that these pieces as to what DOD is doing and the way V.A. is transitioning as an institution, I believe, as a whole, it is just fantastic, and we are very excited to be involved in the process.

[The information follows:]



IRAQ *and* AFGHANISTAN VETERANS *of* AMERICA

U.S. HOUSE APPROPRIATIONS COMMITTEE
MILITARY CONSTRUCTION AND VETERANS AFFAIRS SUBCOMMITTEE,
"VA MENTAL HEALTH CARE"

MARCH 23RD, 2010
TESTIMONY OF TODD BOWERS
DIRECTOR OF GOVERNMENT AFFAIRS

Mr. Chairman, Ranking Member, and members of the Subcommittee, thank you for inviting Iraq and Afghanistan Veterans of America (IAVA) to present our views on VA Mental Health care. Record budgets for VA over the past three years are testament to the hard work of each member of this committee. On behalf of our 180,000 members and supporters, we would like to thank this committee for your unwavering commitment to our nation's veterans. My name is Todd Bowers. As a staff sergeant in the United States Marine Corps I have had countless conversations with my junior Marines on the stigma of mental health in our military. During my multiple deployments in support of operations Iraqi and Enduring Freedom, I have seen firsthand, the importance of the physical and mental health of my men. The members of IAVA know we must have this discussion.

"I believe the #1 issue facing veterans of Iraq and Afghanistan should be mental health. Being a veteran of Iraq, I have had some mental health issues and would like to see IAVA & Congress work harder to get the military to reduce the stigma of seeing mental help." – IAVA Member

IAVA is pleased to see that the President's VA budget submission has allocated \$5.2 billion toward the treatment of hidden injuries such as PTSD and TBI, a sizeable 8.5% increase over last year's budget. This funding is critically needed as the VA prepares for the "surge home" of veterans from Iraq and Afghanistan. While we are grateful for this dramatic bottom line, we believe that the VA must make a serious commitment to eliminate the stigma around seeking help for mental health injuries, prioritize VA outreach, ensure access to top quality mental health care and bring all veterans in from the cold.

I. The Most Dangerous Part Of Going To War These Days Is Coming Home.

When I was in Afghanistan, on my fourth tour, it was hard to imagine that there was anything scarier than road side bombs and snipers. I was wrong. Last year, more U.S. servicemembers died by their own hands than in combat in Afghanistan.¹ These numbers do not even include the veterans who commit suicide after their service is complete, whose deaths are insufficiently tracked. Recently released Department of Defense (DOD) numbers show that we are on track

¹ In 2009 a record 334 servicemembers committed suicide.



Testimony of Todd Bowers
March 23, 2010

to break last year's 30-year high suicide rate. Every Iraq or Afghanistan veteran knows a fellow veteran who has succumbed to suicide.

"Since my return, I have lost 2 close friends to suicide, 2... I said 2, from my platoon. That is the sick reality." – IAVA Member

Sadly, suicides are just the canaries in the mine when we try to understand the breadth of mental health care needs for our returning servicemembers. Untreated mental health problems can and do lead to substance abuse, homelessness and suicide. In 2008 a RAND study reported that almost 20 percent of Iraq and Afghanistan veterans screened positive for Post Traumatic Stress Disorder (PTSD) or major depression. A recent study by Stanford University found that this number may be closer to 35 percent. Not even half of those veterans suffering from mental health injuries are receiving sufficient treatment.

II. The World's Best Mental Health Program Will Still Fail If No One Uses It.

Exacerbating the problem of inadequate treatment is the heavy stigma associated with receiving mental health care. More than half of the soldiers and Marines in Iraq, who test positive for a psychological injury, report concerns that they will be seen as weak by their fellow servicemembers. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, those most in need of treatment may never seek it out.

"A paradigm shift must occur.... 'you're a whimp if you see the wizard' needs to go away and be replaced with 'everyone needs someone'." – IAVA Member

In order to end the suicide epidemic and forever eliminate combat stress stigma we believe that VA and DOD must declare war on this dangerous stigma by launching a nationwide campaign to combat stigma and to promote the use of DOD and VA services such as Vet Centers and the Suicide Prevention Hotline.

This campaign must be well-funded, research-tested and able to integrate key stake-holders like Veterans Service Organizations and community-based non-profits. Furthermore, the VA should develop and aggressively disseminate combat stress injury training programs for civilian behavioral health professionals that treat veterans outside of the VA (e.g., college counselors, rural providers, behavioral health grad students and professional associations).

We believe that VA must allocate specific resources toward battling this dangerous stigma or we will never see the critical mass of veterans coming into to seek help. Furthermore, in order for this campaign to have a lasting effect throughout the ranks of our forces, the DOD must include mental health in the training schools for junior officers and non-commissioned officers.



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III. IAVA's Has The Department Of Veterans Affairs Back.

Based on our own historic Public Service Announcement (PSA) campaign with the Ad Council, we have learned a thing or two about stigma busting and veteran outreach campaigns. Hopefully by now you've seen our iconic PSAs such as the one featuring me and another young veteran shaking hands in an empty New York street.

"The Iraq and Afghanistan Veterans of America brilliantly portrayed this feeling of isolation in a 2008 ad where a soldier returning from the war walks through an empty airport. He continues through downtown Manhattan, which is also completely empty. No cars. No people. It isn't until a young veteran approaches the soldier with a handshake, a smile and pat on the back saying, "Welcome home, man," that the street becomes populated.

I was a bit shaken the first time I saw it, as it immediately resonated with me. It hit an exposed nerve, and I knew that those guys at the IAVA "got it." They knew exactly where we were coming from.

The problem, of course, is that we, as veterans, live the rest of our young lives in the "civilian" world and not on the battlefield. It took me several months to fully comprehend this. After realizing that my sense of isolation was alienating me from those I loved, I made the conscious decision to use my experiences in combat as a source of great strength, versus letting them become a weakness."²

These TV ads are just one component of this groundbreaking campaign. They are complimented by billboards, radio commercials, and web ads that have blanketed the country and touched millions of Americans. In just the first year of the campaign, IAVA has secured \$50 million dollars in donated media and reached millions of veterans.

This campaign directs veterans to an exclusive online community where their fellow veterans are there to support them. Or, to use the saying, which we at IAVA have embraced, "We've Got Your Back". Our Community of Veterans, also directs veterans to a wide range of mental health, employment and educational resources—operated by both private non-profits and the VA. This campaign is just an example of the type of innovation coming out of the VSO community that can help guide the VA. Innovative, aggressive outreach programs like this must become part of the new VA culture and programs like this can fuel-inject outreach efforts. We are learning what works, and we are eager to share our experience and best practices.

²"Back from Iraq war, and alone.", Mike Scotti, March 10, 2010;
<http://www.cnn.com/2010/OPINION/03/10/scotti.war.veterans/index.html?iref=allsearch>



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IV. Outreach, Outreach, Outreach.

The Department of Veterans Affairs must shed its passive persona, by adopting a customer-centered approach, and by recruiting veterans and their families more aggressively into VA programs. This means developing a relationship with the servicemember while they are still in the service, much like many successful college alumni associations do, by greeting students at orientation and putting on student programs throughout a student's time in college. And once a veteran leaves the military, the VA should create a regular means of communicating with veterans about events, new programs and opportunities. If I got half as many letters and emails from the VA as I do from my College Alumni Association, we would be in great shape. The VA must also reach out to those veterans who have yet access their VA benefits and aggressively promote VA programs.

"The VA could be more aggressive in contacting OIF/OEF veterans and at least talking to them before the veteran has a mental health crisis. They need to be proactive instead of reactive." – IAVA Member

In order to accomplish this phase of transformation, IAVA believes that the VA must prioritize outreach efforts and include a distinct line item for outreach within each VA appropriation account. This line item should help fund successful outreach programs such as the OEF/OIF Outreach Coordinators, Mobile Vet Centers and the VA's new social media presence on Facebook and Twitter. Right now, these outreach programs are still too small and under-sourced to make a transformative difference. IAVA was disappointed that there were only a few brief mentions of outreach activities throughout the President's VA budget submission and none of which was a dedicated outreach campaign.

V. "Eight Weeks To See A Counselor?"

Convincing a veteran to overcome their fears and choose to seek help is hard enough, we should ensure that once the veteran makes the choice to seek care they have ready access to the care they need. Too many of our veterans have complained about long wait times and inconvenient hours for seeking help.

"It took me over 6 months for a mental health appt through VA and this was after I told them I was having suicidal and homicidal ideations. I'm still waiting now for some appointments." – IAVA Member

"The VA needs to expand its staff and its hours of operation so that Veterans aren't forced to get help only between the hours of 8am and 4pm. As it currently stands, Veterans are forced to choose to put off treatment in order to stay at work while our economy is at its worst in decades." – IAVA Member



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We believe that the VA should be focusing on dramatically increasing the number of mental health providers within the VA. This will reduce wait times and improve overall quality of care.

"The VA clinic in Salt Lake City is understaffed and underfunded. While the people are great, their giant case loads distract from treating patients." – IAVA Member

"We need a 'surge' of mental health professionals! It is time the rest of the country steps up and begins to sacrifice as well." – IAVA Member

IAVA also supports creative solutions for rural veterans who are just too far from a local VA facility for treatment to make sense. We continue to support contracting with local community mental health clinics as well as the VA providing grants for groups providing peer to peer counseling.

"I went 80 miles to the local VA outpatient treatment facility, they did not have anyone on staff to talk to. They have group meetings, but again, its 80 miles roundtrip and I would have to be there by 4. I work till 5. That means that I would have to leave almost 2 hours early to drive 80 miles roundtrip just to talk to someone who had a similar experience. I can't do that." – IAVA member

VI. Coming In From The Cold.

Depression, post-traumatic stress, substance abuse and divorce are believed to be potential root causes that can lead a veteran down the path to homelessness. The VA and DoD must confront the stigma of seeking treatment for mental health issues throughout our military and veteran community.

The VA estimates there are 107,000 veterans homeless on any given night and nearly twice as many veterans experience homelessness at some point during the year. New veterans are especially at risk. At the height of the housing crisis, foreclosure rates in military towns were increasing at four times the national average, and already shockingly, more than 3,700 Iraq and Afghanistan veterans have been seen in the Department of Veterans Affairs' homeless outreach programs. Unlike previous generations of veterans, Iraq and Afghanistan veterans are often appearing in the nation's homeless shelters within two years of separation from the military, and a significant amount of the homeless are female veterans and their children.

"We still have a lot of veterans here in Long Island NY, who are homeless. They need to know there is help at the VA hospitals for us, and they will help us find homes. A lot of the veterans think they are alone with their mental issues, and



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are ASHAMED to face it. We need to get the word out there more. I found out all this in Groups at the VA hospital I attend from other veterans.” – IAVA member

In 2009, the VA laid out a bold vision to fully eradicate homelessness among veterans within the next 5 years. This ambitious plan will require a new model for serving veterans and extensive collaboration between government agencies, traditional Veterans Service Organizations (VSOs), and the new breed of grassroots and nontraditional nonprofit organizations, such as the Coalition of Iraq and Afghanistan Veterans (CIAV). This partnership between the public and private sector must also be utilized to smooth the transition home for all veterans. IAVA believes that granting VA discretion to match the Grant and Per Diem (GPD) program payment rates to the actual cost to help a homeless veteran and expanding the HUD-VA Supportive Housing (HUD-VASH) voucher program, to include the funding of 30,000 additional housing vouchers, will transform the lives of tens of thousands of homeless veterans.

IAVA applauds the VA’s goal to cut in half the number of veterans sleeping on our streets by the end of this year and we believe that the additional \$294 million for joint VA-HUD programs in the President’s budget request will go along toward accomplishing that goal.

Mr. EDWARDS. Well, thank you. And thank you for your open and honest testimony.

As I listened to you, I cannot help but think that one of the challenges we face in congressional hearings across the committees is that we usually hear from federal agencies who are providing services. I think sometimes we do not hear enough from those from the customer—the person being served. And so your firsthand testimony is extremely valuable, and I would like to follow up, if I could—

Mr. BOWERS. Sure. Yes, sir.

TRANSITION PROGRAM

Mr. EDWARDS [continuing]. With a question on that.

When you came back home from Afghanistan, were you given any brochure that said, if you are having mental health care or PTSD problems, you can call this number at DOD or the V.A.? So you are given these?

Mr. BOWERS. Yes.

Mr. EDWARDS. Were you given that in theater? Were you given that when you came back?

Mr. BOWERS. We were given this—this is one of the issues that I should have highlighted is that there is outstanding transition program for service members when they come back regardless of them being a reservist, a Marine, an airman, a sailor. It is not the same across the board, though. So I can only specifically speak to what it was like transitions as a Marine Corps reservist.

I was blown away by the Marine Corps order and how efficient it was in regarding to us transitioning. As reservists, we were required to have 96 hours leave the second we came home. We then had 5 days of transitional training with V.A. representatives there for three of those days. Those days were half days. There were no physical fitness requirements at all.

And they were done in a casual atmosphere, a classroom-like atmosphere. One of those days was supposed to be a family day where we had our family members come in. And I will say the one flaw was that it was a Tuesday morning, so it is very difficult to get your families to come in for that.

We also were not aware of it until the day before, so it was hard to coordinate it. But the correct steps are being made.

The V.A. representatives that were there were outstanding in regard to providing us with an overwhelming amount of information. It does, as you can see by the amount of pamphlets that are handed to us, which also come from other VSOs, can be a little bit overwhelming.

You are looking at this mountain going, this is great, but, you know, which is the most important piece. But the key element was the interaction that the Marines were having directly with the Department of Veterans Affairs representatives who are the smartest people I have met in my life in regards to moving through the system at the V.A.

They also were well-versed in what services were there, and they did not throw out there and say, "If you have PTSD or you are thinking about killing yourself, do this." It was almost as if they had had communication training to be able to talk to the Marines.

And I think some of this is they were probably OIF and OEF veterans—to be able to engage us and say, here is some pieces here; if you guys want anything, it is over here. Grab it at will.

But everything was provided in print-out resources for us that we all got to take home. One of the V.A. representatives that was there, I think, came up with the single-best handout that I have ever seen in my life. It was something that he had done on his own. I hope I do not get anyone in trouble for this—on V.A. regulations. [Laughter.]

But it was outstanding. He put together a single-page to put on your refrigerator when you get home that said, basically, along the lines, I have just gotten home from combat; I might do this. And it had checkboxes that said, “I may not sleep well. I may snap over ridiculous things.”

And it was not meant to be a tool for the service member. It was meant to be sort of a PSA for family and friends that might be in the kitchen and see that and say, oh, okay, you know, these are some issues that he may be facing when he comes back.

And then at the bottom, it says, “If any of this is getting way too out of control, tell me to call the V.A.” Simple, to the point—

Mr. EDWARDS. And that is on a one-page—

Mr. BOWERS. He did it on his own. You could tell he had done it with Microsoft Word. It was just outstanding.

So I think the quality of the materials that we receive is very important and really does need to come from OIF and OEF veterans because they have an ability to sort of think out of box and know what some of the issues are when they come home. They are little things, but they mean so much. Just that specific messaging, I think, resonates much further.

But in regards to the materials that we received, they were outstanding. We all got our initial claims forms to be able to register with the V.A. We, at IAVA, have always wanted to—you have to opt out of registering with the V.A. when you come out instead of always being required to opt in.

Fortunately, we had a gunnery sergeant who was pretty firm and said, “You all will opt in, no questions asked.” So all the Marines, you know, we all filled out our paperwork from our detachment. And I think that is extremely important because, now, the Marines, whether they want it or not, are receiving information from the V.A. and knowing what resources are out there. And that is the first key to doing effective outreach to everybody. We follow orders. That is what we do.

OUTREACH

Mr. EDWARDS. Great. Thank you for that.

Dr. Katz, could I just do a follow up, and then we will go back to Mr. Crenshaw?

When the V.A. puts together publications to let veterans know what is available to them, what process do you have of bouncing those brochures or potential brochures off of the customers, the veterans who perhaps have just come back from combat? Is there an informal or a formal process of doing that, having them look at the brochures and say, wait a minute, this is confusing to me or does

not tell me what we need to do? Or why not put a—give me a one-pager to stick on the refrigerator?

How do you have that interaction?

Dr. KATZ. Both formal and informal. And we are recognizing it more and more. A number of people pointed out recently that one of our posters pointing the way to the suicide prevention hotline, an extraordinarily important message, had the servicemen with archaic uniforms that really didn't mean very much or meant way back when to people who are returning now.

We are learning, as you pointed out, and we are learning the best way to serve our customers is to work with them about what they want.

Mr. EDWARDS. Do you have advisory committees, or is there a formal process to reach out and seek input?

Dr. KATZ. All of the above. And I would like to ask Dr. Batres, too.

We are a national department, a national health system, but we are also an aggregate of 21 Veterans Integrated Service Networks (VISNs) and 153 medical centers. And there is input from the community from returning veterans, others, from families at each step of the way, really, impacting on, hopefully the VISNs and medical centers.

Mr. EDWARDS. Okay. Dr. Batres, how do you—with the vet centers and in your responsibility, do you get that input in

Dr. BATRES. We rely a lot on our OEF-OIF combat veterans that run the program. They have input from focus groups. So we get feedback from our Veteran clients and their families.

Mr. EDWARDS. So you have actual focus groups?

Dr. BATRES. Yes but rather than starting from scratch it is important that we are recognizing what is available and developing something useful. But I would like a copy of that kind of stuff so that we can promote more of that. That is very useful.

Mr. EDWARDS. Right.

Dr. BATRES. And so we have invested a lot of—in fact, we have a video that we are going to post pretty soon that was developed by our group of GWOT or OIF-OEF combat veterans actually done by a combat veteran, Marine Corps, who is now at USC in a film school, and he has produced a 60-second spot that we hope to post.

All the actors are OEF-OIF combat veterans. They tell us what is effective and what is not effective. I think at the vet centers especially at the point of contact where it is simple, they can get to the place. But, you know, in all honesty, it is a very complex system.

So narrowing it down to what is useful for them and then giving them an access point is really critical. And he gave a perfect example. That is what we try to do.

But the federal benefits programs and the agency that we put together is unbelievably large and complex, and it is just very difficult to provide information that applies to everyone so the benefit also varies by case. Some people may have different things.

So his one-pager that he hung is what we are striving for, but we do focus groups and listen to what they say and their ideas and we have them develop it and then we roll them out.

Mr. EDWARDS. That is a great idea.

Dr. BATRES. And we try to make them uniform and standard across the country, but they are adaptable locally. Sometimes, we will change the language depending on where we are. We have them bilingual for Puerto Rico and those kind of things. But we try to adapt it to the target audience and in all honesty, sir, the Marine Corps has its own language. I do not know what “ooh-rah” was, until I met a Marine. [Laughter.]

Now, I know what it is. [Laughter.]

But also, you know, when they talk about real-time, when they talk about their challenges and providing information which they need to get, we have a lot of work to do in that area to make it more usable for them to get instantly and be more user-friendly. I am not saying we are there, but we are working on that message.

Mr. EDWARDS. All right. Great. Thank you.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you. You know, it is a good perspective, as the chairman said, to hear from the end user. And before you came in, Staff Sergeant, we were talking about the information and the outreach. And I think they talked about what they are trying to—not just make information available because, you know, that is one thing, but to really encourage people. And it sounds like, hearing you firsthand, there is that encouragement. When you held up all those pamphlets, my first thought is, well, you know, you get a lot of pamphlets in a lot of places. And if that is all you get, you tend to look at them and kind of chuck them.

But if somebody is encouraging you—the V.A. is out actually reaching out—that is what I hear you saying. And that is awful encouraging. A, the information is there. And, B, you are being encouraged. So I think that was kind of part of your testimony.

ACCESS TO MENTAL HEALTH CARE

The same kind of question—I would love to hear all of you all say—hear your response, even the research of the doctor. What do you think the number-one issue is that faces you all in terms of access? I mean, what they would say—I would be interested in what they say and what you say.

Maybe it is we have got to wait too long. Maybe—whatever it is, I would love each one of you all to kind of answer from your perspective. What do you think the number-one issue with really dealing with access to mental health is, you know, in our system?

Dr. INSEL. So I am going to tell you something you probably would not expect to hear. But that is, it is not the V.A. It is not DOD. It is the civilian side.

A lot of soldiers who separate, for one reason or another, are not going to the V.A. And some of that could be access, but some of it is personal choice, and there are many other factors.

To be candid, the civilian sector has not ramped up to deal with this in the way the V.A. has. What you have just heard is unique for mental health care in America. I deal very closely with DOD and the leadership in the Pentagon. And I have said on multiple occasions that if I could get the passion that Secretary Gates or now Secretary McHugh or his predecessor—Secretary Geren—had for this issue, we would not have 33,000 suicides in the United States.

This is the tip of the spear that you are hearing. The focus on making sure that mental health is a priority, that we make it easy instead of difficult, that we make sure there is access in one form or another, and that we have this consumer focus—you do not see that outside of DOD and the V.A.

And this is, frankly, a place where the military is going to serve the country in a way that they may have never expected. We are going to get here a model that, if we can generalize it to the civilian sector, really will reduce the rate of suicide and really will improve health care in the United States.

But we are not there yet. So what I worry about is on that side.

Mr. CRENSHAW. Can you comment on—that is an interesting point that I was going to ask you all the same question in terms of what can the private sector do—I think that what you are talking about, you know, the non-military, non-V.A. part.

What do you see—you know, we talk about public-private partnerships and things. It sounds like this would be just a perfect situation at least in the sense that when you say civilian—and I would say the private sector—somehow is there a way to get that message to the private sector whether it is hospitals or private doctors or whatever. Have you got any thoughts on that?

Dr. INSEL. It is tough to do. There is no real system for mental health care in the United States. That is the problem. You have a system in the VA so you have a way to approach it.

Every state has its own approach to mental health care. It is still separated out even though we have parity. We still have a separate system for mental health versus the rest of medicine.

So we have got a mountain to climb here. My hope is that we will learn the lessons through V.A. and DOD that we can then apply. But the “we” in that sentence is who is going to do this. And is it going to be done by a state mental health commissioner in Tennessee, or is it going to be done in some more broad way across the country?

Right now, it is a state-by-state effort. And mental health care in the United States is not something we can be terribly proud of. We do not do a good job of this, particularly, for people with severe mental illness.

You heard Dr. Katz say that life expectancy for someone with severe mental illness is more than—it is about 56 years in the U.S., which is about the life expectancy in Bangladesh. We do not want to be there.

And this is the way forward. And honestly, in the same way that we sometimes talk about how it was—what happened in the military in World War II was the beginning of the civil-rights movement and the beginning of providing better access and more liberty for the whole country. We may see the same thing here, but not now for ethnic minorities but for people with mental health problems who, for the first time, can be treated without the stigma, can be treated with open access, and can be treated as if they have a medical problem that requires health care.

That has not been where the United States has been.

Dr. KATZ. I want to resonate with what you are saying. The other scientific advantage of World War II was recognizing that penicillin was not just something in the laboratory but something that could

be produced in large quantities and used to help people. That was a profound health services outcome of research in World War II

And we truly believe that translating what you and V.A. research are learning in the laboratory to real care for real people throughout America can be one of the outcomes of this war that can leave our country better.

What are we doing to improve access? A lot. As you have heard, almost half of all returning OEF–OIF veterans are now coming to us for care. That means that half are not. And that is something extraordinarily important to VA that needs to be understood.

Mr. CRENSHAW. May I please interrupt? If half of them come, you are obviously reaching out. Maybe you can talk about why it is that the other half do not get reached or do not—

Dr. KATZ. Well, I have a good-news story about that and a really important one. About 3 months after servicemen return, they get the post-deployment health reassessment that does screening for PTSD, depression, and other conditions, and referrals for those who screen positive.

What we have learned at looking at PDHRA reports over the past couple of years is that those who screen positive for PTSD at the PDHRA are about three times more likely to come to us for care than those who screen negative. The good news is that we are seeing the people who need us the most, a real success.

We are not seeing them all, though, and that is why outreach and improving access remains an important story.

What are we doing? I am a psychiatrist, and who knows why, but people would rather not come to me. We come to them. And a major V.A. initiative based on NIH as well as V.A. research is integrating mental health with primary care. We are strengthening the role of the primary-care practice and the primary-care provider to be able to deal with most of the day-to-day mental health problems so people can get care for mental health problems where they are most comfortable in the health system, in primary care.

Another approach is Vet Centers being a point of entry; it is not coincidence that we are sitting side by side representing two very different strategies for the delivery of mental health care. Which is the right one? They are both right. If people go to Dr. Batres and they need whatever we can do in medical centers and clinics, he will send them over.

If people come to us and, in addition to the biomedical evidence-based stuff, they need peer support, we send them to Al. There is a real reciprocal interaction between the two different strategies.

Here are two. Should we develop a third? Should we be developing V.A. chaplains and, through relating to them, community clergy as a third path into care for those who prefer to view their experiences in that way? It is an alternative that we are developing.

And finally, our returning veterans and all of the rest of us would just as soon solve our problems on our own, thank you, independent of any professional. So one of our evolving strategies is to develop self-help materials taught by seminars, through printable materials on the Web that people can access too as well as possibly deal with problems that are important to them.

Our next step in that path would be self-help with coaching. And if that was not enough to deal with the problems, then people would be coached over to care.

Our strategy to enhance access is to make many paths available for getting from where veterans are into our system. And make them all available to veterans so there is no wrong door. People who need care have to start somebody else comfortable to us and wind up at the level of care they need. That is what we are trying to design.

Dr. BATRES. I would refer back to a New England Journal of Medicine article by Charles Hoge who was a Colonel in the Army who actually did some research in Afghanistan and Iraq. And basically what he said was that although many of the troops in combat said they had problems, the sad fact is that they are not going to report them and they are not going to access care.

I think that is our biggest challenge how to make our services available to them where they seek care at a time when they are need and know that services are not going to affect their jobs when they get back and that we normalize the process and start looking at how to better provide access to those in need to seek care in that system.

Not all of them will have PTSD or diagnostic problems. I think we have to cover the whole gamut and address those issues. I want to sneak in three items. But I think, clearly, that stigma is the biggest challenge.

I think that the communities including V.A., and DOD, are working closer together just as we are working closer with Dr. Insel and other folks. It is very critical that we develop the best message to approach that and break down some of the barriers.

I cannot tell you how important the families are in the recovery of these military folks. I am concerned about multiple deployments. We are treating families where we have a family where both he and she have multiple combat tours. They may have children. The challenges are increasing with that type of stress.

To that end, we are looking at increasing more family resources at our vet centers to make sure that we have a trained family therapist that is trained and licensed to address those kinds of concerns. They are very critical.

We are not there yet in terms of overcoming the stigma, and the closer we collaborate with DOD, the better a soldier is going to be in terms of offering some continuum of care. I am not an expert on research, it has been a while for me. I am sitting with two people who are nationally and internationally known for their research expertise.

I think some long-term studies starting when someone enters the military and following them over a period of time is essential to study the transition and look at the challenge over time because it changes over time.

Veterans who may not have problems when they are separated may have problems later. So I think a long-term look at the process would be helpful. And not just restrict it to research in mental health but look at things like employment and veterans who walk in with family problems. For example, the service member may be drinking and they may be driving.

Families are concerned, and they walk in seeking assistance. Sometimes, they will ask you to go and find a Marine who needs assistance and bring him in, which I cannot do.

Mr. BOWERS. I will take care of that for you. [Laughter.]

Dr. BATRES. Those kind of things must be addressed. One other thing I must say about the Marine Corps and the outreach we are doing with the reserve Marines which, by the way, received very little attention initially. We have a person from the Marine Corps stationed permanently inside the V.A., and she coordinates with units. And we actually go to the units.

You know, I am praying that one of my employees developed a list like Sergeant Bowers referred to earlier.

[Laughter.]

But we coordinate with her, and she schedules them. They call her, and we go there and we provide part of the educational process.

I think that is very critical to make it more of a community thing and deal with the fact that we need to normalize the process for the returning soldiers to seek assistance.

Mr. CRENSHAW. Mr. Chairman, I do not have any more questions. But for the staff sergeant, maybe just to kind of embellish that question because one of the things—you know, from time to time, I will go with other members and meet in Iraq or Afghanistan with our troops.

And I never really think about asking them questions like this. You ask them what would you tell your congressman if you could tell your congressman something. And they say the food is good or whatever.

But I think part of what I hear you all saying is a lot of times, when you are caught up in the heat of the battle, you do not really think about what it is going to be like when you get home. You are there and you are dealing with it, and I have had men and women say we are afraid—you know, we are concerned—all those kind of things.

But I do not think they really get it like Sergeant Bowers said, I mean, you come home, all of a sudden, you are sitting there and it is a different world. And I have heard all you all saying—the reason I want to kind of preface before you answer, sir, because we have heard people say the doctor—which is interesting—that one of the impediments to access is that, other than the military, nobody is really dealing with the issue.

Then you hear the issue of the stigma that how do you kind of overcome that. And sounds like you are really trying to deal with that.

And then I was going to ask the question about how does the family fit in because that is very much a part of it. And it sounds like—of that. So that is all good news.

And you are kind of the proof in the pudding. As you comment on those—maybe on those three impediments to access, also, the other side of that is the individual. You touched on it in your testimony if you can do all these wonderful things, encourage folks, but at the end of the day, you have got to say I am going to go make myself available to these services.

And so touch on that as well because maybe that is one of the issues in terms of access is finally getting that individual recognizing all this is available to him but they have to make that final decision that I want to avail myself to it.

Mr. BOWERS. It is an institutional thing. If you look at—take the average soldier from the time during boot camp when they started to get exhausted, they are yelled at “keep going, keep going, keep going.” In combat—I am going to speak to myself—when I was shot in October of 2004, I stayed on the battlefield and kept going and going.

It was not until I got back to Bravo Surgical and they started to put Band-Aids on me that I felt it was ready to be treated. It is what we are taught in the military. If you have an injury, if you are held back by something, keep pressing forward. It is what you do until you reach mission accomplishment.

I believe that same sort of mentality transfers over to mental health issues. People say, well, I am having difficulty sleeping right now, but I am going to push through it. That is what I have been taught institutionally just to continue to do.

And I used to sort of explain to my Marines where I would say, look, if you get shot, you pull the bullet out, you put a Band-Aid on it and you keep going forward. But you have to get that treatment. You have to get that little piece to get thrown in it.

We have not hit that point yet in regards to mental health. And one of the big things that we, at IAVA, have always wanted to see was an expanse of training for non-commissioned officers and, also, officers within their basic levels. Right now, if you join the Marine Corps and go down to Officer Candidate School, you spend a half day talking about overall suicide prevention and mental health issues.

This needs to be something that really is engrained in the training that service members receive when they first join the service. That will be a difficult transition to make. It will take a tremendous amount of time, but it is something that needs to be done. People need to understand that, if you break your ankle, you are pulled out of the fight. If you receive mental health injuries, you are pulled out of the fight. You get treatment, and you get put right back in. You are still good. You are not damaged goods. You are just in a place where you have to be repaired.

One of the things that I would like to talk on, also, is in regards to the PDHRA. This is something that—I have done five PDHRAs now in my career. And it is—it is good to hear that it is a useful tool, but the thing that I can say that is very true amongst all branches of service, active and reserves, they do not fill it out correctly.

They do not fill it out—I see it with my Marines. No matter how much you tell them fill that bubble in that says you are having a hard time sleeping and everything else, they do not because they are given the ability to identify what their health level is at that time.

When I go into the doctor's and they check my eyes, I do not go in and say, my eyes are just fine, and they say, okay, keep going. Well, the PDHRA, unfortunately, has gotten to a point where it works that way. And it allows service members to basically say

whether they are fit for duty or not. And it is the only circumstance that I can think of within the military where we are given a screening tool where there is not a level of oversight within to filling out the PDHRA that is available.

Now, that is difficult because it is identifying issues that only that service member and their members would know. One thing that we have seen—and this is something that has not been fully results-based yet, but we have gotten feedback from our members, is that whenever they go and deal with face-to-face mental health screening where they sit down with a counselor, whether it be a half hour or an hour—I am not the expert to identify how long it needs to be—and that counselor makes the determination on whether they need to receive follow-on treatment, care, and/or screening.

They do not know how to deal with these things. They do not know how to make these calls. I do not know how to make these calls after all these deployments, you know. It is because happy hour lasts happy hours, does that mean I am drinking too much and I need to go and get screened? It may not. I do not know. I am not the expert.

But if there is that outside entity looking in, they are the individuals that would be able to identify a lot of these.

Mr. EDWARDS. Dr. Katz, did you want—

Dr. KATZ. I really want to applaud IAVA for your work and that of your colleagues and Congress in making a requirement for a person-to-person assessments for mental health issues in returning servicemen a requirement in the National Defense Authorization Act for 2010.

I am also really proud to say that it has led to unprecedented collaboration between V.A. and DOD about how we can work together with staff doing assessments across department lines to respond to the surge home for returning service members.

It is an important public health advance that really came out of IAVA's advocacy. Thank you.

I just want to respond to something else that you mentioned earlier about the number of people in your unit who were involved with the criminal justice system. And that is something that is also advancing very rapidly.

Every 2 weeks we visit veterans probably closer to every week now. If you Google "veterans courts," you will hear about a new area in which there are specialized treatment-oriented courts for veterans with mental health or possibly substance abuse problems that have led to behaviors viewed as criminal.

V.A. has been working with all of these courts where they exist and working with the communities where they do not, to promote their development. Of course, courts are only part of the story, and we are working with police to educate them about PTSD and related readjustment issues, avoiding, the escalation, and helping them address their concerns about working with people trained for combat.

These are other important issues to be addressed, like training for police for the issues and the area you mentioned in your testimony.

Mr. BOWERS. One more bullet I just wanted to touch on real briefly was that something that we have always seen with reserve units across the board, active duty units, is that you have all your different S jobs. You have intelligence, supply, the whole nine yards.

We have given a recommendation that sort of out-of-the-box thinking over the past 3 years that I really think deserves some attention and something to look at is that, within these units, have been someone who is trained and have them be directly a veteran's benefits resources counselor. There is a lot of transitional assistance program and things like that, but there is no required job within the administration of reserve units and active-duty units where someone is extremely well-versed in what happens when you get out of the military.

They shift into a third-party element as they go through these programs and receive information from someone who they have not been around and/or had access to throughout their career. And it is something that we have always wanted because these individuals could also be well-versed in regards to mental health treatment and with regards to substance abuse. They will be ultimately like the experts as to what happens when I get out of the military.

It is difficult. And some units take it upon themselves and have outstanding resources available, and that is due to outstanding leadership. But making it across the board the same, I think, is very important because we see the different branches of service, obviously, deal with things on a different level.

With these wars and the way they are going forward, you can have an airmen supply clerk who is in an IED just like the Marine infantry. And screening is going to be different across the board and/or reintegration transition assistance is going to be different across the board just because of the branch of service, the status of service, in some cases, even rank and/or their orientation. You know, men and women may be receiving different.

It needs to be sort of a set standard so that it allows, in my opinion, the V.A. to be able to say, okay, we know exactly where they are coming from. We have the information that is available, but it is always a case-by-case basis once it is put into these gentlemen's hands. And I think that makes it very difficult.

So having that one piece there to ensure that the Marine Corps orders that are put out about transition programs are interpreted the same for every single unit, I think, is very critical because right now it is sort of done together haphazardly. And that is on the DOD side. They have to make the call to the V.A., in a lot of instances, to say we need someone to come in and do this for us.

The V.A. is there and ready with outstanding experts available, but we need to ensure that the NCO that is maybe coordinating these transition programs knows exactly what they are getting into.

Mr. EDWARDS. Thank you. Let me follow up on Mr. Crenshaw's question and ask if, in writing—and every time I hear each of you speak, I think of three more questions I would like to ask you. But, we will have to do some of these in writing.

I would like to ask for the record if you would mind, over the next few weeks, if you could send the committee a letter saying if

there were three things we could do that we are in the doing to improve mental health care research or services to our veterans, what would those three things be? I think that is an excellent line of questioning.

And Dr. Katz, I really appreciate your opening comments focusing on the many good things we are doing. I think, in the national press, we do not hear about the good things. You hear about the anecdotal stories of someone trying to get care and they could not get anybody to return their calls.

So I think we do need to tell the good stories. But, I would like to piggy-back on Mr. Crenshaw's question. Since our committee's goal is to help veterans, if there are three things that we are not doing that we could do or three things we are doing that we could do better with additional funding or resources, I would welcome that.

[The information follows:]

NIMH is an active participant in efforts to improve mental health care research for our OIF/OEF Veterans. We are constantly working to improve mental health not just for military veterans but for all citizens. In an attempt to fulfill the NIMH vision of "a world in which mental illnesses are prevented and cured," we offer three recommendations to further improve mental health care research and services.

First, there needs to be increased research on models that integrate mental health care for prevalent mental illnesses such as depression, PTSD, and substance abuse into settings where Veterans commonly go for care. Such settings include general medical care facilities, but may also include other services or settings such as benefits offices, spiritual counseling programs, and wellness centers. The integration of concepts such as psychological fitness into these settings provides an opportunity for public health prevention and potentially access to care that avoids stigma. Employing strategies such as telehealth, self-guided web-based care, and primary care management of common conditions may help identify and address needs without creating additional specialty care visits.

Second, existing research on prediction and preemption of mental illnesses provides general information on patterns of risk and resilience but cannot specifically identify individuals' likelihood of experiencing any specific disorder reliably. For many individuals at risk for certain disorders, the natural course of recovery will take place, and no intervention is needed. However, at this time, prediction is weak and unreliable. NIMH recommends additional research to increase the sensitivity and specificity of risk prediction tools to intervene more effectively for those in need. Further, there needs to be more investigation of preemptive strategies to prevent mental illness, much in the same way there are recommendations for diet and exercise to lower cardiovascular risk and personalized strategies often combining behavior change and medication for those at highest risk.

Finally, there is a need for new treatments that capitalize on the exciting translational research advances of the past several years. Currently, there are effective treatments for a number of mental illnesses. However, these treatments are time and resource intensive in many cases. More concerning is that existing treatments do not work for everyone and may not prevent relapse to a disorder once discontinued. NIMH would like to advance the science to know what treatment to provide to each patient to ensure an alleviation of suffering. Treatments that work well and work fast will undoubtedly help to reduce the often long periods of time people have a condition before seeking care and motivate others who might never seek care to do so.

JOBLESSNESS

Let me ask about jobs. You know, Sergeant, you commented that you came back from Afghanistan, third tour of duty in Iraq and Afghanistan, all of a sudden, I am sitting alone on my couch. I have done research on this, but common sense and intuition would say, if I do not have a job and I am sitting around, whether I am married or single, without a job that would lead me to, perhaps, you

know, become more emotionally unstable, start drinking, who knows what the ramifications would be.

But I have to think there is a link between joblessness and mental health care problems for our veterans. It is particularly a concern of mine since I think the unemployment rate among Iraq and Afghanistan war veterans is, what, 20 percent higher than the average of non-veterans in that same age group.

So I would like to ask each of you has there been any research to look at the length between joblessness among veterans, particularly young veterans, and mental health care issues? And any focus on the research—does the joblessness lead on the mental health care problem, or did the mental health care problem lead to the joblessness?

Obviously, there is going to be cases where both—one or the other or both have happened. But any research? Anybody looking at that issue?

Dr. Insel and then Dr. Katz?

Dr. INSEL. I think it is a great question. And I do not have the right answer for it. Let me see what I can find and provide that for the record because I think you have hit on really a critical part of what it is going to take for reintegration. And it is, of course, not any easier now that unemployment is so high for people who are not veterans.

So it is a tough one but a really important place to focus.

[The information follows:]

Available research indicates there is a high degree of unemployment reported among OIF/OEF Veterans. However, according to the Bureau of Labor Statistics (2010) the joblessness rate does not appear to be statistically different from the joblessness rate of nonveterans. While unemployment among Veterans is a concern, other reports find that Veterans of recent conflicts are actually more likely to be employed than their civilian counterparts as a whole. There appears to be a relationship between one's employment status and mental state. A longitudinal study conducted in Sweden indicated that unemployment increases the risk for dying by nearly all causes (except cancer and cardiovascular events) even when controlling for individual characteristics and initial health status. Although unemployment contributes to risk, it does not appear to "cause" problems. Rather, unemployment is one of several factors that interact with individuals, communities, and societies to affect risk for adverse outcomes. It appears that unemployment and the related financial strain may lead to depression and other problems as individuals perceive a loss of personal control. A veteran's mental health status may also influence job performance and employability. Veterans are at elevated risk of experiencing mental health problems such as PTSD, depression, and TBI. Those suffering from mental illnesses typically experience moderate impairment as measured on a global assessment of functioning scale. This may be no surprise as the current diagnostic criteria require that expressed symptoms cause clinically significant distress or impairment in social, occupational, or other important areas of functioning. Such impairment may be associated with employment difficulty at multiple levels. Veterans with mental illnesses, including comorbid conditions such as alcohol and drug abuse, are less likely to be currently employed than veterans without a disorder. Job performance for those with mental illnesses who are employed may also be adversely affected through decreased productivity and increased absenteeism, perhaps resulting in dismissal from employment or other adverse ratings impacting future employment potential. Given the reported rates of mental illness in Veterans, this is clearly a particularly salient factor in understanding the impact of unemployment in this cohort.

NIMH-funded research tracking the experience of National Guard and Reservists is exploring employment as it relates to mental health or Mental health-related outcomes. Other work is focused on employment as a risk/protective factor in returning Veterans to examine the intricate interrelationships between physical aggression, environmental stress, and traumatic events. The Army Study to Assess Risk and Resilience in Service Members (Army STARRS), which is a partnership between

NIMH and the U.S. Army also will explore employment as it relates to suicide and associated mental disorders. Each of these studies is in an active stage of data collection and analysis with results forthcoming to inform the field and policymakers on how to best serve Veterans' needs. Beyond funding and participation in research investigations, NIMH is working with other Federal agencies to better understand Veteran employment issues. For example, the Federal Leadership Roundtable on TBI & PTSD is an employment issues workgroup particularly focused on the impact of common mental health problems faced by Veterans. Finally, NIMH staff have given input to this workgroup and contributed to the America's Heroes at Work (<http://www.americasheroesatwork.gov/>) campaign to better understand and address the employment challenges of Veterans.

Mr. EDWARDS. Thank you.

Dr. Katz.

Dr. KATZ. Yes, thank you for asking. I do not want to talk so much about research, but really about actions and how we have to move on this.

Our returning veterans should be among the most valuable potential employees that America has. We do not hear of that though. We do not hear as much as we should about employers falling over themselves to attract and to hire these extraordinary people.

In fact, we hear just the opposite.

Mr. EDWARDS. Right.

Dr. KATZ. The publicity about PTSD and the awareness of TBI may have an unintended consequence about making employers less likely to hire returning veterans. There are exceptions, of course, there are exceptions, but we are concerned about this as a trend.

What incentive should the nation develop to promote hiring veterans? I think that is a question for us each to answer in our own way. What can V.A., as a health system, do to support those employers that do hire veterans? That is something that we are planning for and beginning to address.

There is an important part of health care in America that is delivered at the workplace. Employee assistance programs are traditionally first steps into mental health care for problems like depression, anxiety, or problem drinking. There are not, to our knowledge, employee assistance program designed specifically to deal with veterans and military issues that offer culturally competent care for people with that background and address readjustment issues, hyper vigilance, nightmares, or PTSD.

In this case, something we are working to develop will be part of a toolkit to help employers to hire returning veterans and understanding their care. It is an example of the sort of thing that should be done, but this issue really has to be viewed as one beyond V.A. and DOD and posed as an issue for all of America.

Returning veterans are our most extraordinary American national resource and should be recognized as such.

Mr. EDWARDS. Thank you.

Sergeant, do you have any thoughts on that?

Mr. BOWERS. I do, definitely. And I will just say when I first got home, everybody tells you you have to take that token, standard, 2 weeks off and just relax and hang out. And that is the worst 2 weeks ever. It is so hard to come home and not be busy; to go from a hundred miles an hour to nothing. And I lasted, like, 4 days before I came back into the office here.

So one thing I do want to point out is I brought copies of our legislative agenda this year, and this is an issue that we really want-

ed to push forward. I would say, in regards to employers and trying to engage them more to bring in more OIF and OEF veterans and keep them effectively engaged, we have three points where we talk about effective use of tax credits.

Providing employers of service members tax credits for National Guardsmen and reservists who may deploy for longer than 90 days if the employers provide training to keep them up to speed with their peers. As we all know, the USERRA laws defend people from any aspect of discrimination while they are deployed, but there is that inherent “you are gone.” What happens if, while you are deployed, all of the staff goes through an online resource training or you get some sort of computer system? It is very hard to get caught up.

But if employers take those steps to be able to provide that training once you come home from your deployment—which is very difficult to facilitate. It is hard when you have your entire office doing one thing and you are trying to do this other piece later—rewarding them again with tax credits to really incentivize something for the American public to say we would like to bring these people in to work for us.

We have got a tremendous amount of recommendations which I hope I can share for you and we did submit for the record that focuses specifically on a lot of these issues. But I just wanted to highlight specifically the tax credits and that it is very important to keep people engaged because it is the tipping point.

If people do not have employment, we see alcohol—we see so many other issues just sort of come from that because it does put you into a state that is extremely hard to overcome. Once you have been beaten down, it is very difficult to stand back up. And unless someone is there to kind of pull you back up, it just makes it very, very difficult for these service members.

Mr. EDWARDS. Thank you.

Dr. Batres.

Dr. BATRES. I am not aware of any research, but I can tell you that, when we started in 2004 and 2003 to hire the new mental health providers who are Vets as a way to bring veterans into the program, we had some challenges. One of the challenges is how do you translate military experience to a civilian job. I will take my son, for example, he is jumping out of an aircraft and being a cavalry scout manning a .50-caliber machine gun. How is that going to translate into a job, and how are these separating members going to translate those skills?

Well, there is something called the Veteran’s Readjustment Act which is supposed to assist us in doing that. I think that needs a lot of promotion from everyone and more attention in looking at how we can promote more hiring.

I can tell you that, initially, they were rated as a GS-3 or GS-4. And I think, for someone like the sergeant who has been to the military, there is no accounting for their discipline and the fact that they had leadership responsibilities and those kinds of things and translating that in a way that will help them to get jobs more readily.

And maybe have Vet Centers with counselors required to be tied into their state employment system. So, like, in Killeen, Texas, we

actually have a state employment officer on board with a computer. You know, the quicker you get to the job openings, the more effect you are going to get.

We are also, at times, involved in job preparedness, teaching them how to do a résumé on a computer, making it easier to translate skills and help with job preparedness those kinds of things that, although not high-tech, are very useful to the veterans that seek jobs.

A lot of the issue will be, quite frankly, underemployment and translating into those kinds of jobs. We work with Department of Labor to try to get Veterans hired with their programs that help them to be retrained with skills geared to the civilian market, and also, quite frankly with VA education programs we have a lot of veterans who choose to go to university and college for an education using the G.I. Bill.

So I think our efforts to work more closely with the universities to identify and support Veterans who become students and graduating is paying off that way is coming into working for us in the V.A. A separating soldier who comes back, goes to school for an education and a lot of them do eventually end up to come work for us. It is a tremendous win-win situation for the V.A. because we can hire the individual. They get the training, and then they can really relate to the Vets they work with on their job.

What I do want to stress is this is extremely critical in helping them with readjustment so they don't become homeless in the adjustment. It is very difficult and, in fact, I do not know the correlation scientifically, but I believe veterans who become homeless as they separate is a group that we need to target in terms of stabilizing and connecting them and getting them the correct kind of job.

Mr. EDWARDS. Let me ask you this. You said in your testimony and Dr. Katz said in his that vet centers—you hire a large number of combat veterans. So you have a control group in a way within your own system.

Let us be arbitrary. Let us assume 20 percent of young veterans are having serious mental health care issues. If you had to just guess off the top of your head, with the employees, the young veterans, Iraq-Afghan war veterans that you have in your vet centers, would you say more than 20 percent or less than 20 percent of them are facing serious mental health care challenges?

Dr. BATRES. I think the ones that we have hired are no different than anywhere else. They are going to have the issues. They are going to have their nightmares.

Mr. EDWARDS. Right.

Dr. BATRES. And they are going to be okay. First off, I have been with the V.A. for a long time, my whole professional career has been making sure that no one gets left behind we are helping other Veterans get assistance and that can be difficult at times.

We make sure that we employ them. And, also, by the way, some of our National Guard and reservists are also on deployments and they are working for us. And every time they come back, it can be a different challenge.

We make sure that we are there to support them through those kinds of transitions and that we, ourselves, do not, hamper them

by making erroneous attributions or not respecting the fact that they have a duty to country and that they are doing that and we need to hold their jobs open while they are gone and do those kinds of supporting services as they go through the stages.

We have a therapeutic environment so we probably have an advantage in doing that, and we will assist them in the transition. We do have a few employees, sometimes, who get into difficulties, and we will make sure they go over to Ira or some other place to receive the help, and then we will help them back.

I have expectancy, which is very critical in not stigmatizing someone from the process. So we try to make the community as supportive as we can.

Mr. EDWARDS. Okay. Thank you.

Mr. Crenshaw.

MEETING VETERANS' NEEDS

Mr. CRENSHAW. Maybe just one quick question since we have got the providers, and we have got the consumers.

We talked about the resources. It sounds like we are doing a great job of kind of having all the resources available. We talked about overcoming the stigma to come ask for those services. I guess the piece we have not talked about is, once you get over this hurdle, both from your perspective and yours, do you think you are being provided with adequate resources to meet the demands of the folks that decide to come—because, you know, typically, we hear about waiting in line to wait in line.

And, generally, we have done a lot over the last few years to add caseworkers, et cetera, to really kind of speed up that whole process. So I know mental health has become an emerging area. What is your perspective on that that you have—and maybe you have asked for it in this year's budget for some increases.

But how do you see that? And I would love to see how the end user sees that.

Dr. KATZ. This is has been an amazing time at V.A. The V.A. mental health budget in the year 2001, at the beginning of the war, was about \$2 billion. This year—I think I have this right—it is \$4.8 billion. And the request for next year is above \$5 billion.

These are enormous increases that have allowed us to care for more veterans and to care for each better. In terms of hiring, our total mental health staff has gone up from a little under 14,000 in 2005 to over 20,000 today. Really very major increases that have allowed us not just to provide more but, in a critical time in the development of clinical and scientific opportunities, to be flexible and mobile enough to develop programs to respond to recent opportunities as well as needs.

That is the clinician's perspective.

Mr. Kearns.

Mr. KEARNS. We have had significant—

Mr. EDWARDS. Mr. Kearns, could come up to this microphone, and pull that up just a little bit closer to you if you could.

Mr. KEARNS. As Dr. Katz said, we have had significant increases, and we do continue to forecast those in our fiscal year 2011 and fiscal year 2012 request for the advanced appropriation. And we

have monitors for access for appointments to ensure that veterans seeking that care receive it in a timely manner.

Mr. BOWERS. I would say that one of the things, as we are increasing mental health providers, is as obviously a very slow process because individuals need to be trained and all these pieces. But it almost pulls back to that one point that, if they do not know they are out there, they are not going to walk in.

And we have heard from a lot of—a couple weeks ago, we were able to sit down with a lot of V.A. mental health providers and talk to them, and they said, we cannot get them in the door. It was interesting to hear from them. They said, we are there, we are ready, we are waiting—whether it be vet centers wherever. They are ready for these folks to come in, and they are just not getting there.

I think that is something that sometimes falls on the V.A. as a blame of, oh, they are not getting the care that they need, which I do not think is necessarily fair to the V.A. in all honesty because they are ready and they are prepared for these individuals to come into the door, but they are just not making that step.

One of the pieces that we found was that, with Iraq and Afghanistan veterans, one in three is concerned that they are going to be seen as weak if they go and seek mental health care. When they get out, only one in two of those actually goes to seek mental health care. That is obviously a very small number if you look at the overall numbers of Iraq and Afghanistan veterans coming back.

I think that the increasing can be helped, but it is mainly outreach. We still are dealing with the rural veterans issues. I think the mobile vet centers have just been outstanding looking into things such as tele-medicine—which when I first walked in, I believe that was part of the discussion, also—is huge to be able to research into that, to get these counselors that are so eager and ready to have a full caseload, get them, you know, the patients that they require.

Increasing the amount of mental health care professionals, I think, is extremely wise, and it should continue down the road that it is going now because we are going to see a massive influx because, again, many of these service members are continuing to serve. And we are going to hit a point eventually. These wars are going to come to an end some day, and we need to be ready for that massive influx of individuals when they do come in.

We have got a tremendous amount of folks that are joining the military now because they want to serve. They want to deploy. They want to go overseas. They do not know what exactly what entails and what impact that is going to have on the rest of their life. But as these wars dwindle down, we are going to see that greatly.

And I think being prepared is the best step because, if we do not have enough mental health providers, then we look at the cost that it is going to be down the road. These service members are not going to have the tools needed or the resources available to them. We are going to see homelessness. We are going to see other issues come up and, ultimately, we will end up paying more for it.

So by providing V.A. the resources and the funding they need now to increase their amount of mental health care professionals right now is critical so that we are ready for that.

Mr. CRENSHAW. The good news is that, when people need it, they are not waiting a long, long time. That is the good news. And as you point out, that whole outreach is still part of the equation to work on that. That is good that you have that. If you need help, it is there. And if you cannot make up your own mind, you cannot overcome that, then you have got to deal with that.

But the good news is, when you want it, it is there.

Mr. BOWERS. There will be issues. In my written testimony, you are see we have one person that we talk about 8 weeks for an appointment.

Mr. CRENSHAW. I am sure there are always anecdotal where, you know—but, on balance, I think I hear them saying they feel like they are meeting the needs, and I hear you saying, like, I think, on balance, that people, when they need the help, they are not waiting a long, long time.

Mr. BOWERS. The big concern though is when they are dealing with something so touchy in regards to mental health that, if one person falls through the crack, we know it can be catastrophic.

Mr. CRENSHAW. And as the doctor pointed out, timing is critical in a lot of these situations. So it is good that you have the resources.

Thank you all.

Mr. EDWARDS. Okay. Can I follow up on that?

Why do we have the anecdotal stories of someone having to wait 8 weeks to get care? Is it a particular situation and lack of psychiatrists or social workers? Does the V.A. have a process of carefully looking into each complaint, whether it is one complaint? Again, as the sergeant, if it is one, that may be one person's life we can save with the proper care—or whether it is, you know, hundreds or thousands.

But how does the V.A. look into those cases?

Dr. KATZ. You know, the overall trends are charted through measures, metrics, quality indicators. Where we hear that we may not be doing the right thing is through the anecdote. We are aware that you cannot dismiss anecdotes. They may be sentinel events indicating that we are just not looking at the right thing. And so we take them seriously.

Reports to the—through central office are all evaluated. There are criteria for peer review for specific clinical events and for inquiries from central office to the field about complaints that we hear about.

These are, one by one, evaluated and resolved. Where the anecdote indicates something more than that, hopefully, we are doing something. I mean, we would have to—you know, we cannot talk about anecdotes in general. We really do have to get to the nitty-gritty of evaluating them.

But the concern and the talk in the hallway, in our offices, with our leadership is are we doing the right thing? How can we explain that case or that one? And we look at each one.

Mr. EDWARDS. And would you again confirm that these are rare exceptions to the rule? That if there is something that is suicidal or seriously, seriously ill, has serious mental issues and they call the V.A., they are put on a priority list?

Dr. KATZ. Our requirement is that all new referrals and new requests for a mental health appointment must be evaluated within 24 hours to find out if it is a matter of urgent need. If so, it must be addressed. If not, the person must be seen within 2 weeks for a diagnostic and treatment planning evaluation.

I think our figure for meeting the 2 weeks is currently 96 or 97 percent of the time. That is great but not for the 2 or 3 percent, and that is the point you are making. And that is the sort of question we are asking ourselves in a problem-solving mode.

HOMELESS VETERANS

Mr. EDWARDS. Great. This discussion, I think, has just been excellent, and we will have a lot of follow-up written questions.

But if I could ask you, Dr. Katz, in terms of the homeless numbers that you mentioned, one, how do we determine how many homeless veterans there are tonight in America? And, two, if these numbers have dropped from 154,000 in 2007 to 107,000—what are the two or three most important reasons why that number has gone down?

Dr. KATZ. Yes. In central office, the clinical components of the homeless program are within mental health, though the leadership of the homeless program is in the secretary's office. So we should get back to you for the record in response to these questions.

I do want to say, though, that mental health care, including substance abuse care, is an important part of fighting homelessness; and that one exceedingly important recent advance has been increasing the number of vouchers in the Housing and Urban Development V.A. Supported Housing, the HUD-VASH program.

That is really the first time that V.A., in collaboration with another agency, can give support in the context of permanent housing to address and prevent homelessness. What is more, what makes it a unique and very important program for us is that it helps us to respond to needs of veterans and their families for housing. It is an extraordinary program, and we thank you for your efforts on it.

Mr. EDWARDS. Great. I want to thank all of you for being here. I think this has been an excellent panel.

And, Dr. Insel, I want to thank you for being here. You are well known by our Labor, HHS Appropriations colleagues, but I believe this is your first time to testify before this subcommittee. I think your point that research has to be a critical part of findings solutions here is very well taken today, and I look forward to meeting with you again.

To each of you, having two different approaches in terms of the types of care and then someone representing the end user, our veterans, is what this is all about. It has been an excellent collection of experiences and knowledge and observations.

And I thank you all for being here today.

Mr. Crenshaw, do you have anything additional?

Mr. CRENSHAW. No, I will just echo those remarks and thank you all.

Mr. EDWARDS. Great. Thank you for the important work you are doing.

[Questions for the Record submitted to the VA by Chairman Edwards]

Question 1. I understand the VA Office of Inspector General is close to finishing the report we requested on the VA's implementation of its uniform mental health services handbook, which provides guidance to VA facilities in carrying out the VA mental health strategic plan. It sounds like the IG believes the VA is making good progress on the many recommendations of the handbook. But the IG's office did express several concerns, including that:

- the large CBOCs are not moving in tandem with the progress being shown at VA medical centers; and
- not enough medical centers are providing accredited rehabilitation recovery centers for serious mental illness.

What are the key obstacles preventing the VA from meeting the recommendations in these areas?

Answer. We agree with this analysis of the findings of the OIG regarding implementation of VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers and Clinics. Regarding the Community Based Outpatient Clinics (CBOCs) moving in tandem, what we continue to hear, and what the Office of Inspector General (OIG) also reported hearing, is space acquisition and allocation are the chief obstacles, followed by challenges related to hiring, training, and retaining sufficient staff. The space issue relates to being able to find suitable clinic space in the designated clinic location areas.

As to the second concern, our monitoring indicates that facilities are moving effectively toward development of Psychosocial Rehabilitation and Recovery Centers (PRRCs) as required by the Handbook. This is a cultural transformation from prior models that emphasized only symptom management for Veterans with serious mental illness. We will continue education and technical assistance efforts to help sites make this transformation. The Commission on the Accreditation of Rehabilitation Facilities (CARF) is a lengthy process but most sites are moving well toward program development and the CARF application. The Office of Mental Health Services will continue to monitor this issue and provide assistance as full implementation progresses.

Question 2. We know you are making an effort to ensure that VA mental health staff is being trained to use evidence-based treatments. Which treatments do you feel meet that test?

Answer. VA is currently in the process of disseminating Cognitive Processing Therapy (CPT) and Prolonged Exposure Therapy (PE) for Post Traumatic Stress Disorder (PTSD) nationally. CPT and PE are recommended in the VA/Department of Defense Clinical Practice Guidelines for PTSD indicating "a strong recommendation that the intervention is always indicated and acceptable." In 2007, the Institute of Medicine (IOM) conducted a review of the literature on pharmacological and psychological treatments for PTSD and concluded in its report, Treatment of Posttraumatic Stress Disorder: An Assessment of the Evidence, that there was sufficient evidence to support the efficacy of exposure-based psychotherapies, including CPT and PE. The IOM concluded that the evidence was greater for these treatments than for all other treatments currently available for PTSD. This validated VA's evidence-based psychotherapy (EBP) dissemination initiatives, which had begun as part of an effort to quickly bring these treatments to Veterans who can benefit from them. VA has trained over 2,700 mental health staff in the delivery of CPT or PE.

In addition to CPT and PE for PTSD, VA is also in the process of disseminating Cognitive Behavioral Therapy (CBT), Acceptance and Commitment Therapy (ACT) for depression, Social Skills Training (SST), and Family Psychoeducation (FPE) for serious mental illness. The goals of VA's EBP dissemination initiatives are to ensure that Veterans with PTSD, depression, or serious mental illness have full access to these proven treatments.

Question 3. The VA has hired more than 5,000 additional mental health providers in the past few years to reach a total of more than 20,000.

- a) How does this number compare to your estimate of need?
- b) Are you planning to hire additional staff in fiscal year 2012?
- c) What types of mental health care workers are the most difficult to hire and retain?
- d) What special VA programs or benefits [ex: loan repayment] can you take advantage of to fill those posts?

Answer to a, b, c. VA has estimated that the current level of staffing is sufficient to meet the needs of Veterans who use VHA for their mental health care. There are still a small number of unfilled positions at various VA medical facilities that are supported with mental health enhancement funds. Direction has been sent to all

Veterans Integrated Service Networks (VISNs) to use the enhancement funds to fill these positions. In addition, it will be essential that this level of staffing be sustained, e.g., positions that are vacated through retirement or other departures are filled in timely fashion.

VA has not experienced widespread difficulties in hiring and retaining mental health professionals. However, it has been VA's experience that in certain localities, particularly highly rural regions, there may be a limited number of mental health professionals, especially psychiatrists. Specific incentives have been developed and used in such situations. In addition to opportunities for education debt reduction, VHA has established opportunities for facilities to engage in local advertising and recruitment activities, and to cover interview-related costs, relocation expenses, and provide hiring bonuses for certain applicants. Flexibility is provided to hire providers of other appropriate disciplines or to utilize fee-basis or contract care, when indicated, so that Veterans have continuous access to the full continuum of mental health services.

Answer to d. There are several VA-sponsored programs used for hiring employees, particularly for the hard to fill positions. These programs include education debt reduction (student loan repayment), employee referral bonuses given for referring a provider in one of the specified disciplines, and recruitment incentives such as a recruitment bonus or an incentive bonus.

Question 4. What share of VA mental health services is provided through contract, either because the veteran isn't geographically near a VA facility or because the veteran needs a specialized service that VA staff can't provide?

Answer. In 2009, VA provided inpatient mental health services by contract at a cost of approximately \$70M and ambulatory care services at a cost of approximately \$21M. Contract services represented somewhat over 2% of the total cost of all of the mental health services provided for Veterans. Contract care allows for greater flexibility; it allows Veterans to get care closer to where they live and can improve timeliness to quality care.

Question 5. Thanks to the post 9/11 GI bill, increasing numbers of veterans are on college campuses. Beyond outreach to make student veterans aware of the services the VA provides in its own facilities, does the VA do any counseling or treatment at university locations?

Answer. We are in the process of developing a student Veteran version of Operation S.A.V.E. (Signs of suicidal thinking, Ask questions, Validate the Veteran's experience, Encourage treatment and expedite a referral) for our suicide awareness training module. We have used the services of the Student Veterans of America, a coalition of student veterans groups from college campuses across the United States to help us develop the module. We are planning 3 focus groups for spring 2010 in Arkansas, Georgia, and New York to determine if student Veterans can relate to the information. Suicide Prevention Coordinators across the country are forming relationships with the counseling departments at their local universities and colleges to provide them with the skills and information they need to work with Veterans in the area of suicide prevention.

VHA has made an effort to educate mental health/counseling staff on college campuses about the unique mental health issues facing Veterans. Among other topics, these educational efforts include information specific to the issue of military sexual trauma (MST) among male and female Veteran students. One major tool developed by VA is a Website addressing what campus advisors and counselors need to know about the experiences, possible mental health concerns, and strengths of Veterans returning to campuses under the GI Bill (see <http://www.mentalhealth.va.gov/college/>). This website has received positive comments from student Veterans as a useful source of information.

Question 6. Although women currently make up a small proportion of the veteran population, that number will swell over time. What special mental health needs do female Veterans have, and how is the VA trying to accommodate them?

Answer. VA recognizes that mental health services must be provided with the knowledge that gender-specific issues can be an important component of care. VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers and Clinics requires that all VA facilities must maintain environments that support women Veterans' dignity, respect and safety. All inpatient and residential care facilities must provide separate and secure sleeping and bathroom arrangements. Additionally, facilities are encouraged, when clinically indicated, to offer women Veterans the option of a same-sex provider regarding gender-specific issues.

The issue of military sexual trauma (MST) is one that is particularly relevant for women Veterans. Among women Veterans who use VA care, 1 in 5 indicated to a health care provider that they have experienced MST, as compared to 1 in 100 male

Veterans. Accordingly, VA has established significant treatment resources for mental health conditions associated with MST.

Women can receive mental health care at any VA health care facility. Outpatient, inpatient, and residential programs are available to provide specialized care to women Veterans. With regard to MST, VA provides free, confidential counseling and treatment for mental and physical health conditions related to experiences of MST. Veterans do not need to be service connected and may be able to receive this benefit even if they are not eligible for other VA care. Veterans do not need to have reported the incident when it happened or have other documentation that it occurred. Every VA facility has providers knowledgeable about treatment for MST and many have specialized outpatient mental health services focusing on sexual trauma.

For women (and men) Veterans in need of more intensive treatment of mental health conditions and/or addictive disorders, Mental Health Residential Rehabilitation Treatment Programs (MH RRTPs) provide residential treatment in a 24-hour, seven days per week, supervised and therapeutic milieu. All MH RRTPs have the capacity to serve women Veterans. In Fiscal Year (FY) 2009, there were a total of 237 operational MH RRTPs providing more than 8,440 treatment beds which includes 252 beds dedicated to women Veterans in 35 of the programs (North East Program Evaluation Center, NEPEC). Women Veterans comprised 5.2% (1,789) of the total episodes of care in MH RRTP in FY 2009 (NEPEC). All MH RRTPs have incorporated systems to allow full safety and security of women Veterans, including locks on sleeping rooms and remote cameras to monitor all individuals entering and leaving the program areas.

Question 7. Please provide the number of Veterans treated by the VA each year with mental health diagnoses, the total number of Veterans receiving health services from the VA, and the breakout of each number by gender.

Answer.

Year	Mental health			All health		
	All	Male	Female	All	Male	Female
2009	1,115,710	1,014,347	101,363	5,447,894	4,957,636	490,258
2008	1,046,380	953,824	92,556	5,299,865	4,834,268	465,597
2007	985,593	901,693	83,900	5,230,342	4,791,416	438,926
2006	930,845	855,949	74,896	5,188,836	4,761,842	426,994
2005	905,714	837,065	68,649	5,094,494	4,682,413	412,081
2004	833,983	773,830	60,153	4,976,773	4,573,287	403,486

Data Sources:
 Mental Health—Northeast Program Evaluation Center Annual Reports.
 All Health—VHA Support Service Center (VSSC) Patient Counts Table.

Question 8. I met with a group of Veterans last week who suggested that the VA needs to do more to counsel families of recently released Veterans to help them recognize the signs of depression or suicidal tendencies as the Veteran readjust to civilian life. Some in the group went as far as to suggest a “de-boot camp” for families and Veterans to provide concentrated therapy and counseling. What is the VA’s view of this concept?

Answer. The Vet Center program recognizes the importance of involving the Veteran’s family in his or her readjustment. Families of combat Veterans are eligible to receive Vet Center outreach and education services, to include suicide prevention information, and can receive direct readjustment counseling services for issues related to the Veteran’s military service. To bolster these services, VA is currently recruiting for a qualified family counselor at each Vet Center that does not currently have one on staff. These specialized staff members will specifically address the challenges facing our Veteran families as Service members’ transition back from the combat zone.

VA offers a continuum of family services which includes Family Education, Family Consultation, and Family Psychoeducation (FPE). FPE is a type of evidence based Family Therapy and VA has been providing national trainings on two FPE models—Behavioral Family Therapy (single family format) and Multiple Family Group Therapy (multi-family format) for the past two years. Additionally, starting this Fiscal Year, VA will begin to provide national training on Integrative Behavioral Couples Therapy, an evidence-based model of Marriage/Couples Counseling. Finally, VA has a Memorandum of Understanding with the National Alliance on Mental Illness (NAMI) to provide their Family-to-Family education and support training program in every VISN. This has been a very successful program and is rapidly expanding in utilization across VA facilities.

Question 9. Which mental health conditions suffered by Veterans PTSD, depression, etc. are most in need of research to produce effective treatments?

Answer. Research in all areas of mental health care is important over time, but critical continued research in the following areas is needed:

- Suicide prevention and intervention in those patients who are determined to be at suicidal risk. This transcends specific mental health diagnostic categories and focuses on symptoms and effective treatments for suicidality, which in itself is challenging.

- Interventions for co-occurring mental health conditions. Although there are currently evidence-based treatments available for many individual mental health conditions, there is more limited research on approaches to treating mental health conditions that often co-exist (e.g., PTSD and substance use disorder; PTSD and Mild Traumatic Brain Injury (mTBI)).

- Effective approaches to treating PTSD in older adults with dementia or terminal illness.

- Specific to the issues of women Veterans, there is a substantial research base on the types of treatment that are effective for female survivors of sexual trauma. However, because women's exposure to combat is a relatively recent phenomenon (at least in large numbers), there is almost no treatment outcome literature among female Veterans with combat related PTSD.

- In 2008, VA in collaboration with the National Institute for Mental Health, the Department of Defense and the Office of the Secretary of Defense for Health Affairs held a conference to consider issues raised by the Institute of Medicine (IOM) report titled "Treatment of PTSD: An Assessment of the Evidence." The meeting produced suggestions for improvement of clinical trial design and analysis, PTSD measurement, and trial implementation.

Question 10. How is the VA tracking its mental health funding (overall mental health staffing, the filling of vacancies in core positions, and total mental health expenditures) to ensure it is being spent for the purposes the Committee intended?

Answer. The Office of Mental Health Services (OMHS), in coordination with the VHA's Office of Finance and their Allocation Resource Center (ARC), tracks monthly changes in Mental Health staffing and expenditures. We track the total number of Mental Health providers both at the facility and VISN level, and by profession type (e.g., Psychiatrists, Psychologists, and Social Workers). This covers issues of filling vacancies in positions funded in prior years by Mental Health Enhancement Initiative funds and also allows monitoring of total mental health staff.

Question 11. I understand that VA may be preparing to change the manner of allocation of mental health funds to the Veterans Integrated Service Networks level (VISNs) and field facilities. I believe this refers to a discussion of "fenced" versus "unfenced" VERA allocations. Please tell me about those changes, if any and the reasons for them.

Answer. Funding for a Mental Health Initiative was separately identified and requested in the VA budget requests from FY 2007–2009 to develop new approaches to mental health care. Beginning with the FY 2010 budget request, the best practices identified from these initiatives have been incorporated into the VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers, which establishes a new standard for mental health services that will be provided to all enrollees. Accordingly, funding previously associated with the Mental Health Initiative was incorporated into the overall mental health estimate found in the Selected Program Highlights section of the budget request. And, as the workload associated with the Mental Health Initiative has now been captured in the Veterans Equitable Resource Allocation (VERA) model data, funding previously identified separately for the Mental Health Initiative has been incorporated into the general purpose funding allocated by the VERA model. This change took place in FY 2010, and is reflected in the FY 2010 budget request as well as in subsequent budget requests.

Question 12. The Independent Budget for FY2011 recommended the VA Under Secretary for Health appoint a mental health management work group to study the funding of VA mental health programs and make appropriate recommendations to the Under Secretary to ensure that VHA's allocation system sustains adequate funding for the full continuum of services mandated by the Mental Health Enhancement Initiative and Uniform Mental Health Services Handbook. Would you support the appointment of such a group?

Answer. The Office of Mental Health Services has been working in close coordination with the VHA Office of Policy and Planning and the actuarial contractors for several years to review the projected vs. actual utilization that has occurred in our programs, and then using these analyses in the budget process. We believe that this group fits the description of a "mental health management work group", and believe

that it is working well. Thus, there is no need for the USH to appoint a new, separate mental health management work group.

Question 13. The Independent Budget also recommended that Congress require VA to survey veterans, family members, and VA mental health staff about their satisfaction with mental health services, the new recovery principles driving your reforms, and the implementation of dozens of new treatment options, etc. Are you intending to conduct such a survey?

Answer. In collaboration with VA's Office of Quality and Performance (OQP), we have begun planning to extend current surveys for overall patient satisfaction to evaluate satisfaction with mental health services specifically. Evaluating satisfaction with mental health services has been made possible through VA's transition to new patient experience survey tools, the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) instruments. The conversion to these instruments was implemented in 2009. Currently, methods for identifying subsamples of respondents with mental health conditions, and subsets of services related to mental health, are under development. We are evaluating the feasibility of conducting separate surveys of family members or VA mental health staff.

Question 14. The VA has been pressed to promote family-centered mental healthcare programs, including providing family therapy and marriage counseling. These two programs have not been supported by the VA in the past, outside the readjustment counseling Vet Centers—where they have been quite successful. What is VA doing to move these family-oriented programs into place within the VA medical centers?

Answer. As indicated in the VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers, VA offers a continuum of family services which includes Family Education, Family Consultation, and Family Psychoeducation (FPE). FPE is a type of evidence based Family Therapy and VA has been providing national trainings on two FPE models—Behavioral Family Therapy (single family format) and Multiple Family Group Therapy (multi-family format) for the past two years. Additionally, starting this Fiscal Year, VA will begin to provide national training on Integrative Behavioral Couples Therapy, an evidence-based model of Marriage/Couples Counseling. Finally, VA has a Memorandum of Understanding with the National Alliance on Mental Illness (NAMI) to provide their Family-to-Family education and support training program in every VISN. This has been a very successful program and is rapidly expanding in utilization across VA facilities.

Question 15. Do you believe that Veterans and family consumer councils should become routine standing committees at all VA medical centers? How many VA medical centers today have active Veterans and family consumer councils in place?

Answer. VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers and Clinics, strongly encourages the establishment of Consumer Advocate Liaison Councils at each VHA facility. These Councils, currently called Veterans Mental Health Councils, provide a pathway for communication between mental health leadership at the facility level and Veterans, Veterans' family members, Veterans Service Organizations, mental health advocacy and other stakeholder groups. Although the formation of these Councils is not mandatory, a total of 79 facilities and 5 VISNs have established such Councils. The success of these Councils depends largely on the mutual cooperation of VA facility leadership and Council members. The Office of Mental Health Services would like to see Veterans Mental Health Councils at each medical center and at each VISN, but mandating the formation of these Councils would, in all likelihood, negatively affect the nature of the relationship between the Councils and facility leadership and would result in the Councils being less effective. Strongly encouraging the formation of Veterans Mental Health Councils and sharing stories about the success of existing Councils seems to have been an effective strategy in the proliferation of Councils across VHA.

Question 16. Substance abuse seems to be a recurring trend in our newest generation of war Veterans. VA's programs have traditionally focused on older Veterans who have fallen through the cracks of family and society and are chronic users. What adjustments are you making to your substance abuse programs to adapt them to the needs of younger Veterans, many of whom are not yet addicted but are in need of acute interventions for drug and alcohol use?

Answer. VA Substance Use Disorders (SUD) treatment services are designed to address the needs of Veterans from all combat eras. Important emphasis is now placed on universal screening of younger and older Veterans at least annually for drinking at unhealthy levels to allow for enhanced detection and early intervention for drinking problems. This screening, along with feedback and advice, is conducted in primary care. VA has also integrated buprenorphine for opioid dependence, since methadone maintenance for opioid dependence is not permitted by regulation in primary care. The integration of SUD services in primary care is especially important

for reaching young (and older) individuals who are often less likely to seek care in the specialty mental health setting, due to stigma and other reasons. Beyond integrating mental health and SUD services in primary care, VA is integrating treatment of PTSD and SUD by placing a PTSD/SUD specialist in every VA PTSD program. This will increase service access and care coordination for younger and older individuals. In fact, review of administrative data has indicated that integrated treatment for PTSD/SUD is associated with higher rates of treatment engagement in the Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) population.

VA's focus in the treatment of mental health and substance use disorders is on the delivery of evidence-based pharmacological and psychotherapeutic intervention treatments that did not exist in previous decades. All VA facilities now offer a variety of evidence-based treatments to Veterans with substance use conditions. In addition, VA facilities have expanded after-hours clinic availability to make SUD and other treatment services more accessible to younger Veterans who are unable to seek care during the daytime due to work, family, or other obligations.

To determine if VA's specialty SUD programs have made efforts to adapt to the needs of OEF/OIF Veterans, we examined whether these treatments were offered more frequently at facilities having greater numbers of OEF/OIF Veterans with SUD diagnoses. To determine further whether these services were associated with more OEF/OIF Veterans receiving care, we examined relationships between availability of these services and numbers of OEF/OIF Veterans receiving SUD care. We also attempted to identify which of these services were associated with higher rates of engagement of OEF/OIF Veterans diagnosed with SUD in VA specialty SUD services. Results of these reviews indicate that VA specialty SUD programs seem to be adapting well to the needs of OEF/OIF diagnosed Veterans at their facilities. The facilities with more OEF/OIF Veterans diagnosed with SUD were significantly more likely to have specialty SUD programs that offered treatment groups specifically for OEF/OIF Veterans, integrated PTSD/SUD treatment services, and opioid agonist treatment (i.e., the most evidence-based pharmacotherapy for opioid use disorders). Facilities that offered services more focused on women's needs, OEF/OIF specific services, integrated PTSD/SUD services, and pharmacotherapy for alcohol use disorders treated more OEF/OIF Veterans in their specialty SUD treatment programs.

Question 17. The Independent Budget recommends that VA conduct an assessment of the current availability of evidence-based care for PTSD and other mental health challenges in the Veteran population, identify shortfalls by each site of care, and allocate the resources necessary to provide universal access to evidence-based care. What is the VA's position on this recommendation?

Answer. VA Office of Mental Health Services is already closely tracking the availability of evidence-based psychotherapies (EBPs) for PTSD at individual facilities and is in the process of developing additional metrics to track the availability and delivery of EBPs for PTSD and other mental health conditions throughout the system in an ongoing manner. Therefore, we do not believe that a new initiative is needed, since this is a priority for us and full action is being taken that addresses the essence of this recommendation.

Question 18. It has been reported that the VA may be reducing the intensity of mental health services for older generations of Veterans in order to generate new capacity to absorb newer arrivals (primarily Veterans of Operations Enduring and Iraqi Freedom) with more acute needs. Is it correct that the VA may be shifting its emphasis?

Answer. While important focus has been placed on meeting the mental health needs of returning Veterans, which is significant given that research indicates that early intervention can often prevent further complication and lead to enhanced outcomes, VA is strongly committed to providing high quality care to Veterans of all service eras, with equal emphasis. In fact, both the number of Vietnam era Veterans and OEF/OIF Veterans treated for PTSD annually has continued to increase from FY 2003, when the first significant numbers of OEF/OIF Veterans began presenting for treatment, through FY 2009. In FY 2009, VA treated over 397,000 Veterans for PTSD. Of these, only 69,000 (17.4%) were OEF/OIF Veterans. An analysis conducted in FY 2008 indicated that, between FY 2006 and 2007, the average number of visits per Veteran treated for PTSD increased for both Gulf War-era Veterans (Operation Desert Storm plus OEF/OIF) as well as for WWII/ Korean-era Veterans. Additional staffing has allowed VA to provide high quality care to both older and younger Veterans.

VA has developed specific Mental Health Enhancement Initiatives designed to promote mental health care access and treatment for older Veterans. These new initiatives incorporate innovative and evidence-based mental health care practices, as well as person and family-centered care approaches. One such initiative involves the placement of a full time mental health provider on every VA Home-Based Primary

Care (HBPC) team. The VA HBPC Mental Health Provider functions as an integral member of the HBPC team and provides a full range of psychological assessment and treatment services. VA has developed an initiative to integrate a full-time mental health provider in VA Community Living Centers (CLC) (formerly Nursing Home Care Units), with a specific focus on service innovation to bridge research and practice in the area of evidence-based, non-pharmacological approaches to managing behavioral and neuropsychiatric symptoms associated with dementia and other mental illnesses and promoting nursing home culture transformation. This initiative initially funded 23 CLC Mental Health Providers and has been extended to be a requirement at VA CLCs, pursuant to VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers and Clinics. Handbook 1160.01 also includes specific requirements for integrated providers in other health care settings that frequently serve older Veterans, including primary care, rehabilitation, and palliative care settings.

Question 19. We continue to hear that some veterans with service-connected mental health problems may resist seeking VA mental health care services for fear that their disability ratings may be reduced if their symptoms improve in VA care. What are your concerns about this situation, and what is the VA's responsibility to these veterans, to assure them that seeking improvement in their mental health will not become a basis for reducing disability ratings?

Answer. We also have heard about these concerns of some Veterans. It would indeed be tragic if Veterans do not receive mental health services that VHA now makes fully available, which can be very effective in alleviating symptoms of mental illness and improving quality of life and effective engagement in important roles in the Veteran's community and family. The Office of Mental Health Services in Veterans Health Administration (VHA) has engaged with Veterans Benefits Administration (VBA) to explore these issues.

Question 20. In 2007, the Institute of Medicine issued a landmark report about Gulf War deployment-related stress. A number of policy and research recommendations from that report have not been addressed by VA or DoD. What plans does the VA have to address the remaining IOM recommendations?

Answer. There was one recommendation in the report. That recommendation was directed to DoD. Specifically:

"The (IOM) committee acknowledges that the VA and the Department of Defense (DoD) have expended enormous effort and resources in attempts to address the numerous health issues related to veterans. The information obtained from those efforts, however, has not been sufficient to determine conclusively the origins, extent, and long-term implications of health problems associated with veterans' participation in war. The committee recommends that DoD conduct comprehensive, standardized, pre-deployment and post-deployment evaluations of medical conditions, psychiatric symptoms and diagnoses, and psychosocial status and trauma history."

The committee went on to discuss the reasons why such pre and post deployment health assessments would be valuable.

While the recommendation was addressed to DoD, it should be noted that VA has undertaken various efforts to help assess the health of both deployed and non-deployed groups of Veterans. For example, the Environmental Epidemiology Service is currently conducting a survey of OEF/OIF Veterans, the National Health Study for a New Generation of U.S. Veterans. This study, which is expected to be completed in the summer of 2011, is a longitudinal study employing both a deployed and non-deployed group of Veterans. This study will permit comparisons to be made between the groups on such issues as stress as well as many other health-related areas of interest. In addition, studies planned for Veterans of the first Gulf War and other cohorts Veterans will incorporate deployed and non-deployed groups for purposes of comparison.

Question 21. Military sexual trauma is a very significant problem for both men and women whom have served. We are told that most of VA's patients who report this problem, both men and women, typically ask for a female therapist. What is VA doing to ensure that if a patient with this problem requests a female counselor or therapist that the VA is able to respond?

Answer. The Uniform Mental Health Services Handbook strongly encourages facilities to give Veterans treated for conditions related to MST the option of being assigned to a same-sex mental health provider or opposite-sex provider, if the trauma involved a same-sex perpetrator. Facilities are encouraged to offer Veterans the option of a consultation or treatment from an opposite-sex mental health provider, when clinically appropriate. In terms of implementation of this policy, facilities conduct self-assessments to identify their ability to respond to requests for clinicians of a particular sex. Based on these assessments, they take steps to address gaps in

available services as appropriate. Facilities have not reported problems in fulfilling this policy to date. We also are able to track the number of female providers in VA's electronic administrative data bases. These currently show that the mental health staff includes the following proportion of female providers:

Psychology—55% Female
 Social Work—72% Female
 Psychiatrists—41% Female

Question 22. Do you have qualified female mental health counselors with expertise in military sexual trauma in all Vet Centers?

Answer. All Vet Centers screen and refer Veterans for issues related to MST to VA Medical Centers or to resources in the local community. The Vet Center program developed and implemented a Staff Training and Experience Profile (STEP) that outlines qualifications and experience necessary to provide MST counseling. VA Readjustment Counseling Services (RCS) currently has 150 MST STEP qualified counselors of which 85% are female. RCS is in the process of implementing a requirement that each Vet Center have a MST STEP qualified counselor on staff.

Question 23. Women veterans are playing new roles in the military service branches. While the "official" policy is that women do not occupy direct combat roles in contingency operations, women are certainly exposed to combat in the modern military. Is VA staff trained on the current roles of women serving in the military and now returning from combat theaters, and their unique post-deployment mental health challenges?

Answer. Empirical evidence documenting the unique post deployment mental health challenges of women Veterans deployed in support of OEF/OIF is only now beginning to emerge. As the body of information about the unique needs of women Veterans grows, new information will be incorporated into educational efforts targeting VA staff. For example, the Caring for Women Veterans Training Program, a computerized tool whose development was funded by VA's Health Services Research and Development (HSR&D), is designed to provide training for VA staff. This program is currently being revised to include information specific to female OEF/OIF Veterans. Also, at every VA facility there is a full-time Women Veterans Program Manager who is tasked with educating VA staff about the unique needs of women.

Question 24. The VA Advisory Committee on the Care of Veterans with Serious Mental Illness seems to be functioning in ways that are different from its statutory mandate. The Independent Budget has recommended this committee be replaced by a Secretary-level committee on mental health, armed with significant resources and independent reporting responsibility to Congress. What is your position on that recommendation?

Answer. We believe that the Committee on Care of Severely Chronically Mentally Ill Veterans ("SMI Committee") is functioning according to its legislative mandate. Established by P.L. 104-262, section 335, the SMI Committee is established by the Secretary of the Department of Veterans Affairs, acting through the Under Secretary for Health. The SMI Committee functions to assess VA's ability to meet the health care needs of Veterans with severe and chronic mental illness, including the identification of system-wide problems in the provision of this care and the recommendation of strategies to improve care. The SMI Committee presents an annual report to the Secretary, who in turn submits a report to the House and Senate Veterans' Affairs Committees. The SMI Committee has been successful in identifying areas for improvement and in challenging the VA's Office of Mental Health Services to provide more and higher quality services for Veterans with severe and chronic mental illness. The SMI Committee's recommendations played a significant role in shaping the overall concepts underlying VHA Handbook 1160.01, Uniform Mental Health Services in VA Medical Centers and Clinics, including the requirement that outdated day treatment and day hospital programs be transformed into Psychosocial Rehabilitation and Recovery Centers and that all mental health services be recovery-oriented. These successes indicate that the SMI Committee is actively fulfilling its legislative mandate under its current configuration and alignment with VA and that a new system is not needed at this time.

Question 25. The 2010 National Defense Authorization Act requires new mandatory, several face-to-face mental health screenings for all post-deployed combat service members (including National Guard and Reserves). What are VA's plans to help the Department of Defense accomplish this considerable task? Do you have any plans to engage DoD in a sharing agreement so that VA can be reimbursed if your mental health staffs conduct these face-to-face screenings?

Answer. Currently, the focus is on addressing urgent needs and developing methods for effective and efficient collaborations, in which VA can contribute resources without compromising its mission to care for Veterans. VA is not waiting for the

development of payment mechanisms before working with DoD to meet the needs for mental health assessments during surges of returning troops. Plans are under way to develop processes for payment for VA services for Active Duty Service members; these will be guided by the nature of the mechanisms for collaboration that are found to be most effective and most efficient.

Question 26. What is the overall unemployment rate for working age veterans? Please disaggregate that number by age bands and compare to the general population. Does VA have data on unemployment rates for veterans who have mental health diagnoses?

Answer. According to the Bureau of Labor Statistics (BLS) 2009 data, 8.1% of Veterans 18 to 64 years of age is unemployed. This is not statistically different from the 9.2% of non-Veterans who are unemployed. The most recent monthly data from BLS (February 2010) show that these figures have increased to 9.5% of Veterans 18–64 years of age, compared to 10.3% of non-Veterans of the same age. We do not currently have available data on unemployment rates for Veterans with specific mental health diagnoses.

Unemployment rates for Veterans and for non-Veterans according to age bands and era of service show the following:

2009 BUREAU OF LABOR STATISTICS REPORT

[All eras of service]

Age bands	Percent unem- ployed vet- erans	Percent unem- ployed general population
All ages (18 and older)	8.1	9.1
18–24	21.1	16.6
25–34	11.1	9.8
35–44	7.3	8.0
45–54	8.3	7.1
55–64	7.2	6.5
65 and older	6.6	6.3

BUREAU OF LABOR STATISTICS REPORT

[By eras of service]

	2009 Report	February 2010 Data
Gulf War era II	10.2	12.5
Gulf War era I	7.6	8.9
VWII, Korean War, and Vietnam Era	7.5	8.1
Other service periods	9.1	10.1
Non-Veterans	9.1	10.3
25–34	11.1	9.8
35–44	7.3	8.0
45–54	8.3	7.1
55–64	7.2	6.5
65 and older	6.6	6.3

[Questions for the Record submitted to the VA by Ranking Member Wamp]

(1) Post-Traumatic Stress Disorder: Post-Traumatic Stress Disorder is most notably associated with combat and has been one of the Department of Veterans Affairs' focuses in treating our Nation's Veterans. Silouan Green, a retired Marine Corps Captain, has developed a PTSD treatment program called, "The Ladder." It is based on his own battle with and recovery from PTSD. Several weeks ago, I gave a copy of this program to Secretary Shinseki and his staff for the VA's review and consideration.

Question (a). Where is the VA in the process of reviewing "The Ladder" PTSD treatment program?

Answer. The Department of Veterans Affairs (VA) has reviewed The Ladder materials Mr. Green submitted. It is very clear that Mr. Green's personal credibility, sincerity and devotion to the task of helping his fellow Veterans is a major factor in the positive impact reported by letters of endorsement from Veterans and others.

VA is committed to pursuing evidence-based treatment approaches for mental health services to ensure that Veterans receive the best care possible, and VA is encouraging Mr. Green and others to gather formal data to assist VA in assessing the efficacy of this approach. Without this data, it will be more difficult to support a broad scale adoption of this program. VA staff suggested that Mr. Green might benefit from seeking formal credentials in peer support. VA appreciates and thanks Mr. Green for his service to our country and for his continued advocacy on behalf of Veterans.

Question (b). What level of input have Veterans and returning active duty soldiers had in development of PTSD treatment programs?

Answer. VA considers the input of Veterans and returning Servicemembers critical to successful programs, not just in mental health but in a variety of disciplines. VA's post-traumatic stress disorder (PTSD) programs are grounded in evidence-based research, which documents the improved clinical performance of these approaches. The Institute of Medicine published a report on the treatment of PTSD and emphasized findings that evidence-based psychotherapies, including Prolonged Exposure Therapy and Cognitive Processing Therapy, were the best established of all treatments for PTSD. However, Veteran input is essential to deciding which of these, or other developing approaches to treatment, is best for any particular Veteran. Individual Veterans provide essential input for their specific treatment plans, and VA clinicians accommodate a Veteran's preferences (such as favoring or disfavoring the use of psychopharmacology) as much as possible.

VA used focus groups of Veterans to determine the best way of developing and presenting information about PTSD and other mental disorders on the MyHealthVet Web site and through other media. VA is also actively developing peer support approaches for Veterans with PTSD and other mental disorders.

Question (c). Is the VA considering any other treatment programs developed by Veterans who have suffered from PTSD?

Answer: VA reviews proposed treatment approaches for PTSD and other mental disorders from the perspective of their basis in evidence; if this is lacking, VA recommends the Veteran submitting the proposal engage in developing evidence. In addition, VA welcomes those Veterans who have personal experience with mental health conditions to look for opportunities to become Peer Support Technicians as a way of helping their colleagues.

(2) VA Outreach: In your testimony, you stated that, as of December 2009, Veterans have made contact with 40 percent of all OEF/OIF Veterans.

Question (a). How can the VA reach more of these Veterans?

Answer. VA is pursuing a range of options to improve outreach to Veterans. VA has named this general strategy "Seven Touches," because it involves seven different forms of outreach within the first 6 months of a Veteran's return. These forms of outreach include: briefings at 63 demobilization sites; the Yellow Ribbon Reintegration Program events at 30, 60, and 90 days post-demobilization; Post-Deployment Health Reassessments, including those conducted at VA facilities; partnerships with the National Guard and Transition Assistance Advisors; Readiness Muster for Individual Ready Reserve (IRR) events, through the Combat Veteran Call Center Initiative; and for all Servicemembers, the VA Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) Web site (<http://www.oefoif.va.gov/>). Additionally, VA establishes contact and provides assistance through annual focus groups held at VA medical centers, annual Welcome Home events held by each medical center, and community partnerships with providers, colleges and universities, job fairs, and other activities.

In fiscal year (FY) 2009, VA conducted over 8,500 Transition Assistance Program and Disabled Transition Assistance Program briefings attended by over 356,800 Servicemembers and their families. VA launched a pre-discharge program home page (<http://www.vba.va.gov/predischarge/>) on June 9, 2009, to complement its Benefits Delivery at Discharge and Quick Start programs. In addition, VA launched the eBenefits portal on October 22, 2009, to streamline information distribution (or dissemination/delivery) to Servicemembers, Veterans and families (www.ebenefits.va.gov/ebenefits-portal/). Our outreach efforts have provided Veterans with knowledge and access to VA services and benefits. Of 1,100,000 Veterans who have separated since 2002, 48 percent have used VA health care services. Between 2005 and September 2009, more than 86,000 referrals to VA were made through DoD's Post-Deployment Health Reassessment, and since 2008, more than 70,000 Veterans have enrolled in VA health care prior to leaving a demobilization site.

VA is also reaching and conversing with Veterans through social media, including Facebook, Twitter, YouTube, flickr, and blogs. Currently, VA has a fast growing Facebook page with over 11,000 fans, most of who have been added since Veterans

Day 2009 (over 1,000 fans per week). VA participation on Facebook is expanding. Each Administration has its own page for topic-specific conversations, as do a dozen VA medical centers. VA has plans to launch a Facebook page for every VA medical center.

In addition, VA now has four separate official Twitter feeds for the Department and each of the Administrations. In the past two months, VA's primary Twitter feed has added followers at a high growth rate: nearly 2,000 have joined in that time. Half a dozen VA medical centers have active Twitter feeds. As with Facebook, VA plans to expand Twitter feeds to all medical centers throughout 2010. VA just launched the first official Twitter feed for a VA Principal, Assistant Secretary Tammy Duckworth, in January 2010. Ms. Duckworth can now regularly engage with the public via her own VA Twitter account.

VA has further embraced video- and photo-sharing media including the use of YouTube (videos) and flickr (photos). VA began posting each segment from its news magazine program *The American Veteran* on YouTube, while showcasing a selection of them on the VA homepage. At the same time, VA has a separate health care-related YouTube channel (administered by VHA) which has posted more than 90 videos, has 1,300 subscribers and more than 58,000 views.

In terms of blogging, VA has thus far been spreading its message via other sites—with pieces published at the White House Blog, and others with messages posted by Secretary Shinseki and Assistant Secretary Duckworth at outlets such as *Military.com*.

VA's main Web site has also been rebuilt to make it more user-friendly for Veterans. Up-to-date information about benefits and services is added daily. Reaching returning Veterans through their expected and familiar modes of communication is a priority. The OEF/OIF generation expects a communication style that allows conversation and engagement, and these resources help VA enhance information sharing with this group of Veterans, as well as other stakeholders.

The Readjustment Counseling Service Mobile Vet Center (MVC) program is another major initiative for extending the geographical scope of outreach and counseling services to OEF/OIF combat Veterans and families. To facilitate access to services for Veterans in hard-to-reach outlying areas, VA has deployed 50 MVCs to strategically selected Vet Centers across the country. The placement of the vehicles is designed to cover a national network of designated Veteran service areas that collectively cover every county in the continental United States. The 50 MVCs are being utilized to provide early access to returning combat Veterans through outreach to active military demobilization sites, including National Guard and Reserve sites, and extending services to Veterans at Post Deployment Health Reassessment (PDHRA) events where returning Servicemembers can review their benefits and options for care they need as early as possible. The vehicles are also extending Vet Center outreach to more rural communities distant from existing VA services.

In addition, since 2004, VA Secretaries have sent a personal letter to each OEF/OIF combat Veteran after they separated from active duty thanking them for their service and providing contact information for obtaining VA health care and other benefits. This effort has provided letters to over hundreds of thousands of combat Veterans, both former active duty personnel and National Guard/Reservists.

Question (b). How soon after coming home does the VA reach out?

Answer. VA begins contacting many Servicemembers before and during deployment, well before they return home. Since November 2004, VA has provided benefits brochures to everyone inducted into the five military branches. This pamphlet delivers basic information on VA benefits and services at the start of their military career. In addition, VA supports efforts for early contact with National Guard and Reserve members and their families. Guard and Reserve members and families learn about VA services and benefits during Soldier Readiness Processing events held prior to mobilization. These health and benefits outreach briefings continue throughout the deployment phase as VA collaborates with each of the Services. VA provides outreach through family programs, town hall meetings and family training events. Families are a critical component in reaching Veterans and providing information about how to access VA health care and the importance of seeking early assistance for needed health care services. As discussed in the previous question, VA also participates in demobilization briefings at 63 military sites while Servicemembers are transitioning, at Yellow Ribbon Reintegration events, and Post-Deployment Health Reassessment events.

In addition to these efforts, VA's Vet Centers fulfill a vital role in establishing contact with Veterans and their families. The Vet Centers are non-clinical, community-based resources that maintain active outreach programs in their areas, particularly with Reserve and Guard units. Vet Center representatives also host Open Houses onsite at Reserve Units during the weekends where they can answer ques-

tions from family members and Reservists. Vet Center staff also participates in pre-mobilization educational briefings where they are able to establish contacts and distribute information to family members.

The outreach to provide Veterans and family members with educational information about readjustment counseling services is one of the legislatively mandated missions of the Vet Center program. Through its community outreach and brokering efforts, the Vet Center program also provides many Veterans the means of access to other Veterans Health Administration (VHA) and Veterans Benefits Administration (VBA) programs. To augment this effort, the Vet Center program recruited and hired 100 OEF/OIF Veterans to provide the bulk of this outreach to their fellow Veterans. To improve the quality of its outreach services, in June 2005, the Vet Centers began documenting every OEF/OIF Veteran provided with outreach services. The program's focus on aggressive outreach activities has resulted in the provision of timely Vet Center services to significant numbers of OEF/OIF Veterans and family members. The Vet Center Program has also provided outreach services to the United States Marine Corp Individual Ready Reserve (IRR) soldiers across the nation.

The Vet Center programs build on a prior outreach effort conducted during the first Gulf War, which received a commendation from the President's Advisory Committee on Gulf War Veterans' Illnesses. In its final report of March 1997, the Committee cited the Vet Centers for providing exemplary outreach to contact and inform Veteran cohorts about VA services. On October of 2004, the U.S. Medicine Institute of Health Studies and Association of Military Surgeons of the United States reported that "VHA's Vet Centers have proven a 'best practice' model in fostering peer-to-peer relationships for those with combat stress disorders."

(3) Family Outreach/Services: Deployment and mental health issues post-deployment can have a huge effect on family members.

Question (a). Do the Vet Centers also provide services to family members of Veterans? What specifically is the VA doing to help families of Veterans with mental health issues deal with these problems?

Answer. Vet Centers provide a range of services to family members of Veterans. While the Vet Centers primary mission is to provide professional readjustment counseling for war-related psychological readjustment problems, including PTSD counseling, the mission requires the provision of counseling to the families of Veterans to help create a supportive environment for the Veteran's readjustment. Vet Centers can offer counseling related to family relationship problems, among other needs. Vet Centers also provide bereavement counseling for the families of Servicemembers who died while serving on active duty.

The Vet Center program is also taking steps to enhance access for Veterans' families. Within the context of the Vet Center mission, family members are central to the combat Veteran's readjustment. To meet the specialized training requirements for the provision of family counseling, the Readjustment Counseling Service has developed Staff Training and Experience Profiles (STEP) criteria for qualifying family counselors working in Vet Centers. The Vet Center program is currently implementing a plan to enhance its capacity to serve families by hiring the staff necessary to place a STEP qualified family counselor in every Vet Center.

Question (b). Is the VA doing any outreach to family members of Veterans so they might be able to better recognize the signs of mental health problems?

Answer. VA has long recognized family members as a critical component to a Veteran's recovery and continues to reach out to family members through multiple formats to engage them in the readjustment process. VA has used public service announcements featuring celebrities like Gary Sinise and Deborah Norville to raise awareness of mental health concerns and provide support for family members concerned about a Veteran. The VA Suicide Prevention Hotline has also conducted an aggressive outreach campaign across the country to provide services and support for Veterans and family members to reduce the risk of Veteran suicide. Suicide Prevention Coordinators at each VA facility conduct face-to-face presentations about how to recognize when someone is in trouble and how to seek help. VA will continue to seek ways to communicate with families and local communities.

VHA Handbook 1160.01 identifies family involvement and family services, when appropriate and in connection with the treatment of the Veteran, as an essential component of the mental health program. To facilitate this patient-centered, family-focused transformation in services, the Handbook requires that the clinical provider discuss with the Veteran the need and the benefits of family involvement in their care annually and at the time of discharge from any inpatient stays. As part of this process, the provider must seek the Veteran's consent to contact family members as necessary in connection with the Veteran's treatment. Providing education on emergency mental health issues, including how to identify them and what to do about

them, are addressed in our graduated continuum of services that meet the varying needs of Veterans and their families.

Many of the pre-deployment, during deployment, and post-deployment programs cited above in VA's response to question 2(b) (such as dedicated family programs, town halls, and visits to military sites, as well as Vet Center outreach) provide family members with needed information about mental health symptoms they should monitor.

(4) Mental Health Issues:

Question (a). When do you expect full implementation of the Uniform Mental Health Services Handbook in all VA facilities?

Answer. As of the end of December 2009, VA medical centers and community-based outpatient clinics (CBOC) reported an implementation rate of 98 percent for the more than 200 requirements in the Uniform Mental Health Services Handbook. A recent Office of Inspector General (OIG) study indicated the same conclusion. VA cannot provide an exact prediction for full implementation of the Handbook's requirements, but will continue to monitor closely and work toward full implementation by the end of FY 2010.

Question (b). What do you think is the most significant VA initiative that is working the best in addressing mental health issues in the Veteran population?

Answer. There are a number of important initiatives that VA is currently pursuing to best address the mental health issues affecting the Veteran population. For example, VA's Suicide Prevention Hotline is saving thousands of lives each year; its homelessness prevention program aims to provide support services and care to every Veteran seeking it and eliminate homelessness in this population within 5 years; and VA is training its providers in evidence-based psychotherapies with demonstrated effectiveness. VA has significantly increased the number of mental health professionals at work in its programs, which has expanded access and care for Veterans across the country. The Uniform Mental Health Services Handbook has improved the consistency of care available at any VA facility by creating a common set of services that VA must provide. The Vet Centers are widely regarded as a successful program that offer mental health services in a caring, non-clinical environment. And VA has a robust research program devoted to improving our understanding of and treatment for the entire gamut of mental health conditions. Identifying a single initiative that is the most successful or effective is not possible because these programs are interwoven and mutually complementary. VA appreciates the support of Congress in all of these areas.

(5) Homelessness: Substance abuse is often tied to homelessness. As ending homelessness among Veterans is now a core initiative for VA:

Question (a). How is VA encouraging those Veterans with substance abuse issues to come to VA to be screened and treated for these issues?

Answer. VA is effectively using evidence-based screening for identifying cases of depression, alcohol misuse, and PTSD; performance for these respective screenings was 96 percent, 97 percent, and 98 percent respectively during the first quarter of FY 2010. Furthermore, integration of mental health services into primary care settings is an evidence-based program that enhances subsequent evaluation and treatment planning, including identification of the treatment setting most appropriate to a Veteran's clinical needs and preferences.

This means that virtually every Veteran who is seen in a VA facility is screened for substance use disorders (SUD).

Many of the outreach programs described in the responses to previous questions encourage homeless Veterans to come to VA to receive screening and treatment for their mental health issues. VA has also developed community-based resources capable of assisting homeless Veterans with SUDs. For instance, many of the VA funded Grant and Per Diem (GPD) programs have developed supportive services designed to meet the needs of their residents with SUD. In the past year, 73 percent of all GPD residents entered with alcohol problems and 64 percent entered with a SUD diagnosis.

Another VA community-based program that seeks out homeless Veterans to link them to VA services, including SUD programs for Veterans with that need, is the Health Care for Homeless Veterans (HCHV) program. Contract residential care beds available through this effort offer supportive services, case management and referrals. In fiscal year 2009, 81 percent of all residents in HCHV contract residential care beds had alcohol problems and 71 percent had drug problems.

[Questions for the Record submitted by Congressman Wamp]

To the National Institute of Mental Health following the March 23, 2010 hearing before the United States House of Representatives, Committee on Appropriations, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

about “Research Activities at the National Institute of Mental Health Affecting Veterans and Their Families.”

TBI Technology—

- Is the NIMH looking into neurogenesis as a way of treating TBI?

Therapy Timeframe—

• In your testimony you state that new research suggests that therapy administered after a traumatic event within a “certain time frame” can enhance recovery.

- What is the time frame?
- How equipped is the VA to meet the time frame for therapy.

Alternative Therapy Options—

- How effective are internet and phone-based PTSD therapy techniques?
- What do you think is the number one issue affecting veterans’ access to mental health care through VA?

TBI Technology—

Question. Is the NIMH looking into neurogenesis as a way of treating TBI?

Dr. Insel: One of the most exciting advances in neuroscience has been the recognition that neurogenesis, that is, the generation of new nerve cells, occurs throughout life. NIH is supporting extensive research on neurogenesis that has implications for TBI, mostly through the National Institute of Neurological Disorders and Stroke (NINDS). At the basic science level, scientists are laying the foundation for therapy development by studying how neurogenesis contributes to normal brain functions, what regulates this process, and how it changes in response to disease and injury. For example, neurogenesis in an area of the brain called the hippocampus may play a role in memory, and disruptions could contribute to cognitive problems. With respect to TBI specifically, scientists have demonstrated that brain injury stimulates neurogenesis by provoking certain neural stem cells in the brain to proliferate. Research is now determining the details of which cells respond to injury and how neurogenesis contributes to brain remodeling and functional recovery after TBI. One important aspect of this research is identifying the natural signals in the brain, including “trophic factors,” that regulate neurogenesis and brain remodeling. Based on these findings, research is exploring whether it is possible to enhance neurogenesis and brain remodeling by administering trophic factors, drugs, or even cell transplants, and whether that will improve functional recovery from TBI, with encouraging results now emerging in animal models of TBI.

Therapy Timeframe—

Question. In your testimony you state that new research suggests that therapy administered after a traumatic event within a “certain time frame” can enhance recovery.

- What is the time frame?

Dr. Insel: NIMH has been trying to understand the process of traumatic memory. Is it the result of a different kind of memory? Or does the problem result from an inability to let the memory go? In the last six to nine months, there has been a revolution in the way we understand memory. We used to think that good or bad events stayed in memory storage like files in a file drawer and later when a question arose it was retrieved. But now we know that memories are always being reconsolidated, coming out of storage regularly. Thus in post-traumatic stress disorder (PTSD) the memories come out of storage and appear to be vulnerable to intensification or reduction with each retrieval. We have begun to realize that the key is intervening right after the reconsolidation takes place. Each time the memory comes out of storage, there is an opportunity not only to make it worse, but also to make it better. NIMH-funded scientists are trying to map the exact temporal sequence of how fear memories come back and how to ultimately make them go away. Evidence from animal studies shows that reactivating an emotional memory opens a 6-hour window of opportunity in which a training procedure can alter it. Building on this research, NIMH-funded scientists recently selectively blocked a conditioned fear memory in humans with a behavioral manipulation. Following the intervention, participants remained free of the fear memory for at least a year. The results suggest a non-pharmacological, naturalistic approach can effectively manage emotional memories. But much is not clear about the natural course of reconsolidation after a trauma. Are dreams a form of reconsolidation? Are the intrusive memories after a trauma the brain’s attempt to extinguish the memory? There are still several basic aspects of the time course of emotional memories that need to be defined.

Question. How equipped is the VA to meet the time frame for therapy?

This question is outside the jurisdiction of the National Institute of Mental Health.

Alternative Therapy Options—

Question. How effective are internet and phone-based PTSD therapy techniques?

Dr. Insel: Emerging research supports the use of telehealth and web-based treatments to provide mental health treatment. There is increasing evidence that telephone therapy is accessible, acceptable and effective for a range of conditions. Indeed, at least one form of mental health intervention, Cognitive Behavioral Therapy (CBT), delivered by telephone for several mental disorders appears to be effective. Studies have shown it is effective for depressive symptoms, panic disorder with agoraphobia, and Obsessive-Compulsive Disorder. Preliminary research has shown that internet-based, self-managed CBT can help reduce symptoms of PTSD and depression. The study showed that at 6 month follow up, 1/3 of those who completed the self-management CBT no longer met criteria for PTSD as opposed to 1/4 of the comparison group. Ongoing research is seeking to develop further web-based interventions for active duty soldiers, veterans, and their families.

Question. What do you think is the number one issue affecting veterans' access to mental health care through VA?

This question is outside the jurisdiction of the National Institute of Mental Health.

TUESDAY, MARCH 23, 2010.

TESTIMONY OF OUTSIDE WITNESSES

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. I want to thank all of the witnesses for being here. The purpose of this afternoon's hearing is to hear from outside witnesses' and organizations' views about matters related to this subcommittee.

We welcome all of you here. I think there are something like five to eight different appropriations subcommittee hearings going on at the same time, but with the key staff that you have here, you have people here who can make a difference, so I thank all of you for being here and seeing that your views are put on the record.

And the witnesses in past years have very much had an impact on our markup. So, again, thank you for being here.

What we are going to do is we are probably going to move pretty quickly and won't be many questions. I want to respect everybody's right to have their views heard. We may have follow-up questions in writing.

Let me begin. Is Sergeant McCauslin here?

Mr. MCCAUSLIN. Yes, sir.

Mr. EDWARDS. Sergeant, good to see you, sir. Would you please come? Good to meet you. Thank you. Thank you for being here.

Sergeant John "Doc" McCauslin is representing the Air Force Sergeants Association. I am not going to do long bios. We can include those for the record. But you were elected as association international president in August of 2005 and became, I understand, Chief Executive Officer in 2009.

Mr. MCCAUSLIN. Yes, sir.

Mr. EDWARDS. Thank you very much for your service to our country. We will submit your full, and most of you have been through this many times before, but we will submit your full written testimony for the record. We would like to ask each person to keep their remarks to 5 minutes, if you could. Thank you very much.

Sergeant.

TUESDAY, MARCH 23, 2010.

AIR FORCE SERGEANTS ASSOCIATION

WITNESS

JOHN "DOC" MCCAUSLIN

STATEMENT OF CM SGT (RET.) USAF JOHN R. "DOC" MCCAUSLIN

Mr. MCCAUSLIN. All right. Mr. Chairman and committee members, on behalf of the 120,000 members of the Air Force Sergeants

Association, I thank you for this opportunity to present our views on what we believe should be the priorities for the fiscal year 2011 for the Military Construction and Veterans Affairs Subcommittee of the House Appropriations Committee.

We are very grateful that Congress understands its solemn duty and has increased the administration's program budget in each of the past few years to fulfill that commitment. We believe more still needs to be done.

In this statement, I will cover six areas briefly. They are: adequate infrastructure funding; housing privatization; CDCs; fitness centers; housing assistance program; state veterans homes; and V.A. health care for our women veterans. I will identify specific areas we hope this committee will pursue during fiscal year 2011.

The content of this statement reflects the views of all of our members. Military construction, adequate infrastructure funding impacts readiness. We devote significant resources to training and equipping America's sons and daughters, a long-term investment. And that same level of commitment should be reflected in the facilities where they work, live and recreate.

Congress did approve in the fiscal year 2010 appropriation bill \$23.3 billion for military construction and family housing, which will fund many projects for the active duty, Guard and Reserve, and military families. These funds will be used to upgrade dormitories and childcare centers, provide readiness centers and the facilities for our servicemembers' work.

Number two, housing privatization. We urge Congress to keep a keen oversight on the privatization of military housing. Areas of concern to me include maintenance and upkeep of the military occupied housing and rented housing to those who have absolutely no affiliation with DOD, so that they simply have the housing occupied.

Another major concern is employing contractors with a keen interest in providing quality military housing and who are not focused on the highest financial gains any way possible. AFSA urges Congress to fully fund the appropriate accounts.

Number three, child development and fitness centers. Tremendous strides have been made to improve access to quality childcare and fitness centers on our military installations, and we are grateful to the Department of Defense and Congress for your collective efforts addressing these areas of concern. The Air Force plans to add capacity to their childcare facilities so that every assigned military child could have a spot in an Air Force childcare facility by fiscal year 2012 and also provide more support for those families that have exceptional and very special medical and learning needs.

Number four, Homeowners Assistance Program, commonly referred to as HAP. This program is designed to help servicemember homeowners who suffer financial loss on the sale of their primary residence when a base closure or realignment announcement causes the decline in the residential real estate market and they are not able to sell their homes under reasonable terms of conditions.

We applaud the actions of legislators like Representative Dina Titus for introducing H.R. 4324, which will allow the Secretary of Defense some leeway in deciding the dates of eligibility for HAP.

This program may not be a big budget item, but it certainly has a tremendous effect on retention of our servicemembers.

Veterans Affairs. Today, the men and women of the armed services continue a tradition of valor exemplified by past generations, so it is important that our country lives up to a commitment to all our veterans, because they are the role models for today and tomorrow's forces.

Fifth, continued support to state veterans homes; 140 state-run veterans homes serve about 33,000 former servicemembers. With current military activities, our nation will bear the burden of a generation of servicemembers who have been inflicted with severe disabilities and will need a health care environment in which to live.

Unfortunately, the recently released State Home Construction Grant Program Priority List indicates a backlog of \$946 million for all projects. Consequently, the \$250 million we received this past fiscal year through appropriated and stimulus funds is grossly inadequate. AFSA urges enactment of H.R. 4241 to properly take care of these 33,000 veterans that reside in veterans homes.

Finally, as the care for women veterans increases, the unique health care challenges faced by women veterans must be met with a sense of higher urgency from Congress. Currently, women make up more than 19 percent of the active-duty Air Force, and another 21 percent are Guard and Reserve, many of which have already returned from service in Iraq and Iran. They also suffer from the same effects of battle, such as PTSD, TBI, and wounded warrior issues that come with wearing the uniform.

As the number of women veterans increases, the V.A. must be funded to increasingly provide those required services. We realize you possess incredible responsibilities as a caretaker of our taxpayers' money, and you must budget wisely facing difficult decisions on many factors. Choosing what can and cannot be addressed is extremely difficult. Putting hundreds of thousands of Americans in Iraq and Afghanistan and taking care of them and their families when they return from the combat zone is certainly not a pay-as-you-go situation.

In closing, AFSA also firmly believes while much attention is given to the combat capability of technologically advanced systems, the most valuable weapon America still has is those that serve, especially those wearing the chevrons of enlisted grade.

Mr. Chairman, we are pleased by the hard work of your committee and its commitment to America's veterans past and present. On behalf of all the Air Force Sergeants Association members worldwide, we appreciate your efforts and, as always, we stand ready to support you in matters of mutual concern.

[Prepared statement of CMSGT (Ret.) USAF John R. "Doc" McCauslin follows:]

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**STATEMENT
BY
CMSGT (RET.) USAF JOHN R. "DOC" MCCAUSLIN
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AIR FORCE SERGEANTS ASSOCIATION**

FOR

**THE HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE FOR MILITARY CONSTRUCTION AND
VETERANS AFFAIRS**

FY 2011 BUDGET PRIORITIES

March 23, 2010

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CURRICULUM VITAE

CMSgt (Ret.) USAF John McCauslin was elected as the Air Force Sergeants Association (AFSA) International President during the Association's International Convention in Dallas, Texas, in August 2005. He was reelected International President during the 2006, 2007, and 2008 Professional Airmen's Conferences. He resigned his elected office in early January 2009. On 1 June 2009, he became the Chief Executive Officer replacing the retiring incumbent.

Chief McCauslin joined AFSA in 1977 as a lifetime member and has been active within the organization. He was elected to his first term as the AFSA International Trustee, Retired/Veterans Affairs in 2003. He enlisted in the US Air Force in June 1955. After basic training, he was first assigned to Gunter AFB, Alabama, where he underwent medical training. Later in his career he became the Command Senior Enlisted Advisor, Fifth Air Force, Yokota AB, Japan, followed by Command Senior Enlisted Advisor to Commander In Chief to the United States Air Force Europe, Ramstein AB, Germany, where he retired after 32 years of service.

Chief McCauslin's educational background includes both military and civilian achievements. The Chief obtained Bachelor of Arts degrees in History and Sociology from Chaminade University, Hawaii, in 1976. He also achieved Masters of Arts degrees in Management/Supervision and Education from Central Michigan University in 1978.

Following Chief McCauslin's retirement from the Air Force in 1987, he was the AFSA Special Assistant to the Executive Director and subsequently, Chief Field Operations for the Air Force Association. After his retirement, he followed his passion for volunteerism to enhance the quality of life for our Air Force members and their families.

His awards and decorations consist of a Legion of Merit, a Bronze Star Medal with one oak leaf cluster, a Meritorious Service Medal with two oak leaf clusters, an Air Force Commendation Medal with one oak leaf cluster, an Air Force Outstanding Unit Award, a Vietnam Campaign Medal, a Republic of Korea Service Medal, an Air Force Marksmanship Ribbon, and the State of Virginia Meritorious Service Award. In addition, he is the recipient of the Outstanding AFSA Division Award for Division 16, Outstanding Young Men of America, Outstanding Jaycee President and Outstanding Parent/Teachers President.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Air Force Sergeants Association (AFSA) does not currently receive, nor has the association ever received, any federal money for grants or contracts. All of the association's activities and services are accomplished completely free of any federal funding.

Mr. Chairman and committee members, on behalf of the 120,000 members of the Air Force Sergeants Association, I thank you for the opportunity to present our views on what we believe should be the priorities for Fiscal Year 2011 for the Military Construction and Veterans Affairs Subcommittee of the House Appropriations Committee.

Air Force Sergeants Association represents Active Duty, Guard, Reserve, retired, and veteran enlisted Airmen and their families. We are grateful for this committee's efforts and I can't overstate the importance your work has to those serving this nation. The Air Force's most important resource – our Airmen – are a diverse group of highly-skilled and dedicated men and women who ensure our Air Force remains the most powerful in the world. Our Airmen have been continuously deployed and globally engaged in combat missions for over nineteen years.

We are grateful Congress understands this solemn duty and has increased the Administration's programmed budget in each of the past few years to fulfill that commitment. We believe more still needs to be done.

In this statement I will cover three broad categories - military construction, veterans affairs, and readiness and families – and identify specific areas we hope this committee will pursue during FY 2011. The content of this statement reflects the views of our members. As always, we are prepared to present more details and discuss these issues with your staffs.

MILITARY CONSTRUCTION

ADEQUATE INFRASTRUCTURE FUNDING IMPACTS READINESS. While many focus attention on “front line” conditions during periods of war-it is natural and vitally important. However, we shouldn't overlook the value of providing adequate temporary and/or permanent construction, repair, and maintenance funds at home station installations. The quality of the facilities where military members and their families live, work and play directly impacts their desire to continue serving through multiple deployments and extended separations. We devote significant resources to training/equipping America's sons and daughters—a long-term investment—and that same level of commitment should be reflected in the facilities where they work. We caution deferring these costs, especially at installations impacted by base realignment and closure decisions, organizational transformation or mission-related shifts. Congress did approve in the FY 2010 Appropriation bill, \$23.3 billion for military construction and family housing which will fund many projects for the Active Duty, Guard and Reserve, and military families. These funds will be used to upgrade barracks and child care centers, provide readiness centers, and more family base housing. Each of these projects and others are very important and we thank you for funding them. Oversight of these important projects is paramount in making sure that they are completed and the Force benefits.

HOUSING PRIVATIZATION. We urge congress to keep a keen over-sight on the privatization of military housing. Areas of concern include maintenance and upkeep of the housing, renting military housing to those who have no affiliation with DoD (so that they simply have the housing occupied), and employing contractors with a true interest in providing quality military housing and who are not focused on the highest financial gains any way possible. In 1996 the Military Housing Privatization Initiative was enacted into law with the "...goal of revitalizing, replacing, or demolishing all inadequate housing by 2007..." At that time "approximately 10 percent of all families lived on-base, in government-owned military housing that is often dilapidated, too small, and lacked modern facilities. Forty three percent (or 58,000 units) were substandard" (DOD). As of January 2010 there are 186,870 military housing construction projects awarded to contractors at military installations across the U.S. with the intent of revitalizing, replacing, or demolishing facilities to create a better living environment for our service members. AFSA urges Congress to fully fund appropriate accounts to ensure all remaining installations eliminate substandard housing as quickly as possible. Those devoted to serving this country deserve nothing less.

CHILD DEVELOPMENT AND FITNESS CENTERS. Tremendous strides have been made to improve access to quality child care and fitness centers on military installations and we are grateful to the Department of Defense and Congress for your collective efforts addressing these areas of concern. There is still more work to be done. The demand for child care continues to grow as a larger percentage of military members have young children. As such, the Air Force named July 2009 - July 2010 as the Year of the Air Force Family and has focused over this period of time on implementing changes and introducing new family support programs that will keep pace with the needs of Airmen and their families. The Air Force plans to add capacity to their child care facilities so that every Air Force child will have a spot in an Air Force child care facility by FY2012 and also provide more support for exceptional family member programs. Funding these programs is essential to meeting force needs and developing an environment that will ensure service member quality-of-life. There also needs to be a provision allowing additional household goods weight for shipment of special needs equipment for their exceptional needs family member whether they're moving to their next duty station or making their final move after retiring or separating. For example, an E-6 had to pay \$7,000.00 out of his own pocket to transport Exceptional Family Member goods for a Permanent Change of Station (PCS), because it exceeded his allotted weight allowance for his house hold goods.

HOMEOWNERS ASSISTANCE PROGRAM (HAP). This program is designed to help service member homeowners who suffer financial loss on the sale of their primary residences when a base closure or realignment announcement causes a decline in the residential real estate market and they are not able to sell their homes under reasonable terms or conditions. We applaud the actions of this committee to improve this program along with legislators like Representative Dina Titus for introducing H.R. 4324 which will allow the Secretary of Defense leeway in deciding the dates of eligibility for HAP. We would like the committee to support this improvement to the HAP because there are many instances where BRAC has affected military base communities differently. Many

service members are outside the eligibility range but are affected by BRAC closures just as badly and need help. This program may not be a big budget item but it has a tremendous affect on retention of service members.

ENERGY. Good energy efficiency practices are an important Air Force goal. The Air Force has requested \$250 million for energy and water conservation projects in FY11. This funding will help us to complete projects, which the Air Force finalized in their FY10 energy plan that will meet our 2015 efficiency goals. The Air Force is focused on using alternative energy resources that will reduce energy costs and improve the work environment for all Airmen. Additionally, the plan recognizes that aviation operations account for over 80 percent of the energy used by the Air Force each year, and directs Airmen and mission planners to continue managing aviation fuel as an increasingly scarce resource.

VETERANS AFFAIRS

Taking care of our veterans is a solemn duty and is reflected in the trust between the government and its uniformed members that have entered into a contract where each pledges with their life to support and defend the constitution. Today, the men and women of the armed forces continue a tradition of honor and valor exemplified by past generations. It is important our country lives up to its commitments made to all veterans--the role models for today and tomorrow's forces.

SUPPORT VA SUBVENTION. With more than 40 percent of veterans eligible for Medicare, VA-Medicare subvention is a very promising venture, and AFSA offers support for this effort. Under this plan, Medicare would reimburse the VA for care the VA provides to non-disabled Medicare-eligible veterans at VA medical facilities. This funding method would, no doubt, enhance some older veterans' access to VA health care. The VA has an infra-structural network to handle this, and we anticipate the effort would be successful. This is an opportunity to ensure that those who served are not lumped in with all those who have not, and would, no doubt, save taxpayer dollars by potentially reducing an overlap in spending by Medicare and the VA for the same services. While we recognize the current Administration's intent to open the VA health care system to hundreds of thousands of additional veterans, we suggest that VA subvention can be used as a methodology that will economically promote this effort.

"SEAMLESS" TRANSFERABLE MEDICAL RECORDS. The record numbers of veterans being generated by the wars in Afghanistan and Iraq underscore the importance of accelerating DoD and VA plans to seamlessly transfer medical information and records between the two federal departments. A lifetime DoD-VA service medical record will help veterans obtain early, accurate, and fair VA disability ratings, save the Department of Veterans Affairs funding, and facilitate pre- and post-deployment research that will advance standards of care. Additional savings will be realized by preventing the "doubling" of diagnostic testing which currently occurs when VA runs similar testing (MRIs/X-rays, etc.) to validate DoD findings. We are pleased the two Departments are working together to resolve this issue, and the work of the

committee on this matter has not gone unnoticed. The technology exists to accomplish the goal of a seamless record, and we urge the committee to assume an even greater, more aggressive oversight role and facilitate implementation of this important program as quickly as possible. The implementation of the Virtual Lifetime Electronic Record by 2012 is long overdue and a welcomed step in the 21st century.

CARE FOR WOMEN VETERANS. The unique health care challenges faced by women veterans must be met with a sense of higher urgency from Congress. By next year, the VA estimates that women veterans will comprise well over 10 percent of the veteran population (includes women from all military services, Reserve, Guard components). During Desert Storm 41,000 women served in theater during the operational period (according to the *Women In Military Service For America Memorial Foundation*). Currently, women make up more than 19 percent of the active duty Air Force and approximately 21 percent of the reserve Air Force (Air Force Personnel Center). As of September 30, 2009 we have 471,079 women in uniform (from all military services), many of which have already returned from service in Iraq and Afghanistan. They too, suffer from the same effects of battle as many of their fellow male service members; such as PTSD, TBI, and Wounded Warrior issues that come with wearing the uniform. As the number of women veterans increases, the VA must be funded to increasingly provide the resources and legal authority to care for female-specific health care needs. We have been transitioning over the years away from the large male population of previous wars and conflicts and we must absolutely make sure that we do not neglect the needs of the women who have volunteered to serve our country.

SUPPORT STATE VETERANS HOMES. One hundred and forty state-run veterans' homes serve about 33,000 former service-members. These homes are a good federal investment since the states provide funding for two-thirds of total operating costs. We urge the committee to take a close look at the required level of support to protect these important national assets and further, to consider them as opportunities to provide high quality care for our nation's veterans while simultaneously minimizing the cost of providing that care and having a positive impact on homelessness.

With current military activities, our nation will bear the burden of a generation of service-members who have been inflicted with severe disabilities who will need a health care environment in which to live. In recognizing this, we must be prepared to fund, build, and maintain significantly more facilities than we have today. Unfortunately, many families will have to make the difficult decision to place their loved one in a veterans' home. It is absolutely necessary that our nation's leaders ensure there is room for them and quality care available. We must plan now--not later. We must determine funding now, start building now, and become proactive in our approach to provide long-term care for the next 50 to 75 years for this generation of service members. We also need to begin the steps to provide care for women veterans. With more than 1.8 million female veterans who have served in the military, according to the Secretary of Veterans Affairs. It is projected that by 2020 women Veterans will comprise 10 percent of the Veteran population. The State Veterans homes will host more females in the future and we need to be able to provide the necessary services for them.

Unfortunately, the recently released State Home Construction Grant Program Priority List indicates a backlog of \$405 million in Priority One and \$946 million for all projects. Consequently, the \$250 million we received in FY 2010 through appropriated and stimulus funds is seriously inadequate, given the number of applications waiting funding. We desperately need to address this funding shortage in the FY 2011 budget and work to provide the maximum amount of funding needed to complete the required construction projects to provide quality care for our veterans (Armed Forces Veterans Homes Foundation). AFSA also recommends enactment of HR 4241 to properly take care of over 33,000 veterans that are in State Veterans homes across the country.

EDUCATION PROGRAMS. There's no escaping the fact that college costs are rising. As the gap between the cost of an education and value of the Montgomery G.I. Bill widened, the significance of the benefit became less apparent. For that reason, the Post-9/11 GI Bill is a giant step forward. However, we must make sure that the new Post-9/11 GI Bill stays current at all times, so that this benefit will not lose its effectiveness when it comes to recruiting this nation's finest young men and women into service. As a member of The Military Coalition and the Partnership for Veterans' Education, we strongly recommend you make the remaining technical corrections to the Post-9/11 GI Bill. Examples that stand out are active duty not receiving the \$1,000.00 annual book stipend, Title 32 credit for Guard and Reserve service, and BAH for those veterans or retirees taking on-line college courses full time.

READINESS AND FAMILIES

PERSONNEL SUPPORT. Nearly 40,000 Airmen are deployed and 130,000 Airmen support combatant commanders from their home stations. These Airmen operate mission essential support operations and are working around the clock at home and overseas to support their comrades in arms through flying sorties, delivering passengers and cargo, providing combat support, and transporting patients and casualties. In support of these efforts and to continue this legacy we need to recruit and retain the highest quality service members. With our country fighting two wars and maintaining active component end strengths, it is imperative that we fund military personnel initiatives to include a 1.9 percent pay increase, and retention and recruiting bonuses for targeted wartime critical skills.

PERSONNEL RECOVERY. The increased reliance on military and civilian personnel supporting overseas contingency operations (OCO) creates the backdrop for an increased need of Air Force recovery missions that include crucial medical and casualty rescue missions. These types of missions show how important it is that we replace our aging fleet of aircraft to support operations overseas. We ask that you fund these requirements for more support and operational aircraft and that you fund the Guardian Angel personnel recovery program so that the pararescuemen can operate with modern mission essential equipment.

AIRMEN AND FAMILIES. Retention rates have exceeded expectations, as they continue to progress toward the desired end strength goal of 332,200 active duty Airmen. In addition to stabilizing their end strength, training programs and aircraft need to be modernized. With the need to save money and the desire to better partner with Joint and Coalition teams, the Air Force is providing Airmen with cultural and regional expertise and appropriate levels of foreign language training. The efforts to expand foreign language instruction for officer commissioning programs at the Air Force Academy and in ROTC include efforts such as encouraging cadets to take foreign language coursework and to participate in language immersion and study programs abroad. We also need to consider enlisted members when expanding programs of this kind and including programs that enhance expeditionary skills training to prepare Airmen for deployment.

The Air Force continues to expand its efforts to improve the resiliency of Airmen and their families before and after deployments. This year they expanded deployment-related family education, coupling it with psychological screening and post-deployment health assessments. Additionally, they are offering access to chaplains who provide pastoral care, counselors, and mental health providers trained in post-traumatic stress treatment at every base. The Air Force is also developing a continued support plan that includes promoting and encouraging mental health assistance and providing at-risk deployers with tailored and targeted resiliency programs. This very important initiative is urgently needed as a part of the suicide prevention program. To support this increased effort, they will need assistance to enhance mental health career field recruiting and retention through special pays and targeted retention bonuses.

Mr. Chairman, in conclusion, I would like to thank you again for this opportunity to express the views of our members on these important issues as you consider the FY 2011 budget.

We realize you possess incredible responsibility as caretakers of the taxpayers' money and must budget wisely, basing difficult decisions on many factors. Choosing what can and cannot be addressed grows significantly difficult. However, AFSA contends that it is of paramount importance to provide quality health care and top-notch benefits in exchange for the devotion, sacrifice, and service of military members, particularly while this nation remains at war. Putting hundreds of thousands of Americans in Iraq and Afghanistan to protect us is not a "pay as you go" situation.

AFSA also firmly believes while much attention is given to the combat capability of technologically advanced systems, the most valuable weapon America has is those that serve, especially those wearing the chevrons of the enlisted grades. If we expect to retain this precious resource we must provide them, and their families, with quality facilities that reflect their level of commitment and sacrifice.

Again, Mr. Chairman, we are pleased by the hard work of this committee and its commitment to America's veterans past and present. On behalf of all Air Force

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Sergeants Association members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.

Mr. EDWARDS. Sergeant McCauslin, thank you. And let me thank you and, in doing so, thank others for speaking out for these quality-of-life programs for our servicemen and women and our veterans.

I know how important weapons programs are, but there is never a shortage of lobbyists fighting for new aircraft carriers or Joint Strike Fighters, other important programs. There aren't thousands of lobbyists running around fighting for better daycare centers and veterans homes and for better health care and education and housing for our troops, and thank you for being that voice. Very great start for this hearing. Thank you, sir.

Now I could call Mr. Charles Connor, who is the president and Chief Executive Officer of the American Lung Association. Mr. Connor, thank you for being here today.

Mr. CONNOR. Well, thank you, Mr. Chair. We met last in Waco when I was in the service of Secretary Dalton some years ago.

Mr. EDWARDS. Yes, a good friend. Thank you for that service of yours.

TUESDAY, MARCH 23, 2010.

AMERICAN LUNG ASSOCIATION

WITNESS

CHARLES D. CONNOR, PRESIDENT AND CEO

STATEMENT OF CHARLES D. CONNOR, CAPT. USN-RET.

Mr. CONNOR. Yes, sir.

Mr. Chairman, my name is Captain Charles Connor. I am a retired Navy captain and president and CEO of the American Lung Association. And I am here to testify in support of the Veterans Research Program.

The American Lung Association was founded in 1904 to fight tuberculosis, and today our mission is to save lives by improving lung health and preventing lung disease. First, I would like to thank you, Mr. Chairman and the committee, for increasing the investment in medical research at the V.A. to \$581 million for the current fiscal year. This investment will certainly save lives.

Chronic disease, as you know, including lung disease, is now among the most prevalent diseases in the V.A. health care system. And we believe now is the time to increase funding for research at the V.A. to meet emerging needs and the existing disease burden.

So for that reason, the American Lung Association today recommends and supports increasing V.A. medical and prosthetics research to \$700 million for the next fiscal year.

I would like to touch briefly on three areas today in the next few minutes. Number one is combating tobacco use. Tobacco use remains the leading cause of preventable death in the United States and, not surprisingly, is a significant public health problem for the V.A., as well.

Over 70 percent of V.A. enrollees have reported that they have smoked at one time in their lives, and currently, almost 20 percent of this population smoke. This committee and the V.A. have done

many commendable things to increase smoking cessation, but much work remains.

COPD, or chronic obstructive pulmonary disease, now ranks as the fourth-most-common reason for hospitalization in the V.A. patient population. An estimated 16 percent of veterans in the V.A. health care system have been diagnosed with this disease.

We believe the best way to prevent COPD and many diseases the V.A. health care system manages is to quit smoking or to not smoke in the first place.

The solution for reducing tobacco-related diseases rests, of course, within the DOD. But V.A. will bear the primary burden. The current smoking rates for ex-duty military is roughly 30 percent, with smoking rates highest among enlisted personnel ages 18 to 25, and they are especially high among Marines and soldiers, pushing 40 percent.

The Department of Veterans Affairs estimates that more than 50 percent of all active-duty personnel stationed in Iraq smoke. This past summer, the Institute of Medicine issued a report entitled "Combating Tobacco Use in Military and Veterans Populations." The report, which was requested by both departments, issued a series of recommendations for the DOD, the V.A. and the Congress. And I would like to present a copy of this report here for your examination at your leisure.

The American Lung Association recommends that the Department of Veterans Affairs implement all recommendations called for in that report and that Congress act now to repeal the unfortunate provision of the 1992 Veterans Health Care Act that prevents V.A. health care facilities from making their campuses smoke-free and tobacco-free.

Mr. Chairman, the American Lung Association cares deeply about this issue and is committed to reducing tobacco use in the military. I personally met with senior enlisted advisers in the Army and the Navy as well as senior staff in DOD's Health Affairs Office and the House Armed Services Committee. We would welcome the opportunity to work much more closely with this committee to reduce the terrible burden to the V.A. by tobacco use.

Second item. The American Lung Association is extremely troubled by reports of soldiers who were exposed to burn pits, open burn pits in Iraq and Afghanistan, who are now returning home with lung illnesses including asthma, chronic bronchitis, and sleep apnea. Given what we know about the health effects of burning refuse, the American Lung Association recommends that DOD begin immediately to find alternatives to this method of waste disposal. We also recommend that V.A. monitor the short-and long-term consequences of exposure to these burn pits. Finally, we urge V.A. move immediately to establish a national registry to track all personnel who are exposed to burn pits while in Iraq and Afghanistan.

Finally, Mr. Chairman, we understand the V.A. research infrastructure is in need of significant attention. We join our partner organizations and request that Congress provide \$300 million in fiscal year 2011 to be dedicated exclusively to renovating existing research facilities.

And lastly, we ask the committee to fund the V.A. medical and prosthetics research at \$700 million, because our veterans deserve such cutting-edge health care.

Thank you very much.

[Prepared statement of Charles D. Connor (Capt. USN-Ret.) follows:]



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**STATEMENT OF THE AMERICAN LUNG ASSOCIATION
ON**

FISCAL YEAR 2011 APPROPRIATIONS FOR THE

VETERANS AFFAIRS MEDICAL RESEARCH PROGRAM

BEFORE THE

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON MILITARY
CONSTRUCTION, VETERANS AFFAIRS AND RELATED
AGENCIES**

PRESENTED BY

**CHARLES D. CONNOR, (Capt. USN- Ret.)
PRESIDENT AND CEO**

MARCH 23, 2010

Mr. Chairman, members of the Committee, my name is Charles Connor and I am president and CEO of the American Lung Association. I am also a retired Captain in the U.S. Navy, which I served for 26 years. I am honored to testify in support of the veterans' research program. The American Lung Association was founded in 1904 to fight tuberculosis and today, our mission is **to save lives by improving lung health and preventing lung disease**. We accomplish this through research, advocacy and education.

The Department of Veterans Affairs (VA) is a very important component in the fight against respiratory disease. It provides health care to more than five million veterans, over one million of whom have chronic lung disease.

First, on I want to thank you, Mr. Chairman, and the committee for increasing the investment in medical research at the VA to \$581 million for FY 2010. This investment will help to save lives.

While our mission is to save lives by improving lung health and preventing lung disease, we are a voluntary health agency committed to public health. The Lung Association recognizes the tremendous need for research into acute traumatic and central nervous system injuries to help our young men and women who are returning from Iraq and Afghanistan. We also recognize that bioterrorism and other threats our troops are under will likely impact their lung health.

As such, the American Lung Association recommends and supports increasing VA Medical and Prosthetics Research to \$700 million. This request is \$120 million over the FY10 appropriation. Twenty million dollars is needed to keep the medical research funding on pace with inflation and we are requesting an additional \$100 million to fund new initiatives. This funding level will also allow the VA to address the very critical needs of the returning veterans from Iraq and Afghanistan.

There are three areas I will explore in my testimony: the tremendous burden caused by tobacco use on veterans; burn pits and the potential health consequences that we cannot ignore; and the need to fund VA's research infrastructure.

Combating Tobacco Use

Tobacco use remains the leading cause of preventable death in the United States and not surprisingly, is a significant public health problem for the Veterans Administration as well. This Committee and the VA have done many things to increase smoking cessation, but much work remains.

Chronic lung diseases – especially those caused primarily by smoking, including Chronic Obstructive Pulmonary Disease (COPD) – take a tremendous human and financial toll on the VA system. Chronic obstructive pulmonary disease (COPD) is a term referring to two lung diseases, chronic bronchitis and emphysema. Both conditions cause obstruction of airflow that interferes with normal breathing. Both frequently exist together, so physicians prefer the term COPD. COPD is preventable and treatable. This definition of COPD does not include other obstructive diseases such as asthma, although uncontrolled asthma over a lifetime can result in damage and COPD.

An estimated 16 percent of veterans in the Department of Veterans Affairs (VA) Health Care System have been diagnosed with COPD. COPD ranks as the fourth most common reason for hospitalization in the VA patient population. It is the fourth most common cause of death in the United States, and it is projected to become the third leading cause of mortality by 2020. COPD is amenable to early diagnosis with a simple breathing test. Proven interventions are effective, and treatments have been shown to decrease exacerbations, hospitalizations, and improve quality of life. Recent advances in the diagnosis and treatment of COPD have been summarized in national and international guidelines in the past few years, but have not yet found their way into general medical practice. This needs to change to turn the tide of increasing COPD death.

Between 80 and 90 percent of all COPD cases are caused by smoking. The best way to prevent COPD and many diseases the VA healthcare system manages is to quit smoking or not to smoke in the first place. This makes the issue of tobacco control a critical one for the VA.

According to the *2008 Study of Veteran Enrollees' Health and Reliance Upon VA*, over 70 percent of VA enrollees report that they have smoked at one time in their lives. Currently 19.7 percent smoke. This is down from 22.2 percent in 2005 and 21.5 percent in 2007 and shows some important momentum in the right direction. Among the 70 percent of the VA population who has ever smoked, over twenty five percent (25.5) say they've recently quit smoking, again, a step in the right direction.

Sadly, the VA will continue to battle this problem for some time to come. The current smoking rate for active duty military is 30.5 percent, with smoking rates highest among personnel ages 18 to 25 – especially among soldiers and Marines. The Department of Veterans Affairs estimates that more than 50 percent of all active duty personnel stationed in Iraq smoke.¹ It is clear that more must be done to reduce smoking rates among both veterans and active duty personnel.

To that effect, this summer, the prestigious Institute of Medicine (IOM) issued a report entitled, *Combating Tobacco Use in Military and Veterans Populations*. The panel found "tobacco control does not have a high priority in DoD or VA." This report, which was requested by both departments, issued a series of recommendations. Among the recommendations for the VA are:

- All VA staff and patients should be provided with barrier-free access to tobacco-cessation services;
- The VA/DoD *Clinical Practice Guideline for the Management of Tobacco Use* should be updated and harmonized with the Public Health Service's *Treating Tobacco Use and Dependence: 2008 Update*;
- The Secretary and the Under Secretary for Health should be actively promoting tobacco cessation;
- Veterans integrated service network (VISN) directors must be accountable for VA cessation program implementation and enforcement; and
- All VA healthcare and health promotion staff should be educated in tobacco control practices and all healthcare providers should follow tobacco cessation inventions and protocols.

¹ Hamlett-Berry, KW, as cited in Beckham, JC et al. Preliminary findings from a clinical demonstration project for veterans returning from Iraq or Afghanistan. *Military Medicine*. May 2008; 173(5):448-51.

The report also calls on Congress to repeal a portion of the Veterans Health Care Act of 1992 in order to allow VA healthcare facilities to go entirely tobacco-free.

The American Lung Association recommends that the Department of Defense and the Department of Veterans Affairs implement all recommendations called for in the 2009 IOM report, and that Congress act to repeal the provision of the 1992 Veterans Health Care Act that prevents VA healthcare facilities from going tobacco-free. The IOM has laid out a very careful, scientifically-based road map for the VA to follow and the American Lung Association strongly urges that its recommendations be implemented without delay.

Troubling Lung Health Concern in Iraq and Afghanistan

The American Lung Association is extremely troubled by reports of soldiers who were exposed to burn pits in Iraq and Afghanistan, and are now returning home with lung illnesses including asthma, chronic bronchitis and sleep apnea. Civilians are also at risk.

Emissions from burning waste contain fine particulate matter, sulfur oxides, carbon monoxide, volatile organic compounds, and various irritant gases such as nitrogen oxides that can scar the lungs. Emissions also contain chemicals that are known or suspected to be carcinogens.

For vulnerable populations, such as people with cardiovascular diseases, diabetes, asthma and chronic respiratory disease, exposure to these burn pits is particularly harmful. Even short exposures can kill. However, the health impact of particle pollution is not limited to individuals with pre-existing conditions. Healthy, young adults who work outside – such as our young men and women in uniform – are also at higher risk.

EPA has just concluded that particulate matter causes heart attacks, asthma attacks, and early death. The particles are extremely small and are unable to be filtered out of our respiratory system. Instead, these small particles end up deep in the lungs where they remain for months, causing structural damage and chemical changes. In some cases, the particles can move through the lungs and penetrate the bloodstream. Larger particles will end up in the upper respiratory system, causing coughs.

Given what we know about the health effects of burning refuse, the American Lung Association recommends that the DoD begin immediately to find alternatives to this method of waste disposal. We also strongly recommend that the VA monitor the short- and long-term consequences of exposure to these burn pits. Finally, we urge the VA move immediately to establish a national registry to track all personnel who were exposed to burn pits while in Iraq and Afghanistan.

Research Infrastructure Funding

Mr. Chairman, we understand that the VA research infrastructure is in need of significant attention. A research program needs to have modern, well-maintained laboratories to be successful. The VA's research infrastructure has been deteriorating and funds are urgently needed to upgrade, repair or replace research space and equipment. A state-of-the-art physical environment for research promotes excellence in science as well as teaching and patient care. It

also helps VA recruit and retain the best and brightest clinician-scientists to care for our nation's veterans.

We join our partner organizations and request that Congress provide \$300 million in FY11 to be dedicated exclusively to renovating existing research facilities.

Conclusion

Mr. Chairman, in summary, our nation's veterans deserve excellent health care. Research programs funded by the VA have the potential to improve the quality of life and health outcomes for all Americans, especially our veterans. **The American Lung Association supports increasing the investment in research to \$575 million.** Thank you.

**Subcommittee on Military Construction, Veterans Affairs and Related
Agencies
Witness Disclosure Form**

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

<p>Your Name, Business Address, and Telephone Number: Charles D. Connor President and CEO American Lung Association 1301 Pennsylvania Avenue NW Suite 800 Washington DC 20004</p> <p>202-785-3355</p>								
<p>1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.</p> <p style="text-align: center;">American Lung Association</p>								
<p>2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2007?</p> <p style="text-align: center;"><u>Yes</u> No</p>								
<p>3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.</p> <table style="width: 100%; border: none;"> <tr> <td colspan="2">American Lung Association</td> </tr> <tr> <td>CDC: Asthma Friendly Schools Initiative</td> <td style="text-align: right;">\$903,903</td> </tr> <tr> <td>CDC: Breathe Well, Live Well</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>EPA: Comprehensive Childhood Asthma Management</td> <td style="text-align: right;">\$1,100,000</td> </tr> </table>	American Lung Association		CDC: Asthma Friendly Schools Initiative	\$903,903	CDC: Breathe Well, Live Well	\$300,000	EPA: Comprehensive Childhood Asthma Management	\$1,100,000
American Lung Association								
CDC: Asthma Friendly Schools Initiative	\$903,903							
CDC: Breathe Well, Live Well	\$300,000							
EPA: Comprehensive Childhood Asthma Management	\$1,100,000							

Signature:

Date: March 15, 2010

Please attach a copy of this form, along with your curriculum vitae (resume) to your written testimony.

Charles Dean Connor is President and Chief Executive Officer of the American Lung Association National Headquarters in Washington, DC. In this role, he leads the nation's oldest voluntary health association, as it continues to save lives by improving lung health and preventing lung disease. Beginning its second century, the American Lung Association is *Fighting For Air* through education, advocacy and research.

Before being named President and CEO, he served as Executive Vice President and Chief Operating Officer for the Lung Association, overseeing all corporate functions including Development, Advocacy, Policy, Research, Marketing and Field Support.

Prior to joining the Lung Association, he was Senior Vice President for Communication & Marketing for the American Red Cross. In 2005, he was recognized as PR Professional of the Year by the Public Relations Society of America. Also in 2005, his department was named PR Team of the Year by *PR Week* magazine.

Before joining Red Cross, Mr. Connor was Principal for Client Strategy with The Dilenschneider Group in Chicago where he specialized in communications strategy development, litigation support, crisis control, issues management and media relations. Before joining The Dilenschneider Group, Mr. Connor served in Washington, DC as the first director of public affairs for the Federal Judiciary.

Before joining the federal judiciary, Mr. Connor served for 25 years as a United States Navy public affairs officer, leaving the service with the rank of Captain.

Mr. Connor graduated from Loyola University of Chicago Law School and is a member of the bar of both Illinois and the District of Columbia. He holds a B. A. in Political Science from the University of Illinois and attended Portland State University for graduate study in marketing and communications.

Mr. EDWARDS. President Connor, thank you. And I am proud that when I became chairman on a bipartisan basis, this subcommittee has worked to increase it the VA research budget, as you recognize, and we are going to continue to push that.

One quick question. Is there a conventional wisdom that certain approaches to smoking cessation are more effective than others?

Mr. CONNOR. Yes, Mr. Chairman. In short, we believe that a program with some medical attention works best. It takes several times to quit. It is pretty rare to quit on the first attempt. Sometimes 5 or 10 times is the norm. But they do work, I think, instead of just going cold turkey, with a program, with some medical attention and possibly some medication, is the best way to do it.

Mr. EDWARDS. Great. There is no doubt in my mind that we will never be able to afford all of our future health care costs in the V.A., DOD, or in the society in general if we do not do more on preventive care, and—

Mr. CONNOR. Two years ago, the former head of CDC said if she could pick one thing that would overnight improve health care is getting people off tobacco.

Mr. EDWARDS. Thank you.

Mr. CONNOR. Thank you, Chairman.

Mr. EDWARDS. Now I would like to call forward Mr. John Davis with the Fleet Reserve Association. He is also co-chairman of the Military Coalition's Retired Affairs Policy Committee and served in the United States Marine Corps.

And your son is presently deployed in Afghanistan?

Mr. DAVIS. That is correct, yes.

Mr. EDWARDS. Well, please let him know how deeply grateful we are for his service, as well as yours. Thank you. I would like to recognize you now for your comments.

TUESDAY, MARCH 23, 2010.

FLEET RESERVE ASSOCIATION

WITNESS

JOHN DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS

STATEMENT OF JOHN R. DAVIS

Mr. DAVIS. Thank you.

My name is John Davis. I am the director of legislative programs for the Fleet Reserve Association. And we appreciate having the opportunity to come before the subcommittee.

The continuing concern for FRA is ensuring that wounded troops, their families, and survivors of those killed in action are cared for by a grateful nation. This includes adequate funding of the V.A. programs to ensure prompt adjudication of disability claims, quality health care, support, benefits, medical and prosthetic research, and a smooth, seamless transition for vets transitioning from DOD to the V.A. for care.

In recent years, there has been substantial progress in funding these critical V.A. programs, and FRA appreciates the strong support from this distinguished subcommittee in providing these his-

toric increases in V.A. funding and implementing advanced funding for the V.A. health care accounts.

Despite increased funding for additional staff, the V.A. disability claims system is still being overwhelmed, and more needs to be done. Nearly 200,000 disability claims have been pending for more than 125 days currently. These claims represent more than 38 percent of the pending claims.

FRA advocates that the V.A. must harness updated technology and interoperability of electronic health records to reduce the waiting time for prompt adjudication of disability claims and appreciate the \$460 million increase—that is a 27 percent increase—over the fiscal year 2010 Veterans Benefits Administration budget. This funding increase demonstrates a commitment by this administration to reduce this claims backlog.

The association supports access to V.A. health care for all veterans—that includes Priority Group 8 beneficiaries—and for a continued strong opposition to establishing an enrollment fee for veterans in Priority Group 7 and 8 in the V.A. health care system.

Past proposals include fees based on annual family income, along with the increase in pharmacy co-pays. There are approximately 1.3 million veterans in these groups, and FRA supports adequate appropriations to prevent shifting costs to them for care they have earned in the service of our nation.

Although not under the oversight of this subcommittee, FRA continues its strong opposition to TRICARE fee increases for the military retirees and believes that there are other cost-saving options which must be implemented prior to adjusting fees for younger retirees.

The association salutes you, Mr. Chairman, for your leadership on this issue and strongly supports the Military Retirees' Health Care Protection Act, H.R. 816.

FRA is concerned about the implementation of the Post-9/11 G.I. Bill and appreciates the additional staff and additional funding in the budget, including the \$44 million for a computer system to deliver benefits on a more timely basis, we hope.

The V.A. research should focus on approving treatments for conditions that are unique to veterans. Medical and prosthetic research is one of the most successful aspects of all V.A. programs. That is why FRA is concerned about the current medical research budget. The association, however, does appreciate and supports the 8 percent increase—that is \$148 million—in prosthetic research for 2011.

FRA is concerned about the administration's 2011 military construction budget being reduced. Childcare facilities, workspaces, and associated structures, barracks, are top concerns for enlisted personnel. FRA appreciates that the fiscal year 2011 Navy budget includes improved bachelor headquarters, including the sustained funding of the Homeport Ashore initiatives.

And FRA welcomes the Marine Corps hiring an additional 400 full-time family readiness officers on the battalion level per the provisions in the 2011 budget. Currently, the Marines are meeting 64 percent of potential daycare needs of their service and need 3,000 additional spaces to reach the DOD standard of 80 percent.

The Marines plan to increase childcare spaces by 2,615 over the next 18 to 24 months. The Navy added more than 7,000 childcare spaces in its current fiscal year and plans to reach the 80 percent childcare goal by the end of fiscal year 2011.

It is often said that individuals enlist, but it is the family that re-enlists. These childcare programs are highly valued benefits for military families and will be a critical element in retaining adequate retention numbers after the economic slowdown dissipates.

FRA wants to express its gratitude to this subcommittee for extending an invitation to the senior enlisted leaders of the Navy, Marine Corps, Army, and Air Force to discuss the enlisted community's quality of life issues.

FRA appreciates support from the appropriators for funding to rebuild the Armed Forces Retirement Home in Gulfport, Mississippi. Construction is progressing on the new facility, and FRA members who are residents at the home and were forced to relocate after the hurricane, Hurricane Katrina in 2005, are eager to go home. This new facility is rescheduled to open October of this year and is scheduled to have an opening ceremony in November of 2010. FRA thanks this subcommittee for its support in this important project.

We appreciate all that you and the members of this subcommittee have done for our troops and our veterans and your outstanding effort to support our magnificent servicemembers. Thanks again for the opportunity to present the association's recommendation for your consideration.

[Prepared statement of John R. Davis follows:]



Statement of
The Fleet Reserve Association

Before the

Committee on Appropriations
Subcommittee on Military Construction and Veterans Affairs
U.S. House of Representatives

By

John R. Davis
Director, Legislative Programs
Fleet Reserve Association

23 March 2010

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the newly established FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly \$100,000 to deserving students each year.

The Association is also a founding member of The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 85 years of service in November 2009. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections and absentee voting reform for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

**CERTIFICATION OF NON-RECEIPT
OF FEDERAL FUNDS**

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

INTRODUCTION

Mr. Chairman and other distinguished Members of the Subcommittee: The Fleet Reserve Association (FRA) appreciates the opportunity to present its recommendations regarding the FY 2011 Budget.

FRA thanks you and Members of the Subcommittee for the progress to date on enhancing funding for various military construction projects and to ensure that wounded troops, their families and the survivors of those killed in action are cared for by a grateful Nation.

FRA is deeply concerned about the backlog of claims at the Department of Veterans Affairs. The Association appreciates funding in the FY 2010 MilCon/VA appropriations bill for an additional 1,200 claim adjusters. The VA has hired nearly 4,200 more employees since January 2007, but despite the additional resources and manpower, the backlog of disability claims increased by more than 80,000 since the beginning 2009. The Association appreciates the \$145 million for a paperless claims process, and \$347 million to develop and implement an electronic health record at VA. FRA welcomes the enrollments in the VA health care system for some Priority 8 veterans, that will eventually (FY 2013) provide access to more than 500,000 veterans that are currently ineligible.

As an Association made up primarily of career Navy enlisted personnel, the Agent Orange claims controversy is a high priority for the Association and FRA welcomes the \$13.4 billion FY 2010 supplemental appropriations for new presumptions related to Agent Orange exposure. FRA notes that the FY 2011 VA budget for claims processing is increased by 27 percent (\$460 million) over the FY 2010 budget that includes improved benefits processing through a combination of additional staff, enhanced business practices, and improved use of technology.

POST 9/11 GI BILL

The Association understands that funding for the Post 9/11/2001 G.I. Bill is mandatory, thus eliminating the year-to-year uncertainty about adequate resources to support the authorized and dramatically increased education benefits for qualifying service members. This is a very significant program and FRA is grateful for its enactment. The VA budget also provides funding to meet the increased education claims workload resulting from the enactment of the Post 9/11 GI Bill program. This benefit program has had an immeasurable improvement on the morale of those currently serving. The Association appreciates the logistical difficulty of implementing a new system while still administering the current system. FRA welcomed additional VA processors until a new automated system is developed and implemented and appreciates that the VA issued more than 30,000 checks up to \$3,000 each in October to students who had not yet received benefits. As the fall semester came to an end more than 26,000 students had not received any benefits at all. It appears that processing payments for the spring semester has been improved but more work needs to be done to improve delivery of benefits for this program.

WOUNDED WARRIORS

FRA is cautiously optimistic about the progress toward establishing the joint DoD-VA office that will oversee development of a bi-directional electronic medical record per provisions in the FY 2008 National Defense Authorization Act (NDAA). The creation of the electronic health record is a critical element in developing a seamless transition process between DoD and VA care. Despite jurisdictional challenges, this Subcommittee should ensure that this office has adequate funding to effectively implement a bi-directional electronic medical record as a critical first step in improved treatment of physical injuries as well as PTSD and TBI for veterans of Operations Iraqi and Enduring Freedom (OIF/OEF).

The FRA is encouraged by the improved cooperation between of the Departments of Defense (DoD) and Veterans' Affairs (VA) in working to help our wounded warriors. For example, DoD is working with the VA to expand the Disability Evaluation System (DES) pilot program that simplifies the current disability evaluation process for wounded, injured and ill service members and is aimed at assisting wounded service members obtain faster access to TRICARE and other health care and VA benefits. A single medical examination used by both DoD and VA, with a single source disability evaluation done by VA and accepted by DoD is key to this initiative. The pilot, implemented in the National Capitol Region in November 2007, expanded to 19 additional installations last year. FRA has strongly supported a streamlined and seamless disability evaluation process and supported the legislative effort to create the pilot program. More than 700 service members have participated in the pilot program.

The pilot was initiated at the Washington D.C. VA Medical Center and at three Military Treatment Facilities in the National Capitol Region – Malcolm Grow Medical Center at Andrews Air Force Base, Md., Walter Reed Army Medical Center in Washington, D.C., and National Naval Medical Center in Bethesda, Md. More installations were added to the study, including Fort Carson, Colo., Naval Medical Center San Diego, Calif., and Elmendorf Air Force Base, Alaska.

The FY 2008 National Defense Authorization Act established a comprehensive policy on the care and management of wounded service members in order to facilitate and enhance their care, rehabilitation, physical evaluation, transition from DoD care to the VA, and transition from military service to civilian life.

Although DoD and VA have made great progress in sharing information and resources, much more is needed, particularly with regard to access standards, to truly provide a "seamless transition" from military service to veteran status. The Special Oversight Committee (SOC) is important to this process. FRA advocates that a truly seamless transition can not be implemented and maintained without the adequate funding of a permanent joint VA/DoD office is staffed by both DoD and VA personnel.

FRA supports the Administration's efforts to modernize the administration of veterans' health care by creating a Joint Virtual Lifetime Electronic Record (VLER). The creation of a VLER for every service member would be a major step toward FRA's long-standing goal of a seamless transition from military to veteran status. The VLER ultimately would permit a health care provider (DOD, VA or a private provider) a timely, seamless access to an individual's (service member/veteran) health data.

Although these and other reforms are improvements, the fact remains that the VA disability process and the VA health care system is still overwhelmed. A two-front war, a lengthy occupation and repeated deployments for many service members has put a strain on the DoD/VA medical system that treats our wounded warriors. The system is being strained not only by volume but by the complexity of injuries, and the military has shown that it is inadequate in recognizing and treating cases of TBI and PTSD, even though more than 3,900 new mental health employees have been hired since 2005 – bringing our total number to more than 17,000. Soaring medical costs, decades of inadequate appropriations and increasing demand for medical services have severely hampered timely access to quality health care for our Nation's sick and disabled veterans.

VA 2011 BUDGET OUTLINE

Under the Advanced Funding law, the Administration is now able to request two budgets for the VA: one to provide fiscal 2011 total funding and another to provide fiscal 2012 funding for certain VA medical accounts.

For fiscal year 2011, the Administration has proposed a VA budget of \$125 billion, an \$11 billion increase (7.6 percent) from the 2010 enacted budget. The Administration is requesting \$51.5 billion in resources for VA medical care, an increase of \$4.1 billion over fiscal year 2010 levels. For fiscal year 2012, the Administration has requested a 5 percent increase in funding above the amounts requested for fiscal year 2011. The VA has requested a \$460 million increase for processing disability claims, a 27 percent increase over the current fiscal year. The proposed budget adds \$44 million for a new automated claims system for processing Post 911 GI Bill education benefits. Since the VA expects education benefit claims to increase by nearly 30 percent in FY 2011.

FRA supports the FY 2011 Independent Budget (IB) and welcomes the Department of Veterans Affairs (VA) budget being excluded from the Administration's freeze on discretionary spending and the implementation of advanced funding for VA health care for FY 2012 (\$54.3 billion).

The proposed FY 2011 VA budget includes a \$5 billion increase (\$51.5 billion) over FY 2010 levels for medical care programs, and the IB recommends an additional \$500 million more (\$52.0 billion) for medical care programs. The budget also contains a significant increase in funding for the Veterans Benefits Administration (VBA), the VA agency charged with providing compensation and benefits to veterans. The President's budget recommends \$2.1 billion for VBA, an increase of \$460 million over the FY 2010 appropriated level. This funding increase reflects a real commitment toward bringing

down the massive claims backlog and providing timely, accurate education benefits to service members and veterans eligible for the Post-9/11 GI Bill.

FRA is troubled by the level of funding recommended for construction projects and information technology. With VA facing a massive backlog of important construction requirements and states becoming ever more reliant on VA to contribute to the funding for construction of long-term care facilities, now is not the time to reduce this critical funding. Likewise, there are a number of critical information technology initiatives that need to be addressed. Finally FRA wants to express doubts about the projection that VA will be able to get \$3.3 billion from third-party insurers.

HEALTH CARE FEES

FRA continues its strong opposition to establishing a tiered enrollment fee structure for veterans in Priority Groups 7 and 8 within the VA Health Care System. Past proposals include fees based on annual family income adjusted by region averaging approximately \$30,000 and above, along with an increase on pharmacy co-pays from \$8 to \$15 for Priority Group 7 and 8 beneficiaries. There are approximately 1.3 million veterans in these groups and FRA supports adequate appropriations to prevent shifting cost to them for care they've earned in service to our Nation. Although not under the oversight of this Subcommittee, FRA continues its strong opposition to TRICARE fee increases for military retirees and believes there are other cost-saving options which must be implemented prior to adjusting fees for younger retirees. The Association salutes Chairman Edwards for his leadership on this issue and strongly supports the "Military Retirees Health Care Protection Act" (H.R. 816) which he sponsored along with Rep. Walter Jones (N.C.)

Rather than focus efforts on cost-shifting to beneficiaries, the VA should look at other cost-saving measures. The VHA should focus on improving wellness systems, such as "My HealtheVet," expanding outreach to work on prevention, early, effective interventions, and innovative methods of motivating beneficiaries toward healthy life styles. These measures could result in substantial savings for the VHA in the coming years.

MEDICAL AND PROSTHETIC RESEARCH

The VA's research should focus on improving treatments for conditions that are unique to veterans. Medical and prosthetic research is one of the most successful aspects of all VA medical programs. That is why FRA is concerned that there is no increase (\$3.345 billion) in medical research budget which could result in possible cuts in research. The Association, however, appreciates and supports the eight percent increase (\$148 million) in prosthetic research for 2011.

MILITARY CONSTRUCTION

FRA is concerned that the Administration's FY 2011 military construction budget is reduced by 19.5 percent and the family housing budget is reduced by 19.3 percent from the current fiscal year. Child care facilities, work spaces and associated structures, and barracks construction are top concerns for enlisted personnel. FRA appreciates that the FY 2011 Navy budget includes improving bachelor quarters, including sustained funding for Homeport Ashore initiatives. FRA welcomes the Marine Corps hiring an additional 400 full-time family-readiness officers on the battalion level per provisions in the FY 2011 budget. Currently the Marines are meeting 64 percent of potential day-care needs (same as last year) and need 3,000 additional spaces to reach the DoD standard of 80 percent. The Marines plan to increase 2,615 child-care spaces over the next 18-24 months. The Navy added more than 7,000 child care spaces in the current fiscal year and plans to reach the 80 percent child care goal by the end of FY 2011. It is often said that the individual enlists but it's the family that re-enlists. The Navy and Marine Corps child care programs are highly valued benefits for military families and are a critical element in maintaining adequate retention numbers.

FRA wants to express its gratitude to this distinguished Subcommittee for extending an invitation to the senior enlisted leaders of the Navy, Marine Corps, Army and Air Force to discuss Quality of Life issues with the Subcommittee. These issues include child care facilities, work spaces and associated structures, and barracks construction and other top concerns of the enlisted community.

BRAC

FRA notes that the recently enacted "American Recovery and Reinvestment Act" includes funding for new military construction, renovation projects and funding for VA hospitals.

The Association remains concerned, however, about the inadequacy of funding for implementation plans for other DoD transformation initiatives, global repositioning, and BRAC actions. During the current wartime environment, it's important to establish and maintain support services and quality of life programs for active and reserve service members, their families, and retirees at affected sites.

AFRH

FRA appreciates support from appropriators for funding to rebuild the Armed Forces Retirement Home in Gulfport, Miss. Construction is progressing on the new facility and FRA members who were residents at the Home and forced to relocate due to damage caused by Hurricane Katrina in 2005, are eager to go home. The new facility is scheduled to re-open sometime in October 2010 and is scheduled to have opening ceremonies on November 9, 2010. FRA thanks this distinguished Subcommittee for its supporting this important project.

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CONCLUSION

Mister Chairman, FRA sincerely appreciates all that you and members of your distinguished Subcommittee – and your outstanding staff do to support our magnificent service members and veterans. Thanks again for the opportunity to present the Association's recommendations for your consideration.

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JOHN R. DAVIS
DIRECTOR OF LEGISLATIVE PROGRAMS
FLEET RESERVE ASSOCIATION

John Davis served in the United States Marine Corps Reserve in an artillery unit (155 self-propelled howitzers) and as a Second Lieutenant in the Illinois Army National Guard in the 1980s. He joined the FRA team as Director, Legislative Programs in February 2006, and is President of FRA Branch 181 (Arlington, Virginia). He is co-chairman of The Military Coalition's (TMC) Retired Affairs Policy Committee.

John worked for almost 13 years with the National Federation of Independent Business, including 9 years as Director of the Illinois chapter and 3 ½ years in the federal lobbying office in Washington DC. John has lobbied on a variety of issues including healthcare, tort reform, education, insurance, taxation, and labor law.

In 2005 John received a Masters of Public Policy (MPP) degree from Regent University, Alexandria VA. John has a BS degree from Illinois State University in Political Science and History. John has two children: Anne age 26 and Michael age 23 who is currently serving in a Marine Corps Reserve unit deployed in Afghanistan.

Mr. EDWARDS. Mr. Davis, thank you very much, and especially, in addition to everything else, your focus on childcare facilities. It was the senior enlisted leaders that 2 years in a row, when I asked them what their number-one quality-of-life issue or concern was, outside of pay and time away from family, and it was childcare, and that is one of the reasons this subcommittee initiated going from the DOD budgets a few years ago of \$20 million a year to adding \$200 million or \$300 million over a period of a year or two, and want to keep pushing that.

Thank you.

Mr. DAVIS. Great, thank you.

Mr. EDWARDS. Thank you for speaking out on their behalf.

Okay. I would like to now call forward Dr. Dona Upson. She is testifying on behalf of the Friends of V.A. Medical Care and Health Research, a coalition of over 80 veterans service organizations.

Dr. Upson, thank you for being here.

Dr. UPSON. Thank you.

Mr. EDWARDS. Please proceed.

TUESDAY, MARCH 23, 2010.

**FRIENDS OF VA MEDICAL CARE AND HEALTH
RESEARCH (FOVA)**

WITNESS

DONA UPSON, MD

STATEMENT OF DONA UPSON, MD

Dr. UPSON. Thank you.

Mr. Chair, my name is Dona Upson. I am a physician with the Raymond G. Murphy V.A. in Albuquerque, New Mexico. And I am testifying on behalf of FOVA, the Friends of V.A. Health Care and Medical Research, a coalition of over 80 veterans' service, voluntary health, and medical professional organizations that support funding for veterans' health programs.

We are especially committed to ensuring a strong V.A. medical and research program and recommend \$1 billion for fiscal year 2011, \$700 million for the V.A. medical and research program, and an additional \$300 million for the V.A. lab space renovation.

Mr. Chairman, I want to assure you that the V.A. research program is committed to the health of our nation's veterans. For over 60 years, the V.A. has been improving veterans' lives through innovation and discoveries that have led to advances in health care for all Americans.

The V.A. hosts three Nobel laureates, six Lasker Award recipients, and produces an increasing number of scientific papers published in the most highly regarded peer-reviewed scientific journals.

I am currently interviewing candidates to fill position openings in New Mexico. And I cannot tell you how important the V.A. research program is in attracting physicians to consider working with us.

Our request is structured differently than in previous years. Instead of requesting funding for the V.A. research program and sep-

arately requesting funds for upgrading V.A. lab spaces in the minor construction budget, we are combining the recommendations to highlight the need to view the research—infrastructure as a complete entity.

We appreciate the prior generosity of this committee and its Senate counterpart in providing additional funds for V.A. research. They are being well used. Unfortunately, the resources available to maintain the V.A. lab infrastructure are woefully insufficient and threaten the V.A.'s ability to conduct state-of-the-art research.

State-of-the-art requires state-of-the-art technology, equipment and facilities, in addition to highly qualified and committed scientists. Modern research cannot be conducted in facilities that more closely resemble high school labs than university spaces.

In recent years, funding for the V.A. minor construction program has failed to provide the resources necessary to maintain, upgrade and replace aging research facilities. In addition to impeding medical discovery, poor research infrastructure undermines recruitment and retention of clinical investigators who would normally be drawn to the V.A. for its unique research opportunities.

This issue has been brought to the subcommittee's attention before, and House Report 109–95, the Appropriations Committee expressed concern that “equipment and facilities to support the research program may be lacking and that some mechanism is necessary to ensure the department's research facilities remain competitive.”

V.A. is conducting an internal audit to gauge the infrastructure needs of the medical and prosthetics research program. To date, 53 sites have been surveyed. Approximately 20 remain to be assessed. V.A. estimates the combined total cost of improvements exceeds \$570 million, about 44 percent of which constitute priority one deficiencies, those with an immediate need of correction to return components to normal service or operation, stop accelerated deterioration, replace items that are at or beyond their useful life, and correct safety hazards.

Unless funds are provided to address the infrastructure deficiencies, V.A. research will not be able to answer the pressing health questions following veterans. FOVA recommends Congress provide at least \$300 million for V.A. laboratory renovations in the fiscal year 2011 V.A. minor construction budget.

Mr. Chairman, thank you again for your support. FOVA respectfully requests \$1 billion for V.A. research, including \$700 million for the V.A. research program and an additional \$300 million for V.A. laboratory infrastructure.

[Prepared statement of Dona Upson, MD follows:]

FOVA

Friends of VA Medical Care and
Health Research

A coalition of national organizations
committed to quality care for
America's veterans

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STATEMENT OF

THE FRIENDS OF VA MEDICAL CARE AND HEALTH RESEARCH (FOVA)

ON

THE FISCAL YEAR 2011 APPROPRIATIONS

FOR

THE DEPARTMENT OF VETERANS AFFAIRS MEDICAL AND PROSTHETIC RESEARCH PROGRAM

BEFORE

THE HOUSE SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS OF THE COMMITTEE ON APPROPRIATIONS

PRESENTED BY

Dona Upson, MD

March 23, 2010

Mr. Chairman, my name is Dona Upson MD and I am testifying on behalf of FOVA – the Friends of VA Health Care and Medical Research – a coalition of over 80 veteran’s service, voluntary health and medical professional organizations that support funding for veteran’s health programs. We are especially committed to ensuring a strong VA Medical and Prosthetic Research program. FOVA recommends that the Subcommittee provide \$1 billion for the VA medical and prosthetic research program in fiscal year 2011.

Our request is structured somewhat differently than previous years. In the past we have requested funding for the VA research program and a separate request for upgrading VA lab spaces in the minor construction budget. This year we are combining the recommendations to highlight the need to view the research program and its infrastructure, as one complete entity – not two separate unrelated budget lines.

Unfortunately, for too long, policy makers have viewed the research program and its infrastructure as two unrelated accounts. The good news is that this Subcommittee and its Senate counterpart have been generous in providing additional funds for the VA research program. We are grateful for the resources and they are being well used. The bad news is that funds available to maintain the VA lab infrastructure are woefully insufficient and are threatening the ability of the VA research program to conduct state-of-the-art research.

State-of-the-art research requires state-of-the-art technology, equipment, and facilities in addition to highly qualified and committed scientists. Modern research cannot be conducted in facilities that more closely resemble high school science labs than university-class spaces. In recent years, funding for the VA Minor Construction Program has failed to provide the resources needed to maintain, upgrade, and replace aging research facilities. In addition to impeding medical discovery, poor research infrastructure undermines the ability of the VA to recruit and retain the clinical investigators who would normally be drawn to the VA system for its unique research opportunities. FOVA recommends Congress provide at least \$300 million for VA laboratory renovations in the FY11 VA minor Construction budget.

This issue has been brought to the attention of the subcommittee before. In House Report 109-95 accompanying FY 2006 VA appropriations, the House Appropriations Committee expressed concern that “equipment and facilities to support the research program may be lacking and that some mechanism is necessary to ensure the Department’s research facilities remain competitive.”

VA is conducting an internal audit to gauge the infrastructure needs of the VA Medical and Prosthetics Research Program. To date, a total of 53 sites within 47 research programs have been surveyed. Approximately 20 sites remain to be assessed in FY 2010. Internally, VA estimates that the combined total estimated

cost for improvements exceeds \$570 million. About 44% of the estimated correction costs constitute "priority 1" deficiencies — those with an immediate need for correction to return components to normal service or operation; stop accelerated deterioration; replace items that are at or beyond their useful life; and correct life-safety hazards.

Unless funds are provided to address the infrastructure deficiencies in the VA system, VA researchers will be unable to answer the pressing health questions facing veterans. I urge the committee to provide \$300 million in the minor construction budget to address the laboratory infrastructure.

Mr. Chairman, I started out my testimony talking about a problem. I want to spend my remaining time assuring you that the VA research program is in the business of solving programs – the health problems of our nations veterans.

For over 60 years, the VA research program has been improving veterans' lives through innovation and discovery that has led to advances in health care for veterans and all Americans. The VA research program hosts three Nobel Laureates, 6 Lasker Award recipients, and produces an increasing number of scientific papers annually, many of which are published in the most highly regarded peer-reviewed scientific journals.

The VA Research Program is veteran-centric – Like NIH, all projects funded by the VA research program are peer-reviewed for scientific merit. Unlike the NIH, research proposals are also reviewed to ensure they are relevant to the health needs of veterans. While the research findings help all Americans, the additional programmatic review ensures that the VA research program continues to serve the special needs of men and women who are served in our nation's armed forces.

In FY 2009 VA awarded more than 2,200 new grants to VA-based investigators designed to enhance the health care the VA provides to veterans. Among other initiatives, VA researchers are currently:

- Developing new assistive devices for the visually impaired, including an artificial retina to restore vision.
- Working on ways to ease the physical and psychological pain of veterans now returning from two current overseas wars.
- Gaining new knowledge of the biological and behavioral roots of post-traumatic stress disorder (PTSD) and developing and evaluating effective PTSD treatments.
- Developing powerful new approaches to assess, manage, and treat chronic pain to help veterans with burns and other injuries.
- Learning how to deliver low-level, computer-controlled electrical currents to weakened or paralyzed muscles to allow people with incomplete spinal cord injury to once again walk and perform other everyday activities.

- Studying new drug therapies and ways to enhance primary care models of mental health care.
- Identifying genes associated with Alzheimer's disease, diabetes, and other conditions.
- Studying ways to prevent, diagnose, and treat hearing loss.
- Pioneering new home dialysis techniques.
- Developing a system that decodes brain waves and translates them into computer commands to allow quadriplegics to perform routine daily tasks such as using e-mail.
- Exploring organization of care, delivery methods, patient outcomes, and treatment effectiveness to further improve access to health care for veterans.

Mr. Chairman, thank you again for your support for the VA research program. FOVA respectfully requests \$1 billion for the VA research program, including \$700 million for the VA research program and an additional \$300 million for VA laboratory infrastructure. I look forward to your questions.

Mr. EDWARDS. Thank you, Dr. Upson. Let me ask you quickly, we have provided some enormous increases in V.A. minor construction budgets, but unless I am mistaken, we do not line item X dollars for V.A. research minor construction, do we? So that the lab improvements money must just come out of the larger piece of the pie dealing with minor construction. Is that correct? Or are you getting the line item for research labs?

Dr. UPSON. I do not know the answer to that, but I can find out for you.

Mr. EDWARDS. Okay. I do not think we go down to that level, but I appreciate your mentioning that, because I can see an inherent bias in the system. You have got research dollars over here, and you have got minor construction over here, and the minor construction is probably going for the day-to-day medical services, so it is easy to put off that research lab improvement. So we will take a look at that.

Thank you. Thank you for bringing that to our attention.

Dr. UPSON. Thank you very much.

Mr. EDWARDS. Appreciate that very much.

Are researchers able to get computers? Because of the fact we had I.T. folks outside of the medical system, you would have a new researcher, but, you know, couldn't get a \$1,500 laptop. Is that a serious problem?

Dr. UPSON. I think there are some security issues with laptops, so I think they are fairly closely regulated.

Mr. EDWARDS. I understand. But at least being able to get—when a new researcher comes onboard, they are not having to sit in an office for 6 months or a year without the laptop or desktop. Is that—

Dr. UPSON. That is correct. They get a computer right away.

Mr. EDWARDS. Great. Thank you, Dr. Upson.

I would like to now call Dr. Steven Breckler with the American Psychological Association. Dr. Breckler. Thank you. Yes, I just skipped right over you. We will give you an extra minute for that.

Mr. BRECKLER. Good deal.

Mr. EDWARDS. Thank you for being here. Please proceed.

TUESDAY, MARCH 23, 2010.

AMERICAN PSYCHOLOGICAL ASSOCIATION

WITNESS

STEVEN J. BRECKLER, PH.D.

STATEMENT OF STEVEN J. BRECKLER

Mr. BRECKLER. Thank you. Good afternoon, Mr. Chairman.

I am Steve Breckler. I am executive director for science at the American Psychological Association. APA is a scientific and professional organization of more than 142,000 psychologists and affiliates around the world.

Many of these psychologists work within the Department of Veterans Affairs as research scientists and as clinicians. And they are all committed to improving the lives of our nation's veterans.

On behalf of APA, let me thank you for your continued support of the V.A. medical and prosthetic research program. APA joins with our friends from the Friends of the V.A. Medical Care and Health Research coalition, FOVA, you just heard from, in urging Congress to appropriate \$700 million in fiscal year 2011 for V.A. Medical and Prosthetic Research. This represents an increase of \$120 million over current funding. And, in addition, we joined with FOVA in suggesting a \$300 million dedicated specifically for research facilities upgrades, which is not budgeted as a separated line item in the facilities budget.

A strong V.A. psychological research program provides the scientific foundation for high-quality care throughout the V.A. system. Through its Medical and Prosthetic Research Account, the V.A. funds intramural research that supports its clinical mission to care for veterans.

V.A. psychologists play a dual role in providing for veterans and in conducting research in all areas of health, including high-priority areas that are especially relevant to veterans, such as mental health, traumatic brain injury, or TBI, substance abuse, aging-related disorders, and physical and psychosocial rehabilitation.

V.A. psychologists are leaders in providing effective diagnosis and treatment for all mental health, substance use, behavioral health issues. In addition, V.A. psychologists often receive specialty training in rehabilitation psychology and neuropsychology, which helps improve assessment, treatment and research on the many conditions that affect veterans of the current conflicts. This includes post-traumatic stress disorder, or PTSD, burns, amputation, blindness, spinal cord injuries, and polytrauma.

Equally important are the profoundly positive impacts of psychological interventions on the care of veterans suffering from chronic illnesses, such as cancer, cardiovascular disease, HIV, chronic pain.

PTSD is a particular concern throughout the V.A. and in Congress. V.A. psychologists continue to be at the forefront of cutting-edge research, assessment and treatment of PTSD. The care of veterans suffering psychological wounds as a result of military service is really at the heart of the V.A.'s mandate, which is "to care for him who shall have borne the battle."

With the current conflicts overseas, preventing and treating PTSD has become an even more important priority for the V.A. V.A. psychologists are responsible for the development of the most widely respected and used diagnostic instruments and therapeutic techniques for assessing and treating PTSD.

The current conflicts present new challenges for V.A. psychologists, as many veterans with PTSD also have post-concussive symptoms stemming from blast injuries. Additional research is needed to develop better treatments for PTSD in cases when cognitive problems also may stem from a history of documented TBI.

V.A. psychologists also have used their expertise in program development and evaluation to successfully improve the V.A.'s coordinated service approach. This includes models and practices of care that encompass inpatient, partial hospitalization, and outpatient services, including psychosocial rehabilitation programs, geriatric services in the community, and homelessness programs, as highlighted by the V.A. secretary's new emphasis.

V.A. psychologists have initiated and evaluated innovative programs, such as telemental health services, that dramatically expand the V.A.'s continuum of care for veterans.

And my final point is that cutting-edge research also requires cutting-edge technologies, equipment, and facilities both to recruit stellar scientists into the V.A. and to provide them the basic space and tools needed to conduct 21st-century science.

FOVA, as you heard, anticipates that V.A.'s ongoing research facilities assessment will identify a need for research infrastructure funding between \$1.5 billion and \$2 billion. The V.A. has simply failed to provide the resources needed to adequately maintain, upgrade and replace aging research facilities.

As a member of FOVA, APA joins them in urging Congress to make essentially a down payment in fiscal year 2011 of \$300 million dedicated exclusively to renovating those existing research facilities.

Thank you, and I am happy to answer any questions you have.
[Prepared statement of Steven J. Breckler follows:]



AMERICAN
PSYCHOLOGICAL
ASSOCIATION

Written Testimony of Steven J. Breckler, Ph.D.
On behalf of the American Psychological Association

Submitted March 16th, 2010 to the
United States House of Representatives Committee on
Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related
Agencies
The Honorable Chet Edwards, Chair

**Fiscal Year 2011 Appropriations for the Department of
Veterans Affairs**

Mr. Chairman and Members of the Subcommittee, I am Dr. Steve Breckler, Executive Director for Science at the American Psychological Association (APA), a scientific and professional organization of more than 142,000 psychologists and affiliates. Many of these psychologists work within the Department of Veterans Affairs (VA) as research scientists and clinicians committed to improving the lives of our nation's veterans.

On behalf of APA, thank you for your continued support of the VA Medical and Prosthetic Research program. APA joins the Friends of VA Medical Care and Health Research (FOVA) coalition in urging Congress to appropriate \$700 million in FY11 for VA Medical and Prosthetic Research, which represents an increase of \$120 million over current funding, and an additional \$300 million dedicated for research facilities upgrades.

Psychological Research in the VA

A strong VA psychological research program provides the scientific foundation for high-quality care within the VA system. Through its Medical and Prosthetic Research Account, the VA funds intramural research that supports its clinical mission to care for veterans. VA psychologists play a dual role in providing care for veterans and conducting research in all areas of health, including high-priority areas particularly relevant to veterans, such as: mental health, traumatic brain injury (TBI), substance abuse, aging-related disorders and physical and psychosocial rehabilitation. VA psychologists are leaders in providing effective diagnosis and treatment for all mental health, substance use and behavioral

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health issues. In addition, VA psychologists often receive specialty training in rehabilitation psychology and/or neuropsychology, which helps to improve assessment, treatment, and research on the many conditions affecting veterans of the current conflicts, including: post-traumatic stress disorder (PTSD), burns, amputation, blindness, spinal cord injuries and polytrauma. Equally important are the profoundly positive impacts of psychological interventions on the care of veterans suffering from chronic illnesses such as cancer, cardiovascular disease, HIV and chronic pain.

VA psychologists continue to be at the forefront of cutting-edge research on, assessment of and treatment for PTSD, a particular concern within the VA and Congress. The care of veterans suffering psychological wounds as a result of military service is at the heart of the VA's mandate "to care for him who shall have borne the battle," and preventing and treating PTSD has become an even more important priority within the VA given the current conflicts overseas. VA psychologists are responsible for the development of the most widely respected and used diagnostic instruments and therapeutic techniques for assessing and treating PTSD. The current conflicts present new challenges for VA psychologists, as many veterans with PTSD have post-concussive symptoms stemming from blast injuries. Additional research is needed to develop novel treatments for PTSD in cases when cognitive problems also may stem from a history of documented TBI.

VA psychologists also have used their expertise in program development and evaluation to successfully improve the VA's coordinated service approach. This includes models and practices of care that encompass inpatient, partial hospitalization and outpatient services including psychosocial rehabilitation programs, geriatric services in the community, and homelessness programs within the VA Secretary's new emphasis. VA psychologists have initiated and evaluated innovative programs, such as tele-mental health services, that will dramatically expand the VA's continuum of care for veterans.

VA Research Facilities Upgrades

Cutting-edge research also requires cutting-edge technologies, equipment and facilities in order to both recruit stellar scientists into the VA and provide them the basic space and tools needed to conduct 21st century science. FOVA anticipates that VA's ongoing research facilities assessment will identify a need for research infrastructure funding between \$1.5 and \$2 billion. VA has simply failed to provide the resources needed to adequately maintain, upgrade and replace aging research facilities. As a member of FOVA, APA urges Congress to make a down payment in FY11 of \$300 million dedicated exclusively to renovating existing research facilities.

For more information, please contact Dr. Heather O'Beirne Kelly
American Psychological Association
hkelly@apa.org, 202.336.5932

Mr. EDWARDS. Dr. Breckler, thank you very much. Let me just say that we had a separate hearing focused specifically on V.A. mental health care challenges, some issues this morning, and this subcommittee is continue to push, as we have for the last several years, if you look at the funding level, the mental health care funding for the V.A.

My one question to you would be, does the V.A. pay competitive wages and salaries for psychologists coming out of our colleges these days?

Mr. BRECKLER. I think the V.A. is seen as an attractive employer for psychologists. The issue for us really is the support that they are provided once they are hired, and the other related issue is getting the good—trained psychologists to work in this specific context. It is a specialty niche, and there is special training that has to accompany it, and training is really essential.

Mr. EDWARDS. Their salaries are at least comparably competitive, close enough to the private sector to attract those who would like to serve in the V.A.—

Mr. BRECKLER. You know, before I answer definitively, let me get back to you on that. My understanding, though, is that it is a competitive employment environment.

Mr. EDWARDS. That would be great. Thank you very much, and thank you for your testimony.

Mr. BRECKLER. Thank you.

Mr. EDWARDS. Now we have James R. Walker with the American Association of Nurse Anesthetists. Mr. Walker is the president of the American Association of Nurse Anesthetists. The association represents over 40,000 certified registered nurse anesthetists.

Mr. Walker, thank you for being here.

Mr. WALKER. Thank you.

Mr. EDWARDS. And please proceed.

TUESDAY, MARCH 23, 2010.

AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

WITNESS

JAMES R. WALKER, CRNA, DNP, PRESIDENT

STATEMENT OF JAMES R. WALKER

Mr. WALKER. Good afternoon. My name is Jim Walker from Pearland, Texas, and as president of the American Association of Nurse Anesthetists, I am honored to testify on behalf of our more than 40,000 members, including 500-plus certified registered nurse anesthetists, or CRNAs, practicing in the V.A. health system today. Many of these members are also members of the Association of Veterans Affairs Nurse Anesthetists, or AVANA.

I would like to focus my remarks on strengthening the V.A.'s anesthesia workforce in promoting patient safety so that our veterans today and tomorrow have access to the safe anesthesia care that they deserve and have earned.

Thanks to advances in health care, veterans of current and recent conflicts survive wounds that would have been fatal in past. In the V.A., just as in the military, when these heroes need sur-

gery, they will likely have anesthesia delivered by CRNAs. In 1 of 8 V.A. health facilities, CRNAs are the sole anesthesia providers.

Such full-service CRNA care is safe and cost-effective for our veterans. Indeed, studies have shown care provided by CRNAs to be as safe as care provided by physician anesthesiologists.

Clearly, a strong CRNA workforce in the V.A. is important to ensuring that our veterans get the care that they need. Unfortunately, the average V.A. CRNA is 7 years closer to retirement than the national average is.

We believe some 30 V.A. hospitals have CRNA vacancies, and about 150 of the V.A. CRNA positions are currently being filled with contract personnel. What can we do to solve this problem, is the question.

The nurse anesthesia profession has been working hard to produce the CRNAs needed to meet the growing demand for anesthesia services, over 2,200 graduates this past year, a 66 percent increase over 2003 numbers.

An initiative that can help the V.A. close the gap is the joint Department of Defense-V.A. program in nurse anesthesia of Fort Sam Houston, Texas. This school educates V.A. RNs to become V.A. CRNAs, and it certifies graduates—and its graduates then serve a 3-year obligation to the V.A.

This partnership works, but it needs the help from Congress, since V.A. budgets are short of what is needed to expand this partnership. A major issue is that today's V.A. cannot effectively compete for CRNA graduates.

A December 2007 study issued by the Government Accountability Office found that the V.A. has trouble recruiting and retaining CRNAs because by our measures V.A.'s CRNA compensation is nearly 25 percent below the private market.

Local V.A. health facilities have three choices: to increase locality pay, contract out for anesthesia, or reduce surgical services. Congress also has choices. We believe the most cost-effective ways for the V.A. to secure anesthesia services are to support the joint DOD-V.A. CRNA program and adequately fund its CRNA workforce.

Legislation recently adopted by the Senate, bill 1963 and the companion bill, H.R. 919, awaiting House consideration, would enable the V.A. to compensate CRNAs at rates that are sufficient to recruit and retain them.

From the standpoint of patient care, we remain concerned that the V.A. issued a policy in March 2007 against our recommendation that introduced anesthesiologist assistants, or AAs, into the V.A. health system. This policy does not require that AAs graduate from an accredited institution or take or pass their national certifying exam or be supervised by anesthesiologists in a specific, defined manner. It gives AAs inappropriately wide latitude to provide anesthesia care to our veterans without adequate oversight.

As for practice efficiency, AAs cannot be on call, unlike CRNAs and anesthesiologists, to provide our veterans full access to anesthesia services. Thus, this V.A. policy is the wrong policy for our veterans, and it deserves this committee's attention.

In this environment, following the difficulties at Marion, Illinois, it seems contrary to V.A. directives and the will of Congress to

have anesthesia providers who are unlicensed and uncredentialed in the V.A. system.

Our interest in patient safety has also led us to our significant and important role in the Safe Injection Practices Coalition. In the interest of our veterans, we believe more must be done to ensure safe practice standards are understood and met within all the V.A. health system. We request that the subcommittee provide \$3 million to the V.A. to collaborate with the Centers for Disease Control and Prevention to help develop and assess systems for complete and consistent adherence to injection safety and infection control guidelines across the V.A. health system and throughout the spectrum of care.

On behalf of the veterans for whom we provide care, we appreciate your support for funding the joint DOD–V.A. CRNA educational program, for competitive compensation to recruit and retain the CRNA workforce that the V.A. needs, and for ensuring the safety of our veterans anesthesia care. Thank you.

[Prepared statement of James R. Walker follows:]



Written Statement
of the
AMERICAN ASSOCIATION OF NURSE ANESTHETISTS (AANA)
and the
ASSOCIATION OF VA NURSE ANESTHETISTS (AVANA)
to the
HOUSE APPROPRIATIONS COMMITTEE
MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED
AGENCIES SUBCOMMITTEE

March 23, 2010
WASHINGTON, DC

Chairman Edwards, Ranking Member Wamp, and Members of the Subcommittee:

The American Association of Nurse Anesthetists (AANA) is the professional association that represents more than 40,000 Certified Registered Nurse Anesthetists (CRNAs) across the United States. More than 500 CRNAs are employed by the Department of Veterans Affairs (DVA) healthcare system. The Association of Veterans Affairs Nurse Anesthetists (AVANA) is a professional organization that represents VA CRNAs across the United States and Puerto Rico. We appreciate the opportunity to present our testimony to the subcommittee. With our military personnel and veterans' access to safe, high quality healthcare as our first priority, we want you to know that the profession of nurse anesthesia is working creatively and effectively with the DVA, in partnership with the U.S. Army, to improve its retention and recruitment of CRNAs so that high quality anesthesia services remain available and accessible to our nation's veterans. This work is crucial for several reasons, but most importantly because the DVA's anesthesia workforce needs are increasing. We request the committee consider as part of the 2011 Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill providing at least \$400,000 to expand the U.S. Army nurse anesthesia educational program at Ft. Sam Houston, Texas, to ensure the safest, most cost-effective anesthesia services for our Veterans; to examine more closely the VA anesthesia workforce by supporting current retention and recruitment efforts from the U.S. Senate,

including lifting the statutory pay cap for nurse anesthetists; and, provide \$3 million for the DVA to collaborate with the Centers for Disease Control and Prevention (CDC) to develop and assess systems for complete and consistent adherence to injection safety and infection control guidelines across the VA healthcare system throughout the spectrum of care.

CRNAs AND THE VA: A TRADITION OF SERVICE

Let us begin by describing the profession of nurse anesthesia and its history and role with the DVA healthcare system.

In the administration of anesthesia, CRNAs perform the same functions as anesthesiologists and work in every setting in which anesthesia is delivered including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, health maintenance organizations, and the offices of dentists, podiatrists, ophthalmologists, and plastic surgeons. Today, CRNAs administer more than 32 million anesthetics to patients each year in the United States. Nurse anesthetists are also the sole anesthesia providers in the vast majority of rural hospitals, assuring access to surgical, obstetrical and other healthcare services for millions of rural Americans.

Nurse anesthesia dates back to the late 1800s, when nurses were observed providing pain relief to wounded soldiers on Civil War battlefields. Since World War I, the profession of nurse anesthesia has been proud and honored to provide anesthesia care for our past and present military personnel and their families. CRNAs have been the principal anesthesia providers in combat areas of every war in which the United States has been engaged in the last 100 years, staffing ships, remote US military bases, and forward surgical teams, often without physician anesthesiologist support. The U.S. Army Joint Special Operations Command Medical Team and Army Forward Surgical Teams are staffed by CRNAs. Wherever our military men and women are stationed in harm's way around the world, on land and at sea, CRNAs are there providing anesthesia care and supporting the mission and interests of the United States.

As our military personnel advance from active service to retired and veteran status, their anesthesia care in VA facilities is provided predominantly by nurse anesthetists. In 12 percent of VA healthcare facilities, the necessary anesthesia services are provided solely by CRNAs, ensuring our Veterans the safe anesthesia care they deserve and have earned.

Our tradition of service to the military and our veterans is buttressed by our personal and professional commitment to patient safety, made evident through research on our practice. In our professional associations, we state emphatically that "our members' only business is patient safety." Safety is assured through education, high standards of professional practice, and commitment to continuing education. Having first practiced as registered nurses, CRNAs are educated to the master's degree level, and some to the doctoral level, and meet the most stringent continuing education and recertification standards in the anesthesia field. Thanks to this tradition of advanced education and clinical practice excellence, we are humbled and honored to note that anesthesia is 50 times safer now than in the early 1980s (National Academy of Sciences, 2000). Research further demonstrates that the care delivered by CRNAs, physician anesthesiologists, or by both working together yields similar patient safety outcomes. In addition to studies performed by the National Academy of Sciences in 1977, Forrest in 1980, Bechtoldt in 1981, the Minnesota Department of Health in 1994, and others, noted cardiologist and researcher Dr. Michael Pine, MD, MBA, further concluded once again that among CRNAs and physician anesthesiologists "the type of anesthesia provider does not affect inpatient surgical mortality" (Pine, 2003). Most recently, a study published in *Nursing Research* confirmed that obstetrical anesthesia services are extremely safe, and that there is no difference in safety between hospitals that use only CRNAs compared with those that use only

anesthesiologists (Simonson et al, 2007). Both CRNAs and anesthesiologists administer anesthesia for all types of surgical procedures, from the simplest to the most complex, either as single providers or together. Thus, the practice of anesthesia is a recognized specialty in both nursing and medicine.

**NURSE ANESTHESIA PROVIDER SUPPLY AND DEMAND:
SOLUTIONS FOR RECRUITMENT AND RETENTION IN THE DVA**

While both types of anesthesia professionals provide the same high quality anesthesia care, CRNAs provide the DVA an additional advantage of cost-effectiveness. Consequently, both our veterans and our DVA healthcare system are best served by policies and initiatives that secure adequate numbers of CRNAs in the DVA. We believe this committee can help accomplish this objective by supporting nurse anesthesia education programs, both within the VA itself and in partnership with military and civilian schools of nurse anesthesia.

It is essential to understand that while there is strong demand for CRNA services in the public and private healthcare sectors, the profession of nurse anesthesia is working effectively to meet this workforce challenge. The AANA and AVANA both anticipate growing demand for CRNAs. Our evidence suggests that while vacancies exist, the demand for anesthesia professionals can be met if appropriate actions are taken. As of January 2010, there are 108 accredited nurse anesthesia schools to support the profession, and the number of qualified registered nurses applying to these schools continues to climb. The growth in the number of schools, number of applicants, and production capacity has yielded significant growth in the number of student nurse anesthetists graduating and being certified into the profession. The Council on Certification of Nurse Anesthetists reports that in 2009 our schools produced 2,228 graduates, a 66% increase since 2003, and 2,386 nurse anesthetists became certified. This growth is expected to continue. The Council on Accreditation of Nurse Anesthesia Educational Programs (COA) projects that the 108 CRNA schools will produce 2,430 graduates in 2010.

The number of VA anesthesia vacancies is causing us concern. We believe they can be filled through creative partnership between the VA system and the profession of nurse anesthesia, and commitment by the DVA to effectively recruit and retain CRNAs. More than half of the VA nurse anesthesia workforce is over the age of 53, an age some years above the mean for all CRNAs nationally. The annual turnover and retirement rate among CRNAs within the VA has risen to about 19% over the past few years and continues to rise as the workforce ages, more lucrative employment is offered in the private sector, and new graduates from CRNA educational programs find the VA employment and practice package comparatively uncompetitive. Currently, 24 stations show vacancies on public federal job posting sites. However, we have reason to believe the numbers of stations with actual vacancies is closer to 40, with staff vacancies either being left vacant for extended periods of time or filled by contract personnel. Approximately 150 CRNA slots in the DVA are being filled by contract personnel.

As the nurse anesthesia profession is working to meet the demand for CRNAs generally, we believe that the DVA specifically can meet its CRNA recruitment needs by pursuing three strategies. First, the DVA should expand its relationships with existing CRNA schools. Second, the DVA should expand its joint CRNA educational program together with the Department of Defense (DOD) health system. Third, the DVA should upgrade its recruitment, retention, and practice environment factors to make VA service more competitive with the private market for anesthesia services, within the context of the DVA's mission.

To a degree, some of these strategies are already under way and achieving results for the DVA healthcare system. A recent AANA survey shows our nurse education programs use some 70 VA hospitals and

healthcare facilities as clinical practice education sites, helping to educate CRNAs, provide superior patient care, and aid the VA in recruiting nurse anesthetists. In addition, we recommend that the VA pursue nurse anesthesia resource sharing programs with civilian CRNA schools through faculty exchange initiatives.

We have expressed concern that the DVA has introduced anesthesiologist assistants (AAs) into its healthcare system, through qualifications standards that do not require them to be licensed in any state, or subject to any state's oversight or discipline, or to have graduated from an accredited educational program, or to have secured certification, or to be appropriately supervised by anesthesiologists in a manner consistent with AAs' training as assistants. The DVA handbook VHA-1123 would authorize anesthesiologists to delegate anesthesia care to unlicensed, uncredentialed individuals. There are other substantive concerns with the handbook. Our veterans deserve better. In a letter to DVA in January 2006, we requested the proposed policy be withdrawn and have met with the agency to promote our shared interest in ensuring our veterans access to safe, high quality anesthesia care. Our concerns with this agency policy remain in force today.

**U.S. ARMY – VA JOINT PROGRAM IN NURSE ANESTHESIA
FT. SAM HOUSTON, SAN ANTONIO, TX**

The establishment of the joint U.S. Army-VA program in nurse anesthesia education at the U.S. Army Graduate Program in Anesthesia Nursing, Ft. Sam Houston, San Antonio, TX, holds the promise of making significant improvements in the VA CRNA workforce, as well as improving retention of VA registered nurses in a cost-effective manner. The current program uses existing resources from both the DVA's Employee Incentive Scholarship Program (EISP) and VA hospitals to fund tuition, books, and salary reimbursement for student registered nurse anesthetists.

This VA nurse anesthesia program started in June 2004 with three openings for VA registered nurses to earn a Master of Science in Nursing (MSN) in anesthesia granted through the University of Texas Houston Health Science Center. The program is also granting degrees through the Northeastern University Bouve College of Health Sciences nurse anesthesia educational program in Boston, Mass. This program continues to attract registered nurses into VA service by sending RNs the strong message that the VA is committed to their professional and educational advancement. In order to achieve the goal of expanding the program further, it is necessary for full funding of the current and future EISP to cover tuition, books, and salary reimbursement.

The 30-month program is broken down into two phases. Phase I, 12 months, is the didactic portion of the anesthesia education at the U.S. AMEDD Center and School (U.S. Army Graduate Program in Anesthesia Nursing). Phase II, 18 months, is clinical practice education, in which VA facilities and their affiliates serve as clinical practice sites. In addition to the education taking place in Texas, the agency will use VA hospitals in Augusta, GA, and increase Phase II sites as necessary. Similar to military CRNAs who repay their educational investment through a service obligation to the U.S. Armed Forces, graduating VA CRNAs would serve a three-year obligation to the DVA healthcare system. Through this kind of DOD-DVA resource sharing, the VA will have an additional source of qualified CRNAs to meet anesthesia staffing requirements.

At a time of increased deployments of medical military personnel, VA-DOD partnerships are a cost-effective model to fill these gaps in the military healthcare system. At Ft. Sam Houston nurse anesthesia school, the VA faculty director has covered her Army colleagues' didactic classes when they are deployed at a moment's notice. This benefits both the VA and the DOD to ensure the nurse anesthesia students are

trained and certified in a timely manner to meet their workforce obligation to the federal government as anesthesia providers.

We are pleased to note that the DVA's Acting Deputy Under Secretary for Health and the U.S. Army Surgeon General approved funding to start this VA nurse anesthesia school in 2004. With modest levels of additional funding in the EISP, this joint US Army-VA nurse anesthesia education initiative can grow, thrive, and serve as a model for meeting other VA workforce needs, particularly in nursing.

We recommend that the committee allocate \$400,000 in FY 2011 funds to expand this joint educational program.

SAFE INJECTION PRACTICES

Nurse anesthetists are on the front lines of patient care. As an essential piece of the care model, nurse anesthetists are concerned with the inconsistent adherence to standards of safe practice across the DVA healthcare system as referenced in the VA's Office of Inspector General (OIG) June 2009 report ("Healthcare Inspection: Use and Reprocessing of Flexible Fiberoptic Endoscopes at VA Medical Facilities," VAOIG-09-01784-146, 06/16/2009). This report focused on lapses in proper use and reprocessing of flexible fiberoptic endoscopes at VA medical facilities. These lapses resulted in three known cases of the transmission of blood-borne disease and exposed more than 10,000 veterans to hepatitis B, hepatitis C, and HIV.

As a co-founding member of the Safe Injection Practices Coalition (SIPC), we ask that the subcommittee provide \$3 million for the department to collaborate with the Centers for Disease Control and Prevention (CDC) and the SIPC to develop and assess systems for complete and consistent adherence to injection safety and infection control guidelines across the DVA healthcare system throughout the spectrum of care. These funds would also pilot test a provider education and patient awareness campaign for safe injection practices, titled the *One & Only Campaign*, in VA facilities, in the same manner that the campaign is being piloted in several states.

LOCALITY PAY

In order to meet the demand for nurse anesthetists, each VA facility's administrator may make use of existing locality pay structures as authorized and funded by Congress. Competitive salaries assist the VA with retention of CRNAs to provide anesthesia services for our nation's veterans. Though providing competitive salaries for excellent employees is an ongoing challenge, using locality pay to keep personnel is most cost-effective. This is where this subcommittee can help, by providing adequate funding for personnel through locality pay adjustments where base salaries are not sufficiently competitive with the local private market.

For several reasons, ensuring sufficient locality pay flexibility is in the interest of both our VA and our veterans. The VA faced a severe shortage of CRNAs in the early 1990s, which was moderately corrected with the implementation of a locality pay system in 1991. In 1992, Congress expanded the authority to the local medical directors and allowed them to survey an expanded area to determine more competitive average salaries for CRNAs, which boosted pay and morale. Implementation of this expanded authority helped assist the VA in making great leaps in retention and recruitment of CRNAs at that time. However, times and the local labor markets for healthcare professionals have continued to change. In the past few years CRNA salaries have increased in the private sector, while the VA has not adjusted to these new

salary rates. This means that in some markets the VA locality pay system is no longer competitive with the private sector, and new nurse anesthetist graduates are choosing not to work in the DVA healthcare system. We believe the VA would benefit by providing CRNAs competitive salaries in VA facilities and making use of effective locality pay adjustments, which reduces VA hospital administrators' requirements for contracted outside services at higher rates.

Though nurse anesthetists provide the lion's share of anesthesia services to DVA healthcare facilities, the agency is facing a wave of retirements and subsequent challenges recruiting CRNAs because the compensation it offers is below local market levels, a Government Accountability Office (GAO) report highlighted ("Many Medical Facilities Have Challenges in Recruiting and Retaining Nurse Anesthetists," GAO-08-56, 12/13/2007) The GAO recommended that the VA apply its locality pay system more vigorously to recruit and retain nurse anesthetists.

At the time the report was issued, the AANA issued a statement saying, "The profession of nurse anesthesia is committed to caring for our nation's Veterans. Nurse Anesthesia continues to be a safe, flexible and highly cost-effective means for the VA to ensure our Veterans the healthcare that they need and deserve. We look forward to continuing work with the Department of Veterans Affairs, the Congress, and the members of the Association of Veterans Affairs Nurse Anesthetists (AVANA) to help carry out the recommendations of this report."

The GAO found that VA medical facilities have had to temporarily close operating rooms or delay elective surgeries due to a shortage of CRNAs. While demand for CRNA services is increasing, the report says 26 percent of the VA's CRNAs are projected to retire or leave the department in the next five years. The GAO said that the VA's CRNA recruitment and retention challenges are caused primarily by the agency's below-market compensation compared with local market conditions around the country. The GAO based its findings on surveys of VA CRNAs and VA managing personnel in local VA facilities and at VA headquarters, and through other data sources. The report says the nurse anesthesia profession has been working effectively to meet high U.S. demand for anesthesia workforce by increasing the number of qualified professionals graduating from accredited nurse anesthesia programs.

The report recommended that the agency deploy and carry out its existing locality pay system to adjust salaries to be more competitive. Any locality pay system should be structured to set competitive salary levels for nurse anesthetists working in VA healthcare facilities. The VA could implement a system guaranteeing that accurate surveys on pay are being conducted in a timely manner. This salary data would be used to adjust Nurse 1 (Step 1) to be competitive within the local market to assist VA facilities in hiring new nurse anesthesia graduates.

The subcommittee should also express support for the *Caregivers and Veterans Omnibus Health Services Act of 2009* (S 1963) recently passed in the Senate. The legislation contains provisions from the *Veterans Health Care Authorization Act of 2009* (S 252), expanding incentive professional pay for CRNAs by lifting the statutory pay cap for Certified Registered Nurse Anesthetists (CRNAs). This pay cap removal will allow the VA to not only recruit new nurse anesthetists to the VA, but will also help retain current anesthesia professionals, thus ensuring the highest quality care for our nation's veterans.

Finally, with adjustments in the pay structure to include professional pays for recruitment and retention of CRNAs, VA facilities may well realize cost savings in contrast with other arrangements for securing anesthesia services.

CONCLUSION

In conclusion, we recognize that the VA has nurse anesthesia staffing needs. Through an effective partnership with the nurse anesthesia profession, the VA can meet its future CRNA workforce requirements through three cost-effective models which exist today and can be expanded. Our VA hospitals can serve as clinical practice sites for CRNA schools. Going one step further, the DVA healthcare system can pursue resource sharing and faculty exchange agreements with nurse anesthesia schools. Further still, the VA and DOD can share resources outright to educate nurse anesthetists for veterans and military settings alike, particularly with modest additional funding. This VA commitment to CRNA education helps secure the nurse anesthesia workforce our veterans need, and attracts registered nurses into VA service by sending the strong message that the VA is committed to RNs' professional and educational advancement. Last, the VA should examine and improve the effectiveness of its recruitment, retention and practice environment for CRNAs.

Thank you. If you have further questions, please contact the AANA Federal Government Affairs Office at 202-484-8400.

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Mr. EDWARDS. Mr. Walker, thank you very much.

Let me ask about the rule change on the AAs, was that done to implement a new congressional law? Or was that done by the V.A. unilaterally?

Mr. WALKER. It was in the V.A. policy handbook. I am not sure the exact origin of that, but I can get you more information about that.

Mr. EDWARDS. Thank you. I appreciate that.

I think what we will do is stay in recess just for one moment. I am going to go vote. We have three votes pending, but if I cast this first vote, then I know how long I have before I have to worry about the second and third votes. And I will be right back. We will stand in recess.

[Recess.]

Mr. EDWARDS. I would like to call the subcommittee back to order. And it is a privilege to recognize Mr. Rick Jones, no stranger to this subcommittee. Rick, good to have you back.

Mr. Jones represents the National Association for Uniformed Services, where he has been the legislative director since 2005, and before that served for 5 years as the National Legislative Director for AMVETS and served as a medical specialist during the Vietnam War.

Thank you again for being here, and I would like to recognize you for your testimony.

TUESDAY, MARCH 23, 2010.

NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

WITNESS

RICK JONES, LEGISLATIVE DIRECTOR

STATEMENT OF RICK JONES

Mr. JONES. Thank you very much, Mr. Chairman.

The National Association for Uniformed Services is really encouraged by the administration's overall budget recommendation for the new year. It builds on the strides that you and your colleagues have made over the recent past years in assisting V.A. with the funding it needs.

We are also generally pleased with the president's fiscal year budget request. It is a good piece of work for veterans.

We are also pleased to endorse with 62 other veterans organizations the Independent Budget. We recommend a total of \$52 billion for medical care, which is an increase of \$4.5 billion over fiscal year 2010. The Veterans Health Administration is a world-class leader in advanced care of medicine and in the provision of primary care. We are pleased to see advancements in lifting the ban on access to V.A. health care for certain veterans classified as Priority 8 veterans, but more should be done.

We strongly recommend restoring Priority 8 access for enrollment to those veterans who can identify private or public health insurance. I am not sure yesterday's vote, how that might change, but that—we do recommend that Priority 8 veterans have an opportunity to access the system put in place for them.

The veterans health care system is an irreplaceable national treasure. It is critical to the nation and its veterans. Our citizens as a whole have benefited from the advances made in medical care through V.A. research and through innovations.

Despite V.A.'s best efforts, however, there are problems with the delivery of benefits to entitled veterans. The disability claims backlog facing Veterans Benefits Administration continues to increase. V.A. is falling further behind.

The claims workload has continually grown. It grew from 670,000 in—excuse me, at the turn of the century, 2001, to over 1 million last year in backlogs. A recent report from V.A.'s inspector general, which reviewed a 12-month period of claims, found that 22 percent of all decisions were inaccurate or incomplete. Now, that is the fault of V.A.

With a high percentage of inaccurate decisions, it is not hard to see why the system is so overwhelmed, but although the problem is deeply troubling—and it is—it can be corrected, and we call on lawmakers to make the VBA a priority within the national budget.

Regarding seamless transition, the provision of seamless transition for recently discharged military, is critically important. No veteran leaving military service should fall through the cracks because of a bureaucratic mistake in handling a medical record. We urge the subcommittee to hold the department, DOD, and V.A. to a strict line in pursuit of a joint lifetime electronic health record. We know we have made progress, but there is still more to be done.

On medical and prosthetic research, the National Association for Uniformed Services recommends \$590 million, a \$82 million increase above current-year spending of \$508 million. Clearly, care for our troops with limb loss and special needs is a matter of national concern.

The National Association also encourages the subcommittee to ensure that funding for V.A.'s medical and prosthetic research supports the full program's full range of programs that we need to care for those returning troops.

Regarding post-traumatic stress disorder, we support V.A. continued improvement in care of troops demonstrating symptoms of mental health and treatment for PTSD. The need for treatment is immediate, yet too many servicemembers are discharged from service undiagnosed, and they continue to suffer from disability symptoms, disabling symptoms.

Well, we are encouraged to see reliable advancement in cases under treatment known as hypobaric oxygen therapy at an atmosphere of 1.5 atmospheres. We recommend the subcommittee give this HBOT 1.5 therapy its close attention and provide the necessary resources for clinical trials of HBOT 1.5 to complete a more formal treatment for regeneration of brain tissue biologically, instead of simply treating the symptoms with drugs.

We are pleased to note the subcommittee's continued interest in providing funds for the armed forces retirement home. We thank the subcommittee for the provision of funds to take the armed forces home in Gulfport to near completion. We expect that in June of this year.

We also applaud your recognition of Washington's armed forces retirement home as a historic national treasure, and we look for-

ward to working with you to ensure that we continue to provide those in residence there a quality of life support and the medical care that they need.

Again, sir, as a staunch advocate for veterans and military retirees, the National Association for Uniformed Services recognizes, as you do and as demonstrated over the years, that these brave men and women did not fail us in service. And we must not fail them as we look to their benefits.

Again, sir, I thank you so very much for the time you have given to hear our presentation.

[Prepared statement of Rick Jones follows:]

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NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

TESTIMONY

on

Military Construction and Veterans Affairs

before the

**House Committee on Appropriations
Subcommittee on Military Construction, Veterans Affairs
and Related Agencies**

presented by

**Rick Jones, Legislative Director,
National Association for Uniformed Services**

**Thursday, March 23, 2010
H-143 Capitol**

Chairman Edwards, Ranking Member Wamp, and members of the Committee:

I am pleased today to present testimony on behalf of the National Association for Uniformed Services (NAUS) on selected fiscal year 2011 issues before the Military Construction, Veterans Affairs, and Related Agencies Subcommittee. My name is Richard Jones, legislative director for NAUS.

Mr. Chairman, on behalf of our nationwide membership, the National Association for Uniformed Services thanks you and the members of this Subcommittee for working so hard with House leadership to make veterans the #1 priority over the past four years. Your accomplishments have helped address the critical medical-care needs facing our service men and women as they return home.

Funding for the Department of Veterans Affairs (VA) Health Care

The National Association for Uniformed Services is encouraged that the administration's overall recommendation for VA resources continues to move in the right direction, building upon the strides taken over the recent past years. It is important that we not backtrack from what is necessary in the provision of health care for sick and disabled veterans, and for the number of troops returning from Iraq and Afghanistan.

The National Association for Uniformed Services is generally pleased with the President's fiscal year 2011 VA budget request. It recommends a level of \$51.5 billion, \$4.3 billion above last year's level or 9.1 percent more. However, it is important to note that the recommendation includes a projected \$3.3 billion in medical collection of fees and copays, which may falter especially in a difficult economic year with high unemployment.

The National Association for Uniformed Services is also pleased to endorse, with 62 other veterans organizations, *The Independent Budget*, formulated by AMVETS, the Disabled Veterans of America, Paralyzed Veterans of America, and Veterans of Foreign Wars of the

United States. *The Independent Budget* has a superb record on recognizing the needs of the department in fulfilling its mission to care for sick and disabled veterans.

The National Association for Uniformed Services recommends a total of \$52.0 billion for medical care, an increase of \$4.5 billion over fiscal year 2010. We urge the Subcommittee to recognize the unique specialized care provided at VA facilities and to provide the resources needed for VA to treat sick and disabled veterans.

The Department's Veterans Health Administration (VHA) is a world-class leader in advanced care medicine and in the provision of primary care. In addition, VHA has consistently pioneered research initiatives in areas that have directly benefited not only veterans, but also our entire population.

We are pleased to see advancement in lifting the ban on access to VA health care for certain veterans classified as Priority 8 veterans. Denying access only devalues the service of those who seek care with VA. Recent estimates indicate that VA will enroll about 193,000 veterans by the close of fiscal year 2010. We encourage your efforts to resource healthcare eligibility to an additional 500,000 Priority 8 veterans over the next years.

But more should be done. We strongly recommend restoring Priority 8 access with the enrollment of those veterans who can identify private- or public-health insurance. In this way, we would make certain that VA would receive reimbursement and third-party payers would be used to the fullest extent.

The National Association for Uniformed Services firmly believes that the veterans healthcare system is an irreplaceable national investment, critical to the nation and its veterans. The provision of quality, timely care is considered one of the most important benefits afforded veterans. And our citizens have benefited from the advances made in medical care through VA research and through VA innovations as well, such as the electronic medical record.

We urge the Subcommittee to take the actions necessary to honor our obligation to those men and women who have worn the nation's military uniform. Clearly, when VA does not receive adequate funding, it is forced to ration, delay or deny care.

Department of Veterans Affairs, Disability Claims Backlog

The National Association for Uniformed Services strongly supports the provision of timely benefits to disabled veterans and their families. These benefits help offset the economic effects of disability and are one of the essential functions of the Department of Veterans Affairs (VA). The capacity of the disabled veteran to afford the necessities of life is oftentimes dependent on these benefits, so delays in the resolution of a claim is a matter of serious concern.

Despite VA's best efforts to deliver benefits to entitled veterans, the claims workload of the Veterans Benefits Administration (VBA) continues to increase. Simply stated, VBA is falling farther behind.

The severe and growing backlog of veterans' claims is well documented. A recent report from the VA Inspector General, which reviewed a 12-month period of claims, found that 22 percent of all decisions were incorrect or incomplete. Out of the 1 million claims received, more than 220,000 veterans claims, 1 of every 5 submitted, were inaccurate or incomplete. Many of those cases were sent back to the VA for review or added to the caseload of the Board of Veterans Appeals or found their way to the Court of Appeals for Veterans Claims, further clogging the system. Whatever the destination of those claims, the simple fact is that VA can ill-afford an increase of that number of claims for review due to its own inaccurate or incomplete work. With the high percentage of inaccurate decisions, it's not hard to see why the system is so overwhelmed.

The disability claims workload has continuously grown since 2000. Annual claims grew from 674,219 in 2001 to 1,013,712 in 2009. Claims received by VA are more complex and require additional time to decide and rate. NAUS firmly believes VA need to put additional emphasis on the quality of its claims decisions in order to get a handle on this matter. Improvements are

required in the Veterans Benefits Management System and associated areas that deal with benefit claims issues.

Improvement in operations of the VA benefit claims approval system is critical. It is clear to the National Association for Uniformed Services that until this problem is tackled head on, thousands of veterans injured in military service will continue to face unnecessary delays and red tape in receiving the benefits we owe them and their transition to civilian life will be rough.

We need to make headway to overcome the chronic claims backlog and consequent protracted delays in claims disposition. Every effort must be made to gain ground on the problem.

The problem is deeply troubling, but it can be corrected. Training must be resourced and technical support must be provided to ensure progress is found to bring down the number of pending claims and shorten the waiting period for decision.

The National Association for Uniformed Services calls on lawmakers to make the VBA a priority within the national budget. The challenge is to provide timely decisions on claims submitted by veterans who suffer disability as a result of their military service. And the solution is to ensure that VBA has adequate funding to reduce the backlog and achieve the mission of providing timely claims adjudication.

Department of Veterans Affairs, Seamless Transition Between the DoD and VA

Congress must direct the Pentagon to remove remaining roadblocks between DoD and VA to ensure a seamless transition of veterans' medical records. The two departments need to develop better communications to help identify, locate and follow up with injured servicemembers separated from the military.

The provision of a seamless transition for recently discharged military is critically important for medical reasons, particularly for the most severely injured patients. Most important in the calculus of a seamless transition is the capacity to share information at the earliest possible moment prior to separation or discharge. It is essential that surprises be reduced to a minimum

to ensure that all troops receive timely, quality health care and other benefits earned in military service.

The DoD/VA exchange should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

We urge the Subcommittee to hold the departments to a strict line for pursuit of a joint lifetime electronic health and benefits records for service members and veterans. We have seen progress, and we urge members of the Subcommittee to motivate DoD and VA to end red-tape resistance and to get the job done.

Department of Veterans Affairs, Medical and Prosthetic Research

As Congress moves forward in consideration of funding for fiscal 2011, the National Association for Uniformed Services encourages a strong effort to provide for the Department of Veterans Affairs (VA) medical research mission, especially in the area of prosthetic research. National Association for Uniformed Services recommends \$590 million, \$9 million dollars more than the current year level of \$581 million. The National Association for Uniformed Services supports increasing medical and prosthetic research to continue support for new research initiatives and to maintain a stable, predictable funding stream for advances under this account.

Clearly, care for our troops with limb loss and special needs is a matter of national concern. In order to help meet the challenge, VA research must be adequately funded to continue its intent on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

The National Association for Uniformed Services encourages the Subcommittee to ensure that funding for VA's medical and prosthetic research supports the full range of programs needed to meet current and future health challenges facing wounded veterans.

Department of Veterans Affairs, Post Traumatic Stress Disorder (PTSD)

The National Association for Uniformed Services commends VA for its enhanced awareness on mental health issues. We support VA continued improvements in care of troops demonstrating symptoms of mental health disorders and treatment for PTSD.

Over the past several years, VA has dedicated a higher level of attention to veterans who exhibit PTSD symptoms. The programs for treatment of veterans exhibiting PTSD symptoms are essential for the recovery and restoration of many of those who must deal with the debilitating effects of mental injuries, which are as inevitable in combat as gunshot and shrapnel wounds.

While many new approaches to treatments have been developed and are available to veterans, the National Association for Uniformed Services is concerned that VA's capacity to serve the mental health needs of returning veterans remains below the level needed.

The need for treatment for veterans is immediate, yet too many servicemembers are discharged from the service undiagnosed, while continuing to suffer debilitating symptoms.

The key to physical brain damage is healing of both injured tissue and the arterial support to blood flow to assure continued normal function. Trauma injuries are complex internal injuries.

The National Association for Uniformed Services is encouraged to see reliable advancement of cases under a treatment known as Hyperbaric Oxygen Therapy (HBOT) at an atmospheric pressure of 1.5 atmospheres (HBOT 1.5). HBOT 1.5 has produced dramatic improvement for more than 30 Iraq/Afghanistan casualties facing TBI issues. We recommend the subcommittee give this therapy its close attention and provide the necessary resources for clinical trials of HBOT 1.5 to complete a more formal treatment for regeneration of brain tissue biologically instead of simply treating the symptoms with drugs.

The National Association for Uniformed Services encourages the members of the Subcommittee to increase funding for mental health to meet the surging need of servicemembers returning from fields of combat. We simply must have substantial numbers of providers who are trained and certified to deliver care for post-combat PTSD and major depression.

While VA and Congressional leaders have taken important steps to move VA toward better care for veterans with mental health problems, many challenges still remain. The National Association for Uniformed Services urges the development of a consistent, seamless, and working approach that allows VA and DOD to screen returning service members and provide more effective early intervention that leads to healing.

VA requires additional funds to expand its specialized mental health programs, to provide additional capacity for inpatient psychiatric and residential care, to ensure effective treatment for post-traumatic stress and to help families deal with their loved ones return to civilian life.

Department of Veterans Affairs, Medicare Reimbursement

The National Association for Uniformed Services supports legislation to authorize Medicare reimbursement for healthcare services provided Medicare-eligible veterans in VA facilities. Medicare subvention will benefit veterans, taxpayers and VA.

The National Association for Uniformed Services sees an all around win-win-win for establishment of Medicare subvention. VA would receive additional, non-appropriated funding. Medicare-eligible veterans would receive world-class medical treatment in the system our government provided for their care. Scarce resources would be saved because medical services can be delivered for less cost at VA than in the private sector.

In addition, direct billing between VA and the Centers for Medicare and Medicaid Services (CMS) would reduce opportunities for waste, fraud and abuse losses in the Medicare system.

The National Association for Uniformed Services encourages the Subcommittee to permit Medicare-eligible veterans to use their Medicare entitlement for care at local VA medical facilities.

Armed Forces Retirement Home

The National Association for Uniformed Services is pleased to note the Subcommittee's continued interest in providing funds for the Armed Forces Retirement Home (AFRH). We urge the Subcommittee to meet the challenge in providing adequate funding for the facility in Washington, DC, and Gulfport, Mississippi.

And we thank the Subcommittee for the provision of funding that has led to the Armed Forces Retirement Home in Gulfport to be nearly ready for completion. And we look forward to the completion of the home scheduled for June 2010. When completed, the facility will provide independent living, assisted living and long-term care to 584 residents.

The National Association for Uniformed Services also applauds the recognition of the Washington AFRH as a historic national treasure. And we look forward to working with the Subcommittee to continue providing a residence for and quality-of-life support to these deserving veterans without turning over large portions of this campus, just four miles from the nation's Capitol, to developers. We ask that continued care and attention be given to the mixed-use development to the property's southern end, which has been stalled due to a bankruptcy of a construction development partner approved by the National Capital Planning Commission.

Appreciation for Opportunity to Testify

As a staunch advocate for military retirees and veterans, the National Association for Uniformed Services represents all ranks, branches and components of uniformed services, their families and survivors. The Association recognizes that these brave men and women did not fail us in their service to country, and we, in turn, must not fail them in providing the benefits and services they *earned* through honorable military service.

Mr. Chairman, the National Association for Uniformed Services appreciates the Subcommittee's hard work. We ask that your work continue in good faith to put the dollars where they are most needed in our nation's highest priority areas, which include veterans health care and benefits services, housing for our military troops and their families, particularly in time of war and when we are increasing our troop level in Afghanistan.

The National Association for Uniformed Services is confident you will take special care of our nation's greatest assets: the men and women who serve and have served in uniform. We are proud of the service they give, and we recognize that the price we pay for their earned benefits will never equal the value their service provides our nation.

Again, the National Association for Uniformed Services deeply appreciates the opportunity to present the Association's views on issues before the Military Construction, Veterans Affairs, and Related Agencies Subcommittee.

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Subcommittee on Military Construction and Veterans Affairs

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number: Richard A. Jones, 5535 Hempstead Way, Springfield, VA 22151 (703) 750-1342 extension 1008
1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing. Representing the National Association for Uniformed Services
2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2006? No <input checked="" type="checkbox"/> X
3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature:



Date: March 23, 2010



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 The Servicemember's Voice in Government
 Established in 1968



Richard A. "Rick" Jones
 Legislative Director
 National Association for Uniformed Services (NAUS)

Richard A. "Rick" Jones joined NAUS as Legislative Director on Sept. 1, 2005. As legislative director, he is the primary individual responsible for promoting the NAUS legislative, national security, and foreign affairs goals before the Departments of Defense and Veterans Affairs, and the Congress of the United States.

Rick presently serves as co-chairman of the National Military and Veterans Alliance (NMVA) and co-chairman of the Alliance for Military and Overseas Voting Rights (AMOVR). NMVA is composed of 31 military associations and veterans organizations with a combined membership of more than 3.5 million members. AMOVR is a working alliance of 36 military and overseas advocacy groups, elected officials, students and voting rights advocates formed to ensure that our military men and women are afforded their right to vote and to ensure their votes are counted.

Rick is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, Texas; Fitzsimons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina.

Rick completed undergraduate work at Brown University prior to his Army draft and earned a Master Degree in Public Administration from East Carolina University in Greenville, North Carolina, following military service.

Prior to assuming his current position, Rick served five years as National Legislative Director for AMVETS, a major veterans service organization. He also worked nearly twenty years as a legislative staff aide in the offices of Senator Paul Coverdell, Senator Lauch Faircloth, and Senator John P. East. He also worked in the House of Representatives as a committee staff director for Representative Larry J. Hopkins and Representative Bob Stump.

In working for Rep. Stump on the House Committee on Veterans' Affairs, he served two years as minority staff director for the subcommittee on housing and memorial affairs and two years as majority professional staff on funding issues related to veterans' affairs budget and appropriations.

Rick and his wife Nancy have three children and reside in Springfield, Virginia.

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Mr. EDWARDS. Mr. Jones, thank you. And you have been a staunch and effective advocate for our veterans. And we thank you for that.

On claims backlog, let me say, I am glad we started 3 years ago plussing up the number of people we could hire for claims processing. And last count was we would provide enough funding in 3 years for an additional 8,300 claims processors, but even with that, as you pointed out, we are actually falling a little farther behind with Agent Orange decision, and I am glad we have that. We are going to fall even further behind before we get these people fully trained.

I hope the technology issue is one that you will follow and help us work with the V.A. on, because I am convinced, unless we get rid of these massive paper files, we continue to hire people and we will never fully be as efficient as we should be in that process.

Mr. JONES. May I add something, sir?

Mr. EDWARDS. Yes, you may.

Mr. JONES. We have heard anecdotally that many of these folks who are trained at V.A. are often co-opted by some of the other agencies of government because of the skills that they have learned in the training. And the reason that we hear is that perhaps these folks are paid less than those who are paid for similar jobs in other agencies.

We would encourage your review of that. I heard you speak earlier about psychiatry and the payments of those folks.

Mr. EDWARDS. I will ask about that—mention that to me directly. If you get any information yourself, let us know, and we will ask questions, as well. It would be great to have the V.A. train them and then have other agencies—penalize the other agencies or charge them for that training, that we desperately need them. Veterans should not have to wait as long as they are having to wait—

Mr. JONES. Thank you, sir.

Mr. EDWARDS [continuing]. In the cases I have heard.

Mr. Farr.

Mr. FARR. What is the cutoff for the Priority 8?

Mr. JONES. Priority 8 is based on a poverty level, which is based on the census data, which is different in every region of the country, but it runs somewhere between \$24,000 and \$38,000. But I am not exactly sure what the cutoff is. I just know that—

Mr. EDWARDS [continuing]. You can have, in my district, you have one rural county next to another rural county, and in the one county, pretty much the same cost of living. One county, it is \$30,000. The other it is \$33,000 is the cutoff. It is an interesting system.

Mr. FARR. I agree with you. I think perhaps the health care bill is going to help us a lot with this, but we have these veterans who are on the cusp. Without a doubt, V.A. is the best delivery of medical care for the price in all of the United States, particularly for prescription drugs, because our government can go out and bid for these prescription drugs, do competitive bidding, and bring the price down.

I think no other federal agency can do that. It is a great example of how much money can be saved. But then when people go to get

the services, even though they are entitled to it, their income cuts them off. And I think it is worth really looking at this as to who falls between the cracks and, as you said, maybe with this health care bill, maybe some of those will be picked up.

Mr. JONES. There is another aspect—

Mr. FARR. We need to keep an eye on it.

Mr. JONES. When the door is closed in the veteran's face, a veteran who is looking for care from a system put in place for him, he sometimes walks away with a bit of a chip on his shoulder, and that is not good for recruitment. That is not good for a message to the general public, so there are other aspects, indeed.

Mr. FARR. We are building a new joint clinic in my area between veterans and DOD. I am very, very aware of these cutoff issues, because we ought to have a critical mass to make the whole thing cost-effective.

Mr. JONES. We know you are working to name that after General Gourley.

Mr. FARR. Thank you for your help.

Mr. JONES. And, yes, sir, thank you for designating that name.

Mr. EDWARDS. Thank you, Rick.

Mr. JONES. Thank you, sir.

Mr. EDWARDS. Take care.

I would like to now call forward Dr. Lawrence Sanders, who is testifying on behalf of the Association of Minority Health Professional Schools. And Dr. Sanders is the associate dean for clinical affairs at the Morehouse School of Medicine in Atlanta, Georgia.

Dr. Sanders, thank you for being here.

TUESDAY, MARCH 23, 2010.

**ASSOCIATION OF MINORITY HEALTH PROFESSIONS
SCHOOLS, INC.**

WITNESS

**LAWRENCE SANDERS, M.D., ASSOCIATE DEAN FOR CLINICAL AFFAIRS
AT THE MOREHOUSE SCHOOL OF MEDICINE**

STATEMENT OF LAWRENCE SANDERS

Dr. SANDERS. Thank you for the opportunity, Mr. Chairman, and to the other members of the committee.

As you said, my name is Lawrence Sanders. I serve as the associate dean for clinical affairs at Morehouse School of Medicine. Today I am representing Dr. Eve Higginbotham, who is the senior vice president and executive dean for health services at Howard University. She is unable to be here because of an illness of her mother.

I welcome this opportunity to speak on behalf of the Association of Minority Health Professions Schools, AMHPS. Our schools represent historically black colleges and universities with health profession schools in medicine, dentistry, pharmacy, and veterinary medicine.

Historically, our schools have trained at least half of all African-American physicians and dentists, about 60 percent of all African-American pharmacists, and more than 75 percent of all African-

American veterinarians, so you see our schools have made a significant contribution.

There is little doubt that as a country we face a shortage of health care professionals. As important as that shortage is increasing the diversity among health professionals. Our schools are set and ready to help our country resolve this problem.

AMHPS institutions have historically not had equal access to large V.A. hospitals, V.A. medical centers in the same cities that our schools are located in. What we want to accomplish is to assure that our schools have equal access going forward.

For example, Morehouse School of Medicine was unable to establish a relationship with the Atlanta V.A. Medical Center, but established a relationship with the Tuskegee V.A., now the Tuskegee campus of the Montgomery V.A. in Alabama.

Even Meharry Medical College had a relationship not with the national V.A., but with the Murfreesboro V.A. We made—

Dr. SANDERS. Okay. We made significant progress. Some of this was related to what was perceived as a policy that allowed only one affiliation. We have now made progress. Morehouse School of Medicine has begun residency training at the Atlanta V.A., both inpatient and outpatient. We want to continue to move this forward.

The V.A. represents one of the few opportunities for increasing residency positions today because of many of the budget constraints around Medicare, which funds graduate medical education. Our schools must take advantage of these opportunities to assure that we continue to meet our critical missions of preparing health professionals for research and to care for patients.

Mr. Chairman, I would like to report to you on some of the positive activities. First, I want to thank the members of your committee, Ranking Member Wamp, and subcommittee member Bishop, who wrote a letter last year to the V.A. secretary outlining the recommendations from the V.A. panel—Dr. Higginbotham served on that panel—specifically emphasizing the need for improved collaboration between V.A. medical centers and historically black colleges and universities.

I think that has helped us quite a bit on the local level and really leads to some of the things that I want to share with you. At Morehouse School of Medicine, we plan to begin an internal medicine, graduate medical education rotation in July of this year as a result of the efforts that have been made through these channels.

We have a very good rotation at the V.A. medical center in psychiatry. And interestingly, we have been able to contribute to the V.A. psychiatry workforce because five of our graduates from that program have joined the V.A. as staff psychiatrists, and I think that is the ultimate objective that all of us want.

At Meharry Medical College, they have moved forward with V.A. outpatient clinical activity. There is a V.A. primary care clinic at Meharry, a community-based outpatient clinic, and they have made significant strides with the V.A. women's comprehensive health center, which serves more than 2,500 women veterans in the national metropolitan area.

Charles Drew University School—Charles Drew School of Medicine and Science in Los Angeles is actively talking with the V.A. in Los Angeles about residency positions. And Howard University

is uniquely positioned here in Washington, D.C., and has long-standing relationships with the V.A. here in the Washington area.

It is important that our schools—particularly Morehouse School of Medicine—develop these relationships, because we fall into a unique category of medical schools called community-based medical schools, which means we do not have an integrated hospital which is the traditional model for medical schools.

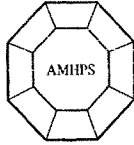
In closing, AMHPS schools are committed to building the workforce necessary to serve the men and women who have risked their lives every day to protect the freedom that all of us cherish dearly. We believe we have the unique capacity to add to the diversity of the workforce, to care for this group of veterans.

It is important that we make strides not only in medicine—medicine and residency training, but that we also make strides in surgery, surgical sub-specialties, medical sub-specialties, because these areas have represented significant challenges for us.

It is important that we have faculty physicians who can be involved in the care of patients, as well as in the supervision of our residents. We want to continue to build full integration of the V.A. medical centers into our clinical training and to continue to build collaboration with V.A. medical centers to achieve our ends, but more importantly to build a diverse workforce necessary to care for the men and women who are returning after having served our country.

Thank you very much.

[Prepared statement of Lawrence Sanders follows:]



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Testimony of

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On behalf of the

**ASSOCIATION OF MINORITY HEALTH PROFESSIONS
SCHOOLS**

Before the

**Military Construction, Veterans Affairs, and Related Agencies Subcommittee
Committee on Appropriations
United States House of Representatives**

"Addressing Healthcare Workforce Issues in the VA Healthcare System"

Tuesday, March 23rd, 2010

Chairman Edwards, Ranking Member Wamp, and members of the Subcommittee, thank you for the opportunity to present the views of the Association of Minority Health Professions Schools (AMHPS) regarding our collaborative efforts with health care facilities of the Department of Veterans Affairs (VA). My name is Dr. Eve Higginbotham. January marked the beginning of my term as Senior Vice President and Executive Dean for Health Sciences at Howard University. In my previous post I was Dean of the Morehouse School of Medicine. Those are two of our nation's four historically black medical schools. In addition, I am proud to have served at seven Veterans Administration hospitals during my career as well as served as a member of the Blue Ribbon Panel on Medical School Affiliations set up by the Department of Veterans Affairs.

I am here representing AMHPS, a consortium of our nation's twelve (12) historically black health professions training institutions, spanning the disciplines of medicine, dentistry, pharmacy, and veterinary science. Historically, the AMHPS institutions have collectively trained 50 per cent of the African American physicians and dentists, 60 per cent of its African American pharmacists, and 75 percent of its African American veterinarians. We occupy a unique niche among the nation's array of academic health centers and are a vital component of the American healthcare system, supporting the national goal to create a healthier America by diversifying the health care workforce.

Ensuring that the supply of physicians, dentist and other health professionals' keeps pace with the disease-specific needs of the country, in particular its military personnel, is the one of most critical issues facing our nation. Many national studies project a critical shortage of the health workforce, including estimates of a projected shortage of 90,000 physicians by 2020.ⁱ This looming shortage of health professionals is exacerbated by a lack of diversity.ⁱⁱ

Equally important to the aggregate supply of physicians, dentists, and other health professionals is its composition, including racial and ethnic diversity. Although underrepresented minorities (URM) are the fastest growing segment of the U.S. population, our national demographics are not reflected in the classrooms of health profession schools. At a time when more than 86% of existing medical schools have started enrollment expansion to respond to the nation's physician shortage, many programs specifically designed to attract minority students to the profession are shutting down. While minority groups comprise 30 percent of the total U.S. population, ethnically and culturally they are represented by less than 10 percent of all U.S. physicians. According to the Sullivan Commission Report and other studies, this underrepresentation extends to dentist, nurses, pharmacist, veterinarians, and other health profession disciplines.

There is little left to discover or dispute with respect to the benefits of achieving greater racial and ethnic diversity of the nation's health professionals – the attention has once again shifted to identifying the most effective and sustainable methods to do so. Considering their legacy of

contributions and mission focus AMHPS institutions are naturally best suited to lead the way in helping to ensure diversity in the health workforce and eliminating racial and ethnic-based health disparities. To do so, however, we must overcome a number of challenges directly related to our community-based mission, primary care focus, and orientation toward generalist medical education. Where the prevailing model for an academic medical center is one in which the clinical system cross-subsidizes the academic and research missions AMHPS institutions are less able to leverage surplus-generating sub-specialty clinical services and/or inpatient revenue streams through hospitals. Moreover, our clinical programs are almost exclusively affiliated with safety-net hospitals and targeted toward improving access to uninsured and underinsured populations.

Unfortunately, the mission related challenges of the AMHPS institutions have been exacerbated as the result of our limited access to U.S. Department of Veterans Affairs (VA) medical facilities. Now, I will highlight in this testimony the successes our institutions are seeing by way of increased collaboration with the VA. However, I will underscore that the major hurdle is a proper working relationship with the large VA hospitals geographically closest to many of our institutions. This restriction (implicit or explicit) to the larger VA facilities limits the clinical training experiences of students and residents and places a greater funding burden on AMPHS medical schools for resident and faculty salaries. Furthermore, these less than optimal arrangements have severely limited opportunities for faculty to participate in VA-funded research projects.

Mr. Chairman, the legacy of unequal access to VA facilities for AMHPS institutions spans decades. Our leaders were previously told that the VA had a policy which instructed its satellite hospitals and facilities to have only one academic affiliation per VA facility. In other words, the Morehouse School of Medicine, for instance, could not have a relationship with the Atlanta VA because of its existing relationship with Emory University School of Medicine. As a result, MSM, based in Atlanta, Georgia, was forced to forge a relationship with the Tuskegee, Alabama VA some two and a half hours away. In addition to the two and half hours commute, MSM had to provide housing for the residents while they trained in Tuskegee, Alabama. This was and continues to be an additional cost and burden for the medical school.

The MSM experience is a microcosm of the experiences our minority serving institutions have had with the VA and hopefully provides the committee with the context behind our concerns and the basis for our continuing quest towards an equitable relationship with the VA. Further, my institution, Howard, has seen disparities in the number of ophthalmologists Howard can allow to train as opposed to other academic health centers here in D.C.

The VA is among the very few opportunities that exist to expand funded resident positions for medical schools in urban areas. Combined with the reality that our nation's veterans represent a highly diverse population, we stand ready to play a key role in the process of helping to expose

our residents to health care and training opportunities, and in the process, serve the heroes of our nation. As the VA seeks to train more health professionals of color, we are poised to respond.

Last year, the committee included the following recommendation in the House Mil Con-VA committee report:

“Blue Ribbon Panel on VA-Medical School Affiliations.—The Committee recognizes the efforts made by the Department to provide students at minority health professions schools with opportunities to learn and gain experience through its health care system. The Committee understands that the Department has established a Blue Ribbon Panel on VA Medical School Affiliations to “advise the Secretary of Veterans Affairs and Under Secretary for Health on the formation of a comprehensive framework for guiding VA’s affiliations with medical schools and academic medical centers”. The Committee looks forward to learning the recommendations of this panel and directs the Under Secretary for Health to provide a report to the Appropriations Committees of both Houses of Congress by January 29, 2010 on the panel’s recommendations” (Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, p.40, June 28, 2010).

I thank the Subcommittee for the addition of this important recommendation. As a member of the Blue Ribbon Panel, I am happy report that the following recommendation was produced concerning the minority health professions schools:

“1.2. To prepare an appropriately skilled healthcare workforce, VA and its academic partners should increase investments in the development and testing of innovative educational programs to better align health professions education with the healthcare needs of Veterans and the Nation.

1.2.1. VA and its academic partners should strengthen their collaborative efforts to prepare a diverse and culturally-sensitive clinical workforce with the competencies to deliver high quality, safe and effective patient care. These efforts should include joint ventures between VA and selected health professions to design and test new models of inter-professional education, expansion of existing relationships with minority health professions schools, and the implementation of trainee exchange programs with the Military healthcare system” (The Report of the Blue Ribbon Panel on VA-Medical School Affiliations: *Transforming an Historic Partnership for the 21st Century*, p. 2).

Additionally, it is important to note the letter which Ranking Member Wamp and Committee Member Sanford Bishop co-authored to the VA Secretary Eric Shinseki. In that letter, they encouraged the VA to pay careful consideration to recommendations of the minority health professions schools which Dr. Maupin, giver of this testimony last year, made to this Subcommittee a year ago. Those recommendations were:

1. The national VA should extend its efforts regarding collaboration with minority health professions schools beyond the VISN to the medical center level. Additionally it should provide technical assistance and other resources to VA facilities to identify best practices in the development of optimal working relations between the respective medical schools sharing VA facilities.

2. Continue to increase the number of residency positions and ensure greater integration of AMHPS medical schools into "core" residency programs such as medicine and surgery and other procedural based specialties.
3. Provide access to and appropriate funding for attending positions (full time and part time) that can serve both the VA and the minority health profession schools to ensure continuity of educational and clinical service objectives across graduate medical educational programs.
4. AMHPS medical schools should be afforded equitable opportunities to play a leadership role in the development of new health initiatives.
5. Encourage and facilitate full participation (patient care and residency training) in the expansion of VA subspecialty services in the metropolitan areas, including the CBOCs and consideration for contracted CBOC arrangement
6. Inclusion of AMHPS faculty in the vast array of research opportunities in the VA, including but not limited to the Career Development and Merit Award programs and shared IRB status for affiliated VA hospitals to facilitate research conducted by AMHPS faculty.
7. AMHPS schools should be provided the opportunity to partner with other medical school affiliates and the VA in strategic planning, both at the level of the Atlanta Affiliated Partnership Council and at the VISN level.

Mr. Chairman, I want to be clear that the AMHPS institutions strongly suggest that the recommendations above are adopted by the Department of Veterans Affairs. However, the AMHPS institutions have had success increasing collaborative activities with the VA, including:

MSM boasting a new graduate medical education (GME) rotation in internal medicine to start July 2010, the GME rotation in psychiatry continuing as a valuable educational experience for MSM psychiatry residents, MSM continuing to use CBOCs for GME clinical rotations, plans to work with the VA on a strategic partnership for homeless veterans, the addition of the first MSM research faculty member at the Atlanta VA, the Atlanta VA planning to open a new women's health clinic in the next two years, and Atlanta VA moving to acquire Army Medical Clinic at Fort McPherson.

Since 2007, collaborative efforts with Meharry Medical College and the VA include 3 clinics: the VA Primary Care Clinic at Meharry, which serves the primary health care needs of more than 6,000 veterans in the Nashville metropolitan area; the VA Women's Comprehensive Health Center, which serves the health care needs of more than 2,500 women veterans; and the VA Primary Care Clinic at Meharry, which serves the primary health care needs of more than 6,000 veterans.

Recent budget constraints are currently holding up several additional collaborative projects, which include: the VA Mental Health Clinic at the Elam Center (2011); the Compensation and Pension Clinic (2010); and the VA Dental Clinic at Meharry (2011).

The relationship with the VA can be enhanced with a stronger approach to allow MMC access to VA research dollars, programs and infrastructure. Additionally, expanded inpatient opportunities at the Nashville VA campus and other clinical service opportunities would strengthen the relationship.

Local VA leadership is increasingly inclusive and cooperative, which fosters an effective partnership. However, this recent pleasant reality is tempered by the fact that MMC and other minority academic health centers are working with the VA to ameliorate 60 plus years of "arrested development". Thus, more should and can be done to enhance our contributions to caring for these cherished Americans – our nation's veterans.

Charles Drew University of Medicine and Science in Los Angeles has started discussions with the VA to provide residency training positions and serve as a site for clinical rotations—which are much needed there.

Howard University has a unique position, with more affiliations with the large DC VA geographically closest to our institution.

AMHPS institutions want to serve our nation's men and women whom have worn our country's uniform. The military professionals have risked their lives for us, and our institutions are prepared to deliver their expertise and cultural sensitivity to assist the VA system. AMHPS institutions seek equal opportunity in resident and research positions at VA facilities. We are pleased with the language included in the Blue Ribbon Panel report and the expansion opportunities recently we see on the horizon. However these opportunities have been primarily at smaller satellite facilities. We are hopeful that our expanding relationships, quite frankly due in large part from this Subcommittee's active oversight, will continue to improve, eventually including equal access to residency training in medicine and surgery, increased resident and faculty funding, and full integration into the landmark VA hospital facilities located in the same cities where our institutions are located.

Mr. Chairman, thank you for the opportunity to engage you and the Subcommittee on this important topic.

ⁱ American Association of Medical Colleges: AAMC Statement on the Physician Workforce, 2006

ⁱⁱ 2001 American Association of Medical Colleges: *Recent Studies and Reports on Physician Shortages in the U.S.*; Washington DC 2007

Mr. EDWARDS. Thank you, Dr. Sanders. Sam.

Mr. FARR. Just one question. What does it take to affiliate a school of medicine with a hospital? Do they normally just affiliate with one? Is there another school that is already affiliated?

Dr. SANDERS. That is a good question. I think that in Atlanta, we, along with Emory University's School of Medicine, work at the V.A. We have worked out and been working very diligently to develop a model of a shared service that allows both of us—Emory School of Medicine and Morehouse School of Medicine—to bring our expertise and take full advantage of our strength in developing our graduate medical education program.

Now, we have built on more than 20 years of experience with working together at Grady Health System in Atlanta, and we have taken our learnings from there to make this process much more efficient at the V.A.

Mr. FARR. Do the hospitals not want to affiliate with more than one medical school? Or what is the block there? It sounds like you are saying that you want us to push for veterans hospitals to add to whatever affiliation they have now.

Dr. SANDERS. Let me see if I can answer your question. We need your support to push the V.A. to fully involve and to fully collaborate with Morehouse School of Medicine, Meharry's College of Medicine, Charles Drew School of Medicine and Science, as well as Howard University, in addition to other schools who may already be affiliated with those schools.

For us, it is Emory University in Atlanta. We are working together well, but we need your help to continue to push that forward, because for so many years, only one medical school was affiliated with each V.A. hospital. And as a result of that, we sent our students almost 100 miles away to Tuskegee, and Meharry sent their students almost 40 to 50 miles to Murfreesboro.

We need the affiliation, shared affiliations in the same geographic area as our schools, because the V.A. medical centers in those geographic areas are outstanding, and we need to work together to look at new models for medical education that share the services between two medical schools.

Thank you.

Mr. EDWARDS. How many minority health profession schools are there?

Dr. SANDERS. The schools who have schools of medicine and dentistry would be Howard University, Meharry College of Medicine, the Morehouse School of Medicine, Charles Drew, as well as other schools that have pharmacy schools, Florida A&M, and other colleges without medical schools.

Mr. EDWARDS. I understand—in fact, my mentor, Olin Teague wrote the bill back in the early 1970s to create five new V.A. medical schools associated with V.A. hospitals. And I guess some of these longstanding associations may have made it more difficult for minority professional schools to break in.

Based on your testimony, do you feel the V.A. is working in good faith now, given they have had some institution relationships—but are they working in good faith with you to try to take advantage of the tremendous resources you bring potentially to the V.A. sys-

tem? There is such a desperate need for quality doctors and nurses and health professionals that—do you think we are moving in the right direction now?

Dr. SANDERS. I believe we are moving in the right direction. My experience in Atlanta is that we are working collaboratively with the leadership at the Atlanta V.A., but it always—we always appreciate a little help in moving a shared agenda forward.

Mr. EDWARDS. Okay. We can provide a little nudge. Help us. Let us work with you.

Dr. SANDERS. Right.

Mr. EDWARDS. Thank you, Dr. Sanders.

Dr. SANDERS. Thank you very much.

Mr. EDWARDS. Thank you.

Okay. The way we are going to break this out with our VSOs, we are going to have the American Legion now, and then the Independent Budget testifying, we may have the American Legion stay at the table after their testimony so that we could have a full discussion with all of our VSOs.

But at this time, I would like to call forward Mr. Philip Riley, who is representing the American Legion and it is national security and foreign relations commissions. He served in the Persian Gulf war in 1991 and served 12 years in the Air Force.

Thank you for being here, Director Riley. It is good to see you.

TUESDAY, MARCH 23, 2010.

THE AMERICAN LEGION

WITNESSES

PHILIP D. RILEY, DIRECTOR, NATIONAL SECURITY-FOREIGN RELATIONS COMMISSIONS, THE AMERICAN LEGION

BARRY A. SEARLE, DIRECTOR, VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

STATEMENT OF PHILIP D. RILEY

Mr. RILEY. Thank you, Mr. Chairman. The American Legion's 2.5 million members appreciates this opportunity to talk about the MILCON—military construction for the 2011 appropriation.

The legion supports construction and sustainment of physical plants in CONUS and OCONUS meeting mission and readiness needs, especially quality-of-life and health care needs, of military members, retirees, and their families.

Warriors, especially deployed warriors, should never have to worry about the quality and safety of facilities used by family members on base anywhere in the world. Facilities would include, but are not limited to military quarters, health care facilities, children's schools, daycare, youth and teen centers, commissaries and exchanges, and other essential support facilities.

Childcare—I know we have already mentioned it today—the legion appreciates recent years of funding progress and continue to support expansion of affordable, high-quality military childcare centers and services, plus supports the current funding in the 2011 budget request. However, more childcare access and facilities need

funding until the total requirement is met for all installations, families and children.

DOD schools, we are delighted with the President's request to fund the 5-year plan to replace and recapitalize more than half of the 194 DODEA schools stateside and overseas.

Base housing at facilities, frequent rotations, high OPTEMPO, and limited dwell time, placing huge stress on family members, noting survey results showing family members with deployed family members—excuse me, families with deployed members, with their families living on base, and quality housing and complete and modernized support facilities, survey results show that those families are less stressed.

Therefore, with respect to construction of facilities, the legion urges reduction in all of the services' long list of deferred construction, deferred repairs, and deferred maintenance.

The legion also urges improved construction management to complete new facilities fully to our original construction goals, to mission capabilities, and to fully intended functionality.

The legion has serious concerns about BRAC 2005, especially those deficiencies in construction and for the capital—National Capital Region, Walter Reed National Military Medical Center—mouthful—and as detailed in the report of July 2009, known as the Kaiser Report.

The legion has serious concerns over the large-scale repositioning of troops and families that are just around the corner and initiated by the global defense reposturing review and relocations to improve force generation that is going on service directed.

Based on the concerns just voiced and the legion's standing resolutions for quality of military life, the American Legion urges larger MILCON appropriations for fiscal year 2011. Specifically, we recommend \$14.5 billion in military construction to modernize Department of Defense facilities—that is a \$0.3 billion increase—\$2 billion for the construction, operation and maintenance of government-owned housing, and the privatization of selected family housing units—it is a \$0.2 billion increase—and \$3 billion to complete the implementation of BRAC 2005 in order to process—to fund construction, operations and maintenance, and to relocate personnel and equipment, to conduct environmental studies and remediation, and to install communications, automation, and information management equipment in those new facilities.

That is all we have for military construction, and I will yield to my—

[Prepared statement of Philip D. Riley follows.]



**STATEMENT OF
PHILIP D. RILEY, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS COMMISSIONS
AND
BARRY A. SEARLE, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION**

BEFORE THE

**SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS
AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

ON

**FY 2011 APPROPRIATIONS FOR MILITARY CONSTRUCTION, DEPARTMENT OF
VETERANS AFFAIRS, AND RELATED FEDERAL AGENCIES**

MARCH 23, 2010

**STATEMENT OF
PHILIP D. RILEY, DIRECTOR
NATIONAL SECURITY-FOREIGN RELATIONS COMMISSIONS
AND
BARRY A. SEARLE, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND
RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
FY 2011 APPROPRIATIONS FOR MILITARY CONSTRUCTION, DEPARTMENT OF
VETERANS AFFAIRS, AND RELATED FEDERAL AGENCIES
MARCH 23, 2010**

Mr. Chairman and Members of the Subcommittee, The American Legion thanks you for this opportunity to present its views on Fiscal Year (FY) 2011 funding issues under your jurisdiction.

MILITARY CONSTRUCTION

The American Legion supports the construction and maintenance of physical plants throughout the Department of Defense that meets mission needs of the Armed Forces, especially the quality-of-life needs of service members and their families.

No service member should ever have to worry about the quality and safety of facilities used by their family members on a military installation anywhere in the world. This is especially true for service members deployed away from their families. This includes, but not limited to their military quarters, military health facilities, their children's schools, daycare facilities, youth centers, and other facilities frequented by military families. In keeping with the tradition of taking care of its own, The American Legion strongly recommends close attention to the funding recommendations to address many of these concerns identified by each service branch.

The American Legion fully supports the expansion of affordable, high-quality child care services at child development centers on installations both in the United States and overseas. Clearly, the increased number of rotations by service members in support of Operations Enduring Freedom and Iraqi Freedom is taking its toll on the military family unit.

Over 58,000 students of military families attend classes in one of the 127 Department of Defense Education Activity (DODEA) schools currently in 12 countries and nearly 30,000 additional students in 67 schools in 7 states, Puerto Rico, and Guam. The American Legion supports the President's budget request to begin a five-year plan to replace and recapitalize more than half of the 194 DODEA schools, specifically calling for the replacement or modernization of schools at some of the major military installations both stateside and overseas.

The American Legion recommends \$14.5 billion in military construction to modernize Department of Defense facilities.

The American Legion recommends \$2 billion for the construction, operation and maintenance of government-owned housing and the privatization of selected family housing units.

The American Legion recommends \$3 billion for the implementation of the Base Realignment and Closure (BRAC) process to fund construction, operations, and maintenance to relocate personnel and equipment; to conduct environmental studies and remediation; and to install communications, automation, and information management system equipment in support of construction projects.

DEPARTMENT OF VETERANS AFFAIRS

The American Legion appreciates the President's budget request for \$125 billion for the Department of Veterans Affairs (VA). This budget request would meet several of the funding recommendations offered by The American Legion National Commander Clarence Hill last September during the joint hearing of the Committees on Veterans' Affairs. The budget request directs funding to assure veterans and their families timely access to the highest quality benefits and services provided by VA (The Best Care Anywhere). The American Legion sees these benefits and services as earned through honorable military service.

Due to the foresight and leadership of the President and Congress through the enactment of the 2008 Veterans' Budget Reform and Transparency Act, Secretary of Veterans Affairs (VA) Eric K. Shinseki is much more fortunate than many of his colleagues in the Cabinet because he has a timely, predictable and sufficient budget with which to administer the health care portion of his FY 2011 budget. The American Legion once again thanks you and your colleagues for the leadership on this critical issue.

As a nation at war, America has a moral, ethical and legal commitment to the men and women of the Armed Forces of the United States and their survivors. These current defenders of democracy will eventually join the ranks of their 23.5 million comrades that we refer to as veterans. Therefore, it is absolutely critical that the entire veterans' community (active-duty, Reserve component, and veterans) continue to remain supportive of honorable military service.

No service member should ever be in doubt about:

- the quality of health care he or she will receive if injured;
- the availability of earned benefits for honorable military service upon discharge; or
- the quality of survivors' benefits should he or she pay the ultimate sacrifice.

After reviewing the budget request for VA funding in FY 2011, The American Legion shares the vision to continue VA's transformation into a 21st Century organization. VA's approach to veterans' care, as a lifetime initiative, from the day the oath is taken and continuing with perpetual care after veterans are laid to rest, is a paradigm shift that is long overdue.

The FY2011 budget request focuses on three specific concerns that are of critical importance to the veterans' community and have long been priorities for The American Legion:

- **Easier access to benefits and services;**
- **Reducing the disability claims backlog and expediting the delivery of veterans earned benefits;**
- **Ending veterans' homelessness.**

In the budget request, VA has identified six "high priority" performance goals which again are consistent with The American Legion's priorities:

- **Reduce the Claims Backlog,**
- **Eliminate Veteran Homelessness,**
- **Automate the GI Bill Benefits System,**
- **Establish a Virtual Lifetime Electronic Record,**
- **Improve Mental Health Care,**
- **Deploy a Veterans Relationship Management System.**

Claims Backlog

The American Legion applauds the technical efforts being attempted by VA to restructure the physical configuration of Regional Offices in order to streamline the claims process. In December, representatives of The American Legion and other VSO's were invited to Little Rock, Arkansas to be briefed on the VA's Pilot "POD" claims processing system. We were favorably impressed with the concept of triaging incoming mail and confining a claim to one working area for action by a cross-functional team. These actions are expected to and have demonstrated less lost official correspondence and reduced time in processing a claim. The American Legion feels that if implemented across VA, this concept will in fact have a positive impact on the claims backlog.

The American Legion believes that the way to reduce the back log is to make claims adjudicators more accountable. Additionally, the entry level position of a claims adjudicator inherently causes a turnover rate which is not conducive to an efficient process. It is recognized that the training period of new adjudicators is approximately 2 years. Within that time period and once in the "system," adjudicators often move to more financially rewarding positions. VA, with the help of 2009 "stimulus money," hired approximately 1800 temporary adjudicators and now these new adjudicators at this point are becoming efficient at their positions. Those individuals should be made permanent employees and encouraged and rewarded for remaining in their current positions.

The Changing Demographics of the Veterans' Population

The American Legion is fully aware of the dramatic changes in demographics within the veterans' population. Women, in increasing numbers, continue to enter military service. When they join the veterans' population, the demand for gender specific health services also increases. The previously "male dominated" culture of the VA must be changed to include more extensive health care for women veterans and single parent veterans with children. This will require a change in how VA does business on a daily basis. VA medical facilities must be modified to reflect this new shift in the patient population. VA must have the resources to make timely adjustments and, if necessary, renovations to provide the gender specific medical services, as

well as Military Sexual Trauma (MST) support and childcare for single parents. The American Legion feels that a continued priority must be given to addressing this growing population of American veterans

Veterans, as with the US population at large, are mobile. Many are moving to rural or highly rural -- some would even say remote -- areas where the presence of VA medical facilities is at a premium. These veterans nonetheless are entitled to timely access to the VA health care system. VA is taking bold steps to help address this problem with such rural initiatives as establishing rural clinics, telehealth, and deploying more mobile clinics. The American Legion supports continued outreach initiatives to rural veterans and believes that more should be done in the future. In fact, The American Legion has a physical presence in many of these rural areas. The local American Legion family is more than willing to assist VA in the timely delivery of quality health care. If VA needs a place to park a mobile clinic, an American Legion Post would make an excellent "waiting room" for patients. Some local Post homes may even have enough space to set up a temporary or semi-permanent remote clinic, if appropriate.

Priority Group 8

The American Legion continues to support additional funding to expand health care access to more Priority Group 8 veterans. The American Legion believes all veterans, through their honorable military service, earned and should be provided health care, especially if VA medical care is their best health care option.

Information Technology

In his recent testimony before the House Veterans' Affairs Committee, the VA Secretary outlined his four principles guiding VA into the future: increased agility in order to take advantage of and leverage resources; show demonstrable return on investment; improved service to veterans and their families; and control costs.

Many of VA's "fixes" will depend on information technology. This decision moves technology forward through a transformation by creating new approaches and producing outcomes of greater convenience, quality, and client satisfaction for veterans. The American Legion believes Secretary Shinseki's vision calls for information technology to be results-oriented; investing in emerging technologies; creating and implementing a coordinated, synchronized IT structure in order to continue VA transformation into the 21st Century. Secretary Shinseki plans to restructure IT funding to more accurately demonstrate IT support to its primary customers (Veterans Health Administration, Veterans Benefits Administration, National Cemetery Administration, and Corporate offices). At the same time, he has acknowledged VA's responsibilities for inter-agency IT development to create a single electronic record for service members and veterans, known as Virtual Lifetime Electronic Record (VLER)

The American Legion understands that the investment for VLER is approximately \$157.6 million to fund the on-going collaborative work with DoD. This initiative will enable VA to begin collecting data about future veterans by instituting a uniform VA/DoD registration event at the point of accession to military service. By enabling information interoperability between VA and DoD, VA service delivery will be improved. Access to electronic records is essential to modern health care delivery and the paperless administration of benefits. It provides a framework

to ensure that all health care providers have all the information they need to deliver quality health care at the right time and place while reducing the occurrence of medical errors and duplicative testing. The creation of VLER would allow VA and DoD to take the next step in delivering seamless, high quality care, and will serve as a model for the nation. The American Legion supports a close collaborative effort between DoD and VA in order to insure a smooth transition of information.

The American Legion supports the continued commitment to develop the next generation health care technology known as HealthVet which will enhance and supplement the current Legacy system (VisTA) with more flexibility, improved security, and the infrastructure designed for data sharing among providers within and outside of VA. In addition, technological innovations in the field of telemedicine and telehealth will make it possible to reach out and provide access to veterans and families through non-institutional care. These innovations have significant implications for how care is organized and delivered in the future.

The American Legion Recommends \$3.8 billion for Information Technology in FY 2011

Medical and Prosthetics Research

The American Legion believes VA's focus in research must remain on understanding and improving treatment for medical conditions unique to veterans. Service members are surviving catastrophically disabling blast injuries due to the superior armor they are wearing in the combat theaters and the timely access to quality combat medical care. The unique injuries sustained by the new generation of veterans clearly demand particular attention. It has been reported that VA does not have state-of-the-art prostheses like DoD and that the fitting of prostheses for women has presented problems due to their smaller stature.

The American Legion also supports other VA research activities, including basic biomedical research and bench-to-bedside projects in FY 2011. Congress and the Administration should continue to encourage acceleration in the development and initiation of needed research on conditions that significantly affect veterans, such as prostate cancer, addictive disorders, and trauma and wound healing, post-traumatic stress disorder, rehabilitation, and other research that is conducted jointly with DoD, the National Institutes of Health (NIH), other Federal agencies, and academic institutions.

The American Legion recommends \$700 million for Medical and Prosthetic Research in FY 2011.

Major VHA Construction

The Capital Asset Realignment for Enhanced Services (CARES) process identified approximately 100 major construction projects throughout the VA Medical Center System. Now that VA has disclosed the plan to deliver health care through 2022, Congress has the responsibility to provide funding. The CARES plan called for the construction of new hospitals in Orlando and Las Vegas and replacement facilities in Louisville and Denver for a total cost estimated over \$1 billion for these four facilities.

VA has not had this type of progressive construction agenda in decades. Major construction costs can be significant and proper utilization of funds must be well planned. However, if timely completion is truly a national priority, The American Legion continues to have concerns due to

inadequate funding.

In addition to the cost of the proposed new facilities, there are many construction projects that have been “placed on hold” for the past several years due to inadequate funding and the moratorium placed on construction spending by the CARES process. Two of the most glaring shortfalls are the neglect of the buildings sorely in need of seismic correction and the modification of VA facilities to support the growing women veterans’ population. The delivery of health care in unsafe buildings cannot be tolerated and funds must be allocated to not only construct the new facilities, but also to pay for much needed upgrades at existing facilities. Gambling with the lives of veterans, their families and VA employees is absolutely unacceptable. Delivery of services in less than “user friendly” facilities, will negate the entitlement, and alienate a growing portion of the veterans’ population.

The American Legion recommends \$2 billion for FY2011 Major Construction

Minor VA Construction

VA’s minor construction program has also suffered significant neglect over the past several years. Maintaining the infrastructure of VA’s buildings is no small task, due to the age of these buildings, continuous renovations, relocations and expansions. When combined with the added cost of the CARES program recommendations, it is easy to see that a major increase over the previous funding level is crucial and overdue.

The American Legion recommends \$1.5 billion for Minor Construction in 2011.

State Cemetery Construction Grants Program

VA’s State Cemetery Grant Program is designed to complement VA’s 125 national cemeteries across the country. This state cemetery grant program helps states establish new state veterans’ cemeteries, and expand or improve existing state cemeteries. To date, the VA program has helped establish, expand, or improve 72 state veterans’ cemeteries in 38 states, Northern Mariana Islands and Guam, which provided more than 25,000 burials in FY 2008. VA has awarded 174 grants totaling more than \$344 million.

The American Legion believes States will increasingly use the State Cemetery Grants Program to supplement the needs of veteran populations that are still not well served by the “75-mile service area/170,000 veteran population” threshold that currently serves as the benchmark for establishing a new national cemetery. New state cemeteries, and expansions and improvements of existing cemeteries, are therefore likely to increase. With increasing costs, especially the high costs of land in urban areas, and increased demand, The American Legion suggests that the amount of money for the State Cemetery Grants Program be substantially increased.

The American Legion recommends \$50 million for the State Cemetery Grants Program in FY 2011.

National Cemetery Administration

The mission of the National Cemetery Administration (NCA) is to honor veterans with final resting places in national shrines and with lasting tributes that commemorate their service to this nation. The NCA’s mission is to serve all veterans and their families with the utmost dignity, respect, and compassion. Every national cemetery should be a place that inspires visitors to understand and appreciate the service and sacrifice of our nation’s veterans.

The American Legion recognizes NCA's excellent record in providing timely and dignified burials to all veterans who opt to be buried in a National Cemetery. Equally noteworthy is NCA's fine record in providing memorial headstones, markers and Presidential Memorial Certificates (PMC) to all who request such benefits. We also recognize the hard work that is required to restore and maintain National Cemeteries as national shrines and applaud NCA for its commitment and success toward that endeavor.

The American Legion looks forward to evaluation results and recommendations that VA is currently conducting, and which is expected to be available soon. The evaluation will cover program outcomes and policies including the "75-mile service area/170,000 veteran population" threshold that currently serves as the benchmark for establishing a new national cemetery. The American Legion is pleased that driving (commuting) times will also be considered in this evaluation. Inner-city traffic can significantly increase travel times to distant cemeteries. Driving time needs to be a factor when trying to determine if the veteran population is being served effectively.

The American Legion recommends \$260 million in FY2011.

State Extended Care Facility Construction Grants Program

Since 1984, nearly all planning for VA inpatient nursing home care has revolved around State Veterans' Homes (SVHs) and contracts with public and private nursing homes. Under title 38, USC, VA is authorized to make payments to states to assist in the construction and maintenance of SVHs. Today, there are 133 SVHs in 47 states with over 27,000 beds providing nursing home, hospital, and domiciliary care. Grants for Construction of State Extended Care Facilities provide funding for 65 percent of the total cost of building new veterans' homes. Recognizing the growing Long Term Care (LTC) needs of older veterans, it is essential the State Veterans' Homes Program be maintained as an important alternative health care provider to the VA system.

The American Legion opposes attempts to place a moratorium on new SVH construction grants. State authorizing legislation has been enacted and state funds have been committed. Delaying projects will result in cost overruns and may result in states deciding to cancel these much needed facilities.

The American Legion supports increasing the amount of authorized per diem payments to 50 percent for nursing home and domiciliary care provided to veterans in State Veterans' Homes; providing prescription drugs and over-the-counter medications to State Homes Aid and Attendance patients along with the payment of authorized per diem to State Veterans' Homes; and allowing full reimbursement of nursing home care to 70 percent or higher service-connected disabled veterans, if those veterans reside in a State Veterans' Home.

The American Legion recommends \$275 million for the State Extended Care Facility Construction Grants Program in FY 2011.

Homelessness

VA's Community Homeless Assessment Local Education and Networking Groups (CHALENG), which conduct an annual census of homeless veterans, estimated 107,000 veterans

were homeless each night in 2009. That figure was 131,000 in 2008 and 154,000 in 2007. Further, more and more homeless veterans are male and have children, are female, and are female with children. These new paradigms are changing the way that VA does business in order to attain the Secretary's directive to "end homelessness for veterans."

The Homeless Veterans Reintegration Program (HVRP) is a competitive grant program. HVRP provides services to assist in reintegrating homeless veterans into meaningful employment in the labor force and stimulates the development of effective service delivery systems that address the complex problems facing homeless veterans. HVRP is the only nationwide program focused on assisting homeless veterans to reintegrate into the workforce.

The American Legion recommends \$50 million for HVRP in FY 2011.

Homeless Providers Grant and Per Diem Program Reauthorization

In 1992, VA was given authority to establish the Homeless Providers Grant and Per Diem Program under the Homeless Veterans Comprehensive Service Programs Act of 1992, P.L. 102-590. The Grant and Per Diem Program is offered annually (as funding permits) by VA to fund community agencies providing services to homeless veterans.

VA can provide grants and per diem payments to help public and nonprofit organizations establish and operate supportive housing and/or service centers for homeless veterans. Funds are available for assistance in the form of grants to provide transitional housing (up to 24 months) with supportive services, supportive services in a service center facility for homeless veterans not in conjunction with supportive housing; or to purchase vans.

The American Legion recommends \$200 million for the Grant and Per Diem Program in FY 2011.

CONCLUSION

Mr. Chairman and Members of the Subcommittee, The American Legion sincerely appreciates the efforts of you and your colleagues to address the funding needs of military construction and the Department of Veterans Affairs.

Without question, The American Legion continues to advocate for many of the quality-of-life military construction needs. Military housing, military schools for dependents, and child care facilities remain critical factors in the recruitment and retention of military families. You and your colleagues deserve praise for the attention paid to the military construction needs of today's all-volunteer force.

The American Legion is encouraged by President Obama's budget request for FY 2011 for the Department of Veterans Affairs. While several of the key issues raised by the National Commander in September 2009 have been addressed in a positive issue, The American Legion feels that additional attention should be paid to Major and Minor Construction in the VA budget to reflect the changing demographics of the veterans' population, Long Term Care facilities for aging veterans and their dependents, and additional funds for the inclusion of Priority Group 8

veterans who like their less fortunate fellow veterans have served this nation faithfully, and their families have sacrificed equally and should not be penalized because of economic fortunes.

The American Legion thanks the Subcommittee once again for being allowed to testify today and I welcome any questions you or your colleagues may have.

**PHILIP D. RILEY, DIRECTOR
NATIONAL SECURITY AND FOREIGN RELATIONS COMMISSIONS
THE AMERICAN LEGION**

Philip D. Riley is originally from Dedham, Massachusetts. He graduated from The United States Military Academy (USMA) in June, 1966, commissioned as a Second Lieutenant in Armor Branch. During twenty seven years of service, he served extensively overseas, to include two tours in Vietnam, two tours in Germany, one tour in Kenya on the US Country Team in Nairobi, and one tour in New Zealand as the US-NZ Staff Exchange Officer. He commanded soldiers from platoon through battalion level, including command of the 3rd Battalion, 66th Armor Regiment, an Abrams M1 Tank Battalion , 2nd Armored Division from 1983-86. After graduating from the National War College becoming a Joint Qualified Staff Officer, Colonel Riley served as an action officer within EUCOM and CENTCOM Branch, J3, JCS Current Operations Division, leaving the Branch as its Chief in May of 1990. Thereafter, he became the US Defense Representative to Kenya in Nairobi until his retirement from active duty.

In May 1993, Colonel (ret.) Riley became the Superintendent of New York Military Academy (Private Coed Grades 5-12) from 1993-1997. Thereafter he accepted Headship at a neighboring private college preparatory school, The Storm King School (coed Grades 9-12 and post-graduate), from 1997-2004. Both schools are located in Cornwall on Hudson, NY.

In the summer of 2004, Phil accepted a position with the SEED School Foundation. He taught eighth and ninth grade science to students in The SEED Residential Public Charter School in Anacostia, D.C. until July, 2006, when Phil was selected to become a veterans' advocate for The American Legion. After representing many veterans before the Board of Veterans Appeals and before both the US Army and the US Air Force Military Review Boards, he was selected to his current position as Director of National Security and Foreign Relations Division, National Staff, The American Legion.

Colonel (ret.) Riley has been awarded, among other awards, the Silver Star, two awards of the Defense Superior Service Medal, two Bronze Stars, the Legion of Merit, Purple Heart and nineteen awards of The Air Medal. He holds a Bachelor of Science Degree from USMA, Master in Business Administration from Long Island University, and Master of Teaching from UNC, Chapel Hill. He also holds State Certification and a Certificate of Advance Studies in Education Administration from the State University at New Paltz, NY. An athlete, Phil lettered as a center iceman in Division I College Ice Hockey at USMA. During three years teaching psychology and leadership to cadets at West Point, Phil coached both high school and USMA College Hockey.

Phil and his wife Gere Riley moved back in August 2004 to Alexandria, VA where they reside. They have three daughters, a son and three grand children who also reside in Alexandria.

**BARRY A. SEARLE, DIRECTOR
VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION**

Barry Searle has been the Director of The American Legion's National Veterans Affairs & Rehabilitation staff since June of 2009. In this position Mr. Searle is responsible for guiding and overseeing all The American Legion activities impacting the entitlement programs for veterans and their families.

A retired Active Duty and Reserve Component veteran with over 37 years service, his most recent posting was in 2007-2008, as Commander Regional Coalition Assistance Command East, Gardez Afghanistan, for which he was awarded the Bronze Star. Prior to that deployment he was the Team Chief for Medical Evacuation to CONUS Hospitals (MECH) Operations, Andrews Air Force Base. During the two years of assignment, he and his team assisted over 10,000 returning wounded and injured warriors and their families negotiate the complex evacuation system. Mr. Searle's other awards include: Combat Infantryman's Badge, The Legion of Merit, Meritorious Service Medal, Afghan Campaign Medal, and Armed Forces Expeditionary Medal (Bosnia).

Mr. Searle holds a Master's in Strategic Studies from the US Army War College, and a Bachelor's of Arts in Communications from the University of Scranton, Scranton PA. He is a member of The American Legion Post # 524, Forest City, PA and is a resident of Crofton Maryland.

Mr. EDWARDS. We have Mr. Searle here. Also, Mr. Searle is the director of Veterans Affairs and Rehabilitation Commission with the American Legion.

And, Mr. Riley, you can stay here. We will wait until Mr. Searle's finished his testimony, and then we will ask questions.

We have got two votes, I guess. Do you want to start this testimony? Or do you want to do it?

Mr. FARR. Any way you want to handle it.

Mr. EDWARDS. All right. How much do we—4 minutes left? Why don't we do this? Rather than cutting you off mid-paragraph—

Mr. SEARLE. No problem.

Mr. EDWARDS [continuing]. Why don't we go vote? We will stay there—unless there is some speech or delay, we will stay there for the second, and I think that will be the third vote. So why don't we go up? Thank you.

Mr. FARR. Should be back in 5 minutes, if it goes timely. It never does.

[Recess.]

Mr. EDWARDS. I will call the committee back to order.

And let me just say, Mr. Riley, that I really appreciate your focus on MILCON quality-of-life investments. I have always felt the quality-of-life investments are—as is our veterans program—is really a readiness issue. And I am very proud that this subcommittee, working with the American Legion and other organizations, has taken really huge strides forward in terms of military housing.

The public-private housing initiative was pushed by this subcommittee. It took us about 8 years to get a new approach approved, but we have also approved more funding for new DOD hospitals in the last 2 years than had been done, to my knowledge, in the last 20 years.

And then on daycare centers, we had the top noncommissioned officers testify 2 years in a row and answered my question about, other than pay and time away from loved ones, with their service in Iraq and Afghanistan, what was the number-one quality-of-life issue? And childcare was the issue that came up 2 years in a row.

So as you know, we went from the DOD asking for about \$20 million a year to our pushing, I think, a quarter of a billion dollars, over \$200 billion, plus-up a couple of years ago. And then finally somebody at DOD got the message. And so I think the very next year, they increased by tenfold their funding request for childcare centers. And we will keep pushing that.

And then we also put a study in our bill a year or two ago that required DOD to do a study of the status of our construction and facilities at DOD schools. And I am told, when Secretary Gates saw that information, he was appalled, and I am thrilled to see a huge increase in funding for those DOD schools. That is shameful that we would have our military sons and daughters in schools that don't meet even basic minimum standards.

So I am glad we are making some progress here. But thanks for speaking out for the quality-of-life issues. As I have said earlier, you know, when you are fighting for the weapons programs, there are a lot of business lobbyists, hundreds of them running around for this—but for daycare centers, housing, health care, education

for military kids, DOD schools, there are not many voices, and thank you for being one of those voices.

Mr. RILEY. One more thing.

Mr. EDWARDS. Sure.

Mr. RILEY [continuing]. Putting staff back into those hospitals—

Mr. EDWARDS. Right.

Mr. RILEY [continuing]. Keeping the staffing level right, so that the military retirees—TRICARE—reduce cost of TRICARE.

Mr. EDWARDS. That is a good point. I might get somebody to put pencil to paper on that and see if we can come up with some numbers on that. But thank you for pointing that out.

Mr. FARR. It is a good point, because if you look at the electronics of medicine, people who have done most of it for the longest period of time have been Veterans Affairs. I mean, they have worked out the bugs. They ought to be the model agency.

With the efficiency of electronic files, our clinic in Monterey is about to start using real-time digital information with the V.A. hospital in Palo Alto so that the veterans do not have to go up there. They can show X-rays. They can show skin issues for dermatologists. It is fascinating what they are able to do with telemedicine to bring down those costs.

The V.A. is really the model and the way the rest of America is going to be moving, and we ought to make sure that the lessons learned there are applied, because the more we can do on savings, guaranteeing quality outcomes, the more you can expand into research and other areas where you can really improve quality of life. So I think we are all on the same boat on this.

Mr. EDWARDS. And you are right, those drug savings of 40 percent over retail prices is a huge savings to veterans and the taxpayers.

We would again like to recognize Mr. Barry Searle, director of the V.A. and Rehabilitation Commission of the American Legion, a position he has held since June of 2009.

Mr. Searle, good to have you here.

STATEMENT OF BARRY SEARLE

Mr. SEARLE. Thank you.

Mr. Chairman, I am Barry Searle from the VNR Commission at the American Legion. I want to thank you for the opportunity to present our views on the fiscal year 2011 funding issues. I have submitted my full comments for your consideration.

The American Legion appreciates the budget request for the Department of Veterans Affairs. This budget request would meet several of the funding recommendations offered by the American Legion national commander, Clarence Hill, last September during joint hearings of the Committee on Veterans Affairs.

The fiscal year 2011 budget request focuses on three specific concerns that are of critical importance to the veterans community and have long been priorities of the American Legion. One is the easy access to benefits and services. Second one is reduce the disability claims backlog and expedite the delivery of veterans' earned benefits. And third is ending veterans homelessness.

Also, the V.A. has identified six high-priority performance goals, which again are consistent with the American Legion's priorities. First is reduce the claims backlog. Second is eliminating veterans homelessness, automate the G.I. Bill benefits system, establish a virtual lifetime electronic record, improve mental health care, and deploy a veterans relationship management system.

The American Legion is fully aware of the dramatic changes in the demographics within the veterans population. Women in increasing numbers continue to enter military service. When they join the veterans population, in many cases with dependent children, the need for gender-specific health services also increases.

The culture of the V.A. must be changed to include more extensive health care for women veterans and single-parent veterans with children, both male and female. Many veterans are moving—many veterans are moving to rural or highly rural areas where the presence of V.A. medical facilities is at a premium. These veterans nonetheless are entitled to timely access to the V.A. health care system.

Priority Group 8. The American Legion continues to support additional funding to expand health care access to more Priority Group 8 veterans. The American Legion believes that all veterans through their honorable military service earned and should be provided health care, especially if V.A. medical care is their best health care option.

Information technology. Many of the V.A.'s fixes will depend on information technology. To assist with this mission, an interagency I.T. development to create a single electronic record for servicemembers and veterans known as virtual lifetime electronic record is critical.

In addition, technological innovations in the field of telemedicine and telehealth will make it possible to reach out and provide access to veterans and families through non-institutional care. These innovations have significant implications for how care is organized and delivered in the future. The American Legion recommends \$3.8 billion for information technology for 2011.

Medical and prosthetic research. The unique injuries sustained by the new generation of veterans clearly demands particular attention. For example, it has been reported the V.A. does not have state-of-the-art prosthetics for women with problems due to their small stature. The American Legion recommends \$700 million for medical and prosthetic research in fiscal year 2011.

Major VHA construction. The capital asset realignment for enhanced services, CARES process, have identified approximately 100 major construction projects throughout the V.A. medical care system. In addition to the cost of the proposed new facilities, there are many construction projects that have been placed on hold due to inadequate funding.

Two of the most glaring shortfalls—sorely in need of seismic correction and the modification of facilities to support the growing women's population. The American Legion recommends \$2 billion for major construction.

Minor V.A. construction. V.A.'s minor construction program has also suffered significant neglect over the past several years. Maintaining the infrastructure of V.A.'s buildings is no small task due

to the age of these buildings, continuous renovations, relocations, and expansions. The American Legion recommends \$1.5 billion for minor construction in 2011.

The state cemetery construction grants program. The American Legion believes the states will increasingly use the state cemetery grants program to supplement the needs of veteran population that are still not well served by the 75-service-mile-area, 170,000-veteran-population threshold that currently serves a benchmark for establishing a new national cemetery.

New state cemeteries and expansions and improvements of the existing cemeteries are there for—the American Legion recommends \$50 million for the state cemetery grants program.

The National Cemetery Administration, the American Legion recognizes NCA's excellent record in providing timely and dignified burials to all veterans who opt to be buried in a national cemetery. We also recognize the hard work that is required to restore and maintain national cemeteries as national shrines and applaud NCA for its commitments towards that endeavor. The American Legion recommends \$260 million in 2011.

The state extended care facility construction grants program. Recognizing the growing long-term care needs of veterans, it is essential the states veteran home program be maintained as an important alternative health care provider to the V.A. system. The American Legion opposes attempts to place a moratorium on new SVH construction grants. Delaying projects will result in cost overruns and may result in states deciding to cancel these much-needed facilities. The American Legion recommends \$275 million for the state extended care facility construction grants program.

Homelessness. More homeless veterans, both male and female, have children. These new burdens are changing the way the V.A. does business in order to maintain the secretary's directive to end homelessness for veterans.

The homeless veterans reintegration program provides services to assist in reintegrating homeless veterans into meaningful employment in the labor force and stimulates the development of effective service delivery systems that address the complex problems facing homeless veterans.

The HVRP is the only nationwide program focused on assisting homeless veterans to reintegrate into the workforce. The American Legion recommends \$50 million for the HVRP.

The Homeless Providers Grant and Per Diem Program reauthorization, V.A. can provide grants and per diem payments to help public and nonprofit organizations establish and operate supportive housing and/or service centers for homeless veterans through the grant and per diem program. Funds were available for assistance in the form of grants to provide transitional housing up to 24 months with supportive services. The American Legion recommends \$200 million for the grant and per diem program.

In conclusion, Mr. Chairman, the American Legion is encouraged by President Obama's budget request for 2011. Plus, several of the key issues raised by the national commander in 2009 have been addressed in the positive issue.

The American Legion feels that additional attention should be paid to major and minor construction for medical facilities to reflect

the changing demographics of veterans population, long-term care facilities for aging veterans and their dependents, and additional funds for inclusion of Priority Group 8 veterans, who like our less fortunate fellow veterans have served this nation faithfully, and their families have sacrificed equally and should not be penalized because of economic fortunes.

The American Legion thanks the subcommittee once again for being allowed to testify, and I welcome your questions.

Mr. EDWARDS. Mr. Searle, thank you, and I want to thank the legion for its partnership and all the tremendous accomplishments we have made in the last 3 years that I have had the privilege of chairing this committee and working with my colleagues. We have made some great strides forward. The legion, as it should, is continuing to look at where the unmet needs are, because we never want to stand still. And there are still a lot of unmet needs out there.

I just have one question, in addition to many other important issues that you mentioned, which we would take note of. On homelessness, it was testified before this committee this morning that we went from 154,000 homeless veterans in 2007 per night to about 107,000 in 2009.

Have you ever looked at how we estimate the number of homeless veterans? How comfortable can we be that these numbers are accurate numbers?

Mr. SEARLE. No, sir. I do not know what—how they have actually checked those numbers out, but I can get back to you on that.

Mr. EDWARDS. Okay. I would welcome your review of that, and we will do the same, because I think it is important. I think every one of us would agree if there is one homeless veteran in America, that is one too many, and we ought not to be content and hopefully we are moving in the right direction. We shouldn't be content until that number is zero. And this subcommittee will continue to work with you to address that problem. Thank you.

Mr. FARR.

Mr. FARR. I think the answer to your question is most counties' social services departments are required to go out and do those assessments. I mean, that is how they allocate their resources. I know that the way we do it is at the county level.

One piece of information I would like to give you, all the people in the room, is that a former legislator in California has created this program, a Web site called www.networkofcare.org. And it is phenomenal. He is working with V.A. right now.

He has taken every county—of 58 counties in California—and by county, all the services that any veteran can get, everything they are eligible for, plus all the information, including today's hearing, would be available to that veteran by going to that one site. It is truly one-stop. All our veterans and, service officers are just amazed at how much outreach this is doing, where we have our normal ways of outreach.

It might be worth putting this site into your publications: networkofcare.org.

Mr. EDWARDS. Well, thank you both for your testimony. It is good to have you here.

And why don't we do this? If you would maybe sit back in the other chairs while the Independent Budget group is testifying, and then we will get into questions and answers. We would like to have you come back up with the other VSOs that will be here.

I would like to welcome all of you here. And none of you is a stranger to this subcommittee. But for the record, I would like to introduce Mr. Ray Kelley with AMVETS, its national legislative director; Mr. John Wilson, with the Disabled American Veterans; Mr. Carl Blake, with the Paralyzed Veterans of America; and Mr. Eric Hilleman, with the Veterans of Foreign Wars.

Thank you all for your work with the Independent Budget. As you well know, in the last several years, it has been the first time that the Congress has ever met and even exceeded the Independent Budget request. And you, through this budget process, really helped shape this bill, along with the American Legion. While it is not part of the Independent Budget officially, I know you share many of the same views and concerns and priorities. So together, you have all had a real impact on the progress that we have made. We know there still are progress to be made in the years ahead, and we look forward to working with you on it.

Why don't we just begin with you, Carl, if you would?

TUESDAY, MARCH 23, 2010.

**THE INDEPENDENT BUDGET—PARALYZED VETERANS
OF AMERICA**

WITNESSES

CARL BLAKE, NATIONAL LEGISLATIVE DIRECTOR DISABLED AMERICAN VETERANS

JOHN WILSON, ASSISTANT LEGISLATIVE DIRECTOR VETERANS OF FOREIGN WARS

ERIC HILLEMAN, NATIONAL LEGISLATIVE DIRECTOR AMVETS

RAY KELLEY, NATIONAL LEGISLATIVE DIRECTOR

STATEMENT OF CARL BLAKE

Mr. BLAKE. Thank you, Mr. Chairman, Mr. Farr. On behalf of the Independent Budget and four co-authors seated here, and Paralyzed Veterans of America, I would like to thank you for the opportunity to be here today to testify on the fiscal year 2011 budget for the Department of Veterans Affairs.

I think in the interest of allowing for questions, I will just limit my comments to a few points. You have our written statement, and it outlines in detail our specific budget recommendations. I will just point out that we focused our 2011 for medical care on the 2011 recommendations, because we didn't really provide one for last year as part of the advanced appropriations. And I would simply say that we feel pretty comfortable in what the administration and what Congress ultimately appropriated last year, based on our own estimation for 2011, so that is a good thing.

I would also suggest that the overall budget provided by the administration this year is a very good budget. It is one of the better budgets we have seen, so we are happy with that, some particular

areas notwithstanding, and I think my colleagues will probably address a little bit of that.

What I will say is, as a couple of areas of concern, particularly information technology, the administration recommended essentially a flat-line \$3.3 billion budget, and we recommended about \$3.55 billion. I think our concern is, I am not sure how an essentially flat-lined budget addresses the idea that inflation should impact all of the accounts.

Additionally, I think, given the initiatives that the—that the V.A. has outlined as far—that are impacted by I.T. in its budget submission to include the virtual lifetime electronic record, this proposal to automated claims process, which is still sort of in its infancy, I believe, but that will deal with disability compensation, as well as improving upon the delivery of the Post-9/11 G.I. Bill. I think it is something that the subcommittee certainly will have to—think should investigate a little further.

I will not go into construction and some of the other things, because my colleagues will address that, and as well as with VBA. I will just simply say, as it relates to fiscal year 2012, you will notice—and it is probably a glaring omission that the Independent Budget did not make a recommendation specifically towards 2012 for medical care, and that is principally because we advocated for a process change, and we would like to give that process an opportunity to play out the way it is supposed to.

I will say that we feel very good about the administration, what they have done so far in providing a budget estimate for 2012 and providing the level of detail that we wish they did. And I will also say that we are continuing to work with the authorizers, as well as your committee and the staff on both sides of the Hill, to ensure that GAO still fulfills its responsibility which it has as part of this new process, which is to report on the information provided by the administration.

And I do not remember exactly the timeframe that they have, but I am sure it is rapidly approaching, given the legislation that was enacted late last year. And so I will just conclude by saying, we certainly appreciate everything that the subcommittee has done. I think it goes without saying that, without this subcommittee, the V.A. would be far behind where it is now, and so we look forward to working with the subcommittee to continue this forward.

I believe with the advanced appropriations in process for medical care, we are headed down a very good road. And as long as we can sort of ensure we are vigilant about the other accounts of the V.A., the V.A. should be strong and viable for the future.

So, again, I will take any questions. And thank you, Mr. Chairman.

[Prepared statement of Carl Blake follows:]



**STATEMENT OF
CARL BLAKE
NATIONAL LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION AND
VETERANS' AFFAIRS
CONCERNING
THE INDEPENDENT BUDGET
AND THE DEPARTMENT OF VETERANS AFFAIRS BUDGET
FOR FISCAL YEAR 2011**

MARCH 23, 2010

Chairman Edwards, Ranking Member Wamp, and members of the Subcommittee, as one of the four co-authors of *The Independent Budget* (IB), Paralyzed Veterans of America (PVA) is pleased to present the views of *The Independent Budget* regarding the funding requirements for the Department of Veterans Affairs (VA) health care system for FY 2011.

Chartered by the Congress of the United States

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When looking back on 2009, it is fair to say that the 111th Congress took an historic step toward providing sufficient, timely, and predictable funding, and yet it still failed to complete its appropriations work prior to the start of the new fiscal year on October 1. The actions of Congress last year generally reflected a commitment to maintain a viable VA health care system. More important, Congress showed real interest in reforming the budget process to ensure that the VA knows exactly how much funding it will receive in advance of the start of the new fiscal year.

As you know, for more than a decade, the Partnership for Veterans Health Care Budget Reform (hereinafter "Partnership"), made up of nine veterans service organizations, including the four co-authors of *The Independent Budget*, advocated for reform in the VA health care budget formulation process. By working with the leadership of the House and Senate Committees on Veterans' Affairs, the Military Construction and Veterans Affairs Appropriations Subcommittees, and key members of both parties, we were able to move advance appropriations legislation forward. Congress ultimately approved and the President signed into law P.L. 111-81, the "Veterans Health Care Budget Reform and Transparency Act." Mr. Chairman, we particularly appreciate your leadership on this issue. Without the support of you and the members of the Subcommittee on Military Construction and Veterans' Affairs, it is unlikely that we would have achieved such a monumental accomplishment.

A review of recent budget cycles made it evident that even when there was strong support for providing sufficient funding for veterans medical care programs, the systemic flaws in the budget and appropriations process continued to hamper access to and threaten the quality of the VA health care system. Now, with enactment of advance appropriations the VA can properly plan to meet the health care needs of the men and women who have served this nation in uniform.

In February 2009, the President released a preliminary budget submission for the Department of Veterans Affairs for FY 2010. This submission only projected funding levels for the overall VA budget. The Administration recommended an overall funding authority of \$55.9 billion for the VA, approximately \$5.8 billion above the FY 2009 appropriated level and nearly \$1.3 billion more than *The Independent Budget* had recommended.

In May, the Administration released its detailed budget blueprint that included approximately \$47.4 billion for medical care programs, an increase of \$4.4 billion over the FY 2009 appropriated level and approximately \$800 million more than the recommendations of *The Independent Budget*. The budget also included \$580 million in funding for Medical and Prosthetic Research, an increase of \$70 million over the FY 2009 appropriated level. By the end of the year, Congress enacted P.L. 111-117, the “Consolidated Appropriations Act for FY 2010,” that provided funding for the VA to virtually match the recommendations of the Administration. While the importance of these historic funding levels coupled with the enactment of advance appropriations legislation cannot be overstated, it is important for Congress and the Administration to continue this commitment to the men and women who have served and sacrificed for this country.

Funding for FY 2011

Despite the fact that Congress has already provided advance appropriations for FY 2011, *The Independent Budget* has chosen to still present budget recommendations for the medical care accounts specifically for FY 2011. Included in P.L. 111-117 was advance appropriations for FY 2011. Congress provided approximately \$48.2 billion in discretionary funding for VA medical care. When combined with the \$3.3 billion Administration projection for medical care collections in 2010, the total available operating budget provided by the appropriations bill is approximately \$51.5 billion. Accordingly for FY 2011, *The Independent Budget* recommends approximately \$52.0 billion for total medical care, an increase of \$4.5 billion over the FY 2010 operating budget level established by P.L. 111-117, the “Consolidated Appropriations Act for FY 2010.” We believe that this estimation validates the advance projections that the Administration developed last year and has carried forward into this year. Furthermore, we remain confident that the Administration is headed in a positive direction that will ultimately benefit the veterans who rely on the VA health care system to receive their care.

The medical care appropriation includes three separate accounts—Medical Services, Medical Support and Compliance, and Medical Facilities—that comprise the total VA health care funding level. For FY 2011, *The Independent Budget* recommends approximately \$40.9 billion for

Medical Services. Our Medical Services recommendation includes the following recommendations:

Current Services Estimate.....	\$38,988,080,000
Increase in Patient Workload.....	\$1,302,874,000
Policy Initiatives.....	\$650,000,000
Total FY 2011 Medical Services.....	\$40,940,954,000

In order to develop our current services estimate, we first added the estimated collections for FY 2010 to the Medical Services appropriation for FY 2010. This best reflects the total budget authority that the VA will use to provide health care services. This amount was then increased by relevant rates of inflation. We also use the Obligations by Object in the President's Budget submission in order to set the framework for our recommendation. We believe this method allows us to apply more accurate inflation rates to specific sub-accounts within the overall account. Our inflation rates are based on five-year averages of different inflation categories from the Consumer Price Index-All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics every month. Once again this year, we are faced with the difficult challenge of determining inflation rates to apply while having to make assumptions about an uncertain long-term economic course for the country. However, by using an average of past inflation rates, we are better able to reasonably reflect the impact on the medical care accounts of the VA, even if a dramatic up-turn or down-turn occurs.

Our growth in patient workload is based on a projected increase of approximately 117,000 new unique patients—Priority Group 1-8 veterans and covered non-veterans. We estimate the cost of these new unique patients to be approximately \$926 million. The increase in patient workload also includes a projected increase of 75,000 new Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) veterans at a cost of approximately \$252 million.

Finally, our increase in workload includes the projected enrollment of new Priority Group 8 veterans who will use the VA health care system as a result of the Administration's plan to incrementally increase the enrollment of Priority Group 8 veterans by 500,000 enrollments by FY 2013. We estimate that as a result of this policy decision, the number of new Priority Group 8 veterans who will enroll in the VA will increase by 125,000 in each of the next four years.

Based on the Priority Group 8 empirical utilization rate of 25 percent, we estimate that approximately 31,250 of these new enrollees will become users of the system. This translates to a cost of approximately \$125 million.

As we have emphasized in the past, the VA must have a clear plan for incrementally increasing this enrollment. Otherwise, the VA risks being overwhelmed by significant new workload. *The Independent Budget* is committed to working with the VA and Congress to implement a workable solution to allow all eligible Priority Group 8 veterans who desire to do so to begin enrolling in the system.

Our policy initiatives have been streamlined to include immediately actionable items with direct funding needs. Specifically, we have limited our policy initiatives recommendations to restoring long-term care capacity (for which a reasonable cost estimate can be determined based on the actual capacity shortfall of the VA). Moreover, we have provided a projection for centralized prosthetics funding (based on actual expenditures and projections from the VA's prosthetics service). In order to restore the VA's long-term care average daily census (ADC) to the level mandated by P.L. 106-117, the "Veterans Millennium Health Care Act," we recommend \$375 million. Finally, to meet the increase in demand for prosthetics, the *IB* recommends an additional \$275 million. This increase in prosthetics funding reflects the significant increase in expenditures projected from FY 2010 to FY 2011 (explained in the section on Centralized Prosthetics Funding) and the expected continued growth in expenditures in the coming years. The funding for prosthetics is particularly important because it reflects current services and represents a demonstrated need now; whereas, our funding recommendations for long-term care reflect our desire to see this capacity expanded beyond the current services level.

For Medical Support and Compliance, *The Independent Budget* recommends approximately \$5.3 billion. Finally, for Medical Facilities, *The Independent Budget* recommends approximately \$5.7 billion. Our recommendation once again includes an additional \$250 million for non-recurring maintenance (NRM) provided under the Medical Facilities account. This would bring our overall NRM recommendation to approximately \$1.26 billion for FY 2011. While we appreciate the significant increases in the NRM baseline over the last couple of years, total NRM funding

still lags behind the recommended two to four percent of plant replacement value. Based on that logic, the VA should actually be receiving at least \$1.7 billion annually for NRM (Refer to Construction section article "Increase Spending on Nonrecurring Maintenance).

For Medical and Prosthetic Research, *The Independent Budget* recommends \$700 million. This represents a \$119 million increase over the FY 2010 appropriated level, and approximately \$110 million above the Administration's request. We are particularly pleased that Congress has recognized the critical need for funding in the Medical and Prosthetic Research account in the last couple of years. Research is a vital part of veterans' health care, and an essential mission for our national health care system. We are extremely disappointed in the Administration's decision to virtually flat line the research budget. VA research has been grossly underfunded in contrast to the growth rate of other federal research initiatives. At a time of war, the government should be investing more, not less, in veterans' biomedical research programs.

The Independent Budget recommendation also includes a significant increase in funding for Information Technology (IT). For FY 2011, we recommend that the VA IT account be funded at approximately \$3.553 billion. This amount includes approximately \$130 million for an Information Systems Initiative to be carried out by the Veterans Benefits Administration. This initiative is explained in greater detail in the policy portion of *The Independent Budget*. This represents an increase of \$246 million over the FY 2010 appropriated level as well as the Administration's request. We are greatly concerned that the Administration is shortchanging this account in a budget in which the VA and the Department of Defense are called on to jointly implement the Virtual Lifetime Electronic Record, and in which the Administration proposes to automate claims processing to improve the accuracy and timeliness of veterans' benefits, particularly disability compensation and the new Post-9/11 GI Bill.

As explained in *The Independent Budget*, there is a significant backlog of major and minor construction projects awaiting action by the VA and funding from Congress. We have been disappointed that there has been inadequate follow-through on issues identified by the Capital Asset Realignment for Enhanced Services (CARES) process. In fact, we believe it may be time to revisit the CARES process all together. For FY 2011, *The Independent Budget* recommends

approximately \$1.295 billion for Major Construction and \$785 million for Minor Construction. The Major Construction recommendation includes approximately \$100 million for research infrastructure and the Minor Construction recommendation includes approximately \$200 million for research facility construction needs.

We note that the Budget Request reduces funding for Major Construction and slashes funding for Minor Construction. Despite additional funding that has been provided in recent years to address the construction backlog and maintenance needs facing VA, a great deal remains to be done. We cannot comprehend what policy decisions could justify such a steep decrease in funding for Minor Construction and we look forward to reviewing the detailed explanation in the President's Budget Request.

Advance Appropriations for FY 2012

Public Law 111-81 required the President's budget submission to include estimates of appropriations for the medical care accounts for FY 2012 and the VA Secretary to provide detailed estimates of the funds necessary for these medical care accounts in his budget documents submitted to Congress. Consistent with advocacy by *The Independent Budget*, the law also requires a thorough analysis and public report of the Administration's advance appropriations projections by the Government Accountability Office (GAO) to determine if that information is sound and accurately reflects expected demand and costs to be incurred in FY 2012 and subsequent years.

We are pleased to see that the Administration has followed through on its responsibility to provide an estimate for the Medical Care accounts of the VA for FY 2012. It is important to note that this is the first year the budget documents have included advance appropriations estimates. This will also be the first time that the GAO examines the budget submission to analyze its consistency with VA's Enrollee Health Care Projection Model, and what recommendations or other information the GAO report will include. *The Independent Budget* looks forward to examining all of this new information and incorporating it into future budget estimates.

In the end, it is easy to forget, that the people who are ultimately affected by wrangling over the budget are the men and women who have served and sacrificed so much for this nation. We hope that you will consider these men and women when you develop your budget views and estimates, and we ask that you join us in adopting the recommendations of *The Independent Budget*.

This concludes my testimony. I will be happy to answer any questions you may have.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2010

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation—
National Veterans Legal Services Program— \$300,000 (estimated).

Fiscal Year 2009

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation —
National Veterans Legal Services Program— \$296,687.

Fiscal Year 2008

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation —
National Veterans Legal Services Program— \$302,556.

**William Carl Blake
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Carl Blake is the National Legislative Director for Paralyzed Veterans of America (PVA) at PVA's National Office in Washington, D.C. He is responsible for the planning, coordination, and implementation of PVA's relations with the United States Congress and federal departments and agencies. He develops and executes PVA's Washington agenda in areas of budget, appropriations, health care, and veterans' benefits issues. He also represents PVA to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management.

Carl was raised in Woodford, Virginia. He attended the United States Military Academy at West Point, New York. He received a Bachelor of Science Degree from the Military Academy in May 1998.

Upon graduation from the Military Academy, he was commissioned as a Second Lieutenant in the Infantry in the United States Army. He was assigned to the 504th Parachute Infantry Regiment (1st Brigade) of the 82nd Airborne Division at Fort Bragg, North Carolina. He graduated from Infantry Officer Basic Course, U.S. Army Ranger School, U.S. Army Airborne School, and Air Assault School. His awards include the Army Commendation Medal, Expert Infantryman's Badge, and German Parachutist Badge. Carl retired from the military in October 2000 due to injuries suffered during a parachute operation.

Carl is a member of the Virginia-Mid-Atlantic chapter of the Paralyzed Veterans of America.

Carl lives in Fredericksburg, Virginia with his wife Venus, son Jonathan and daughter Brooke.

Mr. EDWARDS. Great. Thank you for all the attention you have put on the details of the budget, in addition to the aggregate budget numbers needed.

Mr. Wilson.

STATEMENT OF JOHN WILSON

Mr. WILSON. Yes, Mr. Chairman, members of the subcommittee, my oral testimony today will focus on the specific appropriations recommendations for the following V.A. benefits programs: one, information technology; two, Veterans Benefits Administration increased staffing; three, the Office of Inspector General; and four, vocational and rehabilitation and employment.

First, information technology. As Carl said, V.A. requested \$3.3 billion to support a reliable and accessible I.T. infrastructure. The I.B. recommends \$3.55 billion, a \$245 million increase.

We strongly support VBA's request for \$145 million to implement a paperless claims processing system, modernized I.T. infrastructure that optimizes business processes, and creates a secure and accessible paperless I.T. system that rapidly moves and organizes information necessary for V.A. to approve claims for benefits, while optimizing workflow and business processes is certainly needed.

Second, VBA increased staffing. VBA has requested \$460 million to bring onboard 4,048 more FTE in 2011 to handle new Agent Orange presumptives and other claims. Given the projected 16 percent increase to 1.2 million new compensation and pension claims and the current absence of a robust I.T. solution that could enhance both work quantity and work quality, we support this additional staffing request. We continue to emphasize the need for adequate training of these new employees, as well.

Third, the Office of Inspector General. In March 2009, V.A.'s OIG reported on VBA's overall benefits approval system and found that 23 percent of all veterans claims for disability compensation were decided incorrectly in the 12-month period reviewed. They projected that over 200,000 veterans therefore received inaccurate disability compensation decisions as a result.

The chart attached at the end of my written testimony portrays mixed performance results in handling PTSD and TBI claims, among others, from the last six Office of Inspector General visits to V.A. regional offices.

VBA must have the benefit of a robust OIG staff, given its difficulty with qualitative and quantitative measures surrounding disability compensation claims, contracting, and training. Therefore, we support an additional \$12 million to allow this office to fulfill its employees' mission.

Fourth and last, Vocational Rehabilitation and Employment. VR&E continues to provide critical resources to service-connected disabled veterans despite inadequate staffing levels. To meet its ongoing workload demands and to implement new initiatives recommended by the secretary's VR&E task force, VR&E needs to increase its staffing. We recommend at a minimum 200 FTE to meet its current needs and to build for an increased demand, which is surely coming as a result of continued OIF and OEF deployments.

That concludes my testimony, Mr. Chairman. I would be happy to answer any questions.

[Prepared statement of John Wilson follows:]

**STATEMENT OF
JOHN WILSON
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE OF MILITARY CONSTRUCTION, VETERANS AFFAIRS,
AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 23, 2010**

Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to appear before you on behalf of the Disabled American Veterans (DAV), one of four national veterans' organizations that create the annual *Independent Budget* (IB) for veterans programs, to summarize our recommendations for fiscal year (FY) 2011.

As you know Mr. Chairman, the IB is a budget and policy document that sets forth the collective views of DAV, AMVETS, Paralyzed Veterans of America (PVA), and Veterans of Foreign Wars of the United States (VFW). Each organization accepts principal responsibility for production of a major component of our IB—a budget and policy document on which we all agree. Reflecting that division of responsibility, my testimony focuses primarily on the variety of Department of Veterans Affairs (VA) benefits programs available to veterans.

In preparing this 24th IB, the IB Veterans Service Organizations (IBVSOs) draw upon our extensive experience with veterans' programs, our firsthand knowledge of the needs of America's veterans, and the information gained from continuous monitoring of workloads and demands upon, as well as the performance of, the veterans benefits and services system. This Committee has acted favorably on many of our recommendations to improve services to veterans and their families. We ask that you give our recommendations serious consideration again this year. My testimony today will focus on three areas: Benefits; General Operating Expenses; and Judicial Review.

Within the Benefits arena, the first area to address is concurrent receipt of compensation and military longevity retired pay. It has been and continues to be the perspective of the IBVSOs that all military retirees should be permitted to receive military longevity retired pay and VA disability compensation concurrently, regardless of the level of their disability rating.

Many veterans, retired from the armed forces based on longevity of service, must forfeit a portion of their retired pay earned through faithful performance of military service before they receive VA compensation for service-connected disabilities. This is inequitable. Military retired pay is earned by virtue of a veteran's career of service on behalf of the nation, careers of no less than 20 years.

Entitlement to disability compensation, on the other hand, is paid solely because of disabilities resulting from military service, regardless of the length of service. Most nondisabled military retirees pursue second careers after serving in order to supplement their income, thereby justly enjoying a full reward for completion of a military career with the added reward of full civilian employment income. In contrast, service-connected disabled military longevity retirees do not enjoy the same full earning potential. Instead, their earning potential is reduced commensurate with the degree of service-connected disability.

While Congress has made progress in recent years in correcting this injustice, current law still provides that service-connected veterans rated less than 50% who retire from the Armed Forces on length of service will not receive both their VA disability compensation and full military retired pay.

The IBVSOs recommend Congress enact legislation to repeal the inequitable requirement that veterans' military retired pay be offset by an amount equal to their rightfully earned VA disability compensation.

The next area to address is repeal of the current requirement that the amount of an annuity under the Survivor Benefit Plan (SBP) be reduced on account of and by an amount equal to Dependency and Indemnity Compensation (DIC).

Career members of the armed forces earn entitlement to retired pay after 20 or more years' service. Unlike many retirement plans in the private sector, survivors have no entitlement to any portion of the member's retired pay after his or her death. Under the SBP, deductions are made from the member's retired pay to purchase a survivors' annuity. Upon the veteran's death, the annuity is paid monthly to eligible beneficiaries under the plan. If the veteran died of other than service-connected causes or was not totally disabled by service-connected disability for the required time preceding death, beneficiaries receive full SBP payments. However, if the veteran's death was due to service or followed from the requisite period of total service-connected disability, the SBP annuity is reduced by an amount equal to the DIC payment. If the monthly DIC rate is equal to or greater than the monthly SBP annuity, then beneficiaries lose all entitlement to the SBP annuity.

This offset is inequitable because no duplication of benefits is involved. The offset penalizes survivors of military retired veterans whose deaths are under circumstances warranting indemnification from the government separate from the annuity funded by premiums paid by the veteran from his or her retired pay.

It is the recommendation of the IBVSOs that Congress repeal the offset between DIC and SBP.

The last area to address within the Benefits section of the IB is the topic of automobile grants and adaptive equipment. The automobile and adaptive equipment grants need to be increased and automatically adjusted annually to cover increases in costs.

The VA provides certain severely disabled veterans and service members' grants for the purchase of automobiles or other conveyances. VA also provides grants for adaptive equipment necessary for the safe operation of these vehicles. Veterans suffering from service-connected ankylosis of one or both knees or hips are eligible for the adaptive equipment only. This program also authorizes replacement or repair of adaptive equipment.

Congress initially fixed the amount of the automobile grant to cover the full cost of the automobile. However, because sporadic adjustments have not kept pace with increasing costs, over the past 53 years the value of the automobile allowance has been substantially eroded. In 1946, the \$1,600 allowance represented 85 percent of the average retail cost and was sufficient to pay the full cost of automobiles in the "low-price field."

The Federal Trade Commission cites National Automobile Dealers Association data that indicate that the average price of a new car in 2009 was \$28,400. The current \$11,000 automobile allowance represents 62 percent of the 1946 benefit when adjusted for inflation by the CPI; however, it is only 39 percent of the average cost of a new automobile. To restore equity between the cost of an automobile and the allowance, the allowance, based on 80 percent of the average new vehicle cost, would be \$22,800.

It is the recommendation of the IBVSOs that Congress enact legislation to increase the automobile allowance to 80 percent of the average cost of a new automobile in 2009 and then provide for automatic annual adjustments based on the rise in the cost of living. Congress should also consider increasing the automobile allowance to cover 100 percent of the average cost of a new vehicle and provide for automatic annual adjustments based on the actual cost of a new vehicle, not the CPI.

Within the General Operating Expenses arena, the IBVSOs offer Congress and the Administration many opportunities for improvement. The first topic of consideration has to do with the Veterans Benefits Administration (VBA) disability claims process.

While simultaneously enhancing training and increasing individual and managerial accountability, Congress and the VA must take definitive steps to reduce delays in the disability claims process caused by policies and practices that were developed in a disjointed and haphazard manner.

The adjudication of compensation claims is complex and time consuming. Failure to develop evidence correctly requires serial redevelopment, which delays claims resolution and increases opportunities for mistakes. Further, inadequately trained employees may fail to recognize when claims development is inadequate for rating purposes. The lack of effective on-the-job training, as well as the failure to involve program expertise of senior Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) earlier in the process are critical failures. As a consequence, VA routinely continues to develop many claims rather than making timely rating decisions.

Processing policy should be changed to get claims into the hands of experienced technicians (Journey-level VSRs/RVSRs) earlier in the process. This way, issues with sufficient evidence can be evaluated, while development of other outstanding issues continues as directed by those more experienced technicians.

It is understandable that VA wants to be deliberative as it determines the next best course of action to address how to improve the claims process. After all, the VA estimates it will manage as many as 946,000 total claims this fiscal year and provide more than \$30 billion in compensation and pension benefits. The IBVSOs recognize that VA has a responsibility to administer these programs according to the law.

There is virtually no in-process quality control that could detect errors before they create undue delays, and provide real-time feedback to technicians. The claims process is a series of steps VA goes through to identify necessary evidence, obtain that evidence, and then make decisions based on the law and the evidence gathered. What fails here is the execution. While the rules are fairly clear, it is the overwhelming quantity of the work, inadequate training, lack of adequate accountability, and pressure to cut corners to produce numbers that result in an 18 percent substantive error rate (by VA's own admission). It is difficult to maintain quality control when individual performance reviews are limited to 5 cases per month, and when there is virtually no oversight on the propriety of end product closures.

There is ample room to improve the law in a manner that would bring noticeable efficiency to VA's claims process, such as when VA issues a Veterans Claims Assistance Act (VCAA) notice letter. These notice letters, in their current form, do not inform the claimant of what elements render private medical opinions adequate for VA rating purposes.

In FY 2007, the Board of Veterans' Appeals (BVA) remanded more than 12,000 cases to obtain a medical opinion. In 2008, that number climbed to more than 16,000. In the view of the IBVSOs, many of these remands could have been avoided if VA had accepted sufficient medical opinions already provided by veterans. While recent court decisions have indicated that VA should accept private medical opinions that are credible and acceptable for rating purposes, we have seen no evident reduction in remands to obtain medical opinions.

To correct this deficiency, we recommend that when VA issues proposed regulations to implement the recent amendment of title 38, United States Code, § 5103, its proposed regulations contain a provision that will require it to inform a claimant, in a VCAA notice letter, of the basic elements that make medical opinions adequate for rating purposes.

Congress should also consider amending title 38, United States Code, § 5103A(d)(1), to provide that when a claimant submits private medical evidence, including a private medical opinion, that is competent, credible, probative, and otherwise adequate for rating purposes, the Secretary shall not request such evidence from a VA health care facility. The language we suggest adding to section 5103A(d)(1), would not, however, require VA to accept private medical evidence if, for example, VA finds that the evidence is not credible and therefore not adequate for VA rating purposes.

Modifying regional office jurisdiction regarding supplemental statements of the case (SSOCs) will improve the timeliness of the appeals process. This proposal is addressed in H.R. 4121, which seeks to amend title 38, United States Code, to improve the appeals process of the VA and was introduced by Representative John Hall on November 19, 2009.

In the current process, when an appeal is not resolved, the VA regional office will issue a statement of the case (SOC) along with a VA Form 9, to the claimant, who concludes, based on the title of the Form 9 (Appeal to the BVA) that the case is now going to the VA. Consequently, the veteran may feel compelled to submit additional or repetitive evidence in the mistaken belief that his or her appeal will be reviewed immediately by BVA. But the VARO issues another SSOC each time new evidence is submitted. This continues until VA finally issues a VAF-8, Certification of Appeal, which actually transfers the case to the BVA.

H.R. 4121 would amend this process so that evidence submitted after the appeal has been certified to the BVA will be forwarded directly to the BVA and not considered by the regional office unless the appellant or his or her representative elects to have additional evidence considered by the regional office. This opt-out clause merely reverses the standard process without removing any rights from an appellant. The IBVSOs believe this change should result in reduced appellant lengths, much less appellant confusion, and nearly 100,000 reduced VA work hours by eliminating in many cases the requirement to issue SSOCs.

It is the IBVSOs' recommendation that:

Congress should modify current "duty to assist" requirements that VA undertake independent development of the case, including gathering new medical evidence, when VA determines the claim already includes sufficient evidence to award all benefits sought by the veteran.

Congress should allow the BVA to directly hear new evidence in cases certified to it, rather than require VA's regional offices to hear the evidence and submit SSOCs.

Congress pass H.R. 4121 to amend the process so that evidence submitted after the appeal and certified to the BVA be forwarded directly to the BVA and not considered by the regional office unless the appellant or his or her representative elects to have additional evidence considered by the regional office.

The next area to address is VBA training. Although the VA has improved its training programs to some extent, more needs to be done to ensure decision makers and adjudicators are held accountable to training standards.

The IBVSOs have consistently maintained that VA must invest more in training adjudicators in order to hold them accountable for accuracy. VA has made improvements to its

training programs in the past few years; nonetheless, much more improvement is required in order to meet quality standards that disabled veterans and their families deserve.

Training, informal instruction as well as on-the-job training, has not been a high enough priority in VA. The IBVSOs have consistently asserted that proper training leads to better quality decisions, and that quality is the key to timeliness of VA decision making. VA will achieve such quality only if it devotes adequate resources to perform comprehensive and ongoing training and imposes and enforces quality standards through effective quality assurance methods and accountability mechanisms. The Administration and Congress should require mandatory and comprehensive testing designed to hold trainees accountable. This requirement should be the first priority in any plan to improve training. VA should not advance trainees to subsequent stages of training until they have successfully demonstrated that they have mastered the material.

One of the most essential resources is experienced and knowledgeable personnel devoted to training. More management devotion to training and quality requires a break from the status quo of production goals above all else. In a 2005 report from the VA Office of Inspector General, VBA employees were quoted as stating: "Although management wants to meet quality goals, they are much more concerned with quantity. An RVSr is much more likely to be disciplined for failure to meet production standards than for failing to meet quality standards," and "there is a lot of pressure to make your production standard. In fact, your performance standard centers around production and a lot of awards are based on it. Those who don't produce could miss out on individual bonuses, etc."¹ Little if anything has changed since the Inspector General issued this report.² VBA employees continue to report that they receive minimal time for training, whether it is self-study, training broadcasts, or classroom training. They report that management remains focused on production over quality.

The Veterans' Benefits Improvement Act of 2008 mandated some testing for claims processors and VBA managers, which is an improvement; however, it does not mandate the type of testing during the training process as explained herein. Measurable improvement in the quality of and accountability for training will not occur until such mandates exist.

Training will only be effective if the VBA training board, or a more robust oversight entity, can ensure communication and coordination between the Office of Employee Development and Training, Technical Training and Evaluation, Veterans Benefits Academy and the five business lines. Feedback should be collected from ROs to assess the effectiveness of their training, which can be incorporated into revised lesson plans as necessary. Communication and close, continued coordination by each of these offices is essential to the establishment of a comprehensive, responsive training program.

¹ Department of Veterans Affairs Office of Inspector General, Rep. No. 05-00765-137, Review of State Variances in VA Disability Compensation Payments 61 (May 19, 2005).

² A survey conducted by the Center for Naval Analysis Corporation for the Veterans' Disability Benefits Commission found that "some raters felt that they were not adequately trained or that they lacked enough experience." Veterans' Disability Benefits Commission, October 2007, Honoring the Call to Duty: Veterans' Disability Benefits in the 21st Century, p. 12

For a culture of quality to thrive in the VBA, VA leaders must be the change agents to achieve this important goal. Training is an essential component to transforming the organization from a production-at-all-costs focus to one of decisions based on quality products which are delivered in a timely manner.

It is the IBVSOs' recommendation that:

VA should undertake an extensive training program to educate its adjudicators on how to weigh and evaluate medical evidence and require mandatory and comprehensive testing of the claims process and appellate staff. To the extent that VA fails to provide adequate training and testing, Congress should require mandatory and comprehensive testing, under which VA will hold trainees accountable.

VA should hold managers accountable to ensure that the necessary training and time is provided to ensure all personnel are adequately trained. Feedback should be collected from ROs on the effectiveness of the training. The Office of Employee Development and Training, Technical Training and Evaluation, Veterans Benefits Academy and the five business lines should incorporate any emerging trends into revised training plans.

The next topic of consideration is VBA's current accountability and quality mechanisms. It is the IBVSOs' position that VBA must overhaul these outdated and ineffective mechanisms.

This can be accomplished through the development and deployment of a robust new electronic document management system, capable of converting all claims-related paperwork into secure, official electronic documentation that is easily accessible and searchable by all official personnel involved in the process and has built in accountability and quality management process management tools.

"60 Minutes" ran a story on January 3, 2010, entitled "Delay, Deny and Hope I Die," which addressed the issue of the VA's claims backlog and veterans' frustrations. The VA Deputy Under Secretary for Benefits, Michael Walcoff, was interviewed for the story. When asked if VA had a focus on quantity over quality, he stated, "I don't believe that they're being pressured to produce claims at the expense of quality. We stress over and over again to our employees that quality is our number one indicator, that that's absolutely a requirement for successful performance."

While he and others in leadership positions may stress quality, what employees are compensated for is quantity based on a work credit system.

In March 2009, the VA's Inspector General discovered that the VA was making more mistakes than it reported. The internal investigation found that nearly one out of four files had errors. That is 200,000 claims that "may be incorrect."

The need for improvement in quality is evident when reviewing the table depicting the VA Office of Inspector General's (VA OIG) results from their last six VA Regional Office visits at the end of my testimony.

Although quality may be emphasized and measured in limited ways, as it currently stands, almost everything in the VBA is production driven. Employees naturally will work towards those things that enhance compensation and currently that is production. Performance awards are based on production alone. They should also be based on demonstrated quality. However, in order for this to occur, the VBA must implement stronger accountability quality assurance measures.

What does VBA do to assess the quality of the product it delivers? The quality assurance tool used by the VA for compensation and pension claims is the Systematic Technical Accuracy Review (STAR) program. Under the STAR program, VA reviews a sampling of decisions from regional offices and bases its national accuracy measures on the percentage with errors that affect entitlement, benefit amount, and effective date. However, samples as small as 20 cases per month per office are inadequate to determine individual quality.

With STAR samples far too small to allow any conclusions concerning individual quality, rating team coaches who are charged with reviewing a sample of ratings for each RVSR each month. This review, if conducted properly, should identify those employees with the greatest success as well as those with problems. In practice, however, most rating team coaches have insufficient time to review what could be 100 or more cases each month. As a result, individual quality is often undervalued and employees performing successfully may not receive the recognition they deserve and those employees in need of extra training and individualized mentoring may not get the attention they need to become more effective.

The problems related to the quality of decisions, the timeliness of decisions, workload management, and safeguarding case files can be significantly improved by incorporating a robust IT solution. VA should establish systems that rapidly and securely convert paper documents into electronic formats, and establish new electronic information delivery systems that provide universal searchability and connectivity. This would increase the ability of veterans who have the means and familiarity with digital approaches to file electronic claims using VONAPP (Veterans On Line Application) or other future digital claims filing options. Lost or incorrectly destroyed records must become a problem of the past, as should the need to transfer thousands of case files from one location to the next.

The Veterans' Benefits Improvement Act of 2008 (section 226) required VA to conduct a study on the effectiveness of the current employee work-credit system and work-management system. In carrying out the study, VA is required to consider, among other things:

- (1) Measures to improve the accountability, quality, and accuracy for processing claims for compensation and pension benefits;
- (2) Accountability for claims adjudication outcomes; and

- (3) The quality of claims adjudicated. The legislation requires VA to submit the report to Congress, which must include the components required to implement the updated system for evaluating VBA employees, no later than October 31, 2009. This report was not delivered on time.

This study is a historic opportunity for VA to implement a new methodology—a new philosophy—by developing a new system with a primary focus of quality through accountability. Properly undertaken, the outcome would result in a new institutional mind-set across the VBA—one that focuses on the achievement of excellence—and change a mind-set focused mostly on quantity-for-quantity’s sake to a focus of quality and excellence. Those who produce quality work are rewarded and those who do not are finally held accountable.

It is the recommendation of the IBVSOs that:

The VA Secretary’s upcoming report focus on how the Department will establish a quality assurance and accountability program that will detect, track, and hold responsible those VA employees who commit errors while simultaneously providing employee motivation for the achievement of excellence.

VA should generate the report in consultation with veterans service organizations most experienced in the claims process.

The performance management system for claims processors should be adjusted to allow managers greater flexibility and enhanced tools to acknowledge and reward staff for higher levels of performance.

The IBVSOs urge VA to identify new funding for the purposes enumerated in this section and to ensure that new VBA personnel are properly supported with necessary IT resources. With restored investments in these initiatives, the VBA could complement staffing adjustments for increased workloads with a supportive infrastructure to improve operational effectiveness. The VBA could resume an adequate pace in its development and deployment of IT solutions, as well as to upgrade and enhance training systems for staff to improve operations and service delivery to veterans. It is vital to the VBA that many of their unique needs are met in a timely manner, including the following: expansion of web-based technology and deliverables, such as a web portal and Training and Performance Support System (TPSS); “Virtual VA” paperless processing; enhanced veteran self-service access to benefit application, status, and delivery; data integration across business lines; use of the corporate database; information exchange; quality assurance programs and controls; and employee skills certification and training.

It is imperative that TEES and WINRS develop common architecture designs that maximize data sharing between the new GI Bill and the Vocational Rehabilitation programs. These programs share common information about programs of education, school approvals, tuition & fees, and other similar data which their processing systems should share more

effectively. TEES provides for electronic transmission of applications and enrollment documentation along with automated expert processing.

Also, the IBVSOs believe the VBA should continue to develop and enhance data-centric benefits integration with "Virtual VA" and modification of The Imaging Management System (TIMS). All these systems serve to replace paper-based records with electronic files for acquiring, storing, and processing claims data.

Virtual VA supports pension maintenance activities at three VBA pension maintenance centers. Further enhancement would allow for the entire claims and award process to be accomplished electronically. TIMS is the Education Service system for electronic education claims files, storage of imaged documents, and workflow management. The current VBA initiative is to modify and enhance TIMS to make it fully interactive and allow for fully automated claims and award processing by the Education Service and VR&E nationwide.

VA's TPSS is a multimedia, multimethod training tool that applies the instructional systems development methodology to train and support employee performance of job tasks. These TPSS applications require technical updating to incorporate changes in laws, regulations, procedures, and benefit programs. In addition to regular software upgrades, a help desk for users is needed to make TPSS work effectively.

VBA initiated its skills certification instrument in 2004. This tool helps the VBA assess the knowledge base of veterans' service representatives. VBA intends to develop additional skills certification modules to test rating veteran service representatives, decision review officers, field examiners, pension maintenance center employees, and veterans' claims examiners in the Education Service.

By providing veterans regionalized telephone contact access from multiple offices within specified geographic locations, VA could achieve greater efficiency and improved customer service. Accelerated deployment of virtual information centers will more timely accomplish this beneficial effect.

It is the IBVSOs' recommendation that:

VA complete the replacement of the antiquated and inadequate Benefits Delivery Network (BDN) with the Veterans Service Network (VETSNET), or a successor system, that creates a comprehensive nationwide information system for claims development, adjudication, and payment administration.

VA enhance the Education Expert System (TEES) for the Education Service to support the new GI Bill recently enacted by Congress in Public Law 110-181.

VA update the corporate WINRS (CWINRS) to support programs of the Vocational Rehabilitation and Employment (VR&E) Service. CWINRS is a case management and

information system allowing for more efficient award processing and sharing of information nationwide.

Congress provide VBA adequate funding for its information technology initiatives to improve multiple information and information-processing systems and to advance ongoing, approved, and planned initiatives such as those enumerated in this section. These IT programs should be increased annually by a minimum of 5 percent or more.

VBA revise its training programs to stay abreast of IT program changes and modern business practices.

VA ensure that recent funding specifically designated by Congress to support the IT needs of the VBA, and of new VBA staff authorized in FY 2009, are provided to VBA as intended, and on an expedited basis.

The Chief Information Officer and Under Secretary for Benefits should give high priority to the review and report required by Public Law 110-389 and redouble their efforts to ensure these ongoing VBA initiatives are fully funded and accomplish their stated intentions.

The VA Secretary examine the impact of the current level of IT centralization under the chief information officer on these key VBA programs and, if warranted, shift appropriate responsibility for their management, planning, and budgeting from the chief information officer to the Under Secretary for Benefits.

Congress require the Secretary to establish a quality assurance and accountability program that will detect, track, correct and prevent future errors and, by creating a work environment that properly aligns incentives with goals, holds both VBA employees and management accountable for their performance.

The next topic to address in the area of General Operating Expenses is staffing. It is the IBVSOs' position that recent staffing increases in the VBA may now be sufficient to reduce the backlog of pending claims, once new hires complete training. However, any move by Congress to reduce VBA staffing in the foreseeable future will guarantee a return to unacceptably high backlogs.

VA began making some progress in reducing pending rating claims in FY 2008. At the end of FY 2009, over 940,000 claims had been processed, well above the 940,000 that had been projected. Over 388,000 compensation claims were pending rating decisions, which is above the 386,000 of FY 2008.³

³ Monday Morning Workload Report, October 3, 2009, pg. 1.

During FY 2008, VA hired nearly 2,000 staff authorized by Congress. The total number of new hires since 2007 now stands at over 4,200. Historically, it takes at least two years for new nonrating claims processors to acquire sufficient knowledge and experience to be able to work independently with both speed and quality. Those selected to make rating decisions require a separate period of at least two years of training before they have the skills to accurately complete most rating claims.

It would be interesting to know the attrition rate of these 4,200 new hires. How many have successfully completed training? How many current employees have retired or terminated employment in comparison? Answers to these questions and other questions would be useful in discussions on the adequacy of the number of new hires and their current and future ability to substantially affect the claims backlog.

Once everyone is fully trained and reductions in the backlog are seriously under way, it would be a mistake of monumental proportions if Congress were to allow staffing levels to decline. The IBVSOs do not suggest that VBA staffing remain off limits to Congressional budget considerations. What we believe, however, is that staffing reductions should occur only after the VBA has demonstrated, through technological innovation and major management and leadership reforms, that it has the right people and the right tools in place to ensure that claims can be processed both timely and correctly. As with backlog reductions, these changes will also not occur overnight. Congressional oversight, therefore, is critical to buttress any real improvements in claims processing and quality decisions.

It is the recommendation of the IBVSOs that:

Congress require the VA to report the attrition rate the 4,200 new hires; how many successfully completed training; how many current employees have retired or terminated employment in comparison.

Congress continue to monitor current staffing levels and ensure that they remain in place until such time as the backlog is eliminated.

Once the backlog is eliminated, Congress consider staffing reductions in the VBA but only after ensuring that quality problems are fully and adequately addressed.

Congress ensure through oversight that management and leadership reforms in the VBA are completed and permanent.

The next topic of consideration is Vocational Rehabilitation and Employment, a program that continues to provide critical resources to service-connected disabled veterans despite inadequate staffing levels. To meet its ongoing workload demands and to implement new initiatives recommended by the Secretary's Vocational Rehabilitation and Employment (VR&E) Task Force, VR&E needs to increase its staffing.

The cornerstone among several new initiatives is VR&E's Five-Track Employment Process, which aims to advance employment opportunities for disabled veterans. Integral to attaining and maintaining employment through this process, the employment specialist position was changed to employment coordinator and was expanded to incorporate employment readiness, marketing, and placement responsibilities. In addition, increasing numbers of severely disabled veterans from Operations Enduring and Iraqi Freedom (OEF/OIF) benefit from VR&E's Independent Living Program, which empowers such veterans to live independently in the community to the maximum extent possible. Independent living specialists provide the services required for the success of severely disabled veterans participating in this program. VR&E needs approximately 200 additional full-time employees (FTEs) to offer these services nationally.

Given its increased reliance on contract services, VR&E needs approximately 50 additional FTEs dedicated to management and oversight of contract counselors and rehabilitation and employment service providers. As a part of its strategy to enhance accountability and efficiency, the VA VR&E Task Force recommended creation and training of new staff positions for this purpose. Other new initiatives recommended by the task force also require an investment of personnel resources.

Finally, VA has a pilot program at the University of Southern Florida entitled "Veteran Success on Campus" that places a qualified Vocational Rehabilitation Counselor on the campus to assist veterans in Vocational Rehabilitation as well as veterans enrolled in the Post 9/11 or other VA educational programs. The pilot has garnered high praise from the University, the American Council on Education, and the press. VA should be authorized to expand the program significantly in the next fiscal year.

In FY 2009, VR&E was authorized 1,105 FTEs. The IBVSOs have been informed that this number has been "frozen" due to the unknown impact the implementation of chapter 33 benefits will have on the VR&E program. Last year, we recommended that total staffing be increased to manage the current and anticipated workload as stated in the Secretary's VR&E Task Force. We believe that this increase is still warranted. VA currently has approximately 106,000 enrollees in Chapter 31. The IBVSOs believe that a ratio of 1:96 (which includes administrative support) is inadequate to provide the level of counseling and support that our wounded and disabled veterans need to achieve success in their employment goals.

It is the recommendation of the IBVSOs that Congress should authorize 1,375 total FTEs for the Vocational Rehabilitation and Employment Service for FY 2010.

The last area of the IB that I wish to address is Judicial Review. From its creation in 1930, decisions of the Veterans Administration, now the Department of Veterans Affairs, could not be appealed outside VA except on rare Constitutional grounds. This was thought to be in the best interests of veterans, in that their claims for benefits would be decided solely by an agency established to administer veteran-friendly laws in a paternalistic and sympathetic manner. At the time, Congress also recognized that litigation could be very costly and sought to protect veterans from such expense.

For the most part, VA worked well. Over the course of the next 50 years, VA made benefit decisions in millions of claims, providing monetary benefits and medical care to millions of veterans. Most veterans received the benefits to which they were entitled.

Congress eventually came to realize that without judicial review, the only remedy available to correct VA's misinterpretation of laws, or the misapplication of laws to veterans claims, was through the unwieldy hammer of new legislation.

In 1988, Congress thus enacted legislation to authorize judicial review and created the United States Court of Appeals for Veterans Claims (CAVC) to hear appeals from BVA.

Today, the VA's decisions on claims are subject to judicial review in much the same way as a trial court's decisions are subject to review on appeal. This review process allows an individual to challenge not only the application of law and regulations to an individual claim, but more importantly, contest whether VA regulations accurately reflect the meaning and intent of the law. When Congress established the CAVC, it added another beneficial element to appellate review by creating oversight of VA decision making by an independent, impartial tribunal from a different branch of government. Veterans are no longer without a remedy for erroneous BVA decisions.

Judicial review of VA decisions has, in large part, lived up to the positive expectations of its proponents. Nevertheless, based on past recommendations in the IB, Congress has made some important adjustments to the judicial review process based on lessons learned over time. More precise adjustments are still needed to conform judicial review to Congressional intent. Accordingly, IBVSOs make the following recommendations to improve the processes of judicial review in veterans' benefits matters.

In the area of scope of review, the IBVSOs believe that to achieve the law's intent that the CAVC enforce the benefit-of-the-doubt rule on appellate review, Congress must enact more precise and effective amendments to the statute setting forth the Court's scope of review.

Title 38, United States Code, section 5107(b) grants VA claimants a statutory right to the "benefit of the doubt" with respect to any benefit under laws administered by the Secretary of Veterans Affairs when there is an approximate balance of positive and negative evidence regarding any issue material to the determination of a matter. Yet, the CAVC has affirmed many BVA findings of fact when the record contains only minimal evidence necessary to show a "plausible basis" for such finding. The CAVC upholds VA findings of "material fact" unless they are clearly erroneous and has repeatedly held that when there is a "plausible basis" for the BVA factual finding, it is not clearly erroneous.

This makes a claimant's statutory right to the "benefit of the doubt" meaningless because claims can be denied and the denial upheld when supported by far less than a preponderance of evidence. These actions render Congressional intent under section 5107(b) meaningless.

To correct this situation, Congress amended the law with the enactment of the Veterans Benefits Improvement Act of 2008 to expressly require the CAVC to consider whether a finding of fact is consistent with the benefit-of-the doubt rule; however this intended effect of section 401 of the Veterans Benefits Act of 2008 has not been used in subsequent Court decisions.

Prior to the Veterans Benefits Act, the Court's case law provided (1) that the Court was authorized to reverse a BVA finding of fact when the only permissible view of the evidence of record was contrary to that found by the BVA and (2) that a BVA finding of fact must be affirmed where there was a plausible basis in the record for the Board's determination.

As a result of Veterans Benefits Act section 401 amendments to section 7261(a)(4), the CAVC is now directed to "hold unlawful and set aside or reverse" any "finding of material fact adverse to the claimant...if the finding is clearly erroneous."⁴ Furthermore, Congress added entirely new language to section 7261(b)(1) that mandates the CAVC to review the record of proceedings before the Secretary and the BVA pursuant to section 7252(b) of title 38 and "take due account of the Secretary's application of section 5107(b) of this title...."⁵

The Secretary's obligation under section 5107(b), as referred to in section 7261(b)(1), is as follows:

(b) BENEFIT OF THE DOUBT - The Secretary shall consider all information and lay and medical evidence of record in a case before the Secretary with respect to benefits under laws administered by the Secretary. When there is an approximate balance of positive and negative evidence regarding any issue material to the determination of a matter, the Secretary shall give the benefit of the doubt to the claimant.⁶

Congress wanted for the Court to take a more proactive and less deferential role in its BVA fact-finding review, as detailed in a joint explanatory statement of the compromise agreement contained in the legislation:⁷

[T]he Committees expect the Court to reverse clearly erroneous findings when appropriate, rather than remand the case. The new subsection (b) [of section 7261] would maintain language from the Senate bill that would require the Court to examine the record of proceedings before the Secretary and BVA and the special emphasis during the judicial process on the benefit-of-doubt provisions of section 5107(b) as it makes findings of fact in reviewing BVA decisions... The combination of these changes is intended to provide for more searching appellate

⁴ 38 U.S.C. § 7261(a)(4). See also 38 U.S.C. § 7261(b)(1).

⁵ 38 U.S.C. § 7261(b)(1).

⁶ 38 U.S.C. § 5107(b).

⁷ 148 *Congressional Record* S11337, H9007.

review of BVA decisions, and thus give full force to the “benefit-of-doubt” provision.⁸

With the foregoing statutory requirements, the Court should no longer uphold a factual finding by the Board solely because it has a plausible basis, inasmuch as that would clearly contradict the requirement that the CAVC’s decision must take due account whether the factual finding adheres to the benefit-of-the-doubt rule. Yet such CAVC decisions upholding BVA denials because of the “plausible bases” standard continue as if Congress never acted.

It is the IBVSOs’ recommendation that:

Congress clearly intended a less deferential standard of review of the Board’s application of the benefit-of-the-doubt rule when it amended title 38, United States Code, section 7261 in 2002, yet there has been no substantive change in the Court’s practices. Therefore, to clarify the less deferential level of review that the Court should employ, Congress should amend title 38, United States Code, section 7261(a) by adding a new section, (a)(5), that states: “(5) In conducting review of adverse findings under (a)(4), the Court must agree with adverse factual findings in order to affirm a decision.”

Congress should also require the Court to consider and expressly state its determinations with respect to the application of the benefit-of-the-doubt doctrine under title 38, United States Code, section 7261(b)(1), when applicable.

The next topic to address is the appointment of judges to the CAVC. The CAVC received well over 4,000 cases during FY 2008. According to the Court’s annual report, the average number of days it took to dispose of cases was nearly 450. This period has steadily increased each year over the past four years, despite the Court having recalled retired judges numerous times over the past two years specifically because of the backlog.

Veterans’ law is an extremely specialized area of the law that currently has fewer than 500 attorneys nationwide whose practices are primarily in veterans law. Significant knowledge and experience in this practice area would reduce the amount of time necessary to acclimate a new judge to the Court’s practice, procedures, and body of law.

A reduction in the time to acclimate would allow a new judge to begin a full caseload in a shorter period, thereby benefiting the veteran population. The Administration should therefore consider appointing new judges to the Court from the selection pool of current veterans law practitioners.

The IBVSOs urge the Administration to consider that any new judges appointed to the CAVC be selected from the knowledgeable pool of current veterans law practitioners.

⁸ 148 *Congressional Record* S11337, H9003 (daily ed. November 18, 2002) (emphasis added) (Explanatory statement printed in *Congressional Record* as part of debate in each body immediately prior to final passage of compromise agreement.)

The last topic to address in this area is in reference to Court facilities. During the 21 years since the CAVC was formed in accordance with legislation enacted in 1988, it has been housed in commercial office buildings. It is the only Article I court that does not have its own courthouse.

The “Veterans Court” should be accorded at least the same degree of respect enjoyed by other appellate courts of the United States. Congress has finally responded by allocating \$7 million in FY 2008 for preliminary work on site acquisition, site evaluation, preplanning for construction, architectural work, and associated other studies and evaluations. The issue of providing the proper court facility is now moving forward.

It is the recommendation of the IBVSOs that Congress should provide all funding as necessary to construct a courthouse and justice center in a location befitting the CAVC.

We hope the Committee will review these recommendations and give them consideration for inclusion in your legislative plans for FY 2011. Mr. Chairman, thank you for inviting the DAV and other member organizations of the IB to testify before you today.

VA OIG Reasonable Assurance of Compliance for Calendar Year 2009-2010						
VA Regional Offices	Nashville	Wilmington	Roanoke	Anchorage	San Juan	Baltimore
Claims Processing						
Haas	No	No	No	No	Yes	No
PTSD	No	No	Yes	No	No	No
TBI	No	Yes	No	No	No	No
Diabetes	Yes	No	No	No	No	No
Data Integrity						
Date of Claim	No	No	Yes	No	Yes	No
COVERS	Yes	No	Yes	No	Yes	No
Management Controls						
SAO	Yes	Yes	Yes	No	No	No
STAR	No	Yes	Yes	No	No	No
Date Stamp Accountability	Yes	Yes	Yes	No	No	No
CPI	No	Yes	Yes	Yes	Yes	Yes
Information Security						
Mail Handling Procedures	No	Yes	No	No	No	No
Destruction of Documents	No	No	No	No	No	No
Public Contact						
IRIS	No	Yes	No	No	No	No
Congressional Inquiries	Yes	No	Yes	No	Yes	No
Fiduciary	No	No	n/a	No	No	No

Key:

Haas

Haas v. Nicholson references claims of veterans who served in waters off Vietnam and did not set foot in Vietnam and whether those veterans are entitled to the presumption of exposure to herbicide agents, including Agent Orange

PTSD

Post-Traumatic Stress Disorder

TBI

Traumatic Brain Injury

COVERS

Control Of Veterans Records System

SAO

Systematic Analysis of Operations

STAR

Systematic Technical Accuracy

Review

CPI

Claims Process

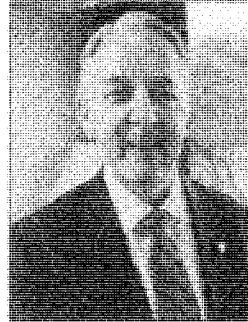
Improvement

IRIS

Inquiry Routing and Information System

FACT SHEET

JOHN L. WILSON
 Assistant National Legislative Director
 Disabled American Veterans



John L. Wilson, a disabled veteran, was appointed Assistant National Legislative Director of the 1.2 million member Disabled American Veterans on August 25, 2009. He is employed at the organization's National Service and Legislative Headquarters in Washington, D.C.

Mr. Wilson joined the Disabled American Veterans in April 2007 as a National Service Officer at the VA Regional Office, Muskogee, Okla. After successfully completing training, he was assigned to the National Service and Legislative Headquarters in November 2008. He served as Associate National Legislative Director until his current appointment.

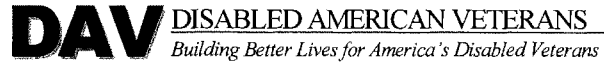
A Texas native, Mr. Wilson joined the United States Air Force in 1974. He rose to the rank of sergeant prior to acceptance into Office Training School, where he achieved distinguished graduate and was commissioned as a second lieutenant in 1980. Mr. Wilson achieved the rank of Lieutenant Colonel prior to retiring from the Air Force with 32 years of service.

Mr. Wilson's military career assignments included service in Iraq and Bosnia. He also served as Vice-President, USAF Formal Physical Evaluation Board, Randolph Air Force Base, Texas; Deputy, Diversity Management/Equal Opportunity Office and Executive Officer, Air Force Element, Defense Intelligence Agency, Bolling AFB, Md.; Chief, Officer Professional Development and Education Programs, Air Staff, Pentagon; Commander, 85th Mission Support Squadron, Keflavik, Iceland; Command Chief of Social Actions, Headquarters, U.S. Military Entrance Processing Command (MEPCOM), North Chicago, Ill.; Section Chief and Chief, Consolidated Base Personnel Office (CBPO), Tinker Air Force Base, Okla.; and assignments at Royal Air Force bases at Mildenhall and Upper Heyford, England, among others.

Mr. Wilson's military awards and honors include the Air Force Commendation Medal with four Oak Leaf Clusters; Joint Service Commendation Medal with Oak Leaf Cluster; Meritorious Service Medal with Oak Leaf Cluster; and Defense Meritorious Service Medal.

Mr. Wilson earned a Bachelor's degree in fine arts in 1974 from Our Lady of the Lake University, San Antonio, Texas, and a Masters degree in Public Administration in 1988 from Troy State University, Troy, Ala.

Mr. Wilson and his wife, Belle, reside in Arlington, Va.



DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received \$55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received \$8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

Mr. EDWARDS. Thank you, Mr. Wilson.
Mr. WILSON. Yes, sir.
Mr. EDWARDS. Mr. Hilleman.

STATEMENT OF ERIC A. HILLEMAN

Mr. HILLEMAN. Thank you. Excuse me. Thank you, Mr. Chairman.

On behalf of the 2.1 million men and women of the Veterans of Foreign Wars and our auxiliaries, I would like to thank you for the opportunity to testify here today. The VFW works alongside the other members of the Independent Budget, AMVETS, DAV, and PVA, to develop budget recommendations based on the needs of America's veterans.

The VFW is responsible for the construction portion of the budget, so I will limit my remarks to that portion. V.A.'s infrastructure, particularly with its health care system, is at a crossroads. The system is facing many challenges, including the average age of buildings exceeding 60 years, significant funding needs for routine maintenance, upgrades, modernization and construction.

V.A. is beginning a patient-centered reformation in the way it delivers care and manages infrastructure to plan for the needs of sick and disabled veterans in this century.

Regardless of what the V.A. health care system of the future looks like, our focus must remain on a lasting and accessible V.A. health care system. V.A. manages a wide portfolio of capital assets throughout the nation. According to its latest capital asset plan, V.A. is responsible for 5,500 buildings and 34,000 acres of land. It is a vast network of facilities which requires significant time and attention from V.A.'s capital asset managers.

CARES, V.A.'s data-driven assessment of their current and future needs, gave V.A. a long-term roadmap that has helped them plan over the past few years. CARES showed a large number of significant construction projects that would be necessary for V.A. to fulfill its obligations to this nation and her veterans.

Over the past several fiscal years, the administration and this Congress have made significant inroads in these funding priorities. Since 2004, \$4.9 billion has been allocated for these projects, of which CARES has identified. V.A. has completed five, and another 27 are currently under construction.

The challenge of V.A. in the post-CARES era is that there are still numerous projects that need to be carried out. The current backlog of partially funded projects that CARES has identified is large. This means that V.A. is going to continue to require significant appropriations for major and minor construction.

V.A.'s most recent asset management plan provides an update of the status of CARES, including only—excuse me, including those only in planning and acquisition process. The top 10 projects total \$3.25 billion, and this is just the tip of the—of the iceberg.

Meanwhile, V.A. continues to identify and reprioritize potential major construction projects. These priorities which are assessed using a rigorous methodology that has guided CARES's decisions are released in the department's annual 5-year capital asset plan.

The November 17th letter from 2008, secretary-then Principi stated, "The department estimates the total funding requirement

for major medical facility projects over the next 5 years would exceed \$6.5 billion. It is clear V.A. needs significant infusion of cash for its construction priorities. V.A.'s own words and studies state this."

The major construction request, the I.B. estimates, is \$1.295 billion. Minor construction request is at \$785 million. While these numbers are higher than the administration's request, the I.B. recognizes funding has been approved through the American recovery and investment act of 2009.

We ask the committee to weigh the previous funding through the American Recovery Act against the long list of priorities to fully fund and complete this list.

We thank you for the opportunity to testify today, Mr. Chairman, Mr. Farr, and we look forward to your questions.

[Prepared statement of Eric A. Hilleman follows:]

**VETERANS OF FOREIGN WARS
OF THE UNITED STATES**

STATEMENT OF

ERIC A. HILLEMANN, DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION AND VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

VA'S BUDGET REQUEST FOR FISCAL YEAR 2011

WASHINGTON, D.C.

March 23, 2010

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 2.1 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify today. The VFW works alongside the other members of the Independent Budget (IB) – AMVETS, Disabled American Veterans and Paralyzed Veterans of America – to produce a set of policy and budget recommendations that reflect what we believe would meet the needs of America's veterans. The VFW is responsible for the construction portion of the IB, so I will limit my remarks to that portion of the budget.

VA's infrastructure—particularly within its health-care system—is at a crossroads. The system is facing many challenges, including the average age of buildings (60 years) and significant funding needs for routine maintenance, upgrades, modernization and construction. VA is beginning a patient-centered reformation and transformation of the way it delivers care and new ways of managing its infrastructure plan based on needs of sick and disabled veterans in the 21st Century. Regardless of what the VA health care system of the future looks like, our focus must remain on a lasting and accessible VA health-care system that is dedicated to their unique needs and one that can provide high quality, timely care when and where they need it.

VA manages a wide portfolio of capital assets throughout the nation. According to its latest Capital Asset Plan, VA is responsible for 5,500 buildings and almost 34,000 acres of land. It is a vast network of facilities that requires significant time and attention from VA's capital asset managers.

CARES – VA's data-driven assessment of their current and future construction needs – gave VA a long-term roadmap and has helped guide its capital planning process over the past few fiscal

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years. CARES showed a large number of significant construction priorities that would be necessary for VA to fulfill its obligation to this nation's veterans and over the last several fiscal years, the administration and Congress have made significant inroads in funding these priorities. Since FY 2004, \$4.9 billion has been allocated for these projects. Of these CARES-identified projects, VA has completely five and another 27 are currently under construction. It has been a huge, but necessary undertaking and VA has made slow, but steady progress on these critical projects.

The challenge for VA in the post-CARES era is that there are still numerous projects that need to be carried out, and the current backlog of partially funded projects that CARES has identified is large, too. This means that VA is going to continue to require significant appropriations for the major and minor construction accounts to live up to the promise of CARES. VA's most recent Asset Management Plan provides an update of the state of CARES projects – including those only in the planning of acquisition process. Table 4-5: (page 7.4-49) shows a need of future appropriations to complete these projects of \$3.25 billion.

Project	Future Funding Needed (\$ In Thousands)
Denver	492,700
San Juan	122,920
New Orleans	370,000
St. Louis	364,700
Palo Alto	478,023
Bay Pines	80,170
Seattle	38,700
Seattle	193,830
Dallas	80,100
*Louisville	1,100,000
TOTAL	3,246,143

This amount represents just the backlog of current construction projects. It does reflect the administration's FY 2011 proposed appropriation toward Denver, New Orleans, and Palo Alto. (*Louisville's cost estimate is found on table 5-6, on Page 7.5-93).

Meanwhile, VA continues to identify and reprioritize potential major construction projects. These priorities, which are assessed using the rigorous methodology that guided the CARES decisions, are released in the Department's annual Five Year Capital Asset Plan, which is included in the Department's budget submission. The most recent one was included in Volume IV and is available on VA's website:

http://www4.va.gov/budget/docs/summary/Fy2011_Volume_4-Construction_and_5_Year_Cap_Plan.pdf

Table 4-5 shows a long list of partially funded major construction projects. These 82 ongoing projects demonstrate the continued need for VA to upgrade and repair its aging infrastructure, and that continuous funding is necessary for not just the backlog of projects, but to keep VA viable for today's and future veterans.

In a November 17, 2008 letter to the Senate Veterans Affairs Committee, Secretary Peake said that “the Department estimates that the total funding requirement for major medical facility projects over the next 5 years would be in excess of \$6.5 billion.” It is clear that VA needs a significant infusion of cash for its construction priorities. VA’s own words and studies show this.

Major Construction Account Recommendations	
Category	Recommendation (\$ in Thousands)
VHA Facility	
Construction	\$1,000,000
NCA Construction	\$60,000
Advance Planning	\$40,000
Master Planning	\$15,000
Historic Preservation	\$20,000
Medical Research	
Infrastructure	\$100,000
Miscellaneous	
Accounts	\$58,000
TOTAL	\$1,295,000

- VHA Facility Construction – this amount would allow VA to continue digging into the \$3.25 billion backlog of partially funded construction projects. Depending on the stages and ability to complete portions of the projects, any additional money could be used to fund new projects identified by VA as part of its prioritization methodology in the Five-Year Capital Plan.
- NCA Construction’s Five-Year Capital Plan details numerous potential major construction projects for the National Cemetery Association throughout the country. This level of funding would allow VA to begin construction on at least three of its scored priority projects.
- Advance Planning – helps develop the scope of the major construction projects as well as identifying proper requirements for their construction. It allows VA to conduct necessary studies and research similar to planning processes in the private sector.
- Master Planning – a description of our request follows later in the text.
- Historic Preservation – a description of our request follows later in the text.
- Miscellaneous Accounts – these include the individual line items for accounts such as asbestos abatement, the judgment fund, and hazardous waste disposal. Our recommendation is based upon the historic level for each of these accounts.

Minor Construction Account Recommendations

Category	Funding (\$ in Thousands)
Veterans Health Administration	\$450,000
Medical Research Infrastructure	\$200,000
National Cemetery Administration	\$100,000
Veterans Benefits Administration	\$20,000
Staff Offices	\$15,000
TOTAL	\$785,000

- Veterans Health Administration – Page 7.8-138 of VA’s Capital Plan reveals hundreds of already identified minor construction projects. These projects update and modernize VA’s aging physical plant, ensuring the health and safety of veterans and VA employees. Additionally, a great number of minor construction projects address FCA-identified maintenance deficiencies; the backlog of 216 projects in FY 2010 with over \$1 billion that has yet to be funded.
- Medical Research Infrastructure – a description of our request follows later in the text.
- National Cemetery Administration of the Capital Plan identifies numerous minor construction projects throughout the country including the construction of several columbaria, installation of crypts and landscaping and maintenance improvements. Some of these projects could be combined with VA’s new NCA nonrecurring maintenance efforts.
- Veterans Benefits Administration – Page 7.6-106 of the Capital Plan lists several minor construction projects in addition to the leasing requirements VBA needs.
- Staff Offices – Page 7.8-134 lists numerous potential minor construction projects related to staff offices.

Increase Spending on Nonrecurring Maintenance**The deterioration of many VA properties requires increased spending on nonrecurring maintenance**

For years, the Independent Budget Veteran Service Organizations (IBVSOs) have highlighted the need for increased funding for the nonrecurring maintenance (NRM) account. NRM consists of small projects that are essential to the proper maintenance and preservation of the lifespan of VA’s facilities. NRM projects are one-time repairs such as maintenance to roofs, repair and replacement of windows, and flooring or minor upgrades to the mechanical or electrical systems. They are a necessary component of the care and stewardship of a facility.

These projects are so essential because if left unrepaired, they can really take their toll on a facility, leading to more costly repairs in the future, and the potential of a need for a minor construction project. Beyond the fiscal aspects, facilities that fall into disrepair can create access difficulties and impair patient and staff health and safety. If things do develop into a larger construction projection because early repairs were not done, it creates an even larger inconvenience for veterans and staff.

The industry standard for medical facilities is for managers to spend from 2%–4% of plant replacement value (PRV) on upkeep and maintenance. The 1998 PriceWaterhouseCoopers study of VA's facilities management practices argued for this level of funding and previous versions of VA's own Asset Management Plan have agreed that this level of funding would be adequate.

The most recent estimate of VA's PRV is from the FY 08 Asset Management Plan. Using the standards of the Federal government's Federal Real Property Council (FRPC), VA's PRV is just over \$85 billion (page 26).

Accordingly, to fully maintain its facilities, VA needs a NRM budget of at least \$1.7 billion. This number would represent a doubling of VA's budget request from FY 2009, but is in line with the total NRM budget when factoring in the increases Congress gave in the appropriations bill and the targeted funding included in the supplemental appropriations bills.

Increased funding is required not to just to fill current maintenance needs and levels, but also to dip into the extensive backlog of maintenance requirements VA has. VA monitors the condition of its structures and systems through the Facility Condition Assessment (FCA) reports. VA surveys each medical center periodically, giving each building a thorough assessment of all essential systems. Systems are assigned a letter grade based upon the age and condition of various systems, and VA gives each component a cost for repair or replacement.

The bulk of these repairs and replacements are conducted through the NRM program, although the large increases in minor construction over the last few years have helped VA to address some of these deficiencies.

VA's 5-Year Capital Plan discusses FCAs and acknowledges the significant backlog the number of high priority deficiencies – those with ratings of D or F – had replacement and repair costs of over \$9.4 billion, found on page 7.1-18. VA estimates that 52 percent of NRM dollars are obligated to toward this cost.

VA uses the FCA reports as part of its Federal Real Property Council (FRPC) metrics. The department calculates a Facility Condition Index, which is the ratio of the cost of FCA repairs to the cost of replacement. According to the FY 08 Asset Management Plan, this metric has gone backwards from 82% in 2006 to just 68% in 2008. VA's strategic goal is 87%, and for it to meet that, it would require a sizeable investment in NRM and minor construction.

Given the low level of funding the NRM account has historically received, the IBVSOs are not surprised at the metrics or the dollar cost of the FCA deficiencies. The 2007 "National Roll Up of Environment of Care Report," which was conducted in light of the shameful maintenance deficiencies at Walter Reed, further prove the need for increased spending on this account. Maintenance has been neglected for far too long, and for VA to provide safe, high-quality health care in its aging facilities, it is essential that more money be allocated for this account.

We also have concerns with how NRM funding is actually apportioned. Since it falls under the Medical Care account, NRM funding has traditionally been apportioned using the Veterans Equitable Resource Allocation (VERA) formula. This model works when divvying up health-care dollars, targeting money to those areas with the greatest demand for health care. When dealing with maintenance needs, though, this same formula may actually intensify the problem. By moving money away from older hospitals, such as in the northeast, to newer facilities where patient demand is greater, even if the maintenance needs are not as high. We were happy to see

that the conference reports to the VA appropriations bills required NRM funding to be apportioned outside the VERA formula, and we would hope that this continues into the future.

Another issue related to apportionment of funding came to light in a May 2007 Government Accountability Office (GAO) report. They found that the bulk of NRM funding is not actually apportioned until September, the final month of the fiscal year. In September 2006, GAO found that VA allocated 60% of that year's NRM funding. This is a shortsighted policy that impairs VA's ability to properly address its maintenance needs, and since NRM funding is year-to-year, it means that it could lead to wasteful or unnecessary spending as hospital managers rushed in a flurry to spend their apportionment before forfeiting it back. We cannot expect VA to perform a year's worth of maintenance in a month. It is clearly poor policy and not in the best interest of veterans. The IBVSOs believe that Congress should consider allowing some NRM money to be carried over from one fiscal year to another. While we would hope that this would not resort to hospital managers hoarding money, it could result in more efficient spending and better planning, rather than the current situation where hospital managers sometimes have to spend through a large portion of maintenance funding before losing it at the end of the fiscal year.

Recommendations:

VA must dramatically increase funding for nonrecurring maintenance in line with the 2%-4% total that is the industry standard so as to maintain clean, safe and efficient facilities. VA also requires additional maintenance funding to allow the department to begin addressing the substantial maintenance backlog of FCA-identified projects.

Portions of the NRM account should be continued to be funded outside of the VERA formula so that funding is allocated to the facilities that actually have the greatest maintenance needs.

Congress should consider the strengths of allowing VA to carry over some maintenance funding from one fiscal year to another so as to reduce the temptation some VA hospital managers have of inefficiently spending their NRM money at the end of a fiscal year for fear of losing it.

Inadequate Funding and Declining Capital Asset Value

VA must protect against deterioration of its infrastructure and a declining capital asset value

The last decade of underfunded construction budgets has meant that VA has not adequately recapitalized its facilities. Recapitalization is necessary to protect the value of VA's capital assets through the renewal of the physical infrastructure. This ensures safe and fully functional facilities long into the future. VA's facilities have an average age approaching 60 years, and it is essential that funding be increased to renovate, repair, and replace these aging structures and physical systems.

As in past years, the IBVSOs cite the Final Report of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans (PTF). It found that from 1996-2001, VA's recapitalization rate was just 0.64%. At this rate, VA's structures would have an assumed life of 155 years.

The PTF cited a PriceWaterhouseCoopers study of VA's facilities management programs that found that to keep up with industry standards in the private sector and to maintain patient and employee safety and

optimal health care delivery, VA should spend a minimum of 5 to 8 percent of plant replacement value (PRV) on its total capital budget.

The FY08 VA Asset Management Plan provides the most recent estimate of VA's PRV. Using the guidance of the Federal government's Federal Real Property Council (FRPC), VA's PRV is just over \$85 billion (page 26).

Accordingly, using that 5 to 8 percent standard, VA's capital budget should be between \$4.25 and \$6.8 billion per year in order to maintain its infrastructure.

VA's capital budget request for FY 2009 – which includes major and minor construction, maintenance, leases and equipment – was just \$3.6 billion. We greatly appreciate that Congress increased funding above that level with an increase over the administration request of \$750 million in major and minor construction alone. That increased amount brought the total capital budget in line with industry standards, and we strongly urge that these targets continue to be met and we would hope that future VA requests use these guidelines as a starting point without requiring Congress to push them past the target.

Recommendation:

Congress and the Administration must ensure that there are adequate funds for VA's capital budget so that VA can properly invest in its physical assets to protect their value and to ensure that the Department can continue to provide health care in safe and functional facilities long into the future.

Maintain VA's Critical Infrastructure

The IBVSOs are concerned with VA's recent attempts to back away from the capital infrastructure blueprint laid out by CARES and we are worried that its plan to begin widespread leasing and contracting for inpatient services might not meet the needs of veterans.

VA acknowledges three main challenges with its capital infrastructure projects. First, they are costly. According to a March 2008 briefing given to the VSO community, over the next five years, VA would need \$2 billion per year for its capital budget. Second, there is a large backlog of partially funded construction projects. That same briefing claimed that the difference in major construction requests given to OMB was \$8.6 billion from FY 03 through FY 09, and that they have received slightly less than half that total. Additionally, there is a \$2 billion funding backlog for projects that are partially but not completely funded. Third, VA is concerned about the timeliness of construction projects, noting that it can take the better part of a decade from the time VA initially proposes a project until the doors actually open for veterans.

Given these challenges, VA has floated the idea of a new model for health care delivery, the Health Care Center Facility (HCCF) leasing program. Under the HCCF, VA would begin leasing large outpatient clinics in lieu of major construction. These large clinics would provide a broad range of outpatient services including primary and specialty care as well as outpatient mental health services and ambulatory surgery.

On the face of it, this sounds like a good initiative. Leasing has the advantage of being able to be completed quickly, as well as being adaptable, especially when compared to the major construction process. Leasing has been particularly valuable for VA as evidenced by the success of the Community Based Outpatient Clinics (CBOCs) and Vet Centers.

Our concern rests, however, with VA's plan for inpatient services. VA aims to contract for these essential services with affiliates or community hospitals. This program would privatize many services that the IBVSOs believe VA should continue to provide. We lay out our objections to privatization and widespread contracting for care elsewhere in the *Independent Budget*.

Beyond those objections, though, is the example of Grand Island, Nebraska. In 1997, the Grand Island VA Medical Center closed its inpatient facilities, contracting out with a local hospital for those services. Recently, the contract between the local facility and VA was canceled, meaning veterans in that area can no longer receive inpatient services locally. They must travel great distances to other VA facilities such as the Omaha VA Medical Center. In some cases, when Omaha is unable to provide specialized care, VA is flying patients at its expense to faraway VA medical centers, including those in St. Louis and Minneapolis.

Further, with the canceling of that contract, St. Francis no longer provides the same level of emergency services that a full VA Medical Center would provide. With VA's restrictions on paying for emergency services in non-VA facilities, especially for those who may have some form of private insurance, this amounts to a cut in essential services to veterans. Given the expenses of air travel and medevac services, the current arrangement in Grand Island has likely not resulted in any cost savings for VA. Ferrying sick and disabled veterans great distances for inpatient care also raises patient safety and quality concerns.

The HCCF program raises many concerns for the IBVSOs that VA must address before we can support the program. Among these questions, we wonder how VA would handle governance, especially with respect to the large numbers of non-VA employees who would be treating veterans. How would the non-VA facility deal with VA directives and rule changes that govern health-care delivery and that ensure safety and uniformity of the quality of care? Will VA apply its space planning criteria and design guides to non-VA facilities? How will VA's critical research activities, most of which improve the lives of all Americans and not only veterans, be affected if they are being conducted in shared facilities, and not a traditional part of VA's first-class research programs? What would this change mean for VA's electronic health record, which many have rightly lauded as the standard that other health-care systems should aim to achieve? Without the electronic health record, how would VA maintain continuity of care for a veteran who moves to another area?

But most importantly, CARES required years to complete and consumed thousands of hours of effort and millions of dollars of study. We believe it to be a comprehensive and fully justified roadmap for VA's infrastructure as well as a model that VA can apply periodically to assess and adjust those priorities. Given the strengths of the CARES process and the lessons VA learned and has applied from it, why is the HCCF model, which to our knowledge has not been based on any sort of model or study of the long-term needs of veterans, the superior one? We have yet to see evidence that it is and until we see more convincing evidence that it will truly serve the best needs of veterans, the IBVSOs will have a difficult time supporting it.

Recommendation:

VA must resist implementing the HCCF model without fully addressing the many questions the IBVSOs have and VA must explain how the program would meet the needs of veterans, particularly as compared to the roadmap CARES has laid out.

Research Infrastructure Funding

The Department of Veterans Affairs must have increased funding for its research infrastructure to provide a state-of-the-art research and laboratory environment for its excellent programs, but also to ensure that VA hires and retains the top scientists and researchers.

VA Research Is a National Asset

Research conducted in the Department of Veterans Affairs has led to such innovations and advances as the cardiac pacemaker, nuclear scanning technologies, radioisotope diagnostic techniques, liver and other organ transplantation, the nicotine patch, and vast improvements in a variety of prosthetic and sensory aids. A state-of-the-art physical environment for conducting VA research promotes excellence in health professions education and VA patient care as well as the advancement of biomedical science. Adequate and up-to-date research facilities also help VA recruit and retain the best and brightest clinician scientists to care for enrolled veterans.

VA Research Infrastructure Funding Shortfalls

In recent years, funding for the VA Medical and Prosthetics Research Program has failed to provide the resources needed to maintain, upgrade, and replace VA's aging research facilities. Many VA facilities have exhausted their available research space. Along with space reconfiguration, ventilation, electrical supply, and plumbing appear frequently on lists of needed upgrades in VA's academic health centers. In the 2003 Draft National Capital Asset Realignment for Enhanced Services (CARES) plan, VA included \$142 million designated for renovation of existing research space and build-out costs for leased researched facilities. However, these capital improvement costs were omitted from the Secretary's final report. Over the past decade, only \$50 million has been spent on VA research construction or renovation nationwide, and only 24 of the 97 major VA research sites across the nation have benefited.

In House Report 109-95 accompanying the FY 2006 VA appropriations, the House Appropriations Committee directed VA to conduct "a comprehensive review of its research facilities and report to the Congress on the deficiencies found and suggestions for correction of the identified deficiencies." In FY 2008, the VA Office of Research and Development initiated a multiyear examination of all VA research infrastructures for physical condition and capacity for current research, as well as program growth and sustainability of the space needed to conduct research.

Lack of a Mechanism to Ensure VA's Research Facilities Remain Competitive

In House Report 109-95 accompanying the FY 2006 VA appropriations, the House Appropriations Committee expressed concern that "equipment and facilities to support the research program may be lacking and that some mechanism is necessary to ensure the Department's research facilities remain competitive." A significant cause of research infrastructure's neglect is that there is no direct funding line for research facilities.

The VA Medical and Prosthetic Research appropriation does not include funding for construction, renovation, or maintenance of research facilities. VA researchers must rely on their local facility managements to repair, upgrade, and replace research facilities and capital

equipment associated with VA's research laboratories. As a result, VA research competes with other medical facilities' direct patient care needs—such as medical services infrastructure, capital equipment upgrades and replacements, and other maintenance needs—for funds provided under either the VA Medical Facilities appropriation account or the VA Major or Minor Medical Construction appropriations accounts.

Recommendations:

The Independent Budget veteran's service organizations anticipate VA's analysis will find a need for funding significantly greater than VA had identified in the 2004 Capital Asset Realignment for Enhanced Services report. As VA moves forward with its research facilities assessment, the IBVSOs urge Congress to require the VA to submit the resulting report to the House and Senate Committees on Veterans' Affairs no later than October 1, 2010. This report will ensure that the Administration and Congress are well informed of VA's funding needs for research infrastructure so they may be fully considered at each stage of the FY 2011 budget process.

To address the current shortfalls, the IBVSOs recommend an appropriation in FY 2010 of \$142 million, dedicated to renovating existing VA research facilities in line with the 2004 CARES findings.

To address the VA research infrastructure's defective funding mechanism, the IBVSOs encourage the Administration and Congress to support a new appropriations account in FY 2010 and thereafter to independently define and separate VA research infrastructure funding needs from those related to direct VA medical care. This division of appropriations accounts will empower VA to address research facility needs without interfering with the renovation and construction of VA direct health-care infrastructure.

Program for Architectural Master Plans:

Each VA medical facility must develop a detailed master plan.

The delivery models for quality healthcare are in a constant state of change. This is due to many factors including advances in research, changing patient demographics, and new technology.

The VA must design their facilities with a high level of flexibility in order to accommodate these new methods of patient care. The department must be able to plan for change to accommodate new patient care strategies in a logical manner with as little effect as possible on other existing patient care programs. VA must also provide for growth in already existing programs.

A facility master plan is a comprehensive tool to look at potential new patient care programs and how they might affect the existing healthcare facility. It also provides insight with respect to possible growth, current space deficiencies, and other facility needs for existing programs and how VA might accommodate these in the future.

In some cases in the past, VA has planned construction in a reactive manner. After funding, VA would place projects in the facility in the most expedient manner – often not considering other

projects and facility needs. This would result in shortsighted construction that restricts, rather than expands options for the future.

The IBVSOs believe that each VA medical Center should develop a comprehensive facility master plan to serve as a blueprint for development, construction, and future growth of the facility. Short and long-term CARES objectives should be the basis of the master plan.

Four critical programs were not included in the CARES initiative. They are long-term care, severe mental illness, domiciliary care, and Polytrauma. VA must develop a comprehensive plan addressing these needs and its facility master plans must account for these services. VA has undertaken master planning for several VA facilities; most recently Tampa, Florida. This is a good start, but VA must ensure that all facilities develop a master plan strategy to validate strategic planning decisions, prepare accurate budgets, and implement efficient construction that minimizes wasted expenses and disruption to patient care.

Recommendation:

Congress must appropriate \$20 million to provide funding for each medical facility to develop a master plan.

Each facility master plan should include the areas left out of CARES; long-term care, severe mental illness, domiciliary care, and Polytrauma programs as it relates to the particular facility. VACO must develop a standard format for these master plans to ensure consistency throughout the VA healthcare system.

Empty or Underutilized Space

VA must not use empty space inappropriately and must continue disposing of unnecessary property where appropriate. Studies have suggested that the VA medical system has extensive amounts of empty space that the Department can reuse for medical services. Others have suggested that unused space at one medical center may help address a deficiency that exists at another location. Although the space inventories are accurate, the assumption regarding the feasibility of using this space is not.

Medical facility planning is complex. It requires intricate design relationships for function, but also because of the demanding requirements of certain types of medical equipment. Because of this, medical facility space is rarely interchangeable, and if it is, it is usually at a prohibitive cost. For example, VA cannot use unoccupied rooms on the eighth floor to offset a deficiency of space in the second floor surgery ward. Medical space has a very critical need for inter- and intra-departmental adjacencies that must be maintained for efficient and hygienic patient care. When a department expands or moves, these demands create a domino effect of everything around it. These secondary impacts greatly increase construction expense, and they can disrupt patient care.

Some features of a medical facility are permanent. Floor-to-floor heights, column spacing, light, and structural floor loading cannot be altered. Different aspects of medical care have different requirements based upon these permanent characteristics. Laboratory or clinical spacing cannot be interchanged with ward space because of the needs of different column spacing and perimeter configuration. Patient wards require access to natural light and column grids that are compatible with room-style layouts. Labs should have long structural bays and function best without

windows. When renovating empty space, if the area is not suited to its planned purpose, it will create unnecessary expenses and be much less efficient.

Renovating old space rather than constructing new space creates only a marginal cost savings. Renovations of a specific space typically cost 85% of what a similar, new space would. When you factor in the aforementioned domino or secondary costs, the renovation can end up costing more and produce a less satisfactory result. Renovations are sometimes appropriate to achieve those critical functional adjacencies, but it is rarely economical.

Many older VA Medical Centers that were rapidly built in the 1940s and 1950s to treat a growing veteran population are simply unable to be renovated for modern needs. Most of these Bradley-style buildings were designed before the widespread use of air conditioning and the floor-to-floor heights are very low. Accordingly, it is impossible to retrofit them for modern mechanical systems. They also have long, narrow wings radiating from a small central core, which is an inefficient way of laying out rooms for modern use. This central core, too, has only a few small elevator shafts, complicating the vertical distribution of modern services.

Another important problem with this unused space is its location. Much of it is not located in a prime location; otherwise, VA would have previously renovated or demolished this space for new construction. This space is typically located in outlying buildings or on upper floor levels, and is unsuitable for modern use.

VA Space Planning Criteria / Design Guides:

VA must continue to maintain and update the Space Planning Criteria and Design Guides to reflect state-of-the-art methods of healthcare delivery.

VA has developed space-planning criteria it uses to allocate space for all VA healthcare projects. These criteria are organized into sixty chapters; one for each healthcare service provided by VA as well as their associated support services. VA updates these criteria to reflect current methods of healthcare delivery.

In addition to updating these criteria, VA has utilized a computer program called VA SEPS (Space and Equipment Planning System) it uses as a tool to develop space and equipment allocation for all VA healthcare projects. This tool is operational and VA currently uses it on all VA healthcare projects.

The third component used in the design of VA healthcare projects is the design guides. Each of the sixty space planning criteria chapters has an associated design guide. These design guides go beyond the allocation of physical space and outline how this space is organized within each individual department, as well as how the department relates to the entire medical facility.

VA has updated several of the design guides to reflect current patient delivery models. These include those guides that cover Spinal Cord Injury / Disorders Center, Imaging, Polytrauma Centers, as well as several other services.

Recommendation:

The VA must continue to maintain and update the Space Planning Criteria and the VA SEPS space-planning tool. It also must continue the process of updating the Design Guides to reflect current delivery models for patient care. VA must regularly review and update all of these space-planning tools as needed, to reflect the highest level of patient care delivery.

Design-build Construction Delivery System

The VA must evaluate use of the Design-build construction delivery system.

For the past ten years, VA has embraced the design-build construction delivery system as a method of project delivery for many healthcare projects. Design-build attempts to combine the design and construction schedules in order to streamline the traditional design-bid-build method of project delivery. The goal is to minimize the risk to the owner and reduce the project delivery schedule. Design-build, as used by VA, places the contractor as the design builder.

Under the contractor-led design build process, VA gives the contractor a great deal of control over how he or she designs and completes the project. In this method, the contractor hires the architect and design professionals. With the architect as a subordinate, a contractor may sacrifice the quality of material and systems in order to add to his own profits at the expense of the owner.

Use of design-build has several inherent problems. A short-cut design process reduces the time available to provide a complete design. This provides those responsible for project oversight inadequate time to review completed plans and specifications. In addition, the construction documents may not provide adequate scope for the project, leaving out important details regarding the workmanship and / or other desired attributes of the project. This makes it difficult to hold the builder accountable for the desired level of quality. As a result, a project is often designed as it is being built, which often compromises VA's design standards. Design-build forces the owner to rely on the contractor to properly design a facility that meets the owner's needs. In the event that the finished project is not satisfactory to the owner, the owner may have no means to insist on correction of work done improperly unless the contractor agrees with the owner's assessment. This may force the owner to go to some form of formal dispute resolution such as litigation or arbitration.

Recommendation:

VA must evaluate the use of Design-build as a method of construction delivery to determine if design-build is an appropriate method of project delivery for VA healthcare projects. The VA must institute a program of "lessons learned". This would involve revisiting past projects and determining what worked, what could be improved, and what did not work. VA should compile and use this information as a guide to future projects. VA must regularly update this document to include projects as they are completed.

Preservation of VA's Historic Structures:

The VA must further develop a comprehensive program to preserve and protect its inventory of historic properties.

The VA has an extensive inventory of historic structures that highlight America's long tradition of providing care to veterans. These buildings and facilities enhance our understanding of the lives of those who have worn the uniform, and who helped to develop this great nation. Of the approximately 2,000 historic structures, many are neglected and deteriorate year after year because of a lack of funding. These structures should be stabilized, protected and preserved because they are an integral part our nation's history.

Most of these historic facilities are not suitable for modern patient care. As a result, a preservation strategy was not included in the CARES process. For the past six years, the IBVSOs have recommended that VA conduct an inventory of these properties; classifying their physical condition and their potential for adaptive reuse. VA has been moving in that direction and historic properties are identified on their website. VA has placed many of these buildings in an "Oldest and Most Historic" list and these buildings require immediate attention.

At least one project has received funding. The VA has invested over \$100,000 in the last year to address structural issues at a unique round structure in Hampton, VA. Built in 1860, it was originally a latrine and the funding is allowing VA to convert it into office space.

The cost for saving some of these buildings is not very high considering that they represent a part of history that enriches the texture of our landscape that once gone cannot be recaptured. For example, VA can restore the Greek Revival Mansion in Perry Point, MD, which was built in the 1750's, to use as a training space for about \$1.2 million. VA could restore the 1881 Milwaukee Ward Memorial Theater for use as a multi-purpose facility at a cost of \$6 million. This is much less than the cost of a new facility.

As part of its adaptive reuse program, VA must ensure that the facilities that it leases or sells are maintained properly. VA's legal responsibilities could, for example, be addressed through easements on property elements, such as building exteriors or grounds.

We encourage the use of P.L. 108-422, the Veterans Health Programs Improvement Act, which authorized historic preservation as one of the uses of a new capital assets fund that receives funding from the sale or lease of VA property.

Recommendation:

VA must further develop a comprehensive program to preserve and protect its inventory of historic properties.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you or the members of the Committee may have.

[Insert Subcommittee Name Here]

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number: Veterans of Foreign Wars 200 Maryland Ave NE Washington, DC 20002 202-543-2239
1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing. Representing the Veterans of Foreign Wars of the United States
2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2007? No
3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature:  Date: 17 MAR 10

Please attach a copy of this form, along with your curriculum vitae (resume) to your written testimony.

**Eric A. Hilleman, Director
Washington Office National Legislative Service
Veterans of Foreign Wars of the United States**



Eric A. Hilleman, a native of St. Louis, Missouri, was appointed as the Director of the VFW National Legislative Service in August 2009. Previously he held the position of the Director of Administration & Operations of the Washington Office from April 2009 to December 2009. Prior to that, he served as Deputy Director of the VFW National Legislative Service. During his tenure with the VFW, he has testified at numerous hearings before the U.S. House and Senate on topics such as the Post 9/11 GI Bill, Veterans Disability Benefits Claims Modernization, and many other bills that have become law.

Mr. Hilleman entered the United States Marine Corps in 1994, following training he was assigned to Camp Fuji, Japan. Following that assignment, he served as a Marine Security Guard at the American Embassy in Manila, Philippines, and Riyadh, Saudi Arabia. He was honorably discharged in 1999 as a Sergeant (E-5).

After his service, he attended Utah State University (USU) in Logan, UT. While at USU, Eric received a Boren Scholarship studying Arabic at the American University in Cairo, Egypt from 2002 to 2003. He completed his Bachelor of Arts in Political Science with a focus in the Middle East in 2004.

Eric resides in Alexandria, Virginia. He enjoys running, weight training, and yoga.

-vfw-

The Veterans of Foreign Wars is not in receipt of any federal grants or contracts.

Mr. EDWARDS. Mr. Kelley.

STATEMENT OF RAYMOND C. KELLEY

Mr. KELLEY. Thank you, Mr. Chairman.

Within the Independent Budget, AMVETS devotes a majority of our time to NCA, so—in fiscal year 2009, \$230 million was appropriated for the operations and maintenance of NCA, \$49 million over the administration's request. NCA awarded 49 of 56 minor construction projects that were in the operating plant. The state cemetery grant service awarded \$40 million in grants for 10 projects.

The I.B. partners also want to recognize and thank NCA for their foresight in reducing the population threshold for the establishment of new cemeteries, as well as understanding that this policy needs to be flexible to take into account areas that do not easily fit the model due to urban or geographic phenomena.

The Independent Budget recommends an operations budget of \$274.5 million for NCA for fiscal year 2011. The I.B. is encouraged that \$25 million was set aside for the national shrine commitment over the past few years. In 2006, only 67 percent of headstones and markers in national cemeteries were at the proper height and alignment.

By 2009, proper height and alignment increased to 76 percent. NCA has also identified 153 historical monuments and memorials that need repair and/or restoration. With funding from the American Recovery and Reinvestment Act, NCA will make repairs on 32 percent of these monuments and memorials.

The Independent Budget supports the NCA's operational standards and measures outlined in the national shrine commitment. And in the past, the Independent Budget advocated for a 5-year, \$250 million shrine initiative to assist NCA in achieving its performance goals.

However, over the past few years, NCA has made marked improvements in the national shrine commitment by earmarking a portion of its operation and maintenance budget for this commitment. Therefore, the Independent Budget no longer believes it is necessary to implement the national shrine initiative program of \$50 million a year for 5 years, but rather impose an increase to NCA's operation and maintenance budget by \$25 million per year until the operational standards and measures goals are reached.

The state cemeteries grant program faces the challenge of meeting the growing interest from states to provide burial services in areas that are not currently served by national cemeteries. Currently, there are 60 state and tribal government cemetery constructions pre-grant approvals, 36 of which have the required state matching funds.

The Independent Budget recommends that Congress appropriate \$51 million for the state grant program for 2011. This funding level would allow the program to establish 13 new state programs or state cemeteries.

Based on accessibility and the need to provide quality burial benefits, the Independent Budget recommends that state—that V.A. separate burial benefits into two categories: veterans who live in-

side the V.A. accessibility threshold model and those who live outside the threshold.

For veterans who live outside the threshold, the service-connected burial benefits should be increased to \$6,160. Non-service-connected veterans' burial benefits should be increased to \$1,918, and the plot allowance should increase to \$1,150 to match the original value of the benefit.

For veterans who live inside the threshold, the benefit for service-connected burials should be \$2,793. The amount provided for non-service-connected burial should be \$854. And the plot allowance should be \$1,150.

This will provide a burial benefit at equal percentages, but based on the average cost for a V.A. funeral and not on private funeral costs that will be provided for those veterans who do not have access to a state or national cemetery.

The new model will provide a meaningful benefit to those veterans whose access to a state or national cemetery is restricted, as well as provide an improved benefit for eligible veterans who opt for private burial. Congress should also enact legislation to adjust these burial benefits for inflation annually.

This concludes my testimony. I look forward to any questions you may have.

[Prepared statement of Raymond C. Kelley follows:]



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STATEMENT OF

**RAYMOND C. KELLEY
AMVETS NATIONAL LEGISLATIVE DIRECTOR**

BEFORE THE

**HOUSE MILITARY CONSTRUCTION AND VETERANS AFFAIRS
APPROPRIATIONS SUBCOMMITTEE**

CONCERNING

THE *INDEPENDENT BUDGET* AND

**THE DEPARTMENT OF VETERANS AFFAIRS
BUDGET REQUEST FOR FISCAL YEAR 2011**

MARCH 23, 2010

H-143 THE CAPITOL

1:30 PM

Chairman Edwards, Ranking Member Wamp, and members of the Committee:

AMVETS is honored to join our fellow veterans' service organizations and partners at this important hearing on the Department of Veterans Affairs budget request for fiscal year 2011. My name is Raymond C. Kelley, National Legislative Director of AMVETS, and I am pleased to provide you with our best estimates on the resources necessary to carry out a responsible budget for VA.

AMVETS testifies before you as a co-author of *The Independent Budget*. This is the 24th year AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars have pooled our resources to produce a unique document, one that has stood the test of time.

In developing the *Independent Budget*, we believe in certain guiding principles. Veterans should not have to wait for benefits to which they are entitled. Veterans must be ensured access to high-quality medical care. Specialized care must remain the focus of VA. Veterans must be guaranteed timely access to the full continuum of health care services, including long-term care. And, veterans must be assured accessible burial in a state or national cemetery in every state.

The VA healthcare system is the best in the country and responsible for great advances in medical science. VHA is uniquely qualified to care for veterans' needs because of its highly specialized experience in treating service-connected ailments. The delivery care system provides a wide array of specialized services to veterans like those with spinal cord injuries, blindness, traumatic brain injury, and post traumatic stress disorder.

As a partner of the *Independent Budget*, AMVETS devotes a majority of its time with the concerns of the National Cemetery Administration (NCA) and I would like to speak directly to the issues and concerns surrounding NCA.

The National Cemetery Administration

The Department of Veterans Affairs National Cemetery Administration (NCA) currently maintains more than 2.9 million gravesites at 130 national cemeteries in 39 states and Puerto Rico. Of these cemeteries, 70 will be open to all interments; 20 will accept only cremated remains and family members of those already interred; and 40 will only perform interments of family members in the same gravesite as a previously deceased family member. NCA also maintains 33 soldiers' lots and monument sites. All told, NCA manages 19,000 acres, half of which are developed.

VA estimates that about 27 million veterans are alive today. They include veterans from World War I, World War II, the Korean War, the Vietnam War, the Gulf War, the conflicts in Afghanistan and Iraq, and the Global War on Terrorism, as well as peacetime veterans. With the anticipated opening of the new national cemeteries, annual interments are projected to increase from approximately 111,000 in 2009 to 114,000 in 2010. Historically, 12 percent of veterans opt for burial in a state or national cemetery.

The most important obligation of the NCA is to honor the memory of America's brave men and women who served in the armed forces. Therefore, the purpose of these cemeteries as national shrines is one of the NCA's top priorities. Many of the individual cemeteries within the system are steeped in history, and the monuments, markers, grounds, and related memorial tributes represent the very foundation of the United States. With this understanding, the grounds, including monuments and individual sites of interment, represent a national treasure that deserves to be protected and cherished.

The Independent Budget veterans service organizations (IBVSOs) would like to acknowledge the dedication and commitment of the NCA staff who continue to provide the highest quality of service to veterans and their families. We call on the Administration and Congress to provide the resources needed to meet the changing and critical nature of NCA's mission and fulfill the nation's commitment to all veterans who have served their country honorably and faithfully.

In FY 2009, \$230 million was appropriated for the operations and maintenance of NCA, \$49 million over the administration's request, with \$2.7 million in carryover. NCA awarded 49 of the 56 minor construction projects that were in the operating plan. The State Cemetery Grants Service awarded \$40 million in grants for 10 projects.

NCA has done an exceptional job of providing burial options for 90 percent of all veterans who fall within the 170,000 veterans within a 75-mile radius threshold model. However, under this model, no new geographical area will become eligible for a National Cemetery until 2015. St. Louis, Mo. will, at that time, meet the threshold due to the closing of Jefferson Barracks National Cemetery in 2017. Analysis shows that the five areas with the highest veteran population will not become eligible for a National Cemetery because they will not reach the 170,000 threshold.

NCA has spent years developing and maintaining a cemetery system based on a growing veteran population. In 2010 our veteran population will begin to decline. Because of this downward trend, a new threshold model must be developed to ensure more of our veterans will have reasonable access to their burial benefits. Reducing the mile radius to 65 miles would reduce the veteran population that is served from 90 percent to 82.4 percent, and reducing the radius to 55 miles would reduce the served population to 74.1 percent. Reducing the radius alone to 55 miles would only bring two geographical areas in to 170,000 population threshold in 2010, and only a few areas into this revised model by 2030.

Several geographical areas will remain unserved if the population threshold is not reduced. Lowering the population threshold to 100,000 veterans would immediately make several areas eligible for a National Cemetery regardless of any change to the mile radius threshold. A new threshold model must be implemented so more of our veterans will have access to this earned benefit.

National Cemetery Administration (NCA) Accounts

The Independent Budget recommends an operations budget of \$274.5 million for the NCA for fiscal year 2011 so it can meet the increasing demands of interments, gravesite maintenance, and related essential elements of cemetery operations.

The NCA is responsible for five primary missions: (1) to inter, upon request, the remains of eligible veterans and family members and to permanently maintain gravesites; (2) to mark graves of eligible persons in national, state, or private cemeteries upon appropriate application; (3) to administer the state grant program in the establishment, expansion, or improvement of state veterans cemeteries; (4) to award a presidential certificate and furnish a United States flag to deceased veterans; and (5) to maintain national cemeteries as national shrines sacred to the honor and memory of those interred or memorialized.

The national cemetery system continues to be seriously challenged. Though there has been progress made over the years, the NCA is still struggling to remove decades of blemishes and scars from military burial grounds across the country. Visitors to many national cemeteries are likely to encounter sunken graves, misaligned and dirty grave markers, deteriorating roads, spotty turf and other patches of decay that have been accumulating for decades. If the NCA is to continue its commitment to ensure national cemeteries remain dignified and respectful settings that honor deceased veterans and give evidence of the nation's gratitude for their military service, there must be a comprehensive effort to greatly improve the condition, function, and appearance of all our national cemeteries.

The IBVSOs is encouraged that \$25 million was set aside for the National Shrine Commitment for FY 07 and 08. The NCA has done an outstanding job thus far in improving the appearance of our national cemeteries, but we have a long way to go to get us where we need to be. In 2006 only 67 percent of headstones and markers in national cemeteries were at the proper height and alignment. By 2009 proper height and alignment increased to 76 percent. The NCA has also identified 153 historic monuments and memorials that need repair and/or restoration. With

funding from The American Recovery and Reinvestment Act (ARRA), the NCA will make repairs on 32 percent of these monuments and memorials.

The IBVSOs support the NCA's operational standards and measures outlined in the National Shrine Commitment, and in the past *The Independent Budget* advocated for a five-year, \$250 million National Shrine Initiative to assist the NCA in achieving its performance goals. However, over the past few years, the NCA has made marked improvements in the National Shrine Commitment by earmarking a portion of its operations and maintenance budget for the commitment and pending receipt of funding from the ARRA. Therefore, the IBVSOs no longer believe it is necessary to implement the National Shrine Initiative program at \$50 million per year for five years but, rather, propose an increase in the NCA's operations and maintenance budget by \$25 million per year until the operational standards and measures goals are reached.

In addition to the management of national cemeteries, the NCA is responsible for the Memorial Program Service. The Memorial Program Service provides lasting memorials for the graves of eligible veterans and honors their service through Presidential Memorial Certificates. Public Laws 107-103 and 107-330 allow for a headstone or marker for the graves of veterans buried in private cemeteries who died on or after September 11, 2001. Prior to this change, the NCA could provide this service only to those buried in national or state cemeteries or to unmarked graves in private cemeteries. Public Law 110-157 gives VA authority to provide a medallion to be attached to the headstone or marker of veterans who are buried in a private cemetery. This benefit is available to veterans in lieu of a government-furnished headstone or marker. The IBVSOs call on the Administration and Congress to provide the resources required to meet the critical nature of the NCA mission and fulfill the nation's commitment to all veterans who have served their country so honorably and faithfully.

The State Cemetery Grants Program

The State Cemeteries Grant Program faces the challenge of meeting a growing interest from

states to provide burial services in areas that are not currently served. The intent of the SCGP is to develop a true complement to, not a replacement for, our federal system of national cemeteries. With the enactment of the Veterans Benefits Improvements Act of 1998, the NCA has been able to strengthen its partnership with states and increase burial service to veterans, especially those living in less densely populated areas not currently served by a national cemetery. Currently there are 60 state and tribal government cemetery construction grant pre-applications, 36 of which have the required state matching funds necessary totaling \$121million.

The Independent Budget recommends that Congress appropriate \$51 million for SCGP for FY 2011. This funding level would allow SCGP to establish 13 new state cemeteries that will provide burial options for veterans who live in a region that currently has no reasonably accessible state or national cemetery.

Burial Benefits

In 1973 NCA established a burial allowance that provided partial reimbursements for eligible funeral and burial costs. The current payment is \$2,000 for burial expenses for service-connected (SC) death, \$300 for non-service-connected (NSC) deaths, and \$300 for plot allowance. At its inception, the payout covered 72 percent of the funeral cost for a service-connected death, 22 percent for a non-service-connected death, and 54 percent of the burial plot cost. In 2007 these benefits eroded to 23 percent, 4 percent, and 14 percent respectively. It is time to bring these benefits back to their original value.

Burial allowance was first introduced in 1917 to prevent veterans from being buried in potters' fields. In 1923 the allowance was modified. The benefit was determined by a means test, and then in 1936 the allowance was changed again, removing the means test. In its early history, the burial allowance was paid to all veterans, regardless of the service-connectivity of their death. In 1973 the allowance was modified to reflect the relationship of their death as service connected or not.

The plot allowance was introduced in 1973 as an attempt to provide a plot benefit for veterans who did not have reasonable access to a national cemetery. Although neither the plot allowance nor the burial allowances were intended to cover the full cost of a civilian burial in a private cemetery, the increase in the benefit's value indicates the intent to provide a meaningful benefit by adjusting for inflation.

The national average cost for a funeral and burial in a private cemetery has reached \$8,555, and the cost for a burial plot is \$2,133. At the inception of the benefit the average costs were \$1,116 and \$278 respectively. While the cost of a funeral has increased by nearly seven times the burial benefit has only increased by 2.5 times. To bring both burial allowances and the plot allowance back to its 1973 value, the SC benefit payment will be \$6,160, the NSC benefit value payment will be \$1,918, and the plot allowance will increase to \$1,150. Readjusting the value of these benefits, under the current system, will increase the obligations from \$70.1 million to \$335.1 million per year.

Based on accessibility and the need to provide quality burial benefits, *The Independent Budget* recommends that VA separate burial benefits into two categories: veterans who live inside the VA accessibility threshold model and those who live outside the threshold. For those veterans who live outside the threshold, the SC burial benefit should be increased to \$6,160, NSC veteran's burial benefit should be increased to \$1,918, and plot allowance should increase to \$1,150 to match the original value of the benefit. For veterans who live within reasonable accessibility to a state or national cemetery that is able to accommodate burial needs, but the veteran would rather be buried in a private cemetery the burial benefit should be adjusted. These veterans' burial benefits will be based on the average cost for VA to conduct a funeral. The benefit for a SC burial will be \$2,793, the amount provided for a NSC burial will be \$854, and the plot allowance will be \$1,150. This will provide a burial benefit at equal percentages, but based on the average cost for a VA funeral and not on the private funeral cost that will be provided for those veterans who do not have access to a state or national cemetery.

The recommendations of past legislation provided an increased benefit for all eligible veterans but it currently fails to reach the intent of the original benefit. The new model will provide a meaningful benefit to those veterans whose access to a state or national cemetery is restricted as well as provides an improved benefit for eligible veterans who opt for private burial. Congress should increase the plot allowance from \$300 to \$1,150 for all eligible veterans and expand the eligibility for the plot allowance for all veterans who would be eligible for burial in a national cemetery, not just those who served during wartime. Congress should divide the burial benefits into two categories: veterans within the accessibility model and veterans outside the accessibility model. Congress should increase the service-connected burial benefit from \$2,000 to \$6,160 for veterans outside the radius threshold and \$2,793 for veterans inside the radius threshold. Congress should increase the non-service-connected burial benefit from \$300 to \$1,918 for veterans outside the radius threshold and \$854 for veterans inside the radius threshold. Congress should enact legislation to adjust these burial benefits for inflation annually.

The NCA honors veterans with a final resting place that commemorates their service to this nation. More than 2.8 million soldiers who died in every war and conflict are honored by burial in a VA national cemetery. Each Memorial Day and Veterans Day we honor the last full measure of devotion they gave for this country. Our national cemeteries are more than the final resting place of honor for our veterans; they are hallowed ground to those who died in our defense, and a memorial to those who survived.

Mr. Chairman, this concludes my testimony. I thank you again for the privilege to present our views, and I would be pleased to answer any questions you might have.

Raymond C. Kelley
AMVETS National Legislative Director

Ray Kelley is the National Legislative Director for AMVETS (American Veterans) at AMVETS National Headquarters in Lanham, Md. He is responsible for the planning, coordination, and implementation of AMVETS' relations with the United States Congress and federal departments and agencies, and other organizations. He develops and executes AMVETS' Washington agenda in areas of budget, appropriations, health care, veterans' benefits issues, national security, and foreign policy. Ray also represents AMVETS to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management. Ray's work also includes building relationships with other non-profit organizations and developing plans to promote veteran transition to civilian life after their honorable service.

Ray served six years in the United States Marine Corps. He left the service and earned a Bachelor of Science in Political Science from Indiana University. Upon completion of his degree, Ray entered service in the Army Reserve and in April of 2006, Ray was deployed to Iraq as a Psychological Operations Team Leader. Ray served for 12 months in the base of the Sunni/Shi'ia triangle.

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March 23, 2010

The Honorable Chet Edwards, Chairman
House Military Construction, Veterans Administration Appropriations
Subcommittee
H-143 The Capital
Washington, D.C. 20510

Dear Chairman Edwards:

Neither AMVETS nor I have received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the March 23, 2010, Appropriations Subcommittee hearing on the VA's budget request for fiscal year 2011.

Sincerely,

A handwritten signature in cursive script that reads "Raymond C. Kelley".

Raymond C. Kelley
National Legislative Director

Mr. EDWARDS. Thank you, Mr. Kelley.

Gentlemen, I am going to begin my comments and questions with Mr. Hilleman. In my opinion—and I think it can be backed up by facts—in the last 3 years that I have chaired this subcommittee and Democrats have been the majority in the House, we have increased funding for veterans, higher funding levels, probably by a huge magnitude, in fact, than any other 3-year period in Congress. Would that be your understanding, as well?

Mr. HILLEMAN. Mr. Chairman, I have not done the math, but the attention that I have seen paid by this Congress and the previous Congress to veterans issues and veterans funding, in my 4 years with the VFW, seems to rival the historical memory of many who have been with the organization 20-plus years.

Mr. EDWARDS. Has the leadership of this Congress worked with the VFW in those accomplishments, which I will list—some of which I will specifically list in a moment?

Mr. HILLEMAN. Absolutely.

Mr. EDWARDS. So you have been included in that process over the last 3 years?

Mr. HILLEMAN. Yes, sir.

Mr. EDWARDS. In no way has VFW been excluded? In fact, to the contrary, this congressional leadership has brought the VFW in, I believe, on a regular basis, multiple times a year, to meet with the leadership. Did you ever have that kind of meeting once, twice, 3 times a year with the congressional leadership and 5, 10, 15 members of the leadership on veterans issues in any previous Congress?

Mr. HILLEMAN. Again, this goes back to my historical memory of 4 years, sir. So my impression of the 108th Congress, it was not nearly as engaged with the veterans community.

Mr. EDWARDS. In fact, let me preface these remarks. In my 3 years of chairing this subcommittee and working with the independent budget group and other veterans service organizations, we worked religiously and consistently on a bipartisan basis.

But let me say, as I look back at the last 3 years and the congressional leadership, these were some of the accomplishments that we have accomplished together. The \$23.1 billion increase in the V.A.'s discretionary budget, that is a 60 percent increase in the baseline. And I do not think perhaps even in any decade in American history that would match that increase in the V.A. baseline.

A 55 percent increase in the Veterans Health Administration, resulting in over 3,300 new doctors, 14,000 new nurses, 145 new community-based outpatient clinics, and 92 vet centers.

The first time since 1979, we through this subcommittee increased the travel reimbursement to veterans from 11 cents a mile to 41.5 cents a mile. The first time since the Bush administration froze enrollment, income thresholds for Priority 8 veterans, we increased that by 10 percent last year.

We more than doubled the amount provided for the homeless grant and per diem program. We added 8,300 new claims processors, more than the Bush administration ever asked for, and we plussed up the Obama administration request last year. Thank goodness we did it, given the massive increase in the number of the veterans filing for claims.

In addition to all this in our subcommittee, through the Congress and other committees, we passed the new G.I. Bill, providing \$63 billion over the next 10 years for tuition assistance for our veterans. We increased V.A. research that had been frozen for a number of years by 28 percent.

We provided funding for a new polytrauma center, the fifth one and the only one in the southwestern part of the United States, and we provided, working with the VFW and other veteran service organizations, we provided advanced appropriations for the first time in V.A. history for three medical accounts.

Is there anything in that record of accomplishment, Mr. Hilleman, that would suggest to you that anyone in the present congressional leadership would ever want to betray America's veterans?

Mr. HILLEMAN. Mr. Chairman, for the record, sir—

Mr. EDWARDS. Yes?

Mr. HILLEMAN [continuing]. I would ask that the discussion about any statements that the organization has been made be taken up with our leadership. I know our commander-in-chief would be happy to speak with you. I know our executive director, Mr. Bob Wallace, would also be happy to.

Mr. EDWARDS. I would welcome that. I have tried to call Mr. Wallace, going back to Sunday. But the letter is on record, so let's discuss some things on record, and then I will look forward to additional discussion.

Mr. HILLEMAN. Yes, sir.

Mr. EDWARDS. Is there anything in the record of accomplishment that I just listed, of which the VFW has been a part and a partner, has there been anything that suggested that at any point anyone in the congressional leadership in this House, based on this record, would have had the intention of ever betraying America's veterans?

Mr. HILLEMAN. Speaking on behalf of VFW, sir, again, I urge you to speak with our leadership. Personally, sir, I do not see where the characterization could be based.

Mr. EDWARDS. Well, let me just say this, since you are the representative of the VFW here today. If Mr. Wallace was here, your national commander was here, I would be happy to have this discussion with him.

But let me just say that, first, for the record, I voted no on the health care bill, and there are people of good faith within the Democratic caucus who voted yes or no, and I have no intention in this meeting of getting into a discussion of the details of the health care bill.

But I will be frank. I was—as someone who opposed the bill for reasons that reflect the values of my district, I was surprised and disappointed that the national commander of VFW, an organization with whom this congressional leadership has worked so closely over the last 3 years, I think in an unprecedented way, in terms of our increased commitment of funding for veterans benefits and services, that a letter would come out on the day of that vote saying that the congressional leadership has betrayed America's veterans.

And for the record, let me say, to my knowledge—and please correct me if I am mistaken—no other veterans organization of the dozens and dozens of tremendous veterans organizations that rep-

resent their members so very well, none of the others came out with a position opposing the bill itself. In fact, there were some veterans organizations that came out and supported it.

I would like to ask you, the concern of VFW about the health care bill, as I understand it, was not that there was anything directly in that bill intended to hurt veterans. In fact, as someone who voted against the bill, one could well argue that out of the millions of veterans who do not have access to V.A. health care, with only 8 million being enrolled out of 23 million, one could argue that this new bill could actually provide health insurance to hundreds of thousands of veterans that do not have it. But let's put that aside for a moment.

I want to be sure I understand the VFW's position. Your concern is that—not that there was anything written in the bill to intentionally harm veterans, but that the minimum standard that is set for health insurance programs might at some future date, by some future unnamed person in the executive branch, might possibly be defined as saying TRICARE or V.A. health care programs do not meet that minimum standard? Is that a correct summary of the VFW's concern about that?

Mr. HILLEMAN. Mr. Chairman, if I might, the VFW's opposition and concern with the national health care bill is rooted in the fact that TRICARE was not perceived to be a protected entity in the health care bill, as well as certain programs under V.A.

I believe there are three programs—

Mr. EDWARDS. And by protected, you mean that at some future date, some person in the executive branch might possibly interpret minimum standards as not having been met by TRICARE or V.A. programs, is that correct?

Mr. HILLEMAN. That V.A. or TRICARE would not meet the minimum standards for health—

Mr. EDWARDS. So there was nothing in that bill, there was nothing, no specific provision that said we are going to exclude veterans, harm veterans, not support veterans, or reduce commitment to veterans? There was no specific provision there you were concerned about, is that correct?

Mr. HILLEMAN. Sir, the specific provision that the VFW was concerned about was on page 333 of the bill. There was defined programs within the Senate health care bill that outlined care for—it was one program in TRICARE. I do not believe it was both TRICARE and TRICARE Prime. And then there was another one that referred to Chapter 17 of Title 38, which did not—and it said—the language said veterans.

It did not specifically state spina bifida patients, children, dependents of Agent Orange exposure veterans, and the other two was some vocational programs, and the other one was CHAMPVA, sir.

Mr. EDWARDS. So the VFW, like several other VSOs, wanted to take the extra step to ensure that these programs at some future date might not be determined as not meeting minimum standards. Is that correct?

Mr. HILLEMAN. The VFW is repeatedly concerned that V.A., all V.A. users and all TRICARE users, are qualified and properly cared for under the health care proposal.

Mr. EDWARDS. The same concern expressed by several other veterans organizations, legitimate concern. I want to be sure—whether I supported the bill or not, I want to be sure it doesn't adversely hurt veterans. But you are the only veterans organization that came out and said the congressional leadership betrayed America's veterans.

Before the national commander wrote that letter and publicly made it available on the day of the vote, did the commander know that the day before that Chairman Skelton, who I do not think—I hope would never be accused of betraying America's veterans—actually sponsored a bill on the House floor—

Mr. HILLEMAN. Sir—

Mr. EDWARDS [continuing]. To try to address most, if not all of that—

Mr. HILLEMAN. Sir, we did actually do a press release on that Friday, sir, to that effect, supporting and applauding Chairman Skelton for his work in protecting TRICARE in the bill.

Mr. EDWARDS. So, basically, what I am hearing—you do not have any reason to believe, given the track record of the last 3 years, that anybody in the congressional leadership would try to purposely betray America's veterans? But there was a technical question about a hypothetical case that, you know, might happen in the future, and the VFW and other veterans groups expressed a legitimate interest in wanting to clarify that, right?

Mr. HILLEMAN. Yes, sir. The VFW would have liked to have seen clarity on this.

Mr. EDWARDS. Did the national commander call the congressional leadership, speaker's office, for example, before putting out that letter to see if there was any intentional effort to betray America's veterans and if there wasn't a way to deal with what I see as a technicality that was unintentional, and only if one assumed bad decisions, there is nothing in that bill that directed bad decisions to be made that would harm veterans.

It was assumed that there might be a possibility, and if there is maybe a possibility TRICARE could be affected, we ought to correct that and see it. But given that there is no evidence that anyone wanted to betray veterans, but evidence to the contrary over the past 3 years, did the commander call the speaker's office before he wrote that letter, just to see if the speaker was aware of this problem and it could be resolved?

Mr. HILLEMAN. I would refer you to the commander for his remarks on that, sir.

Mr. EDWARDS. Okay. So you cannot say one way or the other whether he or the VFW made any effort to reach the speaker and correct what by all fair accounts would have been a technical question about the bill, not a question about the scope or the otherwise broad nature of the bill, a technical question about a hypothetical problem that might occur?

Mr. HILLEMAN. Again, sir, I would refer you to the commander on his own actions and the executive leadership of the organization to answer that question.

Mr. EDWARDS. Okay. Well, then I won't ask you then whether that was an appropriate use of language in referencing people who have worked closely with the VFW in a historic manner to accom-

plish those that had never been accomplished in any period of congresses past during a 3-year time period.

Would you ask Mr. Wallace and the commander if they would call me—

Mr. HILLEMAN. Yes, sir, absolutely.

Mr. EDWARDS [continuing]. At my office tomorrow?

Mr. HILLEMAN. Absolutely.

Mr. EDWARDS. We can have further discussion of this.

Mr. HILLEMAN. Absolutely.

Mr. EDWARDS. Okay. But for the record, you have no reason to believe and the VFW would not have suggested that anyone in the leadership would want to hurt America's veterans, given the track record of the last 3 years of working closely with you?

Mr. HILLEMAN. No, sir. There is clear demonstration that this Congress and the administration has put forward an incredible effort on behalf of America's veterans.

Mr. EDWARDS. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman. I echo your concerns even more so. I voted for the bill. And I think your use of that language of betrayal is embarrassing to the VFW. You did disservice to your members. I think you owe this leadership an apology.

Since Chet has become chair of this committee, there is no veterans appropriations committee in history that has done more for veterans than this committee. And this committee is a function of the leadership of our side of the aisle. And as you just said—and we heard time and time again—including John Wilson, saying that the president's budget is a very strong and wonderful—very in the right place.

I have been working for veterans' health care since I got into Congress. And I have never heard one complaint nor a legal opinion that this bill would do anything but help veterans. You are going to rise the tide for health care in America. It is going to help everybody.

Additionally, veterans have families that could not get access to health care, but they are now going to get it. And because of a technicality that was a hypothetical, to go and say "we have been betrayed", is pathetic. You know, I would hope that the membership would really question the leadership of the VFW on this, because I am certainly going to question it at home. And I would like to see a letter of apology.

Mr. HILLEMAN. I understand, sir.

Mr. FARR. I would like to ask just one question. I am very impressed with your testimony on the cemeteries. It is something I have been fighting for, as I would like to get a national cemetery in my district. But because of that crazy circle, we can't—You know, it was a secretary that decided that way back when. It wasn't a legislative act.

Mr. KELLEY. Right.

Mr. FARR. And I have suggested to this secretary, if you want to stick to that, then why does it have to be a round circle? Can it be an oblong circle?

Mr. KELLEY. Right.

Mr. FARR. We live on the coast, and half of that circle is in the ocean.

Mr. KELLEY. Absolutely.

Mr. FARR. So we are having a hard time we have got military land, military history, and we are trying to build a veterans cemetery there. There are 16 states that I think that haven't applied for state cemeteries including California because the reimbursement rate is too low, the burial benefit is too low.

So I appreciate your testimony, and I want to use it. I have co-sponsored legislation to increase the burial benefit, and it was interesting that you have this bifurcated report that says that those inside who are entitled and those who are outside are not entitled and might have a different benefit. I am going to look into that, so I appreciate it. This could work.

Mr. KELLEY. And I have taken your fight to V.A., and they have dug their heels in. With the Bakersfield cemetery, where it is at, they just are not going to budge, so—

Mr. FARR. Well, what happened is that somebody in V.A. decided to build cemeteries in the middle of the state. In CA, you have the mountains on the eastern side, the Sierra Nevadas, and then you have this huge, long valley, the San Joaquin Valley, and then you have coastal mountain ranges, and then you have all the alluvial plain where all the coastal cities are, between that ocean and that coastal mountain range is where all our population is in California. It is where San Francisco is, and that is where Los Angeles is, Santa Barbara and San Diego is.

If you draw a line down the center of the state, north to south, you go sort of halfway between the middle of the state, you go right down the San Joaquin Valley. Nobody lives there. It has been too hot. And I think Bakersfield is a big city. Has anybody heard about Bakersfield? Have they ever had a military base? Military bases were built along the coast, because that is where the Spanish discovered it. So we had bases in San Francisco and San Diego, Monterey, where all the military presence has been.

Yet the VA built these cemeteries in the middle of nowhere. There is no support structure. You know, at Former Fort Ord we have the longest running military base in the western United States, and they say we cannot build a cemetery because we are within 70 miles of where they already built one.

It takes over an hour to get there, because you have to go through these mountains, and yet as a crow flies, we are within 70 miles.

So we are just stuck. And I appreciate people really following up on the details.

Mr. KELLEY. And I have continued to question the "as the crow flies" policy, that it is an okay baseline, but the geographical phenomena that can either be urban or rural phenomenon, just land structures that really need to be looked at by V.A., and not just have this pat policy of 75-mile radius.

Mr. FARR. Well, one thing it does for California is you will never build a veterans cemetery anywhere near where people live.

So that is all, Mr. Chairman. I hope we get an apology for the leadership.

Mr. EDWARDS. Mr. Hilleman, I want to make one other comment so that no one misunderstands my position. I would expect, salute and support every veteran service organization's right to stand up

and fight for its members. And if any Congress or any administration betrays American veterans, then I would say it would be the right thing to stand up and fight that fight.

But I would also say—and I will say this to your commander and to Mr. Wallace—Mr. Wallace, someone with whom I have worked closely and have the greatest respect—that I would think the rules of decency, common sense, and fairness would dictate that you do not blindsides the very people that you work closely with for a period of years because of a technical hypothetical problem in an issue that wasn't directly related—when the overall bill wasn't directly related to veterans.

Maybe others have a different viewpoint about how you deal with those that you have fought together in the foxholes with, but that is my personal thought on that.

Mr. Riley, sir, you may not want to come back up and sit at the table, but I would like to invite you to come sit up at the table. I do not have many more questions, but I have a few.

Let me ask your thoughts—Mr. Blake, I might begin with you—the unemployment issue for Iraq and Afghan war veterans, it seems to me instinctively that, if a veteran comes back and doesn't have a job for 6 or 12 months, the possibilities of increased mental health care problems would go up significantly, and I hope we can get some research—we had a hearing this morning to talk about that.

Any thoughts you have as you have looked at the Independent Budget? And you spent untold hours on this. What would be your specific suggestions about what we could do to reduce unemployment for Iraq and Afghan war vets, which might be one of the better mental health care programs we could have, is to let them have the dignity of a job?

Mr. BLAKE. Well, I won't profess to be an expert, but I would say that I would—I think some of the expectation was that the new G.I. Bill could have alleviated some of that possibility, and it is disappointing to see the unemployment rate still climb, because ultimately one way to overcome unemployment is through higher education, and so there is that benefit.

I would suggest that, if there is a program that needs some serious—I do not know if overhaul is the right word, but it certainly needs to be looked into, is the voc rehab program, because that is really what it is—or a large part of its responsibility.

And yet I think you would be hard-pressed to find very much people that believe that the V.A.'s voc rehab program is really working the way it is intended to work or serving its purpose. For a long time, it was sort of a joke that the voc rehab program got you educated and maybe got you a job, but it really wasn't their concern to get you a job so much as it was to get you better educated to maybe get a job.

And I think that is the wrong focus. I mean, ultimately, voc rehab should have the end goal of getting you employed and keeping you employed. I was sort of tooting our own horn. From PVA's perspective, we have even started our own voc rehab program that is not just targeted at OIF/OEF, but it is targeted at seriously disabled veterans who have the highest unemployment rate.

Among our membership, spinal cord injured and in other catastrophically disabled, the unemployment rate is like 12 percent, somewhere in that neighborhood. So, I mean, there are some great challenges there.

But I would suggest that the subcommittee could benefit by investigating further into the voc rehab program. I think there is more than can be done there.

I do not know, because I did not really give you any specific information. I know there is some address of it in the I.B., and I will even ask Ray, who oversaw some of the employment portions of the I.B.

Mr. KELLEY. I am going to echo what Carl said about the G.I. Bill. But historically, 70 percent of all veterans use some portion of their G.I. Bill. Only 3 percent graduate with a bachelor's degree. It is 3 percent out of—70 percent use, 3 percent—18 months is the average usage of the G.I. Bill.

We need to transition those veterans that are coming back to assimilate into college life. They are not doing it. It is not their inability to learn. It has everything to do with the culture that they have left, the culture that they are moving to.

AMVETS has worked for the last 2½ years with a program called SERV, Supportive Education for the Returning Veteran. And in that program, we have four—five campuses now throughout the United States. We have taken retention rates up to nearly 90 percent for veterans.

What we have done is taken that first semester when veterans are back. They have an opportunity if they want to do—opt into only veteran classes. So English 101, chemistry, history, whatever those four classes are that are generally classes you need for any degree, veterans only. It takes away that reintegration portion.

So combat veterans who are coming back used to working in an environment where they have to be on guard, now, all of a sudden, they are in a classroom where they do not have to be on guard. All they have to worry about is what is going on in class. It increases their concentration.

And a byproduct of this is—we always thought from the beginning of the program that we need to focus on the positives of military instead of looking at veterans as people who are in need. And the positive out of this is that unit mentality has taken over.

And so if Ray Kelley is not showing up to class, the other guys in that class are coming, knocking on my door. Ray, where are you? What is the matter?

And they can identify signs that are—maybe I am starting to have destructive behavior, and help me find the right help. So we have gone from—it was on track. The retention rates are on track by the V.A. But the average civilian retention rate for graduation is 35 percent. We are at 90 percent.

So I think, to echo what Carl said about education equals employment—and another thing that we are starting to parlay off of that is working to get internships in the communities where they are going to school and build those relationships, those networking relationships that these veterans have failed to have because they served our country.

They did not get to live in the community, go to school, and build relationships with business owners, so they have that personal relationship when they are ready to transition, so an opportunity, also, to build those relationships, network, and get their name out there, and prove that they are worth something to the business community.

Mr. BLAKE. Another thing I would suggest—and I think—the one other thing I would suggest is—and I think this is probably outside of the jurisdiction of the subcommittee, but another concern we would have is on the vet side under Department of Labor.

You know, a lot of the challenges veterans face is certification of their military skills that allow them to assimilate into a job or into an employment situation in the civilian workforce. You know, there are obvious challenges to figuring out how a combat infantryman converts over to just about anything in the employment sector, and yet you have leadership skills and you have all kinds of technical skills that most people do not necessarily realize upfront.

I would also suggest that, you know, a lot of the programs under vets, particularly through the DVOP and LVER programs, the Disabled Veterans Outreach Program specialists and the Local Veterans Employment Representatives, there has been a lot of challenges there because, at the end of the day, those folks are beholden to the state employment agencies, and a lot of the funding comes—funding and direction comes from the state level.

And so while their primary responsibility may seemingly be to help veterans find employment and keep employment, they are pulled away from other areas—into other areas by their states that ultimately have control over there.

So I know there is even some discussion—and I will not say that we have developed an opinion on this yet—but there has been some discussion that has been floated around about whether to federalize the DVOP and the LVERs and some of that sort of thing, as well, that might be worth looking into.

Mr. WILSON. Do you know that also some of the appropriations have not been sufficient to bring the DVOP and LVERs up to the level that we think they should be? I think it is 1,500—across the United States. We are looking at more like 3,000 as being more of an optimum number for them to be available to provide the resources to the veterans when they walk through that door requiring assistance.

Mr. FARR. Can I suggest that perhaps the answer is not just more money, but it is really more collaborative effort? Vets are constituents of these silos that we have created, and these silos have gotten very sophisticated.

And what has happened—I have just watched it in my district—the University of California at Santa Cruz, is having budget problems because of the state cutbacks. The vets now come with an ability to be a paying student.

So schools are saying, “Huh, this is a revenue for us.”—and so now they are reaching out to the vets to try to do the things to sustain vets in school, knowing that veterans have barriers to overcome.

And I have seen community colleges do the same. Kids get into community college wanting to do something, for example, to get a

good job like an airplane mechanic or some of the blue-collar jobs that need these technical schools. The schools are giving vets pre-assessments so that they can know where their barriers are. And then they get them into the remedial program.

The schools do not want the vets to get into these classes, and find out they are over their head. Because then they drop out.

We need to get all these different silos to wrap around one another so that they can individualize on the individual. I think we ought to be able to allow these vets to have employable jobs in the homeland security industry.

Mr. KELLEY. But not if they—not if they—

Mr. FARR. But they have got to get certificates.

Mr. KELLEY. Not if they have sought counseling for PTSD. They have just written off their security clearance if they go, so that is another issue that we need to—that barrier of stigma—

Mr. FARR. If you can get us these things, you know, I am glad to fight for those. I know. The community colleges are looking for ways to get the vets in, to get them counseling, just like they do other students who come from other backgrounds, maybe with different issues.

But we need to get them capable of pursuing their careers, of getting the skills necessary. In fact, what has happened in my district—I do not know if you have polled Santa Cruz, it's probably one of the most antiwar colleges in the United States. You know, they had riots even when recruiters came. The program that has been incredibly successful is these vets. And guess what? They are having dialogue with the students who have never had dialogue before.

And I just think it is a wonderful kind of reshaping of America of understanding of philosophies and attitudes, very healthy. And it is because of the G.I. Bill.

So the question is this, how do you get these silos to start collaborating? We only have limited involvement in higher education from the federal standpoint. Most of it is giving money for research and giving money to students for loans and Pell Grants.

But the curriculum and the attitude at the campus, the atmosphere is controlled locally. And we do have vets offices. We have county vet service officers in California. Every county has one, along with veterans offices in areas.

But just getting those all together, it is why I gave you that Web site, Network of Care. Maybe we ought to expand it, and I will talk to Mr. Bronson and put it together. We will see if he wants to put the education factors into that, but it would be nice to get one stop so people could identify where they are in the United States and what services are right there in their immediate area.

Thank you, Mr. Chairman.

Mr. EDWARDS. Yes, Mr. Riley.

Mr. RILEY. I was a career soldier, so one of the things that—especially—people come back—I do not think the services do well in terms of taking care—look at how they are taking care of the wounded warriors now—but it ought—not just to the wounded. It ought to be applied to those—there needs to be a period of—transition assistance program—needs to become efficient. It needs to

have metrics that really measure getting people ready to either go on campus or whatever.

The other thing is when I went down to New Zealand 2 years on exchange down there. I was tremendously impressed with how—was there, that you are going to come out with something that is basically on the record that is a credential.

And they certify—and everything else. People actually made their choices in the service and were able to get the kind of schooling that seemed to fit their personality, and they got apprenticeship time credit, as well—when they were working—so I think there is a lot that can be done—by and large—so long.

Mr. BLAKE. I want to second that, too, as it relates to—if you believe that TAP has its flaws, which it does, there is a sort of a parallel program, and that is DTAP, disabled transition assistance, and it is basically non-existent, and yet it is non-existent.

And yet it has the responsibility of trying to transition the injured servicemembers off of active service and into civilian life and a workforce and education. And I do not know. I talk to people all the time that do not even know that—that have never heard of it or never seen it actually work the way it is supposed to.

So while there has been some emphasis on trying to improve upon TAP—and yet it still has its problems—DTAP, which is supposed to be a parallel program, doesn't even exist in most locations.

Mr. RILEY [continuing]. They are not at all involved—personal paradigm shift—ready to then take on the culture of what you are going to be doing. And it is—once a soldier, always a soldier, in a sense, up until the—the time that you really have made the transition—

Mr. EDWARDS. I wasn't aware of AMVETS program, but at my alma mater, Texas A&M University, which is in my district, it has a lot of traditions of military, and its Corps of Cadets is still the heart and soul of the university. So they really have informally formed a group to circle together and work together and provide that cultural support.

Mr. KELLEY. The SERV program has gone to Texas A&M and presented the programs. The issue is funding. As anybody that knows, works in education, that what they pay for this semester is from what they made from the semester prior. So they pay for their spring with what they made in the fall.

And trying to find the funds to say, "We are going to have four classes to set aside classes for veterans," that is four professors we have to pay for. We have to pay for those classrooms. That is about \$10,000 per class. And in this budget, it is not there a lot of time.

Mr. FARR. Do they have to have the pullout or the set-aside? For—special education in the lower grades, the attempt there is always to mainstream them.

Mr. KELLEY. Well, it is—

Mr. FARR [continuing]. Mainstreaming always seemed to work better, but it is going to take a different kind of counseling.

Mr. KELLEY. Right. It is a transition program that was based on interviewing hundreds of Vietnam through First Gulf War veterans who said, "The problem I had with education, the reason I entered, dropped out, entered, dropped out, entered, dropped out, was when I got to the classroom, I could not concentrate."

And drilling down into the reasons why they could not concentrate, it was because of the distractions in the classroom that were spurred by their military service, needing to be ultra-observant, wondering what is in that bag, who is passing by the hallway, what is question number one? Everybody else in the classroom is, what is question number one?

So having that—all of them be veterans for that first semester—and, again, it is an option. They do not have to take it. But for veterans who have symptoms for PTSD or just having a hard time transitioning, it is a great tool, without forcing them into some sort of personal counseling, that it ends up being counseling for them.

Mr. FARR. What is that program? Is it—

Mr. KELLEY. It is called SERV, S-E-R-V, Supportive Education for the Returning Veteran.

Mr. EDWARDS. Do any of these programs do anything along the lines of giving retiring military personnel at their choice of vocational test? You know, there are plenty of private entities out there that test what you should do or shouldn't do.

When I was in high school, I took one of those tests to a private company, and they told me, "Never be an architect. Don't even think about it," because I just could not put together, you know, two-dimensional boxes into three-dimensional box. So it was—you know, but it helps you figure out maybe where you might want to go.

Any kind of help out there—

Mr. RILEY. Well, you have got education centers on a lot of the bases. But by and large, you are not going to be encouraged by a chain of command to go do that—take advantage of, but certainly—assessment in order to identify—values and skills are, we would overrun, because that education center is really a limited—a very limited facility, and it is usually, mainly staffed by people from the institutions of higher learning that they represent.

So there is no real learning laboratory at all on the bases, but it is SERV what you are talking about.

Mr. EDWARDS. I know the other appropriation committees, Labor, HHS particularly, deal with these programs, but since we are seeing, as the V.A. Appropriations Subcommittee, any ideas any of you have on this, please let us know. We want to work with you.

I just think it is a huge problem. I think it is a shame that young Iraq and Afghan veterans—first of all, any unemployed veteran of any era at any time, to think, from the numbers I have seen in these young Iraq and Afghan war veterans have unemployment rates at 20 percent higher than the already high national unemployment rate, just it is something we need to deal with.

And a little money spent up front would be a lot better than providing, you know, mental health care, medical services for the rest of their—

Mr. SEARLE. I think one of the other areas we can take a look at is the reserve component. Okay, I am a product of that. When I was a battalion commander from a battalion back from Bosnia, I actually had people who had to make the choice of going on unemployment, losing their job, basically, or leaving the Guard, okay?

And there is still that mindset nowadays that, well, you know, they cannot discriminate against somebody who was in the Guard

if they are working there and they cannot get rid of them, but eventually what will happen is, when they try to get a job, they say, "Oh, you are in the Guard? Okay, fine. Well, we will put you in consideration."

But it really is a negative point now, because a lot of these small companies, you cannot really blame them, because they are in it to make money. You have got to have a business. And if they have five employees or whatever, you know, one of their employees could be going back to Afghanistan in a year, you know, that is a mark against them, so there is some problems.

And as far as—

Mr. EDWARDS. Do you think—I am sorry. Go ahead.

Mr. SEARLE. And as far as the TAP program and things, the Guard and Reserve does not get the same—you know, again, when I came back to Afghanistan a year-and-a-half ago, okay, we got to the gate, and they handed me a sack full—and I was a colonel—but they handed me a sack full of papers and said, "Have a nice day."

And that is what they did with the soldiers. There was not the effort to try to help them—you know, what do you need to re-integrate into the system? So I think the Guard and Reserve is not—

Mr. FARR. But, see, I think you cannot do that from Washington. You cannot do it from the department. You have got to be able to tie in, and that pack ought to be saying, okay, you are going to back to, you know, Pocatello, Idaho, in a remote area in the national sense, and here are the services that are available to you.

And we have got to individualize that, because then you can wrap these things around and say, you know, guess what? You have got PTSD counselors in this town, and here they are. We have got a veterans' organization in this town. We have got SERV going on at the university, and you can go check in with that there.

I think that is the individualized package, because at that age, I mean, you are just interested in getting home.

Mr. SEARLE. At 58, I was interested in getting home.

Mr. FARR. And then you go into depression, because regardless of PTSD, you have got a re-entry crisis. Thing is, when you have lived overseas—I was in the Peace Corps. I was not in the services. But I will tell you, it was very hard to cope when I got home. Nobody understood what I did or cared that much, and, you know, the conversations were always short, because they did not understand, and they just had no idea what it was like.

And that is just cultural shock. I mean, it goes both ways. Getting there is a cultural shock, too, but re-entry is really difficult. And I think that is why people join veterans' organizations. I can at least go down and find a bunch of people that lived like I did and get into that alumni group.

But we are not a country—with all the skills we have, we still do not try to individualize those to give you the information you need to cope with wherever you are ending up.

Mr. SEARLE. I also believe there is a stigma, as was mentioned, about being an infantry guy. What are you going to with them? There is so much talk about PTSD now. You know, employers are sitting there saying, "Am I hiring an ax murderer?" You know, so

I think the American culture, there is not that many people who have served, so there is kind of a wall developing between the military and the retirees or, you know, people who have gotten out and people who have never served.

So they are actually starting to become afraid, I think, in some cases, some of the articles I read about veterans.

Mr. EDWARDS. You just were a step ahead of me. I was going to ask about that. It would be hard to prove, but I have to believe there are a lot of employers out there that are afraid of that issue. And, you know—may be afraid they get somebody in that has a serious health care problem and their insurance rate is going to shoot through the roof.

Obviously, there are a lot of other additional issues we can talk about. I want to follow up with you on the issue of electronic medical records between the V.A. and DOD and a lot of other things. I think we have a—

Mr. FARR. Three votes—

Mr. EDWARDS. They have started a series of votes. We have kept you here quite a while. Let me thank all of you for being here, and we look forward to working with you.

When do you think you are going to have, Carl, something—2012 fiscal year?

Mr. BLAKE. Well, I cannot really speak for our leaders—for the leadership of our organizations, but at this point, our decision is then to allow the GAO to do its part first, and then based on what the GAO's findings are for their reporting requirements, which are supposed to be pretty substantial, I guess we will then make the decision how we proceed from there.

But at this point—I mean, we are satisfied with everything that has happened thus far. I am not sure we are entirely convinced that the GAO has taken the ball and ran with it. You know, it just may be one of those things where we see what happens when we get to that point. And I hate to say that that is a position we take. It is sort of the position we are in.

In the meantime, we have already talked to your staff a little bit offline, and we will be happy to continue to do so moving forward.

Mr. EDWARDS. And I hope we will take the approach that the second year of our multiyear appropriations is not an absolute mold that we cannot change in any way, because, you know, while we want to create some stability for the future, we do not want to create a straitjacket, if inflation costs go up, if there are other unforeseen problems we need to address, so—

Mr. BLAKE. Well, I think the secretary has even sort of reiterated that point in the budget briefings that were back in February and in some of his staff briefing subsequently. So—

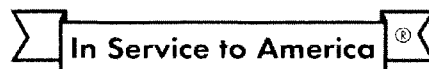
Mr. EDWARDS. Great. Thank you all for being here. We stand in recess.

Mr. FARR. Recess or adjourned?

**THE FOLLOWING
TESTIMONY WAS
SUBMITTED FOR
THE RECORD**

Statement for the Record

Vietnam Veterans of America



Submitted By

**Rick Weidman
Executive Director for Policy & Government Affairs
Vietnam Veterans of America**

Concerning

**The President's FY 2011 Budget Request for Veterans
Before The
Committee On Appropriations
Subcommittee On Military Construction And Veterans
Affairs
United States House Of Representatives**

March 23, 2010

Vietnam Veterans of America

**House Subcommittee on Military
Constructions and Veterans Affairs
Committee on Appropriations
President's FY 2011 Budget Request
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Mr. Chairman, Ranking Member Wamp, and distinguished Members of the subcommittee, thank you for giving Vietnam Veterans of America (VVA) the opportunity to offer our written comments on the President's VA Budget Request for FY 2011. All of us at Vietnam Veterans of America (VVA) wish to thank the leadership shown by this subcommittee, by the leadership of the full Appropriations Committee, of the Budget Committee, and of the House Veterans Affairs Committee, as well as the Speaker and the leadership of the entire House of Representatives for your vision in leading the struggle to enact Advance Appropriations. Further, your extraordinary vision in securing the dramatic increases in funding for Department of Veterans Affairs (VA), in both the medical system and in the Veterans Benefits Administration in the last three years, has been nothing short of extraordinary, and we salute you for it.

First let me note that Vietnam Veterans of America (VVA) is one of the many organizations that has endorsed the Independent Budget of the Veterans Service Organizations (IBVSO). We commend our colleagues at the Veterans of Foreign Wars, AMVETS, Paralyzed Veterans of America, and the Disabled America Veterans for their excellent work on this major undertaking, and thank them for the strenuous effort it takes to produce this excellent document each year.

Further, VVA commends President Obama and his Administration for submitting a budget request that continues to move us toward the goal of full funding of the health care and benefits earned by virtue of military service. It is a relatively "lean year" in regard to the Federal Budget request, yet the President has recognized that caring for "he - or she - who hath borne the battle" and their survivors is both part of the cost of war as well as the duty of the nation and our citizenry. Therefore the President has exempted programs that serve veterans from the projected budget freeze along with the Department of Defense, Department of Homeland Security, and other programs vital to protecting the country.

While VVA does endorse the IBVSO in the main, and lauds the President's Budget Request, there are a few areas that we must comment where we see some needs that are not included in either the IBVSO or in the President's Budget Request for VA.

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First, VVA strongly supports the need to indicate where some of the appropriations increases need to be focused by VA managers, such as Post Traumatic Stress Disorder (PTSD) services, and to insert reporting requirements that ensure these allocations are actually done. There is still a paucity of meaningful accountability mechanisms on managers at the VA. The VA does not know where the money actually goes, and where they do sufficiently track funds they apparently find ways to obfuscate the matter to prevent holding anyone accountable....unless they are a "whistle-blower" on poor management at VA, in which case they manage to find ways to take retribution on these brave people.

All too often in the past Congress has appropriated additional funds to deal with specific needs, and the money has been redirected at other areas of operation. The well documented instance of money specifically directed by the Congress to start to more properly address the scourge of Hepatitis C a decade ago is one glaring incident of this behavior by VA. Even after being pressed hard by the Congress and the General Accounting Office (GAO), VA could not account for the majority of the funds that were supposedly directed toward correcting the deficiencies of the VA health care system in diagnosing and treating Hepatitis C. There is therefore a natural inclination to ensure that this type of thing does not happen again, both on the part of top managers in the Executive branch and in the Congress.

However, because so much of the funding was centrally directed from Washington, VISN Directors and VA Medical Center Directors reported to us last year that they could not meet certain needs because they only got a small increase of funds from FY'08 to FY'09 and/or FY'09 to FY'10. Usually those reported increases were from 1% to 3%.

This of course caused VVA to ask how this could be, given that there was a much larger increase than that in the appropriation of the medical operations account? Where did the money go? We were told that it was in the special accounts, such as for PTSD. However, some of the unmet needs that local VA managers said they could not meet because of tight budgets were for additional clinicians to deal with PTSD problems of young soldiers returned from the current conflicts.

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We were finally able to get the FY 2009 allocation by specific facility just last month, and these figures often were at odds to what hospital Directors had told us. If there is a difference both cannot be correct, so either the central office is presenting information in a way that differs markedly from that of the VAMC Directors, or the VAMC directors we talked with had it wrong. Frankly we believe that the VAMC directors told us the truth, and that the obfuscation came later from the central office.

The argument against making medical care part of the mandatory side of the budget as opposed to keeping it where it is now, in the discretionary side of domestic spending was that Congress would not have adequate control over how the funds were spent. That was persuasive to the veterans' community, so all agreed that we should go to advance appropriations. With the strong leadership here in the House, and Senator Akaka and his colleagues in the Senate, as well as President Obama, we have achieved this important milestone.

As you know, VVA's top legislative agenda item for the 111th Congress was Advance Appropriations for VA health care. Now that this has been achieved, our top legislative agenda item is to assist the Congress in securing ***much greater accountability*** in both the efficiency and effectiveness of how each appropriated dollar is spent.

What we are saying is two-fold: one, that the Director of each Veterans' Integrated Service Network (VISN) and of each VA Medical Center (VAMC) must be given funds to be able to handle the increased costs of everything from electricity to salary to supplies, and then held accountable for how well they use those dollars to deliver high quality medical care to every eligible veteran. Secondly, funds that are set aside for PTSD and other specific purposes need to be adequately tracked, to ensure that the funds actually are spent correctly.

VVA suggests that several billion be added to the pool of funds that is sent out to the VISNs under the allocation model. VVA further suggest that Congress direct VA to re-examine the Veterans Equitable Resource Allocation (VERA) model to make it a more finely tuned instrument for

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allotting resources. At present the VA medical facilities in the north are being shortchanged because the veterans who have resources move south, leaving generally the veterans who are poorer, sicker, and in need of more medical services than the more affluent ones who move to warmer climates. The two tiered system currently employed does not sufficiently account for this phenomena, thereby leaving those VISNs in the north without adequate resources to meet the needs of the veterans in their catchment area.

This does not mean that the President's request should not ask for targeted dollars (e.g., for PTSD, for increased services to homeless veterans, etc.), but that as this is passed down to the local level for actual delivery of services, how much goes where needs to be transparent.

VVA National President wrote to VA on April 9, 2009 asking for the allocation by VSN and by VAMC of medical care dollars. While it was partly answered within 30 days, the only information provided was for the previous (FY'08) Fiscal Year. As noted above, we did not get that answer until last month, despite having made repeated efforts to secure same. This is just not acceptable.

Need for Much Greater Transparency in VHA

It is clear to us that mechanisms to achieve a much higher degree of transparency in all parts of the Veterans Health Administration (VHA) needs to be restored, and the trend toward secretiveness that started in 2003-2004 needs to be sharply reversed. There is no better way of securing the undivided attention of the permanent managers employed in the VHA than to make such mandates part of the appropriations process/language, both in the text of the law and in the report language. VVA encourages the Committee to suggest possible language to the Budget and Appropriations Committees in your views and estimates statement.

Further, there needs to be much more consultation and sharing of information between key officials in the VHA and leaders of the veterans' community. The fact that much of the meetings of the Seriously Mentally Ill Advisory Committee now meets in secret, and the Advisory Committee on

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PTSD meets totally in secret should give everyone pause, particularly after the mis-steps and serious problems with these services at VA over the last four or five years.

Outreach and Education to Open the System to ALL Eligible Veterans

VVA encourages the Congress to continue and accelerate the lifting of the restrictions imposed in January 2003, and to allow so-called Priority 8 veterans to register and use the system. As a key element in this effort, VVA strongly urges the Congress to mandate that there be a line item in each division of VA specifically for outreach and education, and that all of these efforts be coordinated through the Office of the Assistant Secretary for Intergovernmental and Public Affairs. Having been turned away one or more times by the VA, many of the veterans who they are trying to reach are very skeptical (to say the least) about responding to any letters that VA may send them to ask them to come in and register for health care services.

If it is to be successful, this effort must be coordinated, done on a media market by media market basis, and involve the Veterans Service Organizations and other key players if it is to be successful in drawing these veterans back to VA.

Veterans Economic Opportunity

While VVA supports adding additional claims processors to the Compensation and Pension system, it is equally important to add additional staff to the rolls of VA Vocational Rehabilitation. VVA strongly favors reorganizing VA to create a fourth element of VA that would be known as the Veterans Economic Opportunity Administration, giving the current Secretary the opportunity to establish a new corporate culture in the VEOA that focuses on helping veterans to be as autonomous and as independent as possible. Frankly, getting, and keeping, veterans who are homeless off of the street a major goal of VA should make expansion of the VA Vocational Rehabilitation program a top priority, both for adding rehabilitation specialists, and for adding more employment placement specialists.

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There are currently less than 70 employment placement specialists for the entire nation. We appear to have good leadership at the top of VA Vocational Rehabilitation Service now. We know we cannot depend on the USDOL/State workforce development agencies to actually do placement for disabled veterans, so it is incumbent on VA to do it.

Whether VA asks for employment specialists or not, they need to perform this vital final step to help disabled veterans actually obtain and sustain meaningful work at a living wage. That is the "pay off" activity for all we have invested in the recovery of these fine young men and women. We owe them more than just "blood money" and training programs that ostensibly make them employable. We need to help them actually secure, and keep, a decent job.

It is time to give VA Voc Rehab the staff and the resources needed to assist veterans to obtain and sustain meaningful employment at a living wage. It is important that we add at least 400 staff members to the VA Voc Rehab staff, with many of those being placement specialist.

If we can add 4,000 new staff members to process claims, then we should be able to add 400 staff to help veterans return to work,

VA Research

While VVA supports the request for \$590 million for VA Research & Development, we hope that all recognize that this is not nearly enough for the tasks at hand. Frankly, much of these funds go to research projects that keep the medical "stars" at VA in the VAMC that are affiliated with a medical school. This is fine, and a useful function.

However, there is a glaring need for funding into the wounds, maladies, injuries, illnesses, and medical conditions that stem from service by American citizens in our Armed Forces. The National Institutes (NIH) does very few specific veteran related research activities. Similarly, the same is largely true of the Center for Disease Control (CDC), the National Science Foundation, and the Agency for Health Research Quality (AHRQ). While VVA strongly supports the work of all of these fine institutions (as the only VSO to be a member of the "Research America!" coalition), we also know

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that there is an immediate and pressing need for veteran specific research. This vitally needed research would include; but not be limited to, projects such as research into the genochromosomal effects of Agent Orange and other toxins across multiple generations, possibly causing health anomalies in grandchildren and great-grandchildren of veterans exposed. Or, similarly, the consequences in regard to MS or MS-like conditions in veterans or the possible birth defects of children of those exposed to the cloud of chemical and biological weapons detonated in Iraq at the end of Gulf War I.

VVA believes it is essential to create a new branch of VA that would be called the "Division of Extramural Research" in order to make it possible to have such directed research grants available to those inside and outside of VA on a competitive basis. This new office/division of VA needs to have a very strong Research Advisory Panel, and leadership that is quite separate from what now heads the VA Research & Development section, but is really an office of intramural research. VVA recommends that we move in that direction, and fund these activities to the level of at least \$2 Billion by the year 2015, with commensurate increases of \$260 + million each year to reach that level. We will work with the authorizing committees to ensure that the mechanism is created early enough that this committee can launch this significant new direction with adequate resources to meet the needs of veterans and their families of every generation. Frankly this is important both for the health of current and future veterans already exposed, but also as a force health protection activity that will assist in preventing such maladies in the future, which makes it necessary for our national security.

In this regard in the short term, VVA strongly urges the Congress to specifically allocate up to \$30 million over a two year period for the VA to complete the National Vietnam Veterans Readjustment Study replication, following the guidelines in the statute, utilizing the same research subjects used twenty years ago, thereby making this into the "National Vietnam Veterans Longitudinal Study." Further, we ask that you specifically allocate an additional \$30 million for VA to begin to analyze and study the mountains of epidemiological evidence that it has on veterans of every generation, to meet Secretary Shinseki's desire that we not "wait for an Army to die" but rather get answers about patterns of health care problems now, without for prospective studies in the future.

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Suggested report language to this effect is:

The Congress directs that the Secretary of Veterans Affairs make available up to \$30 million for contracting with a reputable research institution to complete the "National Vietnam Veterans Longitudinal Study," and deliver same to the Congress as required in Public Law 106-419, within two years of enactment of this legislation.

Similarly, the Secretary of Veterans Affairs shall make available up to \$30 million available over the next two years for epidemiological studies of existing VA medical data to determine if there anomalies and differences that become apparent based on location of different duty stations or periods of service. Results of said studies shall be made public by means of submission of articles to recognized peer reviewed scientific and medical publications.

Automating VA IT Functions and Outreach

VA has an ambitious set of proposals to bring the department into the 21st century, and VVA enthusiastically supports these initiatives. However, we are still troubled that VA wants an electronic medical record system that can communicate with the Department of Defense and the private sector, but which will still not be able to communicate with the Compensation & Pension Service.

Further, while we can all be proud that the VA's electronic health care record "VistA" is so popular that it is now being exported to the private sector, VVA is still troubled that this is occurring without a field being added for military history, thereby sending an implicit false message to the private sector that exposures and experiences in military service have no significant impact on the long term health care risks for veterans. I think it is safe to say that most of know this to not be the case for all too many veterans.

Mr. Chairman, thank you for this opportunity to share our thinking and recommendations on these matters.

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**VIETNAM VETERANS OF AMERICA
Funding Statement
March 23, 2010**

The national organization Vietnam Veterans of America (VVA) is a non-profit veteran's membership organization registered as a 501(c) (19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:

Executive Director for Policy & Government Affairs
Vietnam Veterans of America
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RICHARD "Rick" WEIDMAN

Richard F. "Rick" Weidman serves as Executive Director for Policy & Government Affairs on the National Staff of Vietnam Veterans of America. As such, he is the primary spokesperson for VVA in Washington. He served as a 1-A-O Army Medical Corpsman during the Vietnam war, including service with Company C, 23rd Med, AMERICAL Division, located in I Corps of Vietnam in 1969.

Mr. Weidman was part of the staff of VVA from 1979 to 1987, serving variously as Membership Services Director, Agency Liaison, and Director of Government Relations. Rick left VVA staff in 1987 to serve in the Administration of Governor Mario M. Cuomo (NY) as statewide director of veterans' employment & training (State Veterans Programs Administrator) for the New York State Department of Labor. From 1995 to 1997 he served as Senior Advisor to the Chairman of the Veterans Affairs Committee of the New York State Assembly. He returned to the VVA staff in 1998.

He has served as Consultant on Legislative Affairs to the National Coalition for Homeless Veterans (NCHV), and served at various times on the VA Readjustment Advisory Committee, the Secretary of Labor's Advisory Committee on Veterans Employment & Training, the President's Committee on Employment of Persons with Disabilities - Subcommittee on Disabled Veterans, Advisory Committee on veterans' entrepreneurship at the Small Business Administration, and numerous other advocacy posts in veteran affairs. He was recently elected to another term as Chairman of the Veterans Entrepreneurship Task Force (VET-Force), which is the consortium of some major veterans groups and military groups as well as veteran and service disabled veteran small business owners that is dedicated to expanding opportunities for veterans, particularly disabled veterans, to own and successfully operate their own small business, to include seeking to secure better Federal procurement policies and practices.

Mr. Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he was also active in community and veterans affairs. He attended Colgate University (B.A., 1967), and did graduate study at the University of Vermont.

He is married and has four children.

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Written Testimony By: Phyllis Greenberger, MSW: President and CEO, Society for Women's Health Research and Jeanne Becker, Ph.D.: Chair, Women's Health Research Coalition

**Before the House Appropriations Committee, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies
March 18, 2010
Submitted for the Record**

On the behalf of the Society for Women's Health Research (SWHR) and the Women's Health Research Coalition (WHRC), we are pleased to submit testimony in support of **increased funding for the Department of Veterans Affairs (VA). We encourage a final appropriation \$1 billion above the Administration's proposed FY2011 budget. Within this increase, we recommend \$520 million of it be specifically directed to key areas advancing women's health for returning female Veterans, improving research infrastructure, and supporting strong health information technologies within VA medical centers.** A justification and breakdown of this proposal is included in this testimony.

The Society for Women's Health Research, a national non-profit organization based in Washington DC, is widely recognized as the thought leader in research on sex differences and is dedicated to improving women's health through advocacy, education, and research. SWHR was founded in 1990 by a group of physicians, medical researchers and health advocates who wanted to bring attention to the myriad of diseases and conditions that affect women uniquely.

In 1999, the WHRC was established by SWHR to give a voice to scientists and researchers from across the country that are committed to improving women's health research. WHRC now has more than 650 members, including leaders within the scientific community and medical researchers from many of the country's leading universities and medical centers, as well as leading voluntary health associations, and pharmaceutical and biotechnology companies.

SWHR and WHRC are committed to advancing the health of women through the discovery of new, targeted scientific knowledge. We believe that sustained funding for biomedical and women's health research programs conducted and supported across the federal agencies is absolutely essential if we are to meet the health needs of women, and men, and advance the nation's research capability.

Women Veterans and Women's Health

The VA, even more than other public or private medical centers, is uniquely situated to lead the nation in furthering essential sex differences research and in translating that research into clinical practice. We strongly believe that appropriate funding of the VA medical centers and researchers by Congress is critical to ensure optimal health research and outcomes for America's Veterans,

not just for meeting current needs, but also to advance better targeted, sex- and gender-appropriate care for all patients.

A product of the demographic trends in the military of the last 150 years, most VA medical centers were established largely to meet the needs of male Veterans, and until recently, most research conducted within the VA was largely, if not exclusively, in male subjects—often young, male recruits. **Today, women are the fastest growing sector of the VA's 5.5 million Veteran patients.** The old VA medical practice model must not continue.

Funding increases are needed throughout the VA to address the health matters of all female and male Veterans, but especially during this period of transition to ensure that sufficient, gender-appropriate care is extended to an ever growing female patient base at all VA medical centers across the country. Over 450,000 women Veterans have enrolled with the VA for care, and this number could grow by 30 percent over the next five years. Delivering enhanced primary care for women Veterans is, and should remain, one of the VA's top priorities in coming years.

Many medical conditions have different prevalence rates and symptoms in men and women, including autoimmune diseases, chronic and other pain conditions, musculoskeletal and mental illnesses. Many of these areas with proven sex-based differences are also among the chief complaints leading female Veterans to seek care at a VA medical facility.

In addition to providing quality care for our Veterans, support is needed to maintain and grow the rigorous VA research department—Health Services Research and Development (HSR&D), fostering scientific growth, innovation and discoveries. HSR&D's health research, often conducted within VA medical centers, is vital for increasing knowledge on veteran's health needs within the VA. In addition, HSR&D discoveries often benefit all patients, civilian or military. Their research is critical for improving care and for increasing awareness of exposure- and disease-specific impacts on Veterans.

The VA benefits from having a highly integrated electronic medical record system, but this system also will require sufficient funding to maintain usefulness, including integration with other internal and external systems of health documents and medical images. The VA, like few other major medical systems, offers providers and researchers the advantages of a "closed" system model, with inclusive access to all pertinent demographic and medical information for each VA patient or research subject. As the patient population of the VA continues its care of older, largely male service members, it simultaneously is taking on newer, younger and more female patients, and the research coming out of HSR&D will offer results and medical information able to be generalized to more patients than ever in VA's history.

In addition to learning from younger Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) Veterans, there is still a massive need to branch out research and to learn from our older women Veterans; especially women who served during the Korean and Vietnam conflicts. As these women approach and pass beyond retirement age, their unique health and health care needs require sex-specific care to be available at each VA medical center. Again, with appropriate funding, the closed care system is uniquely situated to provide and research chronic care in an integrated system, best serving our female Veterans.

The VA needs a continuous stream of funding to address the myriad of aging infrastructure, resources and IT issues resulting from the growing demands the VA has faced in the past decade. A state of the art physical environment for research promotes excellence in science as well as teaching and patient care and allows the VA to better recruit and retain the best clinician-scientists. To meet the VA's self-prescribed goal to be "people-centric, results-driven, and forward-looking", some essential changes in funding and how dollars are spent will have to occur.

SWHR urges Congress to provide the VA with an increase of \$1 billion above the Administration's request, bringing the VA's FY2011 budget to \$126 billion. Of this, the \$218 million identified by the VA as essential for meeting the needs of female Veterans should be designated for essential sex-based care, and not limited to obstetrics or gynecological care. Further, \$300 million should be dedicated exclusively to renovating existing research facilities to address the current and well-documented shortfalls in research infrastructure. This infusion of funding will allow the VA to continue rebuilding its infrastructure to meet the needs of all Veterans, and will begin to address the shortage of resources resulting from the growing ranks of returning Veterans from Iraq and Afghanistan. The number of OEF/OIF Veteran patients is projected to rise to over 419,000 in 2010, an increase of 61 percent from just two years ago. The time to prepare for these Veterans' care needs is now.

VA Research & PTSD in Female Veterans

Researchers are beginning to uncover the scientific evidence behind why women suffer from Post Traumatic Stress Disorder more frequently than men, recognizing that their symptoms are different, and documenting that women and men respond differently to various treatments.

There is an increased prevalence of PTSD in women (twice that of men) and while higher exposure to interpersonal violence for all women—especially sexual trauma—has been cited as a possible cause, new studies are showing that the combination of early life and adult trauma can together increase lifetime risk of developing PTSD. The risk is highest in those with certain combinations of stress-related genes being expressed, further implicating gender, environmental, and genetic factors in PTSD development. Also under investigation are links between female reproductive hormones and PTSD, with differences in fear responses being noted in women based on which phase of the menstrual cycle a woman is in, or based on her use of oral contraceptive (birth control) pills. Also, differences in catecholamines, cortisol and thyroid hormones that can vary by gender and ultimately impact blood pressure regulation, food metabolism and other body functions impacted by PTSD and stress responses. With women comprising nearly 15 percent of active military members, and projections of nearly 1 in 3 to be impacted by a mental illness as a result of her service, it is imperative that research into sex-based differences in PTSD and its treatment be explored and applied to the women needing these answers.

Female PTSD patients often have more depressive and anxiety symptoms and thus benefit from different types of treatment, such as prolonged exposure therapy, and seem to do less well with commonly prescribed selective serotonin reuptake inhibitor (SSRI) medications. When women do seek treatment for PTSD, the time to remission is on average longer for them than men, and

the rate of remission for women ends up being only half that of men's. Stereotypes persist of women not being combatants, and this belief—both in civilian medical practice and with some providers within the VA system—must be corrected.

VA: Technology and Efficiency

A highly integrated information technology system is vital to the VA system for more than just health concerns. The files of a Veteran within the VA system are key to coordinating compensation, pension, education and burial benefits. The paperless processing initiative can help streamline the provision of benefits and health care, with online and complete access enabling faster access and decisions. The VA's system, now and in the future, requires seamless alignment with the Department of Defense system serving active duty military, as well as full compatibility with health care servers in the civilian setting, when active or retired military choose this for their care. By appropriately funding the "HealtheVet" program, the VA can sustain and grow its already established online program that includes a health data repository, appointment scheduling system, and pharmacy applications. Given the vital importance of continuing the VA's online systems, **we request an additional \$2 million dollar be allocated specifically for the purpose of maintaining and improving internal and online health information technologies for VA patients.**

HSR&D and Sex Differences Research

Scientists have long known of the anatomical differences between men and women, but only within the past decade have they begun to uncover significant biological and physiological differences. Sex differences have been found everywhere, from the composition of bone matter and the experience of pain, to the metabolism of certain drugs and the rate of neurotransmitter synthesis in the brain. Sex-based biology, the study of biological and physiological differences between men and women, has revolutionized the way that the scientific community views the sexes, with even more information forthcoming as a result of the sequencing of the X chromosome. The evidence is overwhelming, and as researchers continue to find more and complex biological differences, they gain a greater understanding of the biological and physiological composition of both sexes.

Much of what is known about sex differences is the result of observational studies, or is descriptive evidence from studies that were not designed to obtain a careful comparison between females and males. SWHR has long recognized that the inclusion of women in study populations by itself was insufficient to address the inequities in our knowledge of human biology and medicine, and that only by the careful study of sex differences at all levels, from genes to behavior, would science achieve the goal of optimal health care for both men and women. Many sex differences are already present at birth, whereas others develop later in life. These differences play an important role in disease susceptibility, prevalence, time of onset and severity and are evident in cancer, obesity, heart disease, immune dysfunction, mental health disorders, and other illnesses. Physiological and hormonal fluctuations may play a role in the rate of drug metabolism and effectiveness of response in females and males. SWHR continues to advocate for research on the comparative effectiveness of drugs with specific emphasis on data analysis by sex.

Our country's drug development process has succeeded in delivering new and better medications to ensure the health of both women and men. However, it often does not enforce the requirement that the data acquired during research be analyzed as a function of sex or that information about the ways drugs may differ in various populations (e.g., women requiring a lower dosage because of different rates of absorption or chemical breakdown) be addressed. Though the VA does not often initiate trials of new therapies, where it can play a vital role is in **advocating for the inclusion of women in sufficient numbers when studying already approved medications in various populations for new indications.** Additionally, as research is showing, more study is needed of already approved medications to see which specific subpopulation may not benefit from a given therapy—a more discerning look into pharmacology and continuing the quest for more personalized and targeted medical care.

SWHR strongly believes that the opportunity to pursue this scientific exploration strikes now. Strong investments in the National Institutes of Health, Health and Human Services, and the Department of Veterans Affairs can foster work in tandem to find and refine newer, better, more personalized care options for all Americans. Sex differences data discovered from clinical trials can be directly relayed to the medical community and offer improved care earlier to patients. As part of advancing the need to analyze and report sex differences, SWHR **encourages the VA to continue addressing the need for comprehensive research on optimal care for U.S. Veterans, making note of important sex and gender differences, as well as ensuring that appropriate data analysis of post-market surveillance is placed in the hands of physicians and ultimately the patient.**

Summary of SWHR Recommendations:

1. Increase of the total VA budget to \$126 billion (\$1 billion greater than proposed FY2011 budget), with the key areas targeted as follows:
 - a. \$218 million targeted for meeting the needs of female Veterans
 - b. \$300 million for research renovations and infrastructure
 - c. \$2 million for internal and online health information technology
2. Support for HSR&D researchers to include women in sufficient numbers during studies, allowing for analysis by sex and advancing work in the field of sex-based differences in treatment efficacy
3. Support for comprehensive research on how to provide optimal care to all Veterans, including analysis of post-market surveillance differences between men and women, and translation of noted sex differences into changes in clinical practice.

In conclusion, we would like to thank the Chair and this Committee for its strong record of support for the VA and women's health. We again strongly recommend that you **increase the overall FY2011 budget for the VA by \$1 billion, bringing its FY2011 total to \$126 billion,** so that it may dramatically improve upon current operations while also improving its research and computer structures in support of better exploration in the health and science behind sex-based differences in male and female Veterans. We look forward to continuing to work with you to build a stronger and healthier future for our Veterans and for all Americans.

**TESTIMONY OF THE
AMERICAN ASSOCIATION FOR GERIATRIC PSYCHIATRY
FOR THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION & VETERANS AFFAIRS
COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES
On Fiscal Year 2011 Appropriations for the Department of Veterans Affairs
March 19, 2010**

The American Association for Geriatric Psychiatry (AAGP) is pleased to have the opportunity to testify on Fiscal Year (FY) 2011 appropriations for mental health research and services for veterans. AAGP is a professional organization dedicated to promoting the mental health and well being of older Americans and improving the care of those with late-life mental disorders. Our membership consists of approximately 2,000 geriatric psychiatrists as well as other health professionals who focus on the mental health problems faced by senior citizens.

Although we agree with others in the mental health community about the importance of Federal support for mental health research and treatment, AAGP brings a unique perspective to these issues because our members serve the older adult patient population.

We appreciate the Subcommittee's support for the highest quality health care for our nation's veterans and for the research necessary to advance the quality of their care. Our veterans put forth their lives for our nation, and they deserve access to quality health care.

The Challenge of Meeting the Mental Health Needs of the Aging Veteran Population

Of the nation's 25.5 million veterans, nine million – approximately 35 percent – served in World War II or the Korean War. Another eight million aging Vietnam era veterans will soon join this older cohort and will bring increased challenges to the VA, including increased cases of post-traumatic stress disorder (PTSD) and, perhaps, a higher burden of substance abuse. The VA must be able to provide the specialized mental health care that these older veterans will need.

Between the years 1990 and 2000, the number of veterans in the 45-54 year old age group who received mental health services from the VA more than tripled. As the nation continues to pursue the wars in Iraq and Afghanistan, thousands of younger veterans will turn to the VA for the special care and services only it can provide. All of these individuals will swell the ranks of those who will ultimately require geriatric care.

However, the most rapid growth in demand during the last decade was among older veterans. During that time, there was a four-fold increase in the number of veterans aged 75-84 who received VA mental health services. This substantial increase in utilization is even more striking when one considers that research has revealed an ongoing problem with under-diagnosis of mental disorders in older age groups.

More than half a million veterans are 85 years of age or older, and the VA predicts that this oldest group will reach 1.2 million in 2010. Historically, as many as one-third of all veterans seeking care at the VA have received treatment for mental disorders; and research indicates that serious mental illnesses affect at least one-fifth of the veterans who use the VA health care system. In addition, those who are older often suffer from co-existing medical conditions such as heart disease, hypertension, diabetes, lung disease, debilitating arthritis, or other conditions. For these patients, treatment of their medical illnesses is often complicated by psychiatric disorders. Conversely, their psychiatric care is more complex because of the co-occurrence of medical illness, which commonly requires treatment with multiple medications. Thus, for older veterans with mental health problems, psychiatric treatment must be integrated and coordinated with their general medical care.

The increasing need for coordinated mental health and general health care services for rapidly growing numbers of older veterans demands adequate, ongoing funding for VA mental health services, training, and research to meet the needs of the aging veteran population.

Comprehensive, Integrated Mental Health and General Health Care for Aging Veterans

The AAGP is pleased to note the recent expansion of the mental health budget at the VA, including a substantial increase in FY 2010 and an 8 percent increase proposed for FY 2011. Since the Mental Health Enhancement Initiative (MHEI) was created in 2005, VA has been able to ensure the availability of mental health staff to treat elderly veterans who receive their general health care through Home-Based Primary Care (HBPC) programs and in Community Living Centers (CLCs, previously known as Nursing Home Care Units). The integration of mental health services into primary care and related settings has made it easier for older veterans to access mental health care, and has improved the continuity of care for the complex problems of this population.

AAGP would also like to point out to Congress that the VA's historic investment in aging research and services is paying off. VA has played a leading role in developing the scientific evidence base for understanding and treating health problems that are common in late-life, such as cognitive impairment, musculoskeletal disorders, and chronic pain. VA expertise in managing these complex, interacting infirmities of aging now informs the approach to younger veterans with similar problems. The cross-fertilization made possible by advances in geriatric mental health care will be especially important in working with returning OEF/OIF veterans who have poly-trauma which results in functional limitations due to a combination of cognitive impairment and physical disability. A related concern is the previously recognized association between head trauma and increased risk of developing Alzheimer's disease, which anticipates the possibility of accelerated brain aging in these younger veterans. AAGP urges Congress to support the VA in monitoring and managing the downstream clinical outcomes of

traumatic brain injury and its associated cognitive and physical disabilities—beyond the initial recovery period—as these veterans continue to age.

Mental Healthcare Workforce and VA Recruitment and Training in Geriatrics

In light of the demonstrated toll of mental illness among veterans who have served in Iraq and Afghanistan in recent years, the Veterans Administration has added thousands of mental health professionals to meet their mental health needs. This build-up of the VA mental health workforce is clearly needed and is welcomed by the mental health community as a life-saving measure for these veterans and their families. Although the large increase in staffing has been focused on younger adults, it is crucial to remember that the majority of patients currently served by the VHA are aging middle-aged and older veterans, and that these are the veterans that most of the newly hired mental health staff will treat. The VA should ensure that they are adequately trained to meet the unique needs of veterans in late-life.

The 2008 Institute of Medicine (IOM) report on the geriatric workforce emphasizes the dearth of healthcare professionals trained in geriatrics. The shortfall is especially critical in the field of geriatric mental health, a problem Congress has recognized by providing funding in FY 2010 for a follow-up report on the geriatric mental health workforce. AAGP is concerned that, as the VA continues to increase the number of mental health professionals in its workforce, it can be expected to encounter serious challenges in attempts to recruit geriatric psychiatrists, psychologists, social workers, and other geriatric mental health practitioners who have specific training and experience in the care of older adults. In light of these challenges, AAGP commends VA for its record of leadership in training geriatric mental health professionals. This has been accomplished, in part, through funding of the Mental Illness Research Education and Clinical Centers (MIRECCs), Geriatric Research Education and Clinical Centers (GRECCs), and Parkinson Disease Research Education and Clinical Centers (PADRECCs). AAGP recommends that Congress enact safeguards to ensure continued funding for the training of geriatric mental health professionals through these VA-based centers.

Veterans and Long-term Care

An estimated 30 percent of the patients in veterans' nursing home facilities currently suffer from Alzheimer's disease or other types of dementia. There are many more veterans still living in the community who are at risk for nursing home placement as their cognitive and functional status decline, and as their family caregivers become unable to care for them. As the elderly veteran population increases, the demand for long-term care services is expected to grow. Also, a substantial number of returning OEF/OIF veterans with traumatic brain injuries will require long-term residential care, now and in the near future.

AAGP is concerned that the capacity of traditional veterans' nursing home facilities to care for veterans with cognitive and functional impairments due to Alzheimer's disease

and traumatic brain injuries will soon be overwhelmed. We anticipate that VA will therefore need to increase its capacity to provide long-term residential health care, in part by continuing its efforts to expand non-institutional options while preserving and improving its network of nursing homes. Quality of care for veterans with long-term care needs across the lifespan will require substantial attention to the epidemiology of mental illness (including dementia and other cognitive disorders) in this population, and the provision of geriatric mental health services that are vertically integrated into both institutional and non-institutional programs and horizontally integrated with general medical care and mental health services. This is the only way to prevent aging veterans with medical-psychiatric co-morbidity and associated physical disabilities from falling through the “service system” cracks.

Returning OEF/OIF veterans state that, if their injuries require residential care, they would not be comfortable living in traditional nursing homes, built in the past for older adults, that isolate them from the community. Another important innovation, currently underway at VA, is the program for cultural transformation of existing Nursing Home Care Units into Community Living Centers. AAGP applauds this VA project that will benefit both older and younger veterans who require residential care, providing a more home-like environment, enhancing dignity for recipients of care, and ensuring opportunities for continued participation in community life.

AAGP is also pleased with the development of a VHA strategic plan specifically for care of veterans with Alzheimer’s disease and related dementias, and we urge Congress to support continued innovation in the approaches utilized by VA health personnel in treating veterans with Alzheimer’s disease. The VA should also be supported in its efforts to develop family and caregiver support programs to enable veterans to remain at home for an extended period, and to receive community-based support services before nursing home care becomes necessary. AAGP recommends the creation of a new line of mental health research funding for the development, testing, and dissemination of interventions to manage the psychiatric and behavioral manifestations of Alzheimer’s disease and related dementias. AAGP is especially concerned about the occurrence of agitation and aggression, which are frequent and severe behavior problems confronted by caregivers of patients with dementia living at home as well as in long-term care facilities. Scientific evidence for safe and effective treatments for the psychiatric and behavioral symptoms of dementia is limited. We therefore propose that the VA undertake studies to address ways to manage agitation and aggressive behavior in older veterans in long-term care and domiciliary facilities.

Research

Although the VA has made genuine progress in psychiatric research in recent years, the level of research funding remains disproportionate to the utilization of mental health services by veterans. Despite the fact that veterans with mental illness account for approximately one-third of all veterans receiving treatment within the VA system, VA resources devoted to psychiatric and behavioral health research have lagged far behind

those dedicated to research on other medical conditions. As the elderly veteran population expands and the number with dementia and other mental disorders grows, strengthening the research base in geriatric psychiatry becomes increasingly urgent. VA sponsored research into mental disorders of aging benefits all Americans, not just our veterans.

AAGP also has concerns about the future incidence of Post-traumatic Stress Disorder (PTSD) in the aging veteran population. While there are obvious war-related traumas that lead to PTSD in younger OEF/OIF veterans, aging veterans are exposed to various catastrophic events and traumas of late-life that can lead to new-onset PTSD or may trigger reactivation of pre-existing PTSD. Reactivation of PTSD has been seen more frequently in recent years among World War II, Korean conflict and Viet Nam era veterans. As the cohort of Viet Nam era veterans exhibits the infirmities of aging, with extensive co-morbidity and disability from interacting medical, psychiatric, and substance use disorders, they may be especially vulnerable to PTSD. AAGP therefore urges that funding for research and services related to PTSD be directed to the care of veterans across the entire lifespan.

A vitally important VA program for coordinating mental health research with education and clinical care are the Mental Illness Research, Education, and Clinical Centers (MIRECCs). Since 1996, Congress has authorized the VA to establish ten of these centers dedicated to mental illness research, education and clinical activities. AAGP believes the MIRECCs have successfully demonstrated that coordinated research and education projects can achieve rapid translation of new scientific knowledge into improved models for clinical services for veterans with mental illness. The investment that Congress has made in MIRECC research has paid substantial dividends, giving VA healthcare professionals more and better tools to treat patients with mental disorders. MIRECCs focus on problems highly relevant to veterans with schizophrenia, PTSD, and other serious mental illnesses, including those whose treatment is complicated by homelessness, substance abuse, or alcoholism. AAGP wishes to emphasize the value of those MIRECCs that focus on issues related to aging, including dementia, and psychiatric disorders in older veterans with concurrent medical illness and/or substance use disorders. AAGP urges Congress to continue funding of the MIRECCs.

In addition, AAGP strongly supports the work of Geriatric Research, Education and Clinical Centers (GRECCs). The GRECCs are centers of geriatric excellence designed for the advancement and integration of research, education, and clinical achievements in geriatrics and gerontology. Mental health has played a central role in the entire GRECC program since its inception in the mid-1970's. GRECCs focus on quality of life and care for the aging veteran and are at the forefront of innovative research and education. Research results have influenced therapies for diseases affecting older veterans and have also been exported outside the veteran community, and AAGP urges continuation and strengthening of these most important research centers.

Conclusion

In conclusion, AAGP commends this Subcommittee for its continued support for VA mental health services, research and training. Representing physicians who are specialists in geriatric psychiatry, AAGP believes that strengthening clinical services, research and training in geriatric mental health will enhance treatment not only for elderly veterans, but also for those who are currently young and middle-aged. Younger veterans are at risk for complications of their mental disorders as they grow older, and they clearly stand to benefit from cross-fertilization of successful treatment approaches that are developed for old, frail veterans with complex, interacting mental and physical problems.

Delivering quality health care for all veterans—integrating both physical and mental health care—must be a top priority. We therefore urge the Subcommittee to increase support for mental health services, training, and research; and to commit the resources necessary to provide our nation's veterans with access to quality, affordable, well-coordinated physical and mental health care.

The American Association for Geriatric Psychiatry appreciates the opportunity to submit this statement for the Subcommittee's consideration. AAGP looks forward to working with members of the Subcommittee to ensure that all veterans have access to quality affordable mental health care.

WEDNESDAY, MARCH 24, 2010.

PACIFIC COMMAND

WITNESSES

**ADMIRAL ROBERT F. WILLARD, U.S. NAVY, COMMANDER, U.S. PACIFIC
COMMAND**

**GENERAL WALTER "SKIP" SHARP, COMMANDER, REPUBLIC OF
KOREA-UNITED STATES COMBINED FORCES COMMAND, AND COM-
MANDER, UNITED STATES FORCES KOREA**

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Good morning. I would like to call the subcommittee to order, and Admiral Willard, General Sharp, I want to welcome you both to our subcommittee.

The purpose of today's hearing is to discuss the fiscal year 2011 force posture and military construction request for the U.S. Pacific Command and U.S. Forces Korea. Two key issues we will want to discuss in today's hearing are the planned realignment of Marines and their dependents from Okinawa to Guam and the normalization of tours for military personnel serving in Korea.

The strong partnerships with our allies, particularly Korea and Japan, are crucial to peace and success in the Asia Pacific Region. Our military's forward presence would not be possible without the strong financial and public support that both the Koreans and Japanese provide. Both nations are investing large amounts of their own resources in the realignments that will better position U.S. armed forces to meet future challenges while simultaneously improving the quality of life for American military personnel.

Although our subcommittee focuses on investments by our own government this fact provides an important context to our discussions today. Let me emphasize that even as the U.S. and Japan discuss details of realignment of U.S. forces in Japan, the U.S. Congress and this subcommittee in particular are firmly committed to our military construction funding for this realignment.

At this point I would like to recognize Mr. Crenshaw, our ranking member, for any opening remarks he would care to make.

STATEMENT OF CONGRESSMAN CRENSHAW

Mr. CRENSHAW. Thank you, Mr. Chairman. I would simply want to welcome you all here today and kind of just emphasize what the chairman said, because I think where you are, you know, in terms of Korea, in terms of Japan, two great partners, and there are a lot of challenges with North Korea and with China, so I think our relationship with Japan and Korea is critical, and your work there awfully important.

And I just thank you for being here and look forward to hearing your testimony and asking some questions. So thank you.

Mr. EDWARDS. Admiral Willard, I want to again welcome you in your first appearance before this subcommittee as commander of the U.S. Pacific Command, and I would like to take the personal privilege of welcoming Mrs. Willard here today. I had the privilege of representing Fort Hood, our largest Army installation in the United States, for 14 years through three combat deployments, and I know the sacrifices and service that our military spouses and children provide our country.

And so thank you, Mrs. Willard, on behalf of all the families that benefit from your service and your family's service to our country.

Admiral, we would like to recognize you now, and you know this routine. Your entire written statement will be submitted for the record, but we would like to recognize you and then General Sharp for any opening comments you care to make.

STATEMENT OF ADMIRAL ROBERT F. WILLARD

Admiral WILLARD. Thank you very much, Mr. Chairman. And so that we can get to your questions I will be very brief in my remarks, but I do ask that my full statement be submitted for the record.

Chairman Edwards, Congressman Crenshaw, and members of the committee, on behalf of the men and women of the United States Pacific Command, thank you for this opportunity to testify before you regarding the military construction needs and initiatives of the U.S. Pacific Command and my area of responsibility. I would also like to thank you for funding the MILCON accounts of fiscal year 2010, which have enabled us to execute projects that have improved the capabilities, readiness, and the quality of life for our many servicemembers.

I am joined today by my wife, Donna, who you have already recognized, who has been by my side for 36 years, and she is an outstanding ambassador of our nation and a tireless ombudsman for our military families.

I have now been in command of U.S. Pacific Command for about 5 months, and although I am relatively new to Pacific Command I have served in the Asia Pacific Region extensively, to include my previous assignment as the Pacific Fleet commander. Over the course of these assignments I have developed a tremendous respect for the Asia Pacific and I believe that this region now, more than ever, is vital to our nation's security interests and economic prosperity.

Military construction continues to be an important enabler of ready forces in the Pacific. Your support for our \$3 billion request in fiscal year 2010 is allowing Pacific Command to achieve its transformation, operational readiness, and quality of life requirements.

Today my service components are aggressively executing the MILCON you provided. To date, approximately \$1 billion have either been awarded or is out for bid.

MILCON has enabled a significant capability enhancement, such as basing our F-22s at Elmendorf Air Force Base and continuing to grow the force bed-down of our Marines in California. We are

grateful for your support and we request your careful consideration of our fiscal year 2011 request.

I have categorized this year's MILCON request for the Pacific Command area of responsibility in four broad areas: the Defense Policy Review Initiative, or DPRI, which includes the movements of 8,000 Marines and their families from Okinawa to Guam; the Republic of Korea transformation, which is growing—moving forward under the leadership of General Sharp; grow the force; and sustainment. In each of these areas our intent is to strengthen our alliances and maintain a ready force that serves our nation's strongest commitment to the region and as a deterrent to those who would challenge our freedom of action or coerce our allies, partners, and friends in the region.

In closing, I would like to thank this committee for your strong support that you continue to provide to the men and women of the United States military. Despite being involved in two wars, our retention and recruiting rates continue to be strong, which is a reflection of the quality of life initiatives that you have provided alongside the American people.

On behalf of more than 300,000 men and women of the U.S. Pacific Command, please accept our sincere appreciation for the work that you do for this great nation. I look forward to answering your questions, whether related to—Command MILCON program or the Asia Pacific Region in general.

Thank you.

[Prepared statement of Admiral Robert F. Willard follows:]

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SUBCOMMITTEE ON MILITARY CONSTRUCTION

STATEMENT OF
ADMIRAL ROBERT F. WILLARD, U.S. NAVY
COMMANDER
U.S. PACIFIC COMMAND
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION
ON MILITARY CONSTRUCTION IN U.S. PACIFIC COMMAND
MARCH 24, 2010

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SUBCOMMITTEE ON MILITARY CONSTRUCTION

INTRODUCTION

Chairman Edwards, Congressman Wamp, and Members of the Committee:

On behalf of the men and women of the U.S. Pacific Command (USPACOM), thank you for this opportunity to testify before you regarding the military construction (MILCON) needs and initiatives in the USPACOM area of responsibility (AOR). I would also like to thank Congress for funding the MILCON accounts for FY10 which has enabled us to execute projects improving our readiness capability and the quality of life for our service members.

I have now been in command of U.S. Pacific Command for about five months, and although I am new to U.S. Pacific Command Headquarters, I have served extensively in the Asia Pacific Region, to include my previous assignment as Pacific Fleet Commander. Consequently, I have developed a tremendous respect for this part of the globe and believe that now, more than ever, it is vital to our nation's security interests and economic prosperity.

FISCAL YEAR (FY) 10 MILCON

MILCON continues to be an important enabler of ready forces in the Pacific. Because of your support for our \$3.0 billion request in FY10, the USPACOM MILCON program continues to meet transformation, operational readiness and quality of life requirements. The service components are aggressively executing the MILCON provided in FY10. To date, approximately \$1.0 billion has been either awarded or is out for bid. MILCON has enabled significant capability enhancements, such as basing F-22s at Elmendorf Air Force Base (AFB) and continued Grow the Force bed-down of Marines in California. We are grateful for the support of Congress and we request your careful consideration of our service components' request for the FY11 budget.

FISCAL YEAR (FY) 11 MILCON

In FY11, USPACOM is postured to request funding for facilities and infrastructure to support U.S. military forces and their families. MILCON requested by the services in the Pacific AOR is categorized into four broad areas: Defense Policy Review Initiative (DPRI), Republic of Korea (ROK) Transformation, Grow-the-Force, and Sustainment.

DEFENSE POLICY REVIEW INITIATIVE

Rapid response in the Asia-Pacific region hinges on flexibility, speed and forward basing of our military forces. On May 1, 2006, the U.S. Secretaries of State and Defense and their Japanese counterparts released the Roadmap for Realignment, which outlines the overall implementation for the relocation of U.S. forces in Japan. The importance of the Roadmap was reaffirmed in February 2009 in a second agreement signed by Secretary of State Clinton and her Government of Japan counterpart. Moreover, the Defense Policy Review Initiative (DPRI) agreed to with Japan will sustain the capacity of our forward ground forces while addressing the burden-sharing concerns of our Japanese hosts. The majority of DPRI actions remain on track and Japan is shouldering most of the planned facility construction costs associated with the agreed changes. The exception is the Futenma Replacement Facility (FRF). The newly elected Japanese government is presently reviewing the plan to relocate Marine Corps Air Station Futenma to another location on Okinawa. We are optimistic that the Government of Japan will fully reaffirm the 2006 GoJ-U.S. agreement by May 2010. The relocation of MCAS Futenma, which affirms the continued presence of Marine Corps airlift capability on Okinawa, is the critical element enabling the relocation of 8,000 Marines to Guam. Per the agreement, U.S.

MILCON funds will contribute to the costs for facility and infrastructure construction on Guam to support the relocating Marines and their dependents.

Guam: As do the Okinawa-based Marines, Guam-based forces offer the strategic flexibility and response needed for the U.S. to be postured for contingencies in the Asia-Pacific. MILCON funding is in turn a vital enabler for the timely relocation of Marines to Guam. FY11 funding continues our contribution to the 2006 Realignment Roadmap estimated facilities and infrastructure cost on Guam of \$10.3 billion. Under the agreement, Japan will provide \$6.1 billion of the funding with the U.S. providing the remaining funding. Japan committed its first increment of funds by appropriating \$336 million in May 2009. We are hopeful their second increment of funding, expected in 2010, will further demonstrate their commitment to the effort. In our request, FY11 MILCON funding totaling \$427 million will provide utilities and airfield ramp space to bed-down Marine aviation at Andersen AFB and wharf improvements at Apra Harbor. Additional investments will be needed to improve off-base Guam infrastructure, such as roads and bridges critical to the successful throughput of materials to the planned Marine Corps installation.

REPUBLIC OF KOREA (ROK) TRANSFORMATION

We continue to work with the Republic of Korea to realign and enhance U.S. force posture to ensure an effective and sustainable long-term presence on the Korean Peninsula which underlies our steadfast commitment to the defense of the ROK. Although the ROK is providing much of the funding for the planned changes, MILCON funds are needed for some facility construction and infrastructure.

The United States will develop a more capable and responsive U.S. and combined force posture in the ROK to strengthen the alliance's deterrent and defense capabilities and long-term

capacity for regional and global defense cooperation. Projects for the Land Partnership Plan and the Yongsan Relocation Plan include relocating U.S. troops out of downtown Seoul, returning the majority of Yongsan Army Garrison to the ROK, and consolidating our troops into two primary hubs south of Seoul. This effort sustains a strong U.S. combat presence on the Peninsula, while lessening the intrusiveness of our force presence in major urban centers like Seoul. We anticipate the ROK continuing to fund much of the facilities and infrastructure construction for this USFK realignment. For FY11, ROK Transformation includes the relocation of an Air Force heavy engineer construction unit to Guam. Eight million is requested to construct a headquarters facility at Andersen AFB for this engineer unit.

GROW-THE-FORCE

In 2007, plans to increase active manpower of the Army to 547,400 by FY13 and the Marines Corps to 202,000 by FY11 were announced. The increase is needed to provide adequate dwell time between deployment rotations to enable training to meet combat readiness requirements and minimum quality of life standards. USPACOM is projected to receive an additional 2,400 soldiers and 8,200 Marines. The Grow-the-Force infrastructure needs of U.S. Army Pacific were fulfilled in the FY09 MILCON program. Marine Forces Pacific will request funding through FY14 to complete projects at various Marine Corps installations in California and Hawaii. For FY11, the Marine Forces Pacific requests \$570 million to support Grow the Force needs ranging from operational facilities to barracks.

SUSTAINMENT MILCON - READINESS

In addition to the MILCON required to implement transformation initiatives in the Pacific, the Service Components continue efforts to sustain readiness and quality of life at their

installations. For FY11, the Service Components in the Pacific seek \$1.5 billion to sustain the readiness capabilities of their installations.

U. S. Army Pacific (USARPAC): USARPAC maintains nine¹ major installations across the Pacific, including Alaska, Hawaii, ROK, and Japan. MILCON funds will help ensure that USARPAC soldiers are trained and equipped to enable their full spectrum operations. USARPAC seeks \$545 million for FY11 readiness-related MILCON requirements. \$202 million is requested for aviation task force operational facilities and an urban assault training course at Ft. Wainwright Alaska. Fort Richardson Alaska requires \$113 million for training facilities and phase one of an engineer brigade complex. Ft. Greely seeks \$26 million to replace a substandard fire station. \$81 million at Fort Shafter Hawaii will complete the first phase of a command and control facility and provide flood mitigation infrastructure. Schofield Barracks requires a \$24 million facility to house training simulators.

U.S. Pacific Fleet (PACFLT): PACFLT manages five¹ major first-class naval facilities throughout the AOR and has operational forces at several installations on the west coast. PACFLT installations provide vital forward presence to the world's largest fleet command, including the homeport for the only forward deployed aircraft carrier. Readiness MILCON requirements total \$351 million in FY11. Kitsap Naval Base Washington requires \$60 million in support of the strategic weapons facility. California has requirements totaling \$176 million at the naval bases in Coronado and San Diego for an aircraft hangar and a ship pier, respectively. The Joint Prisoner of War/Missing in Action Accounting Command (JPAC) and the Center of Excellence for Disaster/Humanitarian Assistance (CoE) are seeking \$108 million for new facilities in Hawaii to support their expanding missions. Both JPAC and CoE are key components of PACOM's theater security cooperation efforts. Finally, a \$7 million aviation

¹ Major Installation: MIL/CIV Population > 3000. Source DoD Base Structure Report 2007

simulator at Naval Air Facility Atsugi Japan rounds out PACFLT's readiness requirements for FY11.

U.S. Pacific Air Forces (PACAF): Nine¹ major PACAF installations stretch from Alaska, through Hawaii and Guam and onward to Japan and Korea. This unique web of air bases provides USPACOM integrated expeditionary Air Force capabilities to conduct their many peacetime and wartime missions. PACAF requests \$168 million for FY11 readiness related MILCON, which includes \$30 million to further the F-22A bed-down effort and upgrade a railroad complex at Elmendorf AFB Alaska. \$28 million is required at Eielson AFB Alaska to repair and improve a central heat/power plant. In Guam, PACAF seeks \$31 million to continue the effort to bed-down the Strike Taskforce and for regional training center capabilities on Andersen AFB. Hickam AFB Hawaii is scheduled to construct a 6-bay aircraft hangar, munitions storage and related support infrastructure worth \$72 million. For South Korea, \$7 million is required to provide an aircraft flight simulator at Kunsan AB.

U.S. Marine Forces Pacific (MARFORPAC): MARFORPAC manages nine¹ major installations located in Arizona, California, Hawaii and Japan. MARFORPAC installations in the Pacific provide the jumping off point for forward deployed combat ready Marine forces both ashore and afloat in the Pacific theater. MARFORPAC requests \$418 million for readiness related MILCON. Marine Corps Air Station Yuma Arizona requires \$285 million for a variety of facilities including two aircraft maintenance hangars, a simulator building and infrastructure improvements. The needs in California include training facilities and alternative energy infrastructure at Camp Pendleton worth \$14 million. Miramar Air Station rounds out California readiness MILCON with \$100 million for a hangar and airfield parking/taxiway expansions. Finally, \$19 million of improvements in Hawaii will enhance waterfront operations.

Defense Logistics Agency: The vastness of the Pacific AOR increases the importance of providing and sustaining sufficient forward-based logistics infrastructure. The services and material the Defense Logistics Agency provides to the Pacific is a critical enabler and force multiplier. Hickam AFB requires \$8 million for fuel storage tanks. Kadena AB and Misawa AB Japan together seek \$34 million for improvements to fuel distribution systems. \$20 million is required to replace a storage facility at Naval Base Point Loma California.

SUSTAINMENT MILCON – QUALITY OF LIFE

Quality of Life for our activity duty Soldiers, Sailors, Airmen, Marines and their dependents continues to be a key enabler and retention factor for these Americans serving overseas often thousands of miles and many time zones away from family and loved ones. FY11, \$644 million of requested Quality of Life MILCON will ensure we provide adequate housing, medical facilities, and recreation opportunities to these men, women and their families. MARFORPAC requests \$30 million to replace an undersized and outdated fitness center at Camp H.M. Smith Hawaii. US Forces Korea seeks \$20 million to upgrade utility systems at Camp Walker.

Bachelor Housing: In FY11, USPACOM requests \$346 million for six barracks projects. PACAF plans to construct a student barracks worth \$12 million at the Pacific Regional Training Center at Andersen AFB Guam. USARPAC seeks \$216 million in Hawaii to renovate and construct barracks at Schofield Barracks and Tripler Army Medical Center. Naval Station San Diego California requests \$75 million to construct junior enlisted quarters. Finally, MARFORPAC requires \$43 million for bachelor enlisted quarters at Camp Pendleton.

Family Housing: The service components in the Pacific have made tremendous strides using MILCON and the Military Family Housing Privatization Initiative (MHPI) to modernize

and replace antiquated housing throughout USPACOM. While MHPI has accelerated the pace, MILCON is still required overseas in Japan and Korea since privatization is not authorized in these foreign countries.

In FY11, the PACOM area of responsibility requests \$158 million for family housing. PACAF is seeking \$71 million to improve over 400 homes at Kadena Air Base in Japan. The Navy requests \$28 million to improve 116 homes at Yokosuka and Sasebo Naval Bases in Japan. USARPAC seeks \$21 million to provide supporting infrastructure for new homes at Ft. Wainwright Alaska. MARFORPAC requests \$27 million to facilitate the public-private venture to provide 107 homes at Camp Pendleton California and \$11 million to renovate 44 homes at Iwakuni Air Station in Japan.

Medical: \$70 million is required in Guam to support the second increment of replacement of the outdated 1950s era hospital. When complete the hospital will provide modern state of the art medical services for activity duty members and dependents including the planned additional Marine personnel. Camp Carroll in Korea requires \$20 million to provide a consolidated health-dental clinic.

CONCLUSION

USPACOM forces provide security throughout a vast and complex Asia-Pacific Region. We are engaged extensively across the AOR, enabled by supporting infrastructure that these MILCON investments seek to sustain and modernize.

Finally, I would like to thank this Committee for the strong support you provide to the men and women of the United States Military. Despite being involved in two wars, our retention and recruiting rates continue to be strong, which is a reflection of the quality of life initiatives supported by you and the American people. On behalf of the more than 300,000 men and

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women of U.S. Pacific Command, please accept our sincere appreciation for the work you do for us and our great nation. Thank you.

Mr. EDWARDS. Admiral Willard, thank you very much.
General Sharp, welcome back.

STATEMENT OF GENERAL WALTER L. SHARP

General SHARP. Thank you sir.

Chairman Edwards, Congressman Crenshaw, and other distinguished members of the committee, I really do appreciate this opportunity to come back again to report to you on the state of the United Nations Command, Combined Forces Command, and U.S. Forces Korea. This year marks the 60th anniversary of the beginning of the Korean War. Since 1950 Congress and the American people have made an enormous investment in blood and treasure to first defeat and then now deter North Korean aggression.

The alliance continues to reap the returns of that benefit—of that investment. The Republic of Korea now bears the majority of the burden of defending itself, and in 2012 wartime operational control transitions from Combined Forces Command to the ROK Joint Chiefs of Staff.

Beyond its borders, the Republic of Korea has become an important part of the international efforts to keep peace and respond to disasters. With significant forces deployed to Lebanon, Haiti, the Horn of Africa, and other missions, the Republic of Korea is fast becoming the global strategic ally envisioned by the 2009 Joint Vision Statement signed by President Obama and President Lee. With our long-term commitment of 28,500 troops we will continue to deter aggression and maintain peace not only on the Korean peninsula but throughout Northeast Asia.

Last year I spoke of my three command priorities. Thanks to your support and funding I am able to report great progress in each one of those areas. First, the United States and the Republic of Korea alliance is prepared to fight and win.

I flew here directly from our spring Exercise Key Resolve, in Foal Eagle, a combined exercise with ROK and U.S. forces. This exercise demonstrated that the United States and the Republic of Korea forces and staffs are trained and ready to fight tonight on the Korean peninsula.

Second, the Republic of Korea-U.S. alliance continues to grow and strengthen. Militarily, we will be prepared to transition wartime operational control to the Republic of Korea Joint Chiefs of Staff on 17 April, 2012.

In last year's Ulchi Freedom Guardian exercise we successfully stood up and tested many of the post-OPCON transition command and control structures. Through our strategic transition plan, future Ulchi Freedom Guardian exercises, and the final certification exercise, we will ensure the readiness of the ROK Joint Chiefs of Staff to accept wartime operational control in 2012 and the ability of the U.S. Korea Command to become the supporting command.

The Republic of Korea, as you mentioned, is also defraying a significant portion of U.S. Forces Korea costs. Under a 5-year special measures arrangement—agreement—Korea will provide my command with approximately \$700 million of cost-sharing funds this year.

My third priority: improving the quality of life for our command personnel. We are making substantial progress here, and with Congress' support we will achieve all of our goals.

We are improving the quality of life through two key initiatives. The first is the relocation of U.S. forces. By consolidating U.S. forces from the 105 USFK facilities that were maintained in 2002 to 48 sites in two hubs we will make better use of resources and be better positioned to support our servicemembers and families.

The second initiative, tour normalization, goes hand-in-hand with relocation. As we consolidate bases we are building world-class facilities and housing that are transforming U.S. Forces Korea from a command where 1-year tours are norm to a command where single servicemembers serve for 2 years and those with families for 3 years.

In the last 2 years, since June of 2008, the number of families in the peninsula has increased from about 1,600 to about 3,900 families now. By keeping trained military people in Korea for normal tour lengths we will attain institutional knowledge, create a more capable force, and are better able to support the alliance and deter aggression and demonstrate our commitment to Northeast Asia. At the same time, we are eliminating unneeded unaccompanied tours and building strong families that are key to the retention and effectiveness in this time of ongoing conflict.

Finally, I would like to provide you with an update on military construction. A total of \$46.5 million in military construction has been requested by the U.S. government fiscal year 2011 defense budget.

This request will fund the upgrade of electrical and natural gas systems at Camp Walker, the construction of a distributed mission training flight simulator at Kunsan, and the expansion of health and dental clinic at Camp Carroll. These military construction projects will, if funded, improve operations, training, and the quality of life for the command personnel, enhancing overall force readiness.

To close, the Republic of Korea-U.S. alliance has never been stronger. The alliance has successfully deterred aggression on the Korea peninsula for 57 years. In doing so, it has helped to make Northeast Asia a remarkably peaceful and prosperous place. With the Republic of Korea contributing a substantial portion of the alliance's cost we are maintaining combat readiness and improving quality of life for our military personnel.

I thank you for supporting the soldiers, sailors, airmen, and Marines, DOD civilians, and families serving our great nation in Korea. And, sir, this concludes my remarks, and I look forward to your questions.

[Prepared statement of General Walter L. Sharp follows:]

**STATEMENT OF
GENERAL WALTER L. SHARP
COMMANDER, UNITED NATIONS COMMAND;
COMMANDER, REPUBLIC OF KOREA-UNITED STATES COMBINED FORCES
COMMAND;
AND COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
MILCON/VETERANS AFFAIRS SUBCOMMITTEE
24 MARCH 2010**



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I. INTRODUCTION

Mr. Chairman and distinguished members of the committee, I am honored to provide my statement to you. As the Commander, United Nations Command (UNC); Commander, Republic of Korea – United States (U.S.) Combined Forces Command (CFC); and Commander, United States Forces Korea (USFK), it is a privilege to represent the Soldiers, Sailors, Airmen, Marines, Department of Defense (DoD) Civilians, and their families who serve our great nation in the Republic of Korea (ROK). On behalf of these outstanding men and women, thank you for your support of American forces stationed in the ROK and your commitment to improving the quality of life for Command personnel and their families. Your sustained support allows us to deter aggression against the ROK and promote peace and stability on the Korean Peninsula, which in turn promotes peace and stability in the region of Northeast Asia and helps protect the national interests we share with regional partners. I appreciate this opportunity to report on the state of affairs on the Korean Peninsula, my Command priorities, the plans in place for organizational transformation of the commands I lead, and how this change will strengthen the ROK-U.S. Alliance.

This year we mark the 60th anniversary of the start of the Korean War, a three-year conflict that resulted in millions of military and civilian casualties and has yet to be concluded by a formal peace agreement. This year my commands will support a host of ROK led events to honor those who played a role in repelling North Korea's aggression of six decades ago. Also this year we recognize the 57th anniversary of signing the ROK-U.S. Mutual Defense Treaty. Serving as a cornerstone for the broader ROK-U.S. Alliance, mutual commitments under the

treaty have allowed the Alliance to deter aggression against the ROK and promote peace and stability on the Korean Peninsula and in Northeast Asia.

The Korean Peninsula sits at the center of Northeast Asia – a dynamic region that has significant national interests for the U.S.¹ Northeast Asia is home to four of the world's six largest militaries in terms of personnel and two nuclear powers (China and Russia).² The region contains 25% of the world's population and is an economic powerhouse.³ In 2009, Northeast Asia housed five of the world's 19 largest economies that collectively accounted for 24.8% of global gross domestic product during that year.⁴ Countries in the region also accounted for 25.8% of U.S. trade in goods during 2009.⁵ At the end of 2008, the U.S. direct investment position in Northeast Asia was valued at \$220.7 billion.⁶

While Northeast Asia has grown into a major economic region, it is also characterized by uncertainty, complexity, and rapid change. Historical animosities, territorial disputes, competition over access to resources, and struggles for regional hegemony have combined to pose difficult and long-term security challenges not only for regional states but also for the

¹ The region of Northeast Asia is defined to include the following countries and special administrative regions: China, North Korea, Hong Kong, Japan, Macau, Mongolia, ROK, Russia, and Taiwan.

² In terms of number of personnel in the armed forces, the world's six largest militaries during the year 2009 were: China (2.1 million personnel); U.S. (1.54 million); India (1.28 million); North Korea (1.2 million); Russia (1.02 million); and the ROK (687,000). Personnel data obtained from *The Military Balance 2009*, produced by the International Institute for Strategic Studies.

³ Population percentage calculated with data obtained from the *CIA World Fact Book*. Percentage is as of July 2009.

⁴ Gross Domestic Product (GDP) at purchasing power parity in the year 2009 for the economies of Northeast Asia were: China-\$8.7 trillion; Japan-\$4.1 trillion; Russia-\$2.1 trillion; ROK-\$1.3 trillion; Taiwan-\$693 billion; Hong Kong-\$301 billion; North Korea-\$40 billion (2008); Macau-\$18 billion; and Mongolia-\$10 billion. GDP data obtained from the *CIA World Fact Book*.

⁵ U.S. trade in goods during 2009 was valued at \$366 billion with China, \$147 billion with Japan, \$67 billion with the ROK, \$46 billion with Taiwan, \$23 billion with Russia, \$55 million with Mongolia, \$24 billion with Hong Kong, \$446 million with Macau, and \$900,000 with North Korea. Trade data was obtained from the U.S. Census Bureau.

⁶ The direct investment figure is on a historical cost basis and was obtained from data published by the U.S. Bureau of Economic Analysis. Countries/special administrative region included in the valuation are China, Hong Kong, Japan, Taiwan, and the ROK.

international community. U.S. force presence in the ROK is a long-term investment in regional peace and stability and both maintains security commitments to the ROK established under the Mutual Defense Treaty and reinforces American engagement with actors throughout Northeast Asia. U.S. force presence in the ROK also helps set the conditions for denuclearization of the Korean Peninsula and eventual reunification of the two Koreas in a peaceful manner. A strong ROK-U.S. Alliance, with a meaningful U.S. force presence on the Korean Peninsula, is essential to meet the security challenges posed in the dynamic and economically growing region of Northeast Asia. As observed in the 2010 Quadrennial Defense Review, achieving core missions of American armed forces requires strong security relationships with allies and partners that are best enabled and maintained through long-term presence and sustained interaction.

II. STATE OF AFFAIRS IN KOREA

ASSESSMENT OF THE ROK

Last month ROK President Lee Myung-bak marked the start of the third year of his five-year term in office.⁷ President Lee Myung-bak has committed the ROK to taking on a more global orientation in its policies and to assume a greater role in the international community. Indeed, President Lee has made the development of a “Global Korea” one of five national goals for the ROK.⁸ Later this year the city of Seoul will host a Group of 20 (G20) summit and at the end of 2009 the ROK officially joined the Organization for Economic Cooperation and Development’s Development Assistance Committee, pledging to nearly triple its current level of

⁷ In the ROK, Presidents serve a single, five-year term of office without the possibility of re-election.

⁸ The other four national goals are to develop a government serving the people, a lively market economy, active welfare, and a country rich in talent. See the ROK Office of the President (Blue House) web-site.

official development assistance to a value that will equal 0.25% of gross national income in the year 2015. The ROK's commitment to assume a greater role in the international community is evidenced by its participation in about a dozen peacekeeping operations around the world, its plans to form a 3,000 person military unit that can be rapidly deployed in support of such operations, and a general willingness to support international stability and reconstruction operations such as in Haiti and Afghanistan (where in Afghanistan the ROK will deploy a Provincial Reconstruction Team later this year).⁹

In June 2009 the ROK government released a revision to its National Defense Reform 2020 plan. First written in 2005, the defense reform plan aims to modernize and restructure the ROK military through 2020 so that it is ready to address the future security environment and challenges. The revised plan focuses on developing capabilities to address North Korea's asymmetric threats (identified as its nuclear and missile programs), successful transition of wartime operational control (OPCON) to the ROK military, enhancing jointness, developing network centric warfare capabilities, increasing managerial efficiencies to include the extensive use of civil resources, enhancing the ability to participate in operations sponsored by the international community, and contributing to development of the national economy. The objective is to develop an information and technology-intensive military force that can cope well with a comprehensive set of security threats. As stated by President Lee during his 1 October 2009 Armed Forces Day speech, the ROK military must transform into a highly efficient multi-purpose professional elite force that can support Korea's bid to carry out roles commensurate

⁹ Peacekeeping operations include UNIFIL (Lebanon), UNOMIL (Liberia), UNAMA (Afghanistan), UNMIS (Sudan), UNAMID (Darfur), UNMIN (Nepal), UNOCI (Ivory Coast), MINURSO (Western Sahara), UNMOGIP (India/Pakistan), Somalia, Haiti, and Afghanistan.

with its growing international stature. Through 2020 the ROK plans on spending an accumulative 599.3 trillion won (\$466 billion) on defense to include expenditures on this reform initiative. I fully support the ROK's Defense Reform 2020 initiative and hope the plan is fully resourced throughout the life of the program.

ASSESSMENT OF NORTH KOREA

North Korea continues to be a threat to regional as well as global security and prosperity. Over the past year, Pyongyang's foreign policy alternated from provocative actions to a willingness to engage in some forms of dialogue. North Korea tested its nuclear and missile capabilities and continued attempts to proliferate conventional arms and other materials in violation of United Nations Security Council resolutions. Pyongyang has also maintained its aging but massive forward deployed conventional military force. North Korea will remain a serious security threat in the region and a significant concern for the U.S and the international community for the foreseeable future.

Strategy, Goals, and Internal Dynamics

Kim Jong-il's strategic goal is the survival and continuance of his regime. North Korea's efforts to build a nuclear arms program have become the key component of its strategy to guarantee regime survival. This program is now assessed to have enough plutonium for several nuclear weapons. Nearly sixteen years after the signing of the 1994 Agreed Framework, Pyongyang continues to try to develop nuclear capabilities. In 2009, it announced a second nuclear test, made public statements about its plutonium reprocessing and weaponization activities, and announced progress in uranium enrichment. These efforts, along with the

sustained development of a complementary missile delivery system, will likely continue into the foreseeable future. North Korea appears to desire international recognition as a nuclear weapons state, which the U.S., the ROK, and many members of the international community (including five members of the Six-Party Talks) have made clear is unacceptable.

On the domestic front, Kim Jong-il appears to have recovered from an apparent stroke in the summer of 2008 and remains in full control of North Korea. Over the past year Kim has systematically introduced his third and youngest son – Kim Jong-eun – as the heir apparent. Meanwhile, North Korea’s ruling elite, whose privileged position apparently rests upon continuance of the status quo, appears unwavering in its loyalty to Kim Jong-il. The role of the military in Pyongyang’s decision-making apparatus appears to be more prominent, as highlighted by last year’s expansion of the National Defense Commission authorities. North Korea’s conventional and asymmetric military forces remain the guarantor of Kim’s power. The regime manufactures the perception of an external threat – primarily from the U.S. – to maintain internal control and justify its “military first” policy.

A Year of Pyongyang Provocations and Posturing

Last year, North Korea initiated a series of provocative actions against the ROK, including announcing its unilateral nullification of the 1991 South-North Basic Agreement, restrictions of ROK activity at the Kaesong Industrial Complex (KIC), and threats against ROK naval forces off the western coast of the Peninsula. Pyongyang in April launched a Taepo Dong-2 and in May announced that it conducted a second nuclear test in defiance of United Nations Security Council resolutions. North Korea also launched multiple shorter range missiles

off its eastern coast, reversed disablement procedures at its Yongbyon nuclear facility, announced the reprocessing of spent nuclear fuel to obtain additional fissile material, announced its withdrawal from the Six-Party Talks, and stated its intent not to abide by the 1953 Armistice Agreement.

In August, Pyongyang released two detained American journalists, a detained South Korean KIC employee, and four detained ROK fisherman. Pyongyang also lifted its earlier imposed KIC border restrictions and allowed inter-Korean family reunions at Mount Kumgang. But in October, North Korea launched more missiles, announced that its uranium enrichment development program was in its final stages and that all plutonium had been harvested and would be weaponized, and provoked an inter-Korean naval skirmish.

North Korea's provocations during the first half of 2009 may have been intended to test the resolve of the new administration in Washington, create tension in ROK domestic politics, or set conditions internally for the introduction of a regime successor. Of North Korea's true intentions, we know little. But what is clear is that these actions resulted in the North's further isolation – highlighted by unanimous passage of additional United Nations Security Council sanctions – and pressure to return to denuclearization talks from all five parties, including China and Russia. After these events, North Korea launched a “charm offensive” in the second half of 2009, inviting foreign visitors and business interests to visit the country. This has not yet led to any measurable progress towards the complete and verifiable denuclearization of North Korea.

Last year, North Korea's annual domestic food production remained dismal, with the country dependent upon international assistance to meet its basic subsistence requirements.

Despite its serious economic problems, Pyongyang reportedly continued to divert precious national resources to its conventional and asymmetric military forces. At year's end, North Korea announced a currency redenomination which appears to have confiscated what little wealth might have been accumulated by private farmers and traders and which many now regard as a failure.

Though aging and technologically inferior, North Korea's massive army and vast artillery forces continue to represent a substantial threat capable of initiating limited offensives against the ROK that could potentially cost thousands of lives and billions of dollars in damage. North Korea also continued to develop its missile forces by attempting a multi-stage space launch vehicle, as well as multiple theater ballistic missile launches. Pyongyang continued to focus resources on its conventional and asymmetric military forces despite food shortages and a faltering economy. North Korea's missile capabilities remain a significant regional and global threat.

North Korea Threat Outlook

My number one concern will remain Pyongyang's continuing attempts to develop its nuclear and missile capabilities. The full potential of these capabilities would threaten the U.S., our regional allies, and the international community. We must also be mindful of the potential for instability in North Korea. Combined with the country's disastrous centralized economy, dilapidated industrial sector, insufficient agricultural base, malnourished military and populace, and developing nuclear programs, the possibility of a sudden leadership change in the North could be destabilizing and unpredictable.

In the future, Pyongyang may continue its strategy of periodically heightening tensions. We must never be complacent about the possibility that North Korea might take additional provocative steps or even launch an attack on the ROK. To address this threat, UNC/CFC/USFK must maintain the highest level of readiness.

III. COMMAND PRIORITIES

I have established three priorities for the commands. These priorities have remained constant and serve as the guiding principles for all key initiatives pursued. The three priorities are: 1) be prepared to fight and win; 2) strengthen the ROK-U.S. Alliance; and 3) improve the quality of life for all service members, DoD civilians, and their families. I will address each of these priorities and the key initiatives within each below.

PREPARED TO FIGHT AND WIN

My first priority as Commander of UNC, CFC, and USFK is to maintain trained, ready, and disciplined combined and joint commands that are prepared to fight and win. This has been the focus of U.S. forces stationed in Korea for more than 50 years and for the CFC since it was established in 1978. Maintaining “fight tonight” readiness is the primary reason U.S. forces are stationed in the ROK, supporting the alliance between the American and Korean people in defense of the ROK. The Alliance stands ready to address the full spectrum of conflict that could emerge with little warning on the Korean Peninsula. This spectrum of conflict ranges from major combat operations under conditions of general war or provocation, to multiple possibilities of destabilizing conditions on the Peninsula, to humanitarian assistance operations, and even the

elimination of weapons of mass destruction. Given these varied potential security challenges, it is imperative that our forces maintain the highest possible level of training and readiness.

In order to address the full spectrum of conflict that could emerge on the Korean Peninsula, the Command has developed and constantly refines plans to deter aggression against the ROK, defeat aggression should deterrence fail, and respond to other destabilizing conditions that could affect the ROK. U.S. and ROK military personnel develop and maintain their warfighting skills through tough, realistic training to include theater-level exercises that leverage a variety of facilities and ranges located in the ROK.

The Command conducts two annual exercises: Key Resolve/Foal Eagle and Ulchi Freedom Guardian. Key Resolve, a Command Post Exercise focused on crisis management, trains and sharpens skills on how we will fight today using existing organizational structures where CFC executes command and control over the combined force. Foal Eagle is a large-scale combined field training exercise that includes the strategic deployment of American forces from bases in the U.S. as well as the participation of thousands of ROK troops. Key Resolve and Foal Eagle ensure that CFC remains ready today to decisively defeat any aggression that is directed against the ROK. The second annual exercise – Ulchi Freedom Guardian – is a computer-simulated warfighting exercise that focuses on the development of Alliance command and control structures that will exist after the transition of wartime OPCON of ROK forces in April 2012.

Maintaining “fight tonight” readiness can only occur when training is conducted that prepares forces to address the full spectrum of operations that characterizes today’s complex

operational environment. It is vital that Command training facilities and events support the full transformation of U.S. military forces stationed in the ROK. The U.S. Army and U.S. Marine Corps possess adequate training resources in the ROK to maintain unit combat readiness to include the rehearsal of robust amphibious operations. But USFK still faces challenges with respect to the training of air forces located in the ROK. We have made progress with our ROK hosts in scheduling and maximizing use of limited ranges. However, there is still insufficient training range capability and capacity. A continued shortfall in electronic warfare training capability and restrictions placed on precision guided munitions training pose deficiencies that must be addressed. Deployments of U.S. air forces to training events outside the Korean Peninsula mitigate current training shortfalls and ensure the same standard of training and readiness as American combat air forces not located in the ROK. This is not a long-term solution, however, and I continue to work with the ROK government to find a solution to this key training and readiness issue.

STRENGTHEN THE ROK-U.S. ALLIANCE

My second priority is to strengthen the ROK-U.S. Alliance. This supports the June 2009 ROK-U.S. Joint Vision statement that commits both nations to build an Alliance that ensures a peaceful, secure, and prosperous future for the Korean Peninsula, the Asia-Pacific region, and the world as a whole.

The most significant Alliance strengthening initiative is the transition to ROK-led defense on the Korean Peninsula. That is, the transition of wartime OPCON. Following the transition of peacetime OPCON in 1994, this initiative to transition wartime OPCON resumed in

October 2005, when the ROK President stated that the time had come for Seoul to be responsible for its own defense. In early 2007, it was determined that the ROK would assume wartime OPCON of its forces by April 2012. Under OPCON transition, the ROK and U.S. will disestablish CFC and stand up separate, but complementary, national commands consistent with the Mutual Defense Treaty to focus on combined defense of the ROK. After OPCON transition the ROK Joint Chiefs of Staff (JCS) will become the supported – or lead – command and the newly created U.S. Korea Command (KORCOM) will be the supporting command. OPCON transition will not result in independent OPCON nor require independent, self-reliant ROK forces. It also will not lead to a reduction in USFK forces or weaken the U.S. commitment to provide reinforcement to the Korean Peninsula. Rather, the Alliance will continue close strategic coordination and consultation to ensure the appropriate capabilities are in place to meet future threats. The U.S. will have the same commitment to the Alliance after OPCON transition that it does now – to include the provision of extended deterrence using the full range of military capabilities.

The combined roadmap toward OPCON transition is laid out in the Strategic Transition Plan (STP). The STP summarizes 20 high level tasks and associated sub-tasks and milestones needed to develop appropriate ROK and U.S. organizations, plans, processes, and systems for the future Alliance military structure. It is a methodical approach that ensures the new command and control relationship between ROK and U.S. forces will be even more effective than the current CFC construct. To ensure that all tasks are completed to standard, a detailed certification process has been established. Both American and Korean external senior observers are being used to help evaluate the new commands. These advisors use a detailed checklist to report to the

ROK JCS Chairman and U.S. KORCOM commander as well as to the U.S. Secretary of Defense and ROK Minister of National Defense during the annual Security Consultative Meeting.

Additional evaluation and further development is conducted through the Command theater exercise program. The Ulchi Freedom Guardian (UFG) computer simulated warfighting exercise is the Command's preeminent combined exercise to test, develop, and refine post-OPCON transition command and control arrangements. Two UFG exercises have already been conducted and two more will be held prior to a final OPCON transition certification exercise in 2012. These exercises help ensure that the new combined command structure will be trained and ready to fight and win on the day of OPCON transition. The STP is on track as planned and we are working hard to ensure that all conditions will be met for a smooth OPCON transition on 17 April 2012.

The rationale for OPCON transition emanates from the tremendous changes that have occurred in the ROK since the Mutual Defense Treaty was signed in 1953. The ROK today is a secure democracy and a global economic leader. By assuming the lead for its own defense, the ROK will send a strong message not only to North Korea but to the rest of the world that it has a strong, competent, and capable military that can take the lead role in securing peace and stability on the Korean Peninsula. South Korean leaders have proven their ability to lead forces in a changing regional and global environment. They are members of a combined task force and are participating in United Nations peacekeeping operations. Officers of the ROK military, who have grown up in the Korean culture and are well versed with relevant operations plans while also being familiar with the Korean Peninsula's terrain, are best equipped to protect the Korean people. After OPCON transition occurs, the ROK military will be fully capable of leading the

combined warfight in defense of its people and the U.S. will remain committed to ROK defense through its supporting role.

Another key Alliance strengthening initiative was the conclusion of a five-year (2009-2013) cost sharing agreement in January 2009. Known as the Special Measures Agreement (SMA), this cost sharing arrangement has the ROK provide USFK with valuable labor and logistics services as well as the design (paid for in cash) and in-kind construction of facilities and infrastructure needed for daily operation of the Command. Under the SMA, ROK support for the maintenance of USFK ensures that the Command maintains its “fight tonight” readiness, a factor that helps deter aggression against the ROK and preserves peace and stability on the Korean Peninsula. SMA contributions also help build the infrastructure needed for a long-term U.S. force presence in the ROK. SMA funds help stimulate the ROK economy through the payment of Korean national employee wages, Korean service contracts, and Korean construction contracts, serving as a source of economic growth for communities that host USFK facilities. During calendar year 2010 the ROK will provide USFK with 790.4 billion won (\$664 million) in cost sharing support.¹⁰ Future increases in the ROK cost sharing contribution through the year 2013 are tied to changes in the ROK consumer price index.

Finally, the Command’s *Good Neighbor Program* continues to make great progress in strengthening the ROK-U.S. Alliance. The purpose of the program is to conduct community outreach events that engage and connect the Command with the Korean community. Good Neighbor Program events educate, inform, and familiarize Koreans with the mission and purpose of USFK. This direct engagement allows Americans and Koreans to develop mutual

¹⁰ U.S. dollar figure calculated by using a forecasted average 2010 won-U.S. exchange rate of 1,191. This forecasted exchange rate was obtained from the U.S. DoD.

understanding of one another's cultures, customs, and lifestyles, often leading to the formation of lifelong friendships between members of the two communities. Examples of events conducted by the Good Neighbor Program include English-language camps, speaking engagements by U.S. military personnel, and tours of the Joint Security Area/Demilitarized Zone and USFK installations. The program promotes two-way exchange between USFK personnel and people of our host country. The program helps foster exchange, understanding, and cooperation between members of my Command and the Korean communities that exist alongside USFK facilities. In 2009 alone, 2,043 events were conducted with the participation of over 139,000 local nationals. The ROK Ministry of National Defense operates similar programs called *Friends Forever* and the *Experience Korean Culture Program*. Under these two programs, USFK personnel are given the opportunity to experience Korean culture by participating in various host-nation sponsored events and tours. These programs strengthen the Alliance at both the professional and personal levels.

IMPROVE QUALITY OF LIFE FOR COMMAND PERSONNEL

Improving the quality of life for service members, DoD civilians, and their families is my third priority. My overall objective is to establish the infrastructure and operational climate that makes Korea the assignment of choice for DoD personnel. In order to achieve this objective and support this priority, the Command is currently implementing two key initiatives: the relocation of U.S. forces stationed in the ROK and tour normalization.

Relocation of U.S. Forces in the ROK

The Command is implementing two separate relocation plans. Once completed, American forces will be stationed in the ROK on two primary “hubs” of five enduring sites.¹¹ The first plan – named the Yongsan Relocation Plan (YRP) – will move forces currently stationed in and around the capital city of Seoul to U.S. Army Garrison (USAG) Humphreys, which is located near the city of Pyeongtaek some 40 miles south of Seoul. The majority of costs associated with this relocation plan will be paid by the ROK. The second plan, called the Land Partnership Plan (LPP), moves the 2nd Infantry Division from locations north of Seoul to areas south of the Han River and expands infrastructure at Osan Air Base and Camp Mujuk. Costs associated with the LPP will be shared between the ROK and U.S. While the YRP and LPP programs are being executed, actions will be taken to maintain our current facilities at an acceptable standard in order to support current operations.

The relocation of U.S. forces in Korea will occur in two distinct phases: consolidation and relocation. Phase I – consolidation – is currently underway. The current U.S. troop level of 28,500 personnel will remain on the Peninsula. The Command has returned 37 installations to the ROK so far, in the process giving thousands of acres of land back to the Korean people. In turn, the ROK has purchased land that is needed to accommodate USFK relocation. The ROK government has granted land at USAG Humphreys, an action that has enabled the ROK-U.S. Alliance to begin designing, planning, and construction of what will become one of the best Army installations in the world. The major facilities that will be constructed include medical

¹¹ The two primary hubs are centered on Osan Air Base/United States Army Garrison (USAG) Humphreys and USAG Daegu. The five enduring sites are Osan Air Base, USAG Humphreys, USAG Daegu, Chinhae Naval Base, and Kunsan Air Base.

facilities, headquarters buildings, family housing, schools, a communications center, and other operational and support infrastructure needed to accommodate the relocation of 2nd Infantry Division.

Phase II of USFK relocation will involve the movement of Army forces to one of the two enduring hubs that will be located south of Seoul. Once this phase is completed, USFK forces will utilize 48 separate sites, well below the 104 facilities USFK maintained in 2002. The success of the relocation initiative will sustain USFK's "fight tonight" readiness. Unit moves in the relocation plan will be packaged and executed in manageable components, which will allow units to maintain their full spectrum of operational and support capabilities. Completion of the relocation initiative will be a great boon for the ROK-U.S. Alliance because it improves readiness and soldier quality of life, realizes stationing efficiencies, signals continued U.S. commitment to the region, improves the combined capability to deter and defend against aggression directed at the ROK, and optimizes use of Korean land by creating a less intrusive military footprint, thus enhancing force protection for USFK.

Tour Normalization

DoD approved plans to normalize the tours of all service members in the ROK on December 1, 2008.¹² As noted in the 2010 Quadrennial Defense Review, DoD's long-term goal is to phase out all unaccompanied tours in Korea. This goal will mean all service members stationed in the ROK will be on 36-month accompanied or 24-month unaccompanied tours. Single troops will serve 24-months. Prior to this policy change, the majority of U.S. military

¹² It should be noted that in August 2009 the standard length of tour for USFK civilian personnel was increased from 24-months to 36-months.

personnel serving in the ROK were on one-year unaccompanied assignments. For military personnel with dependents, tour normalization means that they can be accompanied by their family members while serving our nation in the ROK, something that has been done in Europe for decades. Once complete, there will be approximately 14,500 families in Korea.

Phase I is currently under way and will run through Fiscal Year (FY) 2011. During this phase, the number of command sponsored families in the ROK will almost triple from the start of this phase, to 4,932. The length of accompanied tours offered in five locations – Seoul, Osan, Pyeongtaek, Daegu, and Chinhae – are now 36 months and for areas north of Seoul (Dongducheon and Uijeongbu, referred to as Area I) are 24 months. Single soldiers serve a 12-month tour.

The tour normalization process will synchronize increases in the number of command sponsored (accompanied tour) service members and their families with the expansion of necessary infrastructure such as housing, schools, medical facilities, and other infrastructure needed to accommodate this growth. Throughout the phased tour normalization process, the funding for needed infrastructure could come from three key sources: public and private ventures, appropriated military construction funds, and ROK cost sharing contributions where appropriate.

The tour normalization initiative benefits the Command, DoD personnel serving in the ROK, military families, the ROK-U.S. Alliance, and U.S. national interests. Full implementation of this initiative improves force readiness and combat capability by keeping trained military personnel in place for longer periods of time, thus enhancing continuity, stability, and the retention of institutional, regional, and cultural knowledge. It will also reduce the stress placed

on troops and units by frequent rotations and supports the 2010 Quadrennial Defense Review's "preserve and enhance" objective by establishing a sustainable rotation rate that helps protect the force's long-term health. Quality of life for our service members will be greatly improved through the elimination of needless separation from their families and the use of modern DoD standard design facilities. The ROK-U.S. Alliance will be enhanced by the more meaningful and deeper interaction between Americans and Koreans that can occur during a tour of longer duration. Finally, U.S. national interests are supported through the signal tour normalization sends on U.S. commitment to the long-term security and stability of the ROK as well as Northeast Asia as a whole.

Military Construction

A total of \$46.5 million of military construction has been requested in the U.S. Government Fiscal Year 2011 Defense Budget. This request will fund the upgrade of electrical and natural gas systems at Camp Walker (\$19.5 million), the construction of a Distributed Mission Training flight simulator facility at Kunsan (\$7.5 million), and the expansion of a health and dental clinic at Camp Carroll (\$19.5 million). These military construction projects will – if funded – improve facility operation, training, and the quality of life for Command personnel, enhancing overall force readiness.

IV. FUTURE OF THE ROK-U.S. ALLIANCE

A key part of U.S. security policy in Asia is the construction of a comprehensive strategic alliance with the ROK as specified in the June 2009 Joint Vision statement. This comprehensive strategic alliance will be bilateral, regional, and global in scope and will be based on common

values and mutual trust. We will maintain a robust defense posture backed by allied capabilities which support both nations' security interests. Just as today, in the future the ROK-U.S. Alliance will remain vital to securing peace and stability on the Korean Peninsula and in Northeast Asia as a whole. The U.S. will maintain its commitment to the defense of the ROK through the employment of capabilities postured both on and off the Korean Peninsula. Similarly, the U.S. welcomes recent moves by the ROK to expand its role in the international community at a level that is commensurate with its growing international stature. The U.S. will continue to provide extended deterrence for the ROK using the full range of military capabilities to include the nuclear umbrella, conventional strike, and missile defense capabilities. As the ROK-U.S. Alliance evolves in the future, we will cooperate on a wide-ranging set of global security challenges that are of mutual interest to include peacekeeping activities, stabilization and reconstruction efforts, humanitarian assistance, and disaster relief.

Over the next decade or so the security component of the Alliance will experience some of the most profound changes since the Mutual Defense Treaty was signed in 1953. Three of these key changes are the transition of wartime OPCON, relocation of U.S. forces stationed in the ROK onto two enduring hubs, and tour normalization. These transformational changes will strengthen the Alliance and enhance its stabilizing role on the Korean Peninsula and in the wider area of Northeast Asia. The process of change will also be supported by implementation of the ROK Defense Reform 2020 initiative. As the Alliance transforms, United Nations Command will continue to provide a coalition of 15 nations ready to provide support for defense of the ROK as well as conduct its armistice maintenance functions through the Military Armistice Commission.

Through Alliance transformation we seek to build a better future for Koreans and Americans by establishing a durable peace on the Korean Peninsula and Northeast Asia and setting the conditions for peaceful reunification of the two Koreas. As Alliance partners, the ROK and U.S. will work together toward achieving complete and verifiable elimination of North Korea's nuclear and ballistic missile programs. In the Asia-Pacific region the Alliance will work jointly with regional institutions and partners to foster prosperity, maintain peace, and improve the daily lives of people. To enhance security in the Asia-Pacific area the ROK and U.S. governments will advocate for – and take part in – effective cooperative regional efforts to promote mutual understanding, confidence, and transparency regarding security issues among nations of this region. The two governments will also work closely to address the global challenges of the North Korean threat, terrorism, weapons of mass destruction proliferation, and piracy. The ROK and U.S. will also enhance coordination on peacekeeping operations and post-conflict stabilization and development assistance. In the end, the two countries will work toward achieving Alliance goals through strategic cooperation at every level.

V. SUMMARY

This year marks the 60th anniversary of the start of the Korean War. Thanks to the sacrifice and selfless service of a countless number of Koreans, Americans, and people of other nationalities, North Korea's aggression was repelled. This year also marks the 57th anniversary of signing the ROK-U.S. Mutual Defense Treaty. Thanks to the peace and stability created by the Alliance structures that emanated from this mutual defense pact, the ROK has been able to develop into a democratic industrialized state with a high standard of living and a growing role in

the international community. By promoting peace and stability on the Korean Peninsula, the ROK-U.S. Alliance has not only set the conditions for successful development of the ROK over the last six decades, but also promoted peace and stability in the broader region of Northeast Asia – a region of key national interest to the U.S.

The ROK-U.S. Joint Vision statement of June 2009 looks to the future and sets out a path for taking the next step in Alliance development – building a comprehensive strategic alliance. My three command priorities of being prepared to fight and win, strengthening the Alliance, and improving the quality of life for Command personnel support this next step in Alliance evolution. In particular, the transition of wartime OPCON recognizes the substantial growth and development that has occurred in the ROK over the last 60 years, and rightly places the ROK in the lead position for its own defense. The relocation of U.S. forces in the ROK improves readiness and soldier quality of life. Finally, our normalization greatly increases our capability and demonstrates long-term U.S. commitment to the Alliance, an Alliance that has served the Korean and American people so well for over half a century.

I am extremely proud of the Soldiers, Sailors, Airmen, Marines, DoD Civilians, and their families serving our great nation in the ROK. Their selfless service promotes peace and stability on the Korean Peninsula as well as in the broader region of Northeast Asia. Your support for them and the ROK-U.S. Alliance is greatly appreciated. I am certain you will agree that our men and women in uniform deserve the very best working, living, and training environment that can be provided, and that we should do everything in our power to provide it. Thank you.

Mr. EDWARDS. General Sharp, we thank you for your testimony and for your leadership of those forces and their families.

Admiral Willard, I might begin our questions by just asking if you could update the subcommittee on the status of realignment of U.S. forces in Japan?

REALIGNMENT OF U.S. FORCES IN JAPAN

Admiral WILLARD. Yes, sir, I will. First of all, important, I think to begin by emphasizing that the Japan-U.S. alliance remains a cornerstone to our nation's strategy for security in Northeast Asia. This alliance, as is the case with our alliance with the Republic of Korea, is longstanding, as everyone on this committee knows, and of vital importance to both nations.

Currently, the DPRI, Defense Policy Review Initiative, was intended to strengthen the alliance between the United States and Japan through a number of initiatives that take place in Japan and, as you suggested, with the move of Marines from Okinawa, in some instances to alleviate some of the burden-sharing on the people of Okinawa with regard to the number of Marines that are located there.

So there are many moving parts to this across ministries in Japan and of interest to cross-departments in our government. And so to see this realignment with Japan through, it will take a concerted commitment of both the government of Japan as well as our own government and all of the necessary work associated with it, certainly by the Department of Defense, but I would offer my—you know, all of our agencies as well as the continued commitment of Congress.

We are currently in an ongoing set of discussions over tactical-level details—a particular airfield and its replacement facility on the island of Okinawa. As everyone is aware, the administration in Japan is relatively new. The administration leadership has elected to view into the realignment initiative details to include the Futenma Replacement Facility discussion.

And I think in general that is to be expected with a new administration in place and an agreement that was signed by both nations several years ago by the previous Japanese administration.

I think that Prime Minister Hatoyama is choosing this opportunity to view into the details of it and ensure that the Japanese government is comfortable with where the alignment initiative is headed. And they have committed to letting the United States know the results of this view into the detail, particularly with regard to a Futenma Replacement Facility by May of this year, and we are looking forward to hearing from the Japanese government their intentions and view and results of the review on this issue.

We have discussed the move of 8,000 Marines from Okinawa to Guam, and like the Defense Policy Review Initiative in total, that move itself has many moving parts. And I am sure we will discuss some of the details of them on Guam, but for the Marines in Okinawa the resulting Marines that are left behind as a ground force require the aviation capability that Futenma Replacement Facility represents to be colocated with them in accordance with the way in which our Marine forces routinely operate. And so the resolution

of the FRF issue with the government of Japan is an important element within the broader DPRI.

Mr. EDWARDS. Great. Admiral, thank you very much.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman.

GUAM

Admiral, let me maybe follow up a little bit, particularly as it relates to Guam, because I know that there have been some, I guess, challenges in terms of training, in terms of where that is going to take place, whether there is going to be any amphibious-type training. I know that kind of a dredging for a carrier mason, that there were some, I guess, environmental issues.

Can you just kind of comment on—and I guess hearing you saying you are fairly optimistic about the Japanese kind of following through, you are going to hear in May, but just kind of specifically as it relates to Guam, touch on a couple of those challenges you are facing and how you think that is going to be resolved.

Admiral WILLARD. Thank you, Congressman Crenshaw. I would be happy to, and it is a good question.

The move to Guam is a very important one for our U.S. Marines. I mean, the idea that 8,000 Marines and their families would relocate to Guam causes us to view comprehensively into what the needs of the Marines on Guam and throughout that region of the world, the Marianas Territories, should be.

And as you suggest, there, you know, are clearly training requirements for the Marines that come with that lay-down, and they are being dealt with. In fact, during the Quadrennial Defense Review process this was addressed. The Marines have represented their needs, and we are working through the details of exactly what that will mean in the future. So we are addressing the Marines' concerns with regard to training, and as the combatant commander in the region it is of great importance to me that we meet their training requirements.

You refer to the environmental impact study that has been ongoing to support the Marine Corps lay down in Guam. This is the most comprehensive EIS that our Navy has ever undertaken, and it was performed alongside other agencies to include the EPA.

The criticisms with regard to the EIS and its current status by the EPA are now being worked out between the Department of Defense and Environmental Protection Agency. In fact, in this past week, Ms. Sutley, the president's environmental advisor, representatives from the eight various agencies, and the Department of Defense—some of my senior officers—were on Guam to discuss some of the challenges and issues with the Guam government.

Most of the criticisms had to do with Guam infrastructure, where the EIS and the DPRI initiative has mainly focused on the inside defense line requirements for a Marine Corps move from Okinawa to Guam and the resulting shortfalls inside the Guam infrastructure in a variety of areas—power, water, solid waste disposal, and so forth—that Guam may incur with the sizeable increase in population that the Marines and their families would represent. And again, its an issue that the Department of Defense and other agencies will work together to resolve.

So I am confident that the EIS, which will continue to be worked hard, will be concluded with a rod later this summer, as scheduled, and we have, as you suggest, worked to do—to resolve some of these issues with particularly EPA, both as relates to Guam infrastructure and some of their concerns with regard to the improved carrier facility, which now has an impact associated with some coral in the harbor area.

Mr. CRENSHAW. Do you have a better idea of how much that is going to cost kind of all together, and how confident are you that the Japanese are still committed to doing their share?

Admiral WILLARD. I think the Japanese are committed, certainly, to doing their share of what has been agreed to with regard to the movement of 8,000 Marines to Guam.

In terms of the Territory of Guam's infrastructure, which is not captured, necessarily, in the DPRI agreement, there are various rough order of magnitude cost estimates I think that are currently being discussed and debated, and they swing pretty broadly. So it is likely to be several billion dollars of infrastructure improvements in Guam; the exact amount, I think, will need to be studied very carefully to ensure that we know exactly what is required in terms of water, power, roads, solid waste disposal, and so forth, for the comprehensive package. And that will be the work that will be ongoing in the next several months.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman.

Admiral Willard, I want to thank you for being here.

Admiral WILLARD. Thank you.

Mr. FARR. Thank you for your service.

I live down the street from the family home of General Joe—Vinegar Joe—Stilwell, and he left quite a legacy on the Monterey Peninsula and institutions that are dedicated to languages and cultural studies, including the Naval Postgraduate School. All the questions I have relate to the programs that are going on there and finding out whether they are relevant to your mission.

IMET

I have suggested to a lot of the commands that come in here is the program that seems to be very, very effective is the International Military Education Program, the IMET. It has really been underfunded. It comes out of the State Department, and I think the operational commands ought to be talking about how we might beef that up and bring it back under the guise of the Defense Department. The drop-off in students coming into that program primarily are from your region.

One of the things I wanted to ask you is that the school offers graduate education in both short-course and the long-term formats, and for stabilization and reconstruction operations. Unfortunately, few officers are currently slated for the degree-granting programs because the services have not received sufficient indicator that there is a requirement for focused education in this area from combatant commands. Now, I just wondered if there is the need for

that type of expertise in your region for stabilization and reconstruction operations.

Admiral WILLARD. Absolutely.

Mr. FARR. Have you ever expressed an interest in requiring those requirements come to your command? That is, you know, a chicken and an egg. General Mullen is keen on this, but there is sort of the lack of thought for people to have that specific training. You have FAOs but not stabilization and reconstruction.

Admiral WILLARD. I think to this last point that you make, in terms of a community and a structure within the services that accepts those particular specialties as opposed to foreign area ops or other career-established community choices, there is work to do in that regard. So, you know, where reconstruction and stabilization fits inside our manpower, our expertise structures across the services I think would be worthy of a look.

To your point of its level of importance, I think we have learned in the past 8 years just how important it is, and I would offer that for the past several years—and in my last assignment as the Pacific Fleet commander where I visited the Navy Postgraduate School we looked at the demographics of who was attending the foreign courses and who from the services were attending in post-graduate school those courses of study that would offer them skills in the cultural aspects of my region of the world at the time.

We had work to do to improve the demographic representation of foreign service in the school, and likewise the services were increasingly, I think, utilizing Navy Postgraduate School as one example for their own graduate-level studies in many of these areas, to include reconstruction and stabilization and the courses that are offered there.

So I think on the one hand we have some—you know, to Admiral Mullen's point, I mean, we have to view into our service cultures and the associated communities to ensure that we are getting it right based on our lessons learned in this particular area. On the other hand, those of us, as you suggest, as regional commanders need to express our views with regard to the importance of—

Mr. FARR. I would really appreciate it if you could do that, because I think it is very appropriate expertise that we need to maintain.

KOREA

General SHARP. Sir, along those lines, in Korea it is also important, of course, with what we are doing in Korea. And in fact, you know, the Republic of Korea is standing up a 3,000-man peacekeeping force dedicated really to go to U.N. peacekeeping missions and other types of peacekeeping missions that they are involved in now, and then others of the future. So the ability to be able to send, maybe, some of those officers to a school that can teach stability and reconstruction to foreign officers, I think also would—it is worth investigating.

Mr. FARR. I find a keen interest among officers, particularly young officers coming out of Afghanistan and Iraq, the awareness of what needs to be done and would like that skill set. But there doesn't seem to be an ask among the theater commanders for those skill sets, so I think the communication needs to be strengthened.

And along that line, the Joint Education Research in Southeast Asia—the NPS and the National University of Singapore, NUS, have established a Joint Education Research Institute, the Temasek Defense Institute, to support security systems education. They have done systems of education in maritime security—stability, security, transition, and reconstruction issues, and other problems common to the interest of PACCOM.

Singapore sends about 30 degree-seeking students to the NPS each year and the Joint Institute sponsors two annual conferences, one in Singapore and one in Monterey. NPS send three students per year to the joint program. And I wondered how PACCOM can collaborate with Temasek Defense Institute as you respond to both the traditional and operational maritime domain awareness and maritime security issues and whether SSSTR responsibilities is defined by OSD directive 3000.05 can be met?

Which directive—

VOICE. Stabilization—

Mr. FARR. Stabilization.

Admiral WILLARD. Well, first I would offer that Singapore, as you discussed, the number of students at NPS is the largest foreign investor in graduate-level education at NPS within the Pacific Command region. So of attendees in my area of responsibility Singapore takes up the most—takes the most opportunity at Naval Postgraduate School for purposes of education.

As you suggest, our investment in the institute that they have created is relatively modest. Nonetheless, we are committed to a small number of students that do attend.

If what you are asking is, can lines of communication between my educators at Pacific Command and the Singapore institute be strengthened, yes. I would be very happy to look into the details of what their curriculum offers for my officers as well as foreign officers in the region and determine where we might take advantage of that curriculum.

[The information follows:]

The strategic alliance between the Naval Postgraduate School (NPS) and the National University of Singapore (NUS) that forms the Temasek Defense Systems Institute (TDSI) is a valuable education and research program. TDSI is a technical and intensive dual degree program, awarding an NUS Master of Science in Defense Technology Systems and an NPS Master of Science Degree in Electrical Engineering, Mechanical Engineering, Combat Systems Technology, Computer Science, or Operations Research.

The focus on defense technology and systems presents a limited opportunity for PACOM to collaborate with TDSI, as PACOM engages directly with the Ministry of Defense and Defense Science and Technology Agency in Singapore. Direct engagement with TDSI on maritime domain awareness and maritime security technologies has largely been relegated to a Service component laboratory—specifically the Office of Naval Research—Global which has a permanent presence in Singapore and works frequently with TDSI. This has proven to be the most effective way to engage TDSI, although a few upcoming conferences may provide collaboration opportunities for TDSI students, science and technology professionals, and maritime security experts.

NPS is currently planning a workshop (8th in a series) on cooperative research with TDSI, including a continuing effort in maritime security. The workshop will be held in Monterey from 27–29 April and is jointly sponsored by TDSI, NPS and the Lawrence Livermore National Laboratory. An invite has been sent to HQ USPACOM and attendance is under consideration. In addition, there are a few upcoming, PACOM-sponsored Maritime Security conferences in Southeast Asia that may be of interest to TDSI students. Invites for those conferences will be provided to the NPS liaison officer, who can ensure they reach the target TDSI audience.

Mr. FARR. I will send you a follow up on that to get more details of specific—

Admiral WILLARD. Thank you.

Mr. FARR. Thank you.

ACCOMPANIED TOURS IN KOREA

Mr. EDWARDS. General Sharp, I want to thank you for the initiatives you have taken to allow more of our troops serving in Korea to have their families accompany them. Could you update us on where we are? I remember at one point I think just 10 percent of the troops were accompanied. Can you tell me where we are today and where we are going forward? I think we have three phases of our effort for—

General SHARP. Yes, sir.

Mr. EDWARDS [continuing]. Normalization of those tours.

General SHARP. Yes, sir, and thank you for that question. We are—force level in Korea, as you know, is 28,500 troops, and Secretary Gates has stated that is the force level that will remain in Korea for the foreseeable future. So about half of that is married, so about 14,000 are married.

We have gone from, in the summer of 2008, of about 1,600 command-sponsored families to today in Korea we have 3,900 command-sponsored families. The phase one of the tour normalization, which will be complete by the end of next year, will get us to about 4,900 command-sponsored families. So 1,600 to 4,900 in about a 3-year period, and I am confident we are going to be able to make that 4,900 goal.

The 4,900 goal is really—it derived by looking at what do we have capability-wise, infrastructure in Korea today with some modest increase, but mainly what we have in place today to make sure we are providing adequate medical, adequate schools, adequate housing for those families. And I am comfortable to be able to move to the 4,900 point by next year.

By the way, we happen to have also about 1,300 non-command-sponsored families, so those are the families that have to—they are going to come on their own. They are mostly younger families that have come with their servicemember who is on a 1-year tour, but they are also living in Korea, that we are taking care of by allowing them to—if they live off post we do give them housing allowance.

Mr. EDWARDS. They do.

General SHARP. They do get housing allowance, yes, sir. And we make sure that where they do rent off post is adequate and up to standard. They are allowed to use our PX and commissary, of course, they get Tricare Standard instead of Tricare Prime, they generally—their kids do not go to our school because most of them have non-school-age kids. As I said, most of these are the younger soldiers that are there for currently a 1-year tour.

So that is kind of the status of where we are right now up through phase one of tour normalization. The goal, then, is to go from that 4,900 up to the maximum of over 14,000 families.

Phase two is going to take place really over the next 4 to 5 to 6 years, and it—we really won't grow much in families. We hope to be able to grow up to about 6,000 families. But what will happen over that year is the moves from where we are—

Mr. EDWARDS [continuing]. Grow to 6,000?

General SHARP. Grow to 6,000.

Mr. EDWARDS. Okay.

General SHARP. What is really going to happen during that period is we are going to consolidate and we are going to move. We are going to be going down from over 100 facilities, bases, camps, and stations across to about 48.

The big one, of course, is the move out of Yongsan, out of Seoul, and out of where Second Infantry Division is now north of Seoul, and consolidate down at Camp Humphreys, build the infrastructure down there at Camp Humphreys, and then after that is complete then we are going to be able to increase to full tour normalization.

The Department of Defense right now, in fact, is looking at how long that is going to take and what is the cost of that, and you will see that—the results of that and the way ahead to make that happen in the 1217 Pom submission that will come next year.

Mr. EDWARDS. Is there any ballpark number—I would not expect you to have an exact number, but any ballpark number as to what the ultimate cost would be for medical facilities, and housing, education facilities, to allow full normalization of coming tours?

General SHARP. So the ballpark, you know—and this really is ballpark—is in the order of magnitude of about \$3 billion plus another \$1 billion for housing, which may not be a MILCON cost; we may be able to do it through private ventures. That does not include the cost of Kunsan Air Force Base, which, as you know, is the southernmost air force base that is in pretty remote areas right now, but for where we are going to have the majority of our troops with families, Osan, Daegu, and Camp Humphreys, again, that is a really, really rough order of magnitude.

And what we are trying to do is work through—is, you know, as I said, the department is looking at the funding of that, the cost-sharing that we get from the Republic of Korea to be able to help do some of that, and that is what we are working our way through right now, that you will get next January with the next budget.

Mr. EDWARDS. My concern—and obviously no one would be more concerned about our troops than you because you are leading them and you know the sacrifices they are making—my concern has been during the Iraq and Afghan wars you have situations where someone is gone to Iraq and comes back home and then is reassigned to Korea and comes back home, and maybe after a short stay they are reassigned to Iraq or Afghanistan. You could, I mean, theoretically have someone be away from their family and children for 3 years. I hope that doesn't happen very often if at all.

But the cost—\$3 billion, \$4 billion—if you even don't count the housing need, if that is done on a privatized basis, \$3 billion, obviously, in this budget at a time of war is a huge military construction lift, but is there any way in this interim period any stopgap measures could be provided that might help save—

From your testimony it sounds like the families that aren't coming with the troops are those that may have school-age children. In the interim period, as you are going to phase two and then phase three, if you are providing a housing allowance so that they can find decent housing even if we don't have DOD-sponsored hous-

ing, is it availability of educational opportunity for their children that would hold some of these families with the school-age children back, or is it access to health care?

If it were education, for example, is there not something we could do less expensively to provide some kind of educational opportunity to these families? You are making tremendous progress—more than anyone has made—and I salute you for that. But it is still a long time while we are still at war where these families are being forced, basically by our lack of commitment of resources they are being forced to live apart from their families. And given the sacrifices we are already asking of their families I don't feel good about that.

Is there anything that could be done that would be far less expensive in the interim to either address the health care or the education situations?

General SHARP. Sir, first off, I really thank you for those comments and I agree completely. You know, the ability to be able to keep families together and to have servicemembers on 2- and 3-year tours in Korea not only helps along those lines but, as I said in my opening statement, greatly increases our capability just because you don't have to train someone new every year. And it really does demonstrate our long-term commitment to not only the Republic of Korea but Northeast Asia, which I think is hugely important.

SCHOOLS

The long pole in the tent really is schools. We need, in order to be able to go to full tour normalization, somewhere between 13 and 15 additional schools for our kids. That has been helped—the recent money that ODEA has brought forward to schools has helped some, but even with that we are still on the order of magnitude of 13 to 15 schools.

We are examining alternatives to be able to—all that doesn't have to be of MILCON. There may be some public-private ventures that—similar to what we are doing in housing. But to be honest, we have not been able to find a way yet in order to be able to crack that nut to be able to build those schools. And the phasing of them as we move down to Camp Humphreys—we have got to make sure that is right also as we go across.

Mr. EDWARDS. I realize that at some of these more remote outposts it is just not possible and the consolidation will help there, and no amount of money until you get that consolidation completed would solve every family's problem, but as I understand what you are saying education is the long pole in the—

General SHARP. And we are doing—through BAH, you can—in most of the locations you can find—

We are working through that. You know, we don't have any problem giving decent housing in Seoul, of course, and as we move down to Camp Humphreys it is not as developed as Seoul—

Mr. EDWARDS. Right.

General SHARP [continuing]. And so again, the amount of housing that we want to put on post at Camp Humphreys versus off post is—literally, we are working through those details right now with market survey analysis as to what is available off post and what

will be available as we move through down there. Daegu—we are in better shape down at Daegu where—because there is some very good housing that is located off down there.

On the schools, we are trying to—I mean, for example, we took some barracks that we no longer needed up at Camp Casey and we are renovating them, and I will open a K-8 at Camp—up at Casey this next school year. We are renovating some facilities that we no longer need down at Daegu right now, and they will also—they will be open in another year that will allow more school folks to come down there. But those are, as you would appreciate, you know, stopgap measures so that we can take care of the families mainly that we have got during phase one coming in and do that in the best way possible.

But what we really owe you—and like I said, I am confident that you will get it on our next budget submission, which will be in time to really then start building these facilities, doing the, you know, the 13, 14, 15 period as we are doing all the moves and consolidating so that we are ready for the next step to go to full tour normalization.

Mr. EDWARDS. Well, thank you for the efforts you are making. And our subcommittee would like to work with you to see if there is anything additional we can do over the next several years to help some of these families stay together.

General SHARP. Sir, I really appreciate that comment, because as you know, many years in the past that has not been the way. We have not been able to get MILCON for Korea. But your support and the committee's support to do that in this important part of the world in the future I think really is critical and will make a huge difference. Thank you.

Mr. EDWARDS. Thank you, General Sharp. We will look forward to working with you, sir.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman.

CHALLENGES

Admiral Willard, let me ask you—every combatant commander has their unique challenges, and you have certainly got some unique ones in your corner of the world. You have got North Korea; you have got China. Both are developing nuclear and military capabilities kind of at a rapid pace.

We read about North Korea testing missiles, et cetera. China is actually certainly modernizing their military. So can you give this committee kind of your overall assessment of how you think you are doing with dealing with those two pretty significant challenges?

Admiral WILLARD. Yes, I can, and thank you for the question. I think there are five areas that I focus into in the Pacific that are the big management issues that we have ongoing. You have named two of them. One of those is China, one of those is North Korea. The others are our relationship with India, our dealing with transnational threats to include terrorism, and the work that we do to improve our alliances and strategic partnerships. And we have talked about the transformation on the Korean Peninsula and DPRI as two examples of attempts to strengthen our alliances through realignments with our partners.

In the two that you mention these are significant issues for U.S. Pacific Command. In the case of North Korea, as General Sharp has already discussed, this is very much an issue of continued deterrence in the armistice state that we find ourselves; also in dealing with provocations out of North Korea, as we experienced last year with ballistic missile tests and continued development of their nuclear programs; and seeking that international commitment in the framework of six parties to deal with those issues.

But for Pacific Command, also the proliferation threat that Korea represents, and we have had to deal with both shipborne and airborne transport of illicit arms out of North Korea, and we continue to view for vessels of interest and other movements that might indicate that proliferation is occurring. So in the Korea—the North Korea dynamic it is very much a regional issue. These are concerns that Japan has over their safety from North Korea—concerns that I think the People's Republic of China have over North Korea and its continued challenges.

In the case of China it is different. China is, as you suggest, a growing military power in the region. It is also a pretty massive economic power in the region. The amount of influence that China has gained over the past decade or so in the Asia Pacific Region is profound, and they are virtually everywhere. And wherever I speak to senior leadership, military or civilian, inevitably a discussion related to China is part of that engagement.

On my part, we view China in two areas. One is the charter that I have to improve the military-to-military relationships with China and to maintain a degree of stability in our interactions when we encounter one another either on the seas or in the air in the region.

So I am endeavoring to improve our relationship with China as their military grows and their influence in the region grows. It is challenging. As you know, China has suspended the mil-to-mil relationship with the United States for the time being as a consequence of the Taiwan arms sales announcements. That is not unusual.

So if you look across the engagements with China by our government, the one that is lagging furthest behind is the military-to-military relationship, which we are, you know, in our discussions attempting to convince them that it is in their best interest as well as that of the United States and the region in order to maintain a continuum of that engagement.

The other side of my responsibility is to maintain my presence in the Western Pacific. We have been guarding the water and airspace in that area of the world for the past 150 years, long before the PLA Navy reemerged over the past 20.

There are very critical, vital to our economies and the economies of our friends and allies in the region, sea lines of communication and air lines of communication that criss-cross the waters in that region—South China Sea, East China Sea, Taiwan Strait, you know, as we move commerce out of the Strait of Malacca north or vice-versa, and across the Pacific. More than \$1 trillion a year of commerce moves on the water in this region of the world, and we have been there to protect and we continue—we will continue to be there to secure it.

So that is a large responsibility that I bear. And as we or the regional partners are uncertain regarding China's long-term intentions with that growing military, then it is my responsibility to maintain the readiness, and presence, and posture, as we have already discussed, of our forces in the Asia Pacific in order to be prepared to contend if we don't get this right.

But I would emphasize again that it is in all of our interests, I know, and in all of the region's interests as well, that the relationship with China grow into one that is constructive in every way, and comprehensive, and representing capabilities on both sides to secure this important region of the world.

WARTIME CONTROL

Mr. CRENSHAW. Could I ask General Sharp, kind of along those lines, I know you had mentioned in your opening statement that I guess in 2012 you are going to have the Republic of Korea assume the wartime control, and it sounded like that is going well. And it seems I read somewhere there are like 20 kind of criteria you are kind of dealing with.

Can you just highlight a couple? Again, is it correct to say that things are moving in the right direction, we are well on our way to have that?

Talk about those areas that you are dealing with, those 20 criteria, how far along we are with that. And I guess if there are any MILCON kind of implications of all that we want to kind of still maintain our same commitment, which I assume we are, but does that have any kind of impact on our military construction down the road?

General SHARP. Thank you, sir. We are moving and I am very well to be prepared for OPCON transition in 2012, and I am confident from a military perspective we will be ready for that.

As you know, if we were to go to war today I, as the commander of Combined Forces Command, would be in command of all the forces, both the U.S. and the Republic of Korea. That is when we—if we were to go to war.

REPUBLIC OF KOREA

Today, in armistice, the ROK chairman, the ROK JCS is responsible and in command of all of the Korean forces there that deal with all of the armistice issues that—I mean, deal with all the provocations that are going on in North Korea, all the training requirements of the ROK military. So after 2012—or in 2012—he, then, will be able to maintain that and then take command also of the U.S. forces that come to the Republic of Korea.

I will maintain national—the Korea Command commander will maintain national command and control—national OPCON control—of those forces and we will be in a supporting to supported relationship.

The progress that we are making is really tremendous, and we are—we have—the 20 figure that you have really comes out of our strategic transition plan, which are 20 different tasks with many sub-tasks that we have milestones for, we have specific criteria to be able to accomplish on a timeline to get us to 2012. I lump those

20 into really four different areas. The first one is—the four different areas are plans, organizations, processes, and systems.

So under the plans, we are now on the second version of the overarching plan. That is one plan—it is a bilateral plan between the Republic of Korea and the U.S. where both countries will commit to the missions, the forces, the tasks that each one of our forces will do after 2012. Again, we are on the second version of that.

We have exercised that plan now twice during our summer exercise, Ulchi Freedom Guardian. We will exercise it two more times, one this coming summer and one in summer of 2011, and then also the final version of the plan we will exercise in a certification exercise in early 2012. So I am very comfortable where we are there.

On the organizational side, of course we have to stand up a new headquarters because Combined Forces Command will no longer exist, so from a U.S. perspective we are standing what will be called Korea Command, KORCOM, and the Korea Command will be both a warfighting headquarters and a Title X headquarters.

I am already starting to order my people against the manning document for that Korea Command headquarters, so we are working through the details of that. We will actually start standing that up at an initial operating capability here very soon this year and we will be fully operational capable by the fall of 2011.

The ROKs are doing the same thing on their side. They are adjusting what they need in their Joint Chiefs headquarters in order to be both a Joint Chief headquarters, but more importantly a warfighting headquarters. And again, they have stood up those organizations.

And then finally, under the organizational construct we are also standing up a large number of coordinating cells and centers that will coordinate—that will be up and operational both in armistice and in wartime that will coordinate, for example, between the Seventh Fleet U.S. naval component and the ROK navy in a supporting to supported relationship. So all of that is progressing very well.

On the processes, we have been working very hard, in some sense because of what has been going on in North Korea with the provocations over the last year, the processes to make sure that we in Combined Forces Command—what we see, what we say, what we do is exactly the same as on the ROK JCS side, and that will be very similar process in place after we become KORCOM and we will be working back and forth to the ROK JCS.

As part of all that process I also have to say the relationship that we have with the embassy in Korea with the—is fantastic. We work on a daily basis to make sure that all elements of power, both on the U.S. and the ROK side, are really tightly working together.

And then the last one is on systems, and what we really are focusing on in the systems area is the command and control system, the C4 system, to make sure that we see the same picture—the same operational picture—we have the same database if there were enemies that units are, when we go through crisis action planning to determine what to do we see the same picture out there, and we are able to do it on a real-time basis. And again, we are making great progress along those lines.

If there is any area that I spend probably the most amount of time making sure it is right it is that, because I am absolutely confident with the professionalism of the Korean military. Get the right command and control system, get the right processes in place and organizations, they are more than ready to take responsibility of the lead of the war fight in defending their own country. And so again, from a military perspective I am very confident that we will be prepared for 2012.

Mr. CRENSHAW. Is that going to have any military construction implications—kind of levels stay the same or increase?

General SHARP. That is all accounted for in the move—what we need for the move down to Camp Humphreys. That is not required, but when we move down to Camp Humphreys, which will be after 2012—the headquarters will move after 2012—what we will have in place down there will allow—will fit right into the OPCON transition construct.

We are fine even before then because where really I command out of now for my Combined Forces Command, it is out of a bunker called Command Post Tango, and we will maintain that as we move down to Camp Humphreys for the—to be the command center down there. So the MILCON that we need in order to be able to execute OPCON transition is on track and in line with the move down to Camp Humphreys.

Mr. CRENSHAW. All right. Thank you.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Sam?

Mr. FARR. Thank you, Mr. Chairman. I have two questions for both the general and the admiral, and then I have to go to Homeland Security appropriations.

Mr. EDWARDS. We are not sticking by the 5-minute rule today, so you—

SOFA

Mr. FARR. Thank you.

Well, General, I am really fascinated by your report. I represent former Fort Ord, and I think the 17 years I have been in Congress, and there isn't a day that goes by I don't deal with BRAC issues, so I am just amazed to hear what you are doing in Korea. I would love to go just do a comparison of—UXO's, the complex, land title transfers, RCIs, everything you can imagine. You have returned 37 installations—were those installations where we owned the title or can we own land in foreign countries?

General SHARP. This is sofa-agranted land, so we have certain rights and authorities of what we can build on the land, but—

Mr. FARR. It is leased land—

General SHARP. We really don't pay for it, but they have given us the land really since the end of the Korean War, where a lot of the camps, you know, that we have now consolidated into to become much more efficient and effective, and then we returned that land—

Mr. FARR. When you returned the land do you have to live by American standards for clean-up or is it Korean standards?

General SHARP. What the standards are that are agreed to in the sofa is known as—basically, if there is any known imminent substantial endangerment to life then we will—

Mr. FARR. That is our—

General SHARP. That is our responsible. But only if it is imminent and substantial endangerment to human health that we have to do it.

But the other, you know, the other part of that is, the infrastructure that we built on these, you know, is—Koreans get, and so there is, you know—

Mr. FARR. They get that free—

General SHARP. They get that free.

Mr. FARR [continuing]. As is.

General SHARP. As is. And we don't, you know—again, the environmental requirements are just as I described them.

Mr. FARR. Time doesn't allow, but I would really be interested in seeing how you did this joint designing, planning, and construction that, as you say, will be one of the best Army installations in the world and Camp Humphreys. Do you use the RCI process, you don't need to do that?

General SHARP. No, sir. Again, the—

Mr. FARR. So we build the housing on bases for our military with our MILCON. That means essentially all—

YONGSAN

General SHARP. No, let me back up. Camp Humphreys is really a consolidation of two international agreements. One is called the Yongsan Relocation Program, where the Koreans came to us in 2002, 2003 and said, we would like you to move out of Yongsan, and we will acquire the new land for you to move out of Yongsan so we can return that very, very valuable piece of land where we have been since the end of the Korean war. We will acquire the land and we will pay for the new facilities to be able to move all of the, you know, my headquarters and everything else out of Yongsan. We said, "That is very good but you have to pay for it," and they agreed to do that.

At the same time, we said we want to do some consolidation of our Second Infantry Division, which was spread out through many different posts, you know, north between Seoul and the DMZ, and we—

Mr. FARR. So this will be the headquarters of the Second Division?

General SHARP. It will be the headquarters for Second Division, and Eight Army also.

Mr. FARR. So who is paying for the construction of the new facilities on Camp Humphreys?

General SHARP. As I said, for all of the facilities that we are replacing that we are from Yongsan, where my headquarters for Combined Forces Command is, the Koreans are paying for that.

Mr. FARR. With sort of a lease agreement, or—

General SHARP. Again, it is sofa-agranted land. They will build the facilities; we will use them for as long as we are in Korea, which is a long, long time. And then the facilities that are needed

to replace what we have up in Second Infantry Division, it is a burden-sharing agreement between us and the Republic of Korea.

Mr. FARR. You command more troops in Korea than most of the sizes of the cities that I represent, and it is—is 28,500 the largest military personnel in any one country?

Admiral WILLARD. Well, I mean, Iraq and Afghanistan have a lot more—

General SHARP. And Japan has what, 50,000 or so, sir? Something like that.

Mr. FARR. Japan is even larger. And even after closure of Okinawa in moving to Guam?

Admiral WILLARD. It is not closing Okinawa, sir, we are—right now there are about 18,000 Marines in Okinawa, and not withstanding those that are committed right now into Iraq and Afghanistan, which reduces that number, but total assigned are about 18,000, and the DPRI agreement with the Japanese was to relocate 8,000 of those Marines, so we leave about 10,000 behind.

Mr. FARR. Mr. Chairman, I hope we have the time to visit this region and these issues. You represent Fort—you used to represent Fort Hood. You know more about BRAC than most people. And I am just curious, I would love to see the design and planning, because of what I have been dealing with. The biggest problem is that there was no planning and you just threw things in here and way over there, and there is no interconnectivity.

Admiral, you were mentioning the maritime domain and again, going back to the Naval Postgraduate School, I don't know if you are aware they have put together a special operations command with the Lawrence Livermore National Laboratory, and what the two do is conduct a quarterly field experiment focused on maritime interdiction operations and port security.

They have field experiments and they have focused on rapid ship-to-ship, ship to boat communications for boarding parties and for port authorities, and from what I understand, this allows them to search for radiation and explosive sources while maintaining connectivity to the command and control organizations and communicating with senior experts located away from the interdiction site.

Singapore participates as a coalition partner. So the question is, do you think that there are other PACCOM nations that would be interested in becoming coalition partners on the maritime domain awareness field experiment, and if so, could we work with you on getting those countries together with the program?

Admiral WILLARD. Yes, sir. The answer, I think, is yes and yes. I would offer, the Singaporeans have been particularly forward-leaning with regard to technological development with the United States, and very specifically with the United States Navy. So in my previous capacity as the Pacific Fleet commander I was briefed on these studies, the work that we were doing at Navy Postgraduate School, in some instances with the Singaporeans, and again, this is something that they have proposed in the past and we have look for the venues in which to conduct these science and technology kind of experiments.

And there are a variety of others that we are teaming with Singapore on right now. So they have a particular interest in this for obvious reasons, given their very strategic location on the Strait

of Malacca and their interest in securing the Singapore Strait. Maritime surveillance, maritime security, and in this instance, interdiction capabilities and the communications associated with them, their ability to remotely sense weapons of mass destruction or, you know, items of concern—these are shared interests between the United States, in our current efforts in counterterrorism and so forth, and Singapore, and as a consequence these programs have developed.

Mr. FARR. I heard that Singapore has one of the best harbors in the world on security—I think it was Singapore.

Admiral WILLARD. It is very impressive. I have had an opportunity to view their command and control operation both on the civilian side and on the military side, and look at their rapid response capabilities, and they have—they have very, very advanced. This is their national interest, obviously, because of the amount of merchant traffic that they deal with and what the consequence of any incident with regard to that merchant traffic would be. So they are, again, very high-tech and very accomplished in doing—

Mr. FARR [continuing]. Transponders on every little vessel, everything?

Admiral WILLARD. They order that vessels operating in the Singapore Strait have—carry a transponder system—

Mr. FARR. Regardless of size?

INTERNATIONAL TRAFFIC

Admiral WILLARD. What they cannot do is, the international traffic that—there is a 300-metric ton limit to AIS transponder capabilities, which is common to merchant traffic throughout the world. In various locations they have attempted—various countries have attempted to develop transponder systems at low cost that even fishing fleets, for example, that don't require them, would utilize. All Singapore can do is enforce Singapore, you know, origin vessels, and they do. So they order that even small boats carry a transponder. But they can't enforce the international traffic through the Strait of Malacca.

So we all have a challenge in the sense that only the vessels at a reasonably high tonnage—merchant traffic—will carry transponders at all times. The other thing that we can't do is ensure that the captains turn them on.

So, you know, so at the end of the day the idea of transponders is a very good one. The idea that we would go below 300 metric tons and identify everyone's location is a great one. At the end of the day the owners have to buy into the benefits of it as well.

Mr. FARR. Well, I look forward to working with you—and both you gentlemen—in trying to make the mission even more relevant and successful.

Admiral WILLARD. Look forward to it, sir.

General SHARP. Thank you, sir.

Mr. FARR. Thank you, Mr. Chairman. Thank you for your time.

Mr. EDWARDS. Thank you, Sam.

General Sharp, in talking about the relocation facilities in Korea you said we will be in Korea a long, long time. I believe I would be correct in interpreting that as meaning our U.S. commitment to our partnership with the Republic of Korea is enduring and that

there are absolutely no plans to reduce the commitment of our troop levels at 28,500, and if anything in partnership with the Republic of Korea we are working to invest to improve the facilities of our troops.

General SHARP. Yes, sir. That is exactly right. And Secretary Gates has said that on numerous occasions, as has the president.

And I think that, you know, as we look at the importance of Korea within Northeast Asia, a place that has—we have been there for, you know, since the Korean War, kept relatively stable, as I said in my statement, and in a country that has demonstrated they want us to be there and has demonstrated that for a long period of time and has recently codified in the Quadrennial Defense Review.

Our commitment to Korea and security and stability in Northeast Asia is enduring, and we are working very hard to make it even—you know, the relationship and the strength of the Republic of Korea-U.S. alliance even stronger in the future. And as you pointed out earlier, the whole concept of tour normalization and having families and servicemembers there longer I think is a clear demonstration of that commitment.

Mr. EDWARDS. Right. Well, thank you very much.

GUAM

Admiral, I have some other questions we can submit in writing, but I only have one other I would like to discuss while you are in person in regard to Guam. This may not be an exact analogy, but one of the challenges we saw in BRAC dealing with CONUS military construction is, the process didn't fully take into account that when you expand the new Walter Reed at Bethesda, the hospital there, said there is going to be massive congestion, and we have some limited defense programs to improve roads within defense installation's border, but not really a good program to say, "Look, realistically we know having this many more people coming into Bethesda and into Fort Belvoir every day is going to put some real pressure on the infrastructure there."

In Guam, taking that limited analogy and applying that to Guam, it sounds as if the real challenge is that despite the tremendous commitments that we have between the Japanese and ourselves for infrastructure there tied into the relocation of our forces in Japan, the civilian government in Guam, I guess, has limitations on how much it can spend on infrastructure. I think you mentioned in your comments a few minutes ago that it could be several billion dollars.

Tell me, is this road infrastructure, sewage, and water infrastructure? And if so, could you give me some concept of the size of the revenues of the government in the Territory of Guam?

[The information follows:]

In an independent auditor's report from June of 2009, the annual revenue of Guam for fiscal year 2008 totaled \$820.5 million.

Admiral WILLARD. Not very expertly, but I will see if I can characterize Guam for you as it relates to DPRI. First of all, I take your analogy and agree with it, that clearly there are community impacts in the sense that, you know, traffic and schools and residen-

tial and other infrastructure impacts certainly come with any move, whether it is a BRAC move or, in this case, a move associated with an agreement between two nations.

The MILCON request, in fact, for this year and next year includes some of the access road improvements that the Department of Defense can fund into and out of the Marine Corps installations that are envisioned on Guam. So there is some road infrastructure improvements that are associated and captured in the DPRI work that we are doing.

For the government of Guam there is obviously a broader plan that should probably be in place. In the areas that were debated between EPA and the Navy in the environmental impact study that has been ongoing these infrastructure areas that I mentioned earlier in power generation, they have a high sulfur output power plant, but right now that is on waiver with regard to emissions; water, which is a well aquifer in the northern part of the island and as reservoir that is on Navy property in the southern part of the island; solid waste disposal, which they have had challenges with in the past.

In these various infrastructure areas I would offer that the government of Guam would say that their funding is very limited in terms of their ability to meet their own needs, and they have, I think, with some frequency discussed with Congress that those needs should be met, you know, through other means, other departments' contributions by the United States.

Again, in terms of the scope of this, the Guam estimates have ranged, I think—or Guam government estimates for infrastructure improvements have been in the \$6 billion range, and other estimates I have seen are in the about \$2.3 billion range, so it is somewhere in between there is the likely improvement cost of completely correcting Guam's infrastructure challenges that predated, in many cases, the DPRI agreement. So these are infrastructure challenges that when a typhoon impacts Guam, for example, inevitably come to the fore and we are worried about silting in the reservoir and how we are going to supply water throughout Guam, or the power infrastructure, whether or not the wire is buried or exposed to the environment.

So again, Guam's infrastructure is modest and in need of improvement, and I think the movement of Marines there would be viewed by the Guam government as aggravating those shortfalls and their seeking—

Mr. EDWARDS. Any time you are relocating 8,000 Marines and doing other things it is going to be complicated and not easy. Do you see anything that is a deal-killer? Do you believe we can resolve whatever challenges we face?

Admiral WILLARD. I do, Chairman. You know, again, I think the EIS is very revealing. I mean, there are a lot of public comments that we are attempting to, you know, to work our way through and answer in that regard, and then there is the EPA criticisms of, you know, the lack of infrastructure development inside the EIS that we will also quickly attempt to answer.

There will have to be legal and policy, I think, challenges overcome across the interagency, not just Department of Defense, but in resolving, you know, the—some of Guam's challenges in all of

this. As you suggest, it doesn't come without work, but I think that we can resolve these things and get where we need to get in the DPRI.

Mr. EDWARDS. One thing I would ask of your folks is, the equivalent of your—the equivalent to the Army Corps of Engineers in the Navy is what? It is the——

Admiral WILLARD. Naval Facilities Command.

NAVAL FACILITIES COMMAND

Mr. EDWARDS. Naval Facilities Command. What I would ask the Naval Facilities Command is they be open and transparent in working with us. I can only imagine the kind of inflation you might face when all of a sudden this construction begins, and they are far more expert in managing construction than I am, but I don't know what plans they have to control inflation and prevent the costs from just exploding, but as costs and the cost estimates change I hope they would stay in close touch with us so we don't have sticker shock at some point.

And I am sure they are 100 steps ahead of me on this question, in terms of planning the workforce, raw materials processes, but nobody can predict with absolute precision the cost of a project like that, so I just hope—you know, in BRAC we started out with a \$19 billion program and it became a \$32 billion program, and I hope we can watch these costs and hopefully manage them better than that, but at the same time there realistic needs that drive up the cost we can——

Admiral WILLARD. Very much agree that we need to very closely manage it, and we will work very closely with your committee and with Congress across the board in ensuring that we all understand what this requires.

Mr. EDWARDS. Great. Thank you, Admiral.

Admiral WILLARD. Thank you, Chairman.

Mr. EDWARDS. Mr. Crenshaw.

Mr. CRENSHAW. I don't have any more questions. Just in terms of dollars, we, I mean, we have seen, like, a \$10.2 billion cost overall that we would—our share would be probably \$4.5 billion.

And then as you point out, Admiral, I have seen those same estimates in terms of just the infrastructure in Guam—one of the numbers I saw was about \$3.2 billion and half of that was roads, and there were things like there is a hospital there that needs to be upgraded. So there is a lot of—and those are outside the \$10 billion. So we do need to kind of just keep an eye on all those different things.

And I would simply just, Mr. Chairman, just like to thank both these individuals for their long and distinguished service.

General, you were here last year and we talked about our grandchildren. I just want you to know I have got another grandchild since you were here last.

And Admiral, I don't know if you have got any grandkids, but we would both tell you that it is a very good program.

Admiral WILLARD. I have two granddaughters and a grandson, and it is a wonderful program, as manic and——

Mr. CRENSHAW. As a friend of mine says, grandkids are not overrated. But again, thank you for your service.

And, Mr. Chairman, I look forward to working with you to get this MILCON—

Mr. EDWARDS. As a late-blooming father—I didn't become a dad until I was 44—the only way I can relate to that conversation is they think I am a grandpa at the PTA meetings. [Laughter.]

Admiral Willard, General Sharp, thank you both for your service and thank you for being here today. We look forward to continuing to work with you and support the magnificent men and women that you have the privilege of representing.

Admiral WILLARD. Thank you, Chairman.

General SHARP. Thank you.

WEDNESDAY, MARCH 24, 2010.

U.S. ARMY BUDGET

WITNESS

GENERAL GEORGE W. CASEY, JR., CHIEF OF STAFF, U.S. ARMY

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS. [presiding]. I call the subcommittee to order. I have been told that we might have a series of votes and then could end up having an appropriations bill on the floor, which would not allow us to continue. That would be closer to 4 o'clock.

I was going to cut out my hour-and-a-half opening comments, so let me just make a few brief remarks.

General Casey thank you for being here. It is good to have you back before the subcommittee again.

The purpose of today's hearing is to review the fiscal year 2011 military construction and family housing budget for the U.S. Army. And as the last decade has been, the next few years will be a critical time in the history of the Army for four reasons.

First, the Army will execute a drawdown of forces in Iraq while ramping up forces in Afghanistan for a period of uncertain duration. Secondly, and this is amazing, roughly one-third of the Army will be on the move due to BRAC and the realignment of our global defense posturing. Third, the Army will continue to execute billions of dollars of military construction and family housing to accommodate the addition of 65,000 active-duty soldiers. And fourth, the Army will transition the Guard and Reserve to an operational force, requiring major changes in the way we train, equip and build our citizen soldiers.

Before I formally introduce our witness, I would like to recognize Mr. Wamp, our ranking member, for any comments he would care to make.

STATEMENT OF THE RANKING MINORITY MEMBER

Mr. WAMP. Thank you, Mr. Chairman. In the tradition of Senator Montgomery, you start right on time, but I had at my Energy and Water Committee Hearing Secretary Chu, and I was able to get there quickly enough to ask my questions so that I could get here. And I was cutting it really close, but I am grateful for the courtesy.

And, of course, Chief Casey knows us about as well as anybody that comes before this subcommittee and communicates about as effectively with us as anyone in the services. And he is an extraordinary American. We are always grateful that he is here, and we stay in touch with him, so I am sure we are going to have some questions today. But at the end of the day, Mr. Chairman, I think

we ought to give the Army whatever they need and give General Casey whatever he needs and support him with all of our hearts. And I yield back.

Mr. CARTER. I move we adjourn. [Laughter.]

Mr. EDWARDS. I guess Judge Carter, should we let them know now that—

Mr. CARTER. Now we are going to Fort Hood.

Mr. EDWARDS. For 5 minutes Judge Carter and I were the only two here in this room. We went into session, and all MILCON is being moved to Fort Hood, Texas. [Laughter.]

So with apologies to everyone else.

Chief, as I said this morning at the Army caucus with Judge Carter, you don't need any introduction to this subcommittee, but we do want to thank you for your 40 years of incredible service to our Army, to their families, to our country. We thank Sheila as well for all that she continues to do for Army soldiers and their families and quality of life.

You have led our Army through such a challenging time with transformation, with reorganization, increasing numbers, war in Iraq and Afghanistan. I just don't know, as I said this morning, of any business corporation that could face that kind of change and challenge and still remain what it is and keep its culture and its heart and soul. And you have done that with the Army. It is a great tribute to you and every soldier and every soldier's family serving this great, great Army.

You have been through this process. Any written statements you have we will submit for the record.

General CASEY. I will do that—

Mr. EDWARDS. We would like to recognize you for any opening comments you care to make.

STATEMENT OF GENERAL GEORGE W. CASEY, JR.

General CASEY. Thanks, and I will do that. And it strikes me, I just recall that last year this was the first hearing I did, and it was the day before the budget actually came out. And this year it is the last one.

Mr. EDWARDS. Yes, free at last, free at last.

General CASEY. What I would like to do is just give you an update about the Army and what we have done here over the last year. And as I said last year, and as I have been saying really since 2007, that we are out of balance. We are so weighed down by the current demands that we cannot do the things that we know we need to do to sustain this force for the long haul and to continue to prepare ourselves to do other things.

And in 2007, you know, with your help, we put ourselves on a plan centered on four imperatives to get back in balance by 2011. Our imperatives were we have to sustain our soldiers and families. They are the heart and soul of this force, and what you all do in this committee with the military construction is a clear demonstration to our soldiers and families in this space that the country appreciates what it is that they are doing.

Second, we have to continue to prepare our soldiers for success in the current conflict. We cannot flinch on sending well-trained, well-equipped soldiers in harm's way. And we are making great

progress on that. I remember it took from about 2003 to 2006 to get a full complement of up-armored Humvees into Iraq. We put a full complement of Mine Resistant Ambush Protected vehicles into Afghanistan in about 18 months, and the newest version—it is not all there yet, but we got that going in about 9 months. So the department is doing much better in this.

Third, we have to reset them effectively when they come back, and that is the people and equipment, give them the time that they need to get reset.

And then, lastly, we have to continue to transform for an uncertain future. And a lot of what this committee does supports that transformation. It supports our growth. It supports our conversion to modular organizations. It supports the global re-basing, bringing the forces back from Germany and Korea. So there is an awful lot about what we have done here that we could not have done without the committee's support.

This budget that we are putting out today, we are talking about today, gives us the resources to get us back in balance, to get us where we said we wanted to get in 2007. And I think that is very important. And with this budget plus the drawdown in Iraq we will get very, very close to the goals that we set for ourselves in 2007 by the end of 2011.

Let me just give you a quick update on six of the key areas of getting back in balance.

First of all is our group. And we were told in 2007 to increase the size of the Army by 74,000—65,000 in the active force, the rest in the Guard and Reserve. When I got here later in 2007, I went to the Secretary of Defense and said, "We have to do that faster," because we originated this program for 2012. And with Secretary Gates' support, we moved it forward into 2010, and we actually fit in this program the people in last summer, active, Guard, Reserve.

Even as we finished that, though, it was clear to us that we did not have enough. We are still having difficulty manning our units effectively to send to Iraq and Afghanistan, because we have about 30,000 soldiers that we could not put in units, because, one, they were already deployed, they were in warrior transition units recovering, or they were temporarily not deployable. So Secretary Gates allowed us to increase by another 22,000 over 3 years. That is temporary growth, and there is no structure attached to it, so there are no facilities or anything that is required in fact.

We are on track and on pace to complete that growth on schedule, or I will tell you that we will make a decision later this year whether we go beyond 15,000 and grow the full 22, and then we will make a decision sometime, probably next year, whether we keep it or whether we begin to draw down.

Personally, if the drawdown in Iraq goes as it is planned, I would prefer not to keep the growth, because the personnel costs are just so high, but the growth very much on track.

Second, probably the most important element of getting back in balance is increasing the time the soldiers spend at home, the dwell time. And it is important not only from the fact that they get to spend more time with their families, it is important primarily from the fact that they need to recover themselves. And we have just completed a study last year that demonstrates what we all in-

tuitively knew, that it takes about 2 or 3 years to recover fully from a 1-year combat deployment. And that is why it is so important to get to 1 year out, 2 years back for the active force in the short-term, and then ultimately to get to 1 year out, 3 years back for the sustainable rate over the long haul.

I will tell you that because of the growth of the drawdown in Iraq, we were able to meet our portion of the 30,000 plus-up in Afghanistan, which is around 22,000 without having to go to increasing the time in theater to 15 months without having to come off a stop loss and without—and still managed to increase our dwell.

And I will tell you I have been out traveling around the last few weeks, and I have seen several brigades now at home for 18 months. And the difference between being at home for 18 months and being home for 12 months is night and day. And the pace and tempo of their preparations is much, much more manageable.

The third element is a reorganization. And the reorganization has two parts. One is a conversion to modular organization. And we set out to do that in 2004, and we are 90 percent done. And that involves converting all 300-plus brigades in the Army to modular organizations. All that obviously involve facilities as well.

The other part of it is rebalancing, where we move soldiers out of skills that were relevant in the Cold War into skills more relevant in the 21st century. For example, sir, we have stood down 200 tank companies, artillery batteries and air defense batteries and we have stood up an equivalent number of civil affairs, psychological operations, special forces companies.

That reorganization is taking place. Taken together, that is the largest organizational transformation of the Army since World War II, and we are doing it while we have been sending 150,000 soldiers over and back every year.

The fifth, we are putting the entire Army into a rotational model, and this is probably not very visible to folks up here, but it is a huge institutional reorganization within the Army. If you had to think about it, we were largely a garrison force that lived to go to the combat training centers to prepare. Now we are on a constant rotational cycle, so we have to adapt all of our internal systems, our education systems, our personnel systems, our family support systems to support that kind of Army. It will allow us to sustain this over the long haul.

And finally, re-stationing. You mentioned a third of the Army on the move, a lot of it in the next 2 years. We are on track to complete the BRAC relocations on schedule. It has not been easy, but I will tell you that the plus side of it is the quality of the facilities coming onto our installations as a result of the BRAC. It is a great retention tool for us.

So bottom line in those six areas, good progress. And I am seeing that with the drawdown in Iraq, I can see where we will get to where we set out to get in 2007 by the end of 2011.

That said, we are not entirely out of the woods yet. And the effects of the last 8½ years at war are going to be with us for a while. And I know there are concerns about suicides and about increased reliance on drug and alcohol counselors, and those are real, and they are not going to go away just when they get to 2 years at home. These are effects that are going to be with us for a while.

Now, I would like just to go back and recap a little bit with what we have done with the committee, really, to support that over just between 2007, 2008, 2009 and 2010, so over the last 4 years.

We got the military construction money to complete BRAC last year, and we are well on our way to executing that, but that is closing 12 active component installations, about 400 Reserve centers, moving five schools and 11 two-star, three-star and four-star headquarters. We will give you a new phone book here in a couple of years and let you know how we came out.

The growth—we had the money this year to finish the brigade combat teams, and we have money now to finish the combat support and combat service support units by 2013. On the re-basing, we brought home about 40,000 folks, and we will get the rest of them back here by 2013. Again, all of that involved facilities.

The Army modular force, as I said, almost 300 brigades have been converted. Lots have been required, new facilities, and that is well on the way. I think we will complete that here by 2013 as well.

Great progress on the warrior transition units—20 complexes already in progress, one more in the 2011 budget—huge progress. Barracks—we have added 31,000 training spaces just in 2007 to 2010, 36,000 permanent party barracks. We basically cut in half the number of soldiers we had in inadequate facilities. And I think this is maybe the first time I am coming in here and telling you the completion dates for training barracks and permanent party barracks has not changed over the course of the year. We are still on track, so that is good.

And then, lastly, what you are doing for the families—149 child development centers, 24 youth centers, four new hospital starts, 37 clinics. The families see that, and it is a huge, huge help to our retention. And so we are doing a lot that we could not have done without the support of the committee, so I just wanted you to have a little scorecard of what you have done. And I really appreciate it.

So I will just close by saying I could not be prouder of the men and women in this great Armed Forces. We were talking earlier this morning about is it just the economy that makes it—that is for people staying in. And that is part of it for sure, but we are lucky enough as a country to still have hundreds and thousands of men and women who want to make a difference in the world. And they are coming in the Armed Forces.

So thank you very much. And I am happy to take some questions.

[Prepared statement of General George W. Case follows:]

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RECORD VERSION

STATEMENT BY

GENERAL GEORGE W. CASEY JR.
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS
AFFAIRS AND RELATED AGENCIES

SECOND SESSION, 111TH CONGRESS
ON THE POSTURE OF THE UNITED STATES ARMY

MARCH 24, 2010

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**STATEMENT BY
GENERAL GEORGE W. CASEY JR.
CHIEF OF STAFF
UNITED STATES ARMY**

Introduction

America's Army continues to answer the Nation's call, as it has since it was established nearly 235 years ago. Today our Army is fighting two wars, assisting other nations as they build their own security capacity, supporting civil authorities at home, helping the people of Haiti rebuild after a devastating earthquake, and preparing to deter and defeat new threats. The Army's Soldiers, Civilians, and Families faithfully shoulder the load that our Nation asks of them. With the support of the Congress, we are on track with our four-year plan to put the Army back in balance.

Though their sacrifices can never be fully repaid, the Nation continues to recognize and honor our Soldiers and their Families by supporting them before, during, and following deployments. Our Soldiers rely upon the best training and equipment that our Nation can provide to accomplish their mission. Yet even with this continued support, the demands of eight years of war weigh heavily on our Army. The strain of multiple deployments is evident on Soldiers and their Families. Equipment is used at a pace that seriously challenges our maintenance and replacement capabilities and resources. The stress is present in our institutions as we change 20th-century systems and processes to meet the demands of the 21st century.

Our Nation faces the difficult challenge of balancing when, where, and how to engage in a dynamic and uncertain world while meeting important priorities at home. However, when the security of our citizens or allies is threatened, the Nation can depend on **America's Army – the Strength of the Nation.**

Strategic Context

The United States faces a complex strategic landscape with an array of diverse security challenges. We are fighting wars in Iraq and Afghanistan while preparing for future challenges to our national security. For the foreseeable future, violent extremist movements such as Al Qaeda and other terrorist organizations comprise the most immediate threats. Current global economic conditions, changes in demographics, cultural pressures associated with globalization, and competition for scarce resources exacerbate the uncertainty and volatility of the strategic environment. Within this setting, the American Soldier stands as our Nation's most visible and enduring symbol of commitment in an era of persistent conflict.

Persistent Conflict

For the near future, persistent conflict – protracted confrontation among state, non-state, and individual actors that are increasingly willing to use violence to achieve their political and ideological ends – will characterize the global security environment. Security crises will arise unpredictably, vary in intensity and scope, and last for uncertain durations. These challenges will take place in all domains: land, sea, air, space, and cyberspace. Natural disasters and humanitarian emergencies will continue to be frequent and unpredictable missions, requiring the commitment of

Soldiers and resources. In this dynamic environment, the Army will conduct operations that span the spectrum of conflict from humanitarian and civil support to counterinsurgency to general war, often simultaneously.

Global Trends

Several global trends will continue to shape the international security environment and the conflicts confronting our Nation. Globalization may increase prosperity, but it can also spread destabilizing influences. The unequal distribution of benefits creates societies with divisions between “haves” and “have nots” – divisions that can be exploited by extremist ideologies and lead to conflict. Fault lines reflecting protracted competition and friction can erupt unpredictably as societies struggle to adjust to the move toward modernity and greater interdependence. Meanwhile, increasingly available and affordable technology provides our adversaries sophisticated tools to enable a networked approach to recruiting the disenfranchised and exporting terror.

Shifting demographics and rapid population growth that is increasingly urbanized can continue to break down traditional, localized norms of governance, behavior, and identity, and further strain already stressed governments. This is especially true where a lack of economic opportunity increases the potential for instability and extremism. Those who are disaffected may rebel against perceived Western interference, challenges to traditional values, and ineffective governments. Increased resource demand, in particular energy, water, and food, is a consequence of growing prosperity and populations. The growing global competition for resources will continue to produce friction and increase opportunities for conflict. In this environment, climate change and natural disasters will compound already difficult conditions in developing countries by igniting

humanitarian crises, causing destabilizing population migrations, and raising the potential for epidemic diseases.

The two trends of greatest concern are the proliferation of weapons of mass destruction (WMD) and failed or failing states. A catastrophic attack utilizing WMD has the potential to be globally destabilizing. Failed or failing states, lacking the will or capacity to maintain effective territorial control, contribute to regional instability and provide ideal environments for terrorist groups to plan and export operations. The merging of these two trends constitutes a significant and compelling threat. Together, these trends make conflict in the decades ahead more likely.

Character of Conflict in the 21st Century

Global trends and recent conflicts – such as those in Lebanon and Georgia – and our own recent combat experience indicate the evolving character of conflict in the 21st century.

Conflicts will be waged among diverse actors – state and non-state – with the latter employing capabilities that, during the last century, remained largely the purview of nation-states. Motives, objectives, and often the identities of these actors will be difficult to discern, and are likely to shift as some act covertly and others use proxies. The battle to gain influence over, and support from, populations will be central to our success. Therefore, conflict will be unavoidably waged among the people.

The initiation, location, duration, and intensity of conflicts are increasingly unpredictable. In an interdependent world, conflicts are more susceptible to the potential for spillover, creating regionally, and potentially globally, destabilizing effects. All of this will occur under the unblinking scrutiny of the 24-hour global media cycle and the internet. Details of

conflict as well as misinformation will flow equally across social, communications, and cyber networks. Our adversaries will exploit these media and communication sources locally and globally.

We are more likely to face hybrid threats – diverse and dynamic combinations of conventional, irregular, terrorist, and criminal capabilities employed asymmetrically to counter our advantages. Hybrid threats require hybrid solutions – adaptive military forces that can function in a variety of situations with a diverse set of national, allied, and indigenous partners. Given the strategic environment, enduring global trends, and the character of 21st-century conflict, the Army will operate as part of a Joint, interagency, inter-governmental, and multi-national team to fulfill its global commitments.

Roles of Land Forces

More than one million of our men and women have served in the ongoing campaigns in Iraq and Afghanistan. Over 3,900 American Soldiers have given their lives, and more than 25,000 others have been wounded during this longest period of sustained conflict ever fought by an all-volunteer force. Today, America's Army has over 255,000 Soldiers and more than 18,500 Army Civilians serving in nearly 80 countries around the world – with the remainder stationed within the United States supporting domestic missions, resetting from recent deployments, or preparing for an upcoming deployment.

Our Soldiers are performing magnificently around the world every day, and the roles for land forces in this environment are becoming increasingly clear.

First, the Army must **prevail in protracted counter-insurgency**

(COIN) operations. Not only must we prevail in our current missions in Iraq, Afghanistan, and the Philippines, we must be prepared to prevail in any future COIN operation.

Second, the Army must **engage to help other nations** build capacity and to assure our friends and allies. Through security force assistance, we can increase the capacity of other nations' military and police to uphold the rule of law, ensure domestic order, and deny sanctuary to terrorists – thereby helping avoid future conflicts that might otherwise develop. American Soldiers are currently deployed to Central America and the Balkans, building the capacity of indigenous security forces. Additionally, the Army has established an Army Service Component Command for U.S. Africa Command to assist partner nations and humanitarian organizations in Africa.

A third role that the Army fulfills is to **provide support to civil authorities** at home and abroad. In the past year alone, American Soldiers have fought fires in the west, conducted search and rescue operations in the Rockies and Alaska, and assisted with tsunami relief in American Samoa, in support of civil authorities. The Army has also provided a sizeable force to support the relief efforts in Haiti following the catastrophic earthquake that destroyed its capital. Army units from both the active and reserve components remain prepared to react to a variety of crises as consequence management and response forces. The U.S. Army Corps of Engineers is a lead organization in providing DoD support to civil authorities for disaster relief at home and engineering support to USAID overseas. Abroad, the Army has also supported civil authorities in many ways, such as sending Agribusiness Development Teams from the Army National Guard to Afghanistan.

Finally, the Army must deter and **defeat hybrid threats and hostile state actors**. As an Army, we recognize that we must remain prepared to meet and defeat hostile state actors that threaten our national security. But we recognize that the probability of facing a nation that will challenge America's military head-on is lower than it was during the Cold War and other periods in our history. Our readiness and capability to confront near-peer competitors also deters war by raising the stakes for nation-state and hybrid actors who would threaten our security interests.

To meet these threats, Army units continue to participate in Joint and international training exercises around the world, ensuring that military skills and cooperative partnerships remain strong. The Army continues to position forces in Korea and at various missile defense sites in order to discourage actors who seek to disrupt regional stability and security.

Two Critical Challenges

The Army has operated at a demanding pace for the last eight years, and while it has met each challenge, the strain has placed the Army out of balance. Demand for Army forces continues to exceed the sustainable supply. Against that backdrop, the Army continues to meet the wartime requirements of our Nation while it addresses the two major challenges facing our force – **restoring balance** and **setting conditions for the future**. In 2007, we established a four-year plan to restore balance to an Army that had experienced the cumulative effects of years of conflict. The FY 11 budget supports the final year in that plan. As we continue to restore balance to the force, we are also setting the conditions for the Army of the 21st century - an Army that fulfills our strategic role as an integral part of our Joint Force.

Restoring Balance: The Army's Four Imperatives

With the help of Congress, we have made significant progress over the past three years in our plan to restore balance – a plan founded on four imperatives. Yet today the Army remains out of balance. We've improved our ability to **sustain** the Army's Soldiers, Families, and Civilians; **prepare** forces for success in the current conflict; **reset** returning units to rebuild the readiness consumed in operations and to prepare for future deployments and contingencies; and **transform** to meet the demands of the 21st century. As a result of this progress we now are in a better position to achieve balance than we were two years ago. Critical to this was the growth in the size of the Army.

The security agreement with Iraq that transferred security in urban areas to Iraqis was a momentous and welcomed accomplishment. The hard work and sacrifice of our Soldiers with the support of Congress helped make this achievement possible and set the conditions for our responsible drawdown of combat forces in Iraq this year. Coupled with our growth, the drawdown in Iraq allowed for our increased commitment of forces to Afghanistan to stem the rising violence, and disrupt, dismantle, and defeat al-Qaeda while reversing the momentum of the Taliban insurgency. However, the campaigns in Iraq and Afghanistan continue to create demands that have our Army operating beyond sustainable capacity. In fact, in 2009 more Soldiers were deployed in Iraq and Afghanistan combined than during the height of the Iraq surge.

Presently, and for the short term, we lack sufficient strategic flexibility, and we continue to accumulate risk. We continue to stress our Soldiers, Families, Civilians, equipment, and institutional systems, so our efforts to restore balance must not waiver.

Sustain

Sustaining our all-volunteer force is our first imperative. Nowhere is the stress on our force more profound than in the toll it takes on our people, as is tragically evident in the rising number of suicides and increasing need for counseling among our Soldiers and Families. We are aggressively addressing the causes of stress on individuals resulting from the cumulative effects of multiple deployments, and seeking to build resilience in Soldiers, Families and Civilians. The Army is committed to ensuring that the quality of life of those who serve the Nation is commensurate with the quality of their service.

Goals

To sustain the force, the Army continues to pursue four major goals. Our first goal is to Recruit and Retain quality Soldiers and Civilians dedicated to service to the Nation. Next, we are committed to furnishing the best Care, Support, and Services for Soldiers, Families, and Civilians by improving quality of life through meaningful initiatives such as the Army Family Action Plan, the Army Family Covenant, Army Community Covenants, and the Comprehensive Soldier Fitness Program. It is our solemn obligation to provide world-class Warrior Care and Transition to our wounded, ill, and injured Warriors through properly led and resourced Warrior Transition Units. Finally, by Supporting the Families of our Fallen Comrades we honor their service and sacrifice.

Progress and Accomplishments

- The Army met 104% of its recruiting goals for 2009, and achieved both numeric goals and quality benchmarks for new recruits.
- All components exceeded 105% of their reenlistment goals.

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- We reduced off-duty fatalities by 20%, to include a 15% reduction in overall privately-owned-vehicle fatalities and 37% reduction in motorcycle fatalities.
- In collaboration with the National Institute of Mental Health, the Army began a seminal study into suicide prevention that will inform the Army Suicide Prevention Program and society's approach to suicide.
- We began instituting Comprehensive Soldier Fitness – an all-inclusive approach to emotional, social, spiritual, family, and physical fitness – as the foundation to building resiliency within the Army.
- We initiated an unprecedented series of construction projects at five major hospitals as part of our commitment to modernize our healthcare system.
- The Army established the Warrior Transition Command and reorganized Warrior Transition Brigades to provide centralized support, rehabilitation, and individualized transition planning to our recovering Warriors.
- We expanded Survivor Outreach Services to over 26,000 Family members, providing unified support and advocacy, and enhancing survivor benefits for the Families of our Soldiers who have made the ultimate sacrifice.
- We implemented the Post 9/11 GI Bill, significantly increasing educational benefits for active duty Soldiers, Veterans, and Family members.
- The Army Reserve established Army Strong Community Centers to support geographically-dispersed Soldiers and Families. Together

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with Army National Guard Family Assistance Centers and Soldier and Family Assistance Centers on active duty installations, these centers provide help to Soldiers' Families near their hometowns.

FY 11 Budget Highlights

- Provides \$1.7 billion to standardize and fund vital Family programs and services to include welfare and recreation; youth services and child care; Survivor Outreach Services; and expanded education and employment opportunities for Family members.
- Provides a 1.4% military basic pay raise and Civilian pay raise, a 3.9% basic allowance for housing increase, and a 3.4% basic allowance for subsistence increase.
- Warrior Transition Units for our wounded Soldiers will continue to receive strong support in FY 11 with \$18 million in Military Construction funds allocated to resource construction of barracks spaces.
- Supports Residential Communities Initiatives program, which provides quality, sustainable residential communities for Soldiers and their Families living on-post, and continues to offset out-of-pocket housing expenses for those residing off-post.

Prepare

Our Soldiers face determined enemies – so preparing the force for our current conflict is complex and time-consuming, but essential for success. Our units must have the people, training, and equipment they need to prevail. Meanwhile, our institutions and systems must adapt to provide those critical capabilities in a timely manner and in sufficient

quantities.

Goals

To prepare the force, we have four key goals. First, we accelerated the pace at which we needed to Grow the Army to our end strength and to grow our modular brigades to 73 Brigade Combat Teams (BCTs) and nearly 230 Support Brigades. Second, the Army is committed to improving individual and collective Training to better prepare Soldiers and leaders for a complex and challenging operational environment. Next, we continuously work to provide our formations with effective Equipment in a timely manner that maintains our technological edge and protects our most critical resource – the Soldier. Finally, we must transform the Army to a rotational model – Army Force Generation (ARFORGEN) – the core process for generating trained, ready, and cohesive units on a sustained and rotational basis – to meet current and future strategic demands.

Progress and Accomplishments

- We began the phase-out of stop-loss, starting with the Reserve Component in August 2009 and the Army National Guard in September 2009, and followed by the Active Army in January 2010. Today, no mobilizing or deploying units have stop-loss Soldiers in their ranks.
- The force achieved its “Grow the Army” end strength goal of 1.1 million in 2009. The active component continues to grow toward its additional authorized Temporary End Strength in order to improve unit manning within the already existing Army structure as we eliminate stop-loss.

- Fifteen-month tours effectively ended in November 2009, when the last Soldiers on those extended deployments returned.
- We completed fielding nearly 12,000 Mine Resistant Ambush Protected (MRAP) vehicles in Iraq and Afghanistan and delivered the first MRAP All-Terrain Vehicles (M-ATVs) to Afghanistan – just 15 months after identifying the need for that capability. As of the beginning of February, we have provided nearly 800 M-ATVs to Afghanistan.
- This year, we successfully manned, trained, equipped, and deployed 67 brigade equivalents.
- The Army exceeded fleet readiness of 90% for ground equipment, to include MRAPs, and 75% for aviation.
- We established Army Training Network (ATN) - a 21st Century Approach to Army Training. This revolution in training knowledge access is now providing a one-stop portal to share training best practices, solutions, and products across the Army.
- The Army increased its employment of biometric technologies enabling the Army to better identify the enemy among the populace.

FY 11 Budget Highlights

- Funds permanent, active component end strength at 547,400; Army Reserve at 205,000; and National Guard at 358,200 in the base budget and supports a 22,000 temporary increase in the active component through the Overseas Contingency Operations (OCO) request.

- Procures and upgrades the Army's UH-60 Black Hawk, CH-47 Chinook, and AH-64 Apache helicopters, which are vital to operations in Afghanistan and Iraq.
- Provides over \$1 billion for flight crew training in all components to fund flying hours, maintenance, fuel, airfield operations, and specialized skill training.

Reset

With the pace of continuous combat operations in two wars for the past eight years, we are consuming our readiness as fast as we can build it. Reset restores returning units – their Soldiers, Families, and equipment - to a level of readiness necessary for future missions.

Goals

Our Reset plans include four goals. Our efforts to Revitalize Soldiers and Families seek to reestablish and strengthen relationships following deployments. The Army's comprehensive efforts to Repair, Replace, and Recapitalize Equipment affected by the harsh environments of the war are essential to resetting units. In particular, achieving responsible drawdown in Iraq while increasing our commitment of forces and equipment to Afghanistan will require an unprecedented reset effort. The Army must Retrain Soldiers, Leaders, and Units to build critical skills necessary to operate across the spectrum of conflict in the current security environment. Lastly, we are identifying and applying the lessons learned from the Reset Pilot Program that was designed to improve the efficiency and effectiveness of the Reset process. Army Reset is a necessary process that must continue not only as long as we have forces deployed, but an additional two to three years after major deployments end.

Progress and Accomplishments

- The Army completed the reset of 29 brigades' worth of equipment in FY 09 and continued the reset of 13 more. In total, we have reset more than 98,000 pieces of equipment as depot production has doubled since September 11, 2001.
- We began executing a responsible drawdown in Iraq which will redistribute, transfer, or dispose of 3.4 million pieces of equipment; redeploy 143,000 military and Civilian personnel, and 147,000 contractors; close 22 supply support activities; and consume or dispose of over 21,000 short tons of supplies.
- In 2009, more than 160,000 Soldiers and Family members participated in over 2,600 Strong Bonds events designed to strengthen Army Families.
- The Army continues to revise its approach to training by emphasizing doing fewer tasks better, making judicious use of field time, and maximizing the use of mobile training teams and distributed learning.
- We completed our Reset Pilot Program and will begin instituting the full Reset model across the Army in 2010.
- The Army fostered partnerships by executing more than \$24 billion in new foreign military sales.

FY 11 Budget Highlights

- Provides \$10.8 billion to reset Army equipment through the Overseas Contingency Operations (OCO) request.

- Supports training and sustainment of Army forces to include individual skills and leader training; combined arms training toward full spectrum operations; and adaptable, phased training based on the ARFORGEN process.

Transform

Since 2004, the Army has been transforming our force to provide the combatant commanders tailored, strategically responsive forces that can dominate across the spectrum of conflict. Transformation is a continuous process that sets the conditions for success against both near-term and future enemies.

Goals

Our goals for transformation include continued Modular Reorganization to standardize our formations to create a more deployable, adaptable, and versatile force. We will accelerate fielding of Advanced Technologies to ensure our Soldiers retain their technological edge. The Army will Operationalize the Reserve Components by systematically building and sustaining readiness while increasing predictability for these Soldiers, Families, employers, and communities.

Completing the requirements of the Base Realignment and Closure (BRAC) statutes is central to Restationing Forces. Soldier and Leader Development will ensure that we produce the next generation of agile and adaptive military and Civilian leaders who are supremely competent in their core proficiencies and sufficiently broad enough to operate effectively in the Joint, interagency, intergovernmental, and multi-national environments.

Progress and Accomplishments

- The Army is 88% complete on the modular conversion of its brigades. The FY11 budget will support the near completion of this process.
- The Army consolidated existing aviation force structure to create a 12th active component combat aviation brigade (CAB) forming an additional deployable CAB without adding force structure.
- The Army activated the 162nd Infantry Brigade at Ft. Polk, Louisiana, providing a dedicated and enduring capability to prepare combat advisors to train and build capacity in foreign security forces. Trainers from the brigade are now deployed to Afghanistan to assist with the training and development of the Afghan Security Forces.
- The Army developed a new incremental capability package approach to modernization which will allow technologically mature, Soldier-tested, proven technologies to be prioritized, bundled in time, and fielded to the force more quickly than ever before.
- We provided combatant commanders with dedicated, regionally based network operations support, and integrated cyber security capability in the form of Theater Network Operations and Security Centers, unique within the Department of Defense.
- This past year, the Army closed three active installations and five U.S. Army Reserve Centers and is on course to complete BRAC in FY 11. To date, we have awarded 265 major military construction projects, of which 59 are complete.
- The Army built a Leader Development Strategy that balances experience, greater opportunities for professional education, and

training in full spectrum operations.

FY 11 Budget Highlights

- Invests nearly \$3.2 billion in BCT modernization programs that include procurement of the first incremental changes packages for Infantry BCTs and additional research, development, testing, and evaluation funding for subsequent change packages as well as initial development of the Ground Combat Vehicle (GCV).
- Provides funds to begin equipping a 13th Combat Aviation Brigade.
- Supports the increase in ISR platforms to include the Extended Range/Multi-Purpose, Raven, Shadow unmanned aerial vehicles (UAVs) and the Extended Medium Altitude Reconnaissance and Surveillance System.

Setting Conditions for the Future

21st Century Army

The second critical challenge facing the Army is setting the conditions for the future through a continuous process of transformation. We must ensure that our Nation has the capability and range of military options to meet the evolving challenges we face in the 21st century. **We need an Army that is a versatile mix of tailorable and networked organizations, operating on a rotational cycle, to provide a sustained flow of trained and ready forces for full spectrum operations and to hedge against unexpected contingencies – at a tempo that is **predictable and sustainable for our all-volunteer force.****

Versatility is the central organizing principle of a balanced Army. It enables our forces and institutions to effectively execute operations across

the spectrum of conflict. Our modular heavy, Stryker, and light brigades provide a **versatile mix** of forces that can be combined to provide multi-purpose capabilities, and sufficient capacity to accomplish a broad range of tasks from peacetime engagement to major combat operations.

Our modular units are designed to be **tailorable**. Brigades now have capabilities previously found at division level and higher. These brigades can be tailored for specific missions and combined with support units and key enablers such as ISR, communications, civil affairs, psychological operations, public affairs capabilities, and expanded logistics support, to accomplish a wide variety of missions and increase the land options available to combatant commanders.

The network is essential to a 21st-century Army. **Networked organizations** improve the situational awareness and understanding leaders need to act decisively at all points along the spectrum of conflict, while providing connectivity down to the individual Soldier. The network allows dispersed Army organizations to plan and operate together, and provides connectivity to Joint, combined, and interagency assets. To support this objective, the Army will use the Global Network Enterprise Construct (GNEC) as our strategy to transform LandWarNet to a centralized, more secure, operationalized, and sustainable network capable of supporting an expeditionary Army.

To provide a sustained flow of trained and ready forces at a tempo sustainable for our all-volunteer force, we will put the whole Army under a rotational model – ARFORGEN.

The ARFORGEN process includes three force pools—Reset, Train-Ready, and Available. Each of the three force pools contains a versatile

force package, available at varying time intervals based on its readiness level. Each force pool consists of an operational headquarters (a corps), five division headquarters (of which one or two are National Guard), twenty brigade combat teams (three or four are National Guard), and 90,000 enablers (about half of those are Guard and Reserve). Each will be capable of full spectrum operations once we reach a steady-state, ratio of time deployed (known as "boots on the ground" or BOG) to time at home (dwell) of 1:2 (BOG:dwell) for active component forces and 1:4 for reserve component forces. This versatile mix of land forces could sustain operations in Iraq and Afghanistan. At lower demand levels, a sustainable BOG:dwell ratio of 1:3 for active component forces and 1:5 for reserve component forces provides ready, global reaction forces and regionally-oriented forces for engagement in support of Theater Security Cooperation Programs. This process also allows strategic flexibility to surge in response to unexpected contingencies across the spectrum of conflict, and provides operational depth with more forces available for longer commitment times.

The increased demands of our combatant commanders, coupled with the size of our active component (AC) force, require that we continue to integrate reserve component (RC) forces as part of our operational force. Continued and routine access to our RC forces is essential to sustaining current operations, and is improving the overall operational experience and quality of our RC forces. Additionally, sufficient Army National Guard (ARNG) forces must be ready and immediately available to their state and territorial authorities to respond to domestic crises. We are building an integrated Army in which our RC forces are included in the rotational cycle, but at a deployment rate of about half that of their AC counterparts.

The ARFORGEN process increases predictability for Soldiers,

Families, employers, and communities, and enables our RC to remain an integral element of the operational force while providing the Nation with the strategic depth (i.e. those non-deployed units which are two to three years from commitment) and operational flexibility to meet unexpected contingencies.

The Army has undergone significant changes in recent years, and we must continue to change in order to keep pace with an environment of uncertainty and complexity in this era of persistent conflict. The same requirements that drive the imperative to change also drive our modernization efforts and need for institutional adaptation.

Realizing Change

To become the Army the Nation needs in the second decade of the 21st century, we are transforming the Army and prioritizing programs and efforts that show the most promise for today and tomorrow. Similarly, we are transforming business processes across the Army, including how we identify requirements, acquire, and provide materiel capabilities to our Soldiers, and how we adapt our institutions to align with the ARFORGEN process.

On April 6, 2009, Secretary Gates announced his adjustments to the defense program as part of the President's budget proposal for Fiscal Year 2010. The Secretary's decisions had an immediate and major impact on our FCS-centric Army modernization effort. He terminated the MGV portion of FCS, directing that we "reevaluate the requirements, technology, and approach – and then re-launch the Army's vehicle modernization program..." He further directed the Army to "accelerate the initial increment of the program to spin out technology enhancements to all

combat brigades,” and retain and deliver software and network development program in increments, and incorporate MRAP into our force structure. Secretary Gates’ intent for these bold adjustments was clear – to better reflect the lessons that we were learning from ongoing operations and better posture Army forces for a broader range of future challenges.

To fully implement the Secretary of Defense’s direction, the Army has developed a comprehensive plan. We refer to this new program as the Army’s “Brigade Combat Team Modernization Plan,” which is a subset of our overall Army Modernization Strategy

BCT Modernization Plan

We will leverage the lessons learned from the last eight years to provide effective and affordable equipment now, while reducing the time it takes to develop and field new and updated materiel solutions. BCT Modernization includes four elements: modernizing the network over time to take advantage of technology upgrades, while simultaneously expanding it to cover ever increasing portions of the force; incorporating MRAPs into our force; rapidly developing and fielding a new Ground Combat Vehicle that meets the requirements of the 21st-century Army; and incrementally fielding Capability Packages that best meet the needs of Soldiers and units as they train and then deploy.

Army Network

Central to the Army’s modernization efforts is an enhanced and interoperable communication network that gives the Army a decisive advantage across the spectrum of conflict. The network supports leaders in making timely, informed decisions, and supports organizational agility, lethality, and sustainability. It allows our Soldiers to know where the enemy

is, where other friendly forces and civilian populations are, and what weapon systems are available for them at any given time. The network links Soldiers on the battlefield with space-based and aerial sensors, robots, and command posts – providing unprecedented situational awareness and control and enabling the application of precise lethal fires on the modern battlefield.

Maintaining our technological advantage is a constant challenge. The Army's battle command network must be continuously upgraded to ensure security and provide improved capability, capacity, connectivity and operational effectiveness. The Warfighter Information Network (Tactical) (WIN-T) is designed to extend the network ultimately to the company level for BCTs and provide real-time information, such as high definition imagery, from surveillance sources. The Joint Tactical Radio System (JTRS) was born Joint with the specific requirement to resolve radio interoperability among the services. It will provide Soldiers at the tactical level with connectivity at extended ranges, including voice, data, and video, enabling them to move information from platoon to higher-level command posts in complex terrain (including urban and mountainous areas).

MRAP Strategy

In response to deadly IEDs in Iraq and Afghanistan, the Nation made a tremendous investment in fielding MRAPs that have saved lives by providing significantly improved protection for our Soldiers. The Army is incorporating these vehicles throughout its unit formations. Additionally, we used the basic design of the MRAP as the foundation for the M-ATV, modifying it for the mountainous terrain in Afghanistan and in other regions around the world. The MRAP family of vehicles provides the versatility our forces need to rapidly move around the battlefield, particularly in an IED

environment, with the best protection we can provide.

Ground Combat Vehicle

Combining the lessons learned from the survivability of the MRAP, the tactical mobility of the Bradley Fighting Vehicle, and the operational mobility of the Stryker, the Army is developing a Ground Combat Vehicle (GCV) that possesses all of these qualities. Providing Soldiers protected mobility is our top design criteria. The first combat vehicle designed from the ground up to operate in an IED environment, the GCV will have enhanced mobility that will allow it to operate effectively in both urban and off-road environments. It will be designed to host the Army's network. And perhaps most importantly, it will have the capacity available to accept future upgrades incrementally as technologies mature and threats change.

The GCV will be versatile enough to support our expeditionary requirements and be capable of carrying an infantry squad. It will combine sustainability features that match the availability rates of the Stryker while consuming less fuel than current vehicles of similar weight and power. The pace of change and the operational environment demand an expedited acquisition timeline, so the Army is pursuing a GCV program timeline that provides the first production vehicles in seven years.

Capability Packages

Capability packages provide the Army a regular, timely process to enable our deployable units with the latest materiel and non-materiel solutions based on the evolving challenges of the operating environment. The best available capabilities will go to the Soldiers who need them most, based on the threats they are likely to face. These bundles of capabilities will include materiel, doctrine, organization, and training to fill the highest

priority requirements and mitigate risk for Soldiers. This incremental packaging approach will enable leaders to make timely, resource-informed decisions, and will help ensure that we provide the best available technologies to fulfill urgent needs to Soldiers in the fight – all driven by the cyclic readiness produced by ARFORGEN. These capability packages will upgrade our units as they prepare to deploy by providing them improved capabilities such as precision fires and advanced Intelligence, Surveillance and Reconnaissance (ISR).

The Army Modernization Strategy

The Army's Brigade Combat Team Modernization Plan is a key element of our overall **Army Modernization Strategy**. The Army Modernization Strategy reflects our overarching vision of how we will achieve our ends, which is to:

Develop and field an affordable and interoperable mix of the best equipment available to allow Soldiers and units to succeed in both today's and tomorrow's full spectrum military operations.

The **Army Modernization Strategy** relies on three interrelated lines of effort:

1) Develop and field new capabilities to meet identified capability “gaps” through traditional or rapid acquisition processes. In support of this Line of Effort in FY11 we have requested \$934 million dollars to develop the Army's new Ground Combat Vehicle (GCV), which will overcome critical capability gaps in both current and future operations. It is envisioned to have the tactical mobility of a Bradley, the operational mobility of a Stryker, and the protection of an MRAP. We are also requesting \$459 million dollars to procure the Extended Range Multi-Purpose Unmanned

Aerial Vehicle. This extraordinarily capable platform, which is already making a difference in Operation Enduring Freedom, gives commanders longer dwell ISR capabilities across a joint area of operations.

2) Continuously modernize equipment to meet current and future capability needs through upgrade, replacement, recapitalization, refurbishment, and technology insertions. Army efforts in this Line of Effort include our request for \$887 million dollars for the procurement of 16 Block III AH-64 Apache Helicopters, as well as the upgrade of 13 AH-64 Helicopters to Block II. Block III Apache is part of a long-term effort to improve situational awareness, performance, reliability, and sustainment of the Apache. Block II upgrades continue our commitment to modernize the Army National Guard Aviation Fleet. Additionally, in this line of effort, we have requested \$505 million dollars to upgrade Shadow RQ-7 UAVs. This key upgrade will increase the payload capacity and enhance the performance of this key ISR asset for our BCT Commanders.

3) Meet continuously evolving force requirements in the current operational environment by fielding and distributing capabilities in accordance with the Army Resource Priorities List (ARPL) and Army Force Generation (ARFORGEN) Model. Meeting the constantly evolving needs of theater commanders and the demands of persistent conflict will require unprecedented agility in our equipping and modernization programs. One example of this agility can be found in our Kiowa Warrior fleet. We are currently maneuvering our fleet of OH-58D Kiowa Warrior Light Helicopters to meet Army and COCOM requirements based on the ARFORGEN model. As Air Cavalry Squadrons return from conflict, their OH-58D helicopters are placed into Reset. Units in Reset have very few aircraft, if any. Because the Kiowa Warrior fleet is short 35 aircraft overall,

when the squadrons transition into the Train/Ready Phase of ARFORGEN, they are provided a number of helicopters sufficient to conduct training (25), but less than what they are fully authorized (30). When the units move into the Available phase, they are provided their full complement of aircraft. It is this agility that has allowed Army forces to meet the needs of theater commanders for over eight years of sustained combat.

What do we need? Congress has been very supportive of Army Modernization needs in the past. Their tremendous support has ensured that the Army Soldier is the best equipped and most respected combatant in the world. In order to execute Army Modernization and ensure the continued success of Soldiers and units, we depend on a variety of resources, not the least of which is predictable funding. **For FY11, we have requested \$31.7 billion** for procurement and Research, Development, Test, and Evaluation (RDT&E) efforts.

Adapting the Institution and Transforming Business Practices

In addition to modernizing our operating force, we are transforming our institutional Army. As required by Section 904 of the 2008 National Defense Authorization Act (NDAA), the appointment of the Under Secretary of the Army as the Army's Chief Management Officer (CMO) has allowed the Army to develop a series of initiatives to adapt the institutional Army and transform our business practices. In accordance with Section 908 of the 2009 NDAA, these efforts will result in the development and implementation of a comprehensive program that establishes a series of measurable performance goals and objectives. Specifically, the comprehensive program will address the following:

- Developing and implementing a business transformation plan focused on running the Army as effectively and efficiently as possible.
- Continuing the Army's business process reengineering activities, led by OSD's Business Transformation Agency.
- Developing an integrated business systems architecture that emphasizes transparency and seamless access to data, and provides timely and accurate information to decision makers.
- Preparing Army leaders to take a greater role in inculcating the Army with a cost-conscious culture.

While the Army transformed its operating force – building versatile, agile units capable of adapting to changing environments – the institutional Army continued to use processes and procedures that were designed to support a pre-9/11 Army based on tiered levels of readiness. To support this new operating force, the Army must have an updated institutional Army – our generating force.

Once the mission is defined, our institutions must seamlessly and continuously adapt, – tailoring force packages and quickly adjusting training, manning, and equipping – to ensure units have all of the physical and mental tools necessary to succeed.

Institutional agility allows us to adapt to the realities that present themselves. To that end, the CMO and Office of Business Transformation will build upon progress that has already been made toward the Army's institutional adaptation, specifically:

- Improvement of the ARFORGEN process – aligning the generating force and its processes to better support Soldiers, Families, and units within the operating force.
- Adoption of an Enterprise Approach – developing civilian and military leaders who take a collaborative, holistic view of Army objectives and resources to make better decisions for the Army.
- Reformation of the requirements and resource processes – delivering timely and necessary capabilities at best value.

This transformational approach will overlay everything that the institutional Army does, with the unwavering goal of effectively and efficiently providing trained and ready forces to meet combatant commander requirements.

Stewardship and Innovation

The Army remains devoted to the best possible stewardship of the resources it is provided by the American people through Congress. The establishment of the CMO and initiatives related to the transformation of Army business practices represent the Army's effort to act as a responsible steward. Several other initiatives serve to conserve resources and to reduce waste and inefficiencies wherever possible.

The Army achieved full operating capability of the new Army Contracting Command, Expeditionary Contracting Command, and Mission and Installation Contracting Command in 2009. These organizations are dedicated to ensuring professional, ethical, efficient, and responsive contracting.

Civilians are assuming increased responsibilities within the Army.

The Army is recouping intellectual capital by in-sourcing former contracted positions that were associated with inherently governmental functions. In FY 09, the Army saved significant resources by in-sourcing more than 900 core governmental functions to Army Civilians. We plan to in-source 7,162 positions in FY 10, and are programmed to in-source 11,084 positions during FY 2011-2015, of which 3,988 are acquisition positions. These positions were identified in the Army's on-going contractor inventory review process.

In the Employer Partnership program, the Army Reserve works with public agencies and private employers to leverage their shared interests in recruiting, training, and credentialing highly skilled Citizen-Soldiers. The Army Reserve has signed more than 800 partnership agreements with corporations, state agencies, and local police departments.

Energy security is a key component of Army installations, weapons systems, and operations. The Army has developed a comprehensive energy security strategy, and is acting now to implement initiatives to make us less dependent on foreign sources of fuel and better stewards of our nation's energy resources. In support of these goals, we fielded the largest hybrid vehicle fleet within the Department of Defense. Energy will continue to be a key consideration in all Army activities in order to reduce demand, increase efficiency, seek alternative sources, and create a culture of energy accountability, while sustaining or enhancing operational capabilities.

The Army is committed to environmental stewardship. Through cooperative partner agreements and the Army Compatible Use Buffer Program, the Army protected more than 28,000 acres of land at 14 locations in FY 09. Through creative solutions, the Army continues to conduct realistic training on its installations while protecting threatened and endangered species on Army lands.

America's Army - The Strength of the Nation

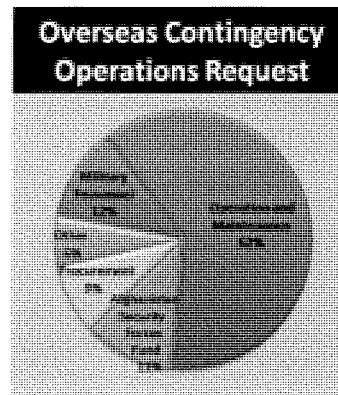
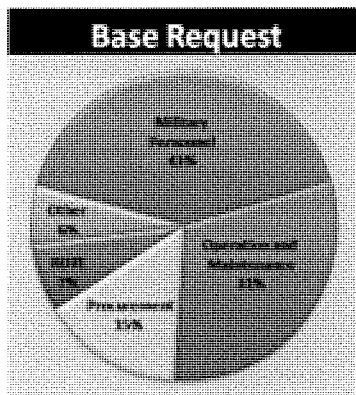
The professionalism, dedicated service, and sacrifice of our all-volunteer force are hallmarks of the Army -- the Strength of our Nation.

Our Soldiers and their Families quietly bear the burdens of a Nation at war. Our Civilians stand with them, dedicated to the Nation and the Army that serves it. Despite the toll that eight years of combat has taken, these great Americans continue to step forward to answer our Nation's call. In an environment in which we must make hard choices, they deserve the very best we can offer, commensurate with their dedication and sacrifice.

To continue to fulfill our vital role for the Nation, the Army must sustain its efforts to restore balance and set conditions for the future. We have made significant progress this year, but challenges remain. The continued support of Congress will ensure that the Army remains manned, trained, and equipped to protect our national security interests at home and abroad, now and in the future. **America's Army – the Strength of the Nation.**

Addendum A – The Fiscal Year 2011 President’s Budget

The FY 11 President’s Budget asks for \$245.6 billion for the Army. This budget, which includes \$143.4B for the Base and \$102.2B for the Overseas Contingency Operations (OCO) request, is necessary to: support current operations, increase forces in Afghanistan, responsibly drawdown in Iraq, sustain the all-volunteer force, and prepare for future threats.



Amounts requested by major appropriation category in the FY 11 President’s Budget include:

Military Personnel

The FY 11 budget requests \$71.0 billion, a \$300 million increase over FY 10. Military Personnel funds support Army end-strength requirements for a Nation at war. This includes \$1.2 billion for the temporary wartime increase in personnel, an increase of \$684 million over FY 10.

This amount funds pay, benefits, and associated personnel costs for 1,110,600 Soldiers: 547,400 Active, 358,200 Army National Guard, 205,000 Army Reserve and funds an active component temporary end strength increase of 22,000.

The OCO request will fund special pays, incentives, and the mobilization of reserve component Soldiers.

Compelling Needs:

- Support the Army's base endstrength and the temporary end strength increase in FY 11 to reduce strain on the force
- Sustain authorities and funding of programs in support of wounded, ill, and injured Warriors and their Families as they transition back to duty or to civilian life
- Provide recruiting and retention incentives and benefits to sustain the quality of our all-volunteer force, allow the Army to meet end-strength objectives, and achieve Army standards for recruit quality
- Enable the transition of the reserve component to an operational force by systematically building and sustaining readiness across the force and fund mobilization of RC units to support growing demand

Operation and Maintenance

The FY 11 budget requests \$107.3 billion – a \$7 billion increase from FY 10. Operation and maintenance funds Soldier and unit training; ground and air vehicle operating costs; depot maintenance; base operations, sustainment, restoration, and modernization; and a 1.4% Civilian pay raise.

The OCO portion of the request includes \$628 million for the training and sustainment of the temporary wartime increase in personnel – an increase of \$242 million from FY 10.

The budget request works to restore balance to the force by recognizing \$587M of enduring requirements for training and depot maintenance in the base rather than in OCO. The base funds home station training for 59 brigade combat teams, 24 rotations through the Army's combined arms training centers, and an increased investment of \$154M in scholarships, language and individual training. It improves network security; operationalizes the LandWarNet; supports continued development and fielding of administrative systems; and provides funding for improvements in financial audit readiness (as required in NDAA 2009) by requesting an additional \$578M above the FY 2010 levels for these activities. The base budget also increases funding for facilities sustainment restoration and modernization by \$320M and includes one-time requests to support BRAC and the transition out of NSPS.

The OCO request will fund the day-to-day cost of the wars, training to prepare units for deployment, force protection, in-theater maintenance and repair, drawdown of equipment from Iraq, and reset of Army Prepositioned Stocks and equipment returning from deployment.

Compelling Needs:

- Sustain readiness through Soldier and unit training, including realistic, full spectrum training at the Army's three combat training centers
- Fund the reset of 30 brigades, other enabling units, and equipment

- Resource installation services worldwide and support the Army Family Covenant to provide Soldiers and their Families the quality of life they deserve and to enhance the health of the force

Procurement

The FY 11 budget requests \$30.3 billion – a \$200 million decrease from FY 10. Procurement funds the Army's future force equipment requirements; sustains modernization and recapitalization; and fills equipment shortages. The OCO request will fund procurement of weapon systems to replace battle losses, replacement of equipment taken for current operations from the reserve components, and to fill urgent operational needs for deployed forces.

Compelling Needs:

- Fund the fielding of the first Capability Packages to two more Army brigades
- Enhance Army command and control by providing an initial on-the-move networking capability resident in the Warfighter Information Network-Tactical (WIN-T), Increment 2
- Increase the Army's tactical agility through an aviation modernization strategy that highlights the increasing importance of unmanned aerial systems (ERMP, Shadow and Raven) and rotary wing aviation (AH-64D Block III Apache, UH-60M Black Hawk and CH-47F Chinook)
- Improve lethality and precision fires by modernizing the Patriot PAC-3 missile, the Guided Multiple Launch Rocket System, the High Mobility Artillery Rocket System, and the Paladin howitzer

- Sustain access to training and war reserve ammunition by restoring stocks and the selective repair, upgrade and replacement of key ammunition production base equipment and facilities

Research, Development, Test, and Evaluation

The FY 11 budget requests \$10.5 billion, approximately the same amount requested last year.

Compelling Needs:

- Fund Brigade Combat Team modernization including initial Ground Combat Vehicle development and further development of the second set of Capability Packages.
- Support Network modernization including continued development of WIN-T increment 2 and increment 3.
- Continues the international partnership to develop the Patriot Medium Extended Air Defense systems (MEADS)

Construction, Base Realignment and Closure (BRAC), and Army Housing

FY 11 is a critical year for BRAC since this will be the final budget executed to meet the statutory deadline for many of the BRAC actions. FY 11 will be a particularly challenging year for BRAC as four of our major command headquarters and many of our military schools will be moving to new locations. The FY 11 budget requests \$7.9 billion – a \$2.5 billion decrease from FY 10. This funding supports the construction of facilities to support the growth and re-stationing of Army forces. The OCO request will fund construction in Afghanistan.

Compelling Needs:

- Fund BRAC requirements to meet FY 11 statutory timelines
- Support construction of new family housing and improvements to existing housing
- Support construction of permanent party and training barracks

Other Accounts

The Army is the executive agent for a variety of critical functions within the Department of Defense, to include the Chemical Agents and Munitions Destruction Program. Funding for this account is \$1.6 billion in FY 11 – a decrease of \$100 million from FY10. The Army also has responsibility for the Iraq Security Forces Fund (ISFF), Afghanistan Security Forces Fund (ASFF), and Joint Improvised Explosive Device Defeat Organization (JIEDDO) appropriations. The Army budgets for recurring sustainment costs of JIEDDO with FY 11 funds at \$200 million – an increase of \$100 million from FY 10. The OCO Request will fund JIEDDO initiatives. The ISFF and ASFF are funded entirely through the OCO request.

Compelling Needs:

- Fund the Afghan Security Forces Fund and the Iraq Security Forces Fund to enable building essential security capacity
- Support JIEDDO appropriations and initiatives to combat the most dangerous threat to U.S. forces
- Continue the safe destruction of chemical agents and munitions and the closure activities at selected chemical demilitarization sites

Restoring Fiscal Balance

Timely and full funding of the Army's FY 11 request of \$245.6 billion will help ensure the Army is ready to meet the needs of the Nation and continue the process of restoring balance while setting the conditions for the future. Over the last eight years, the Army has received significant portions of its funding for combat readiness through OCO appropriations. This recurring reliance on OCO funds and an overlap between base and OCO sustainment programs means that the Army's base budget does not fully cover the cost of both current and future readiness requirements. Because of this reliance, a precipitous drop or delay in OCO funding does not fully fund the readiness of our Army for the current conflict. Army continues the orderly restoration of the balance between base and OCO requirements in its FY 2011 base budget request. This request fully funds Army authorized end strength and brings \$965M in O&M expenses back into the base rather than finance those requirements in OCO.

Addendum B – Reserve Component Readiness

Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum be reported. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102-484, referred to in this addendum as ANGCRRA). Section 521 reporting was later amended by Section 704 of NDAA 1996. U.S. Army Reserve information is also presented using Section 521 report criteria.

Section 517 (b) (2) (A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

In the Zone	AC in RC (%) *	Army Average (%) **
FY 2008		
Major	(0 of 1) 0%	92.8 %
Lieutenant Colonel	(1 of 1) 100%	89.1 %
FY 2009		
Major	(56 of 63) 88.9%	94.1%
Lieutenant Colonel	(16 of 20) 80.0%	87.9%

*Active component officers serving in reserve component assignments at time of consideration.

**Active component officers not serving in reserve component assignments at the time of consideration.

Section 517 (b) (2) (B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

Below the Zone	AC in RC (%) *	Army Average (%) **
FY 2008		
Major	(0 of 4) 0%	4.9%
Lieutenant Colonel	(0 of 0) 0%	13.5%
FY 2009		
Major	(2 of 4) 50.0%	6.0%
Lieutenant Colonel	(0 of 1) 0.0%	7.2%

*Below the zone active component officers serving in reserve component assignments at time of consideration.

**Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

Section 521(b).

1. The number and percentage of officers with at least two years of active-duty before becoming a member of the Army National Guard or the US Army Reserve Selected Reserve units.

ARNG officers: 14,760 or 36.3 percent

Army Reserve officers: 19,573 or 59 percent

2. The number and percentage of enlisted personnel with at least two years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

ARNG enlisted: 85,255 or 26.8 percent

Army Reserve enlisted: 63,311 or 41.6 percent

3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRRA:

In FY09, 10 graduates from Service Academies were serving in the Army National Guard to complete their service obligation.

In FY09, 0 graduates from Service Academies were serving in the Army Reserve to complete their service obligation.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRRA, together with the reason for each waiver:

In FY09, no waivers were granted by the Secretary of the Army.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRRA:

In FY09, no distinguished Reserve Officers' Training Corps (ROTC) graduate was released before completing their active-duty service obligation.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRRA, together with the reason for each waiver:

In FY09, no waivers were granted by the Secretary of the Army.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) two years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In FY09, one ROTC graduate was released early from their active-duty obligation. The officer is serving the remainder of his/her obligation in the ARNG

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

There are no longer active and reserve component associations due to operational mission requirements and deployment tempo. Active component officers no longer concur or non-concur with unit vacancy promotion recommendations for officers in associated units according

to section 1113(a). However, unit vacancy promotion boards have active component representation.

In FY09, 2,223 ARNG officers from units were recommended for position-vacancy promotion and promoted. This number consists of 319 U.S. Army Medical Department, 1,864 Army Promotion List and 40 Chaplains.

In FY09 the estimated percentage of Unit Vacancy Promotions CPT through COL in which an active component representation was on the state unit vacancy promotion board is as follows:

AMEDD	12 %
APL	10 %
Chaplain	13 %

In FY09, 59 Army Reserve officers from units were recommended for position-vacancy promotion and promoted. This number consists of 9 U.S. Army Medical Department, 47 Army Promotion List, and 3 Chaplains.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.

In FY09, the ARNG had a total of 201 Noncommissioned Officers receive a military education waiver. As of September 30, 2009 all those waiver recipients were eligible for promotion to the next rank, but none have obtained the military education requirement that was previously waived.

In FY09, the Army Reserve had a total of 331 Soldiers receive a military education waiver. Of these, 124 were SGTs in need of a waiver for Warrior Leader Course (WLC) as a result of being deployed or assigned to Warrior Transition Units (WTU) (Medical Hold or Medical Hold-Over Units) whose medical condition was incurred in direct support of Overseas Contingency Operations and who were otherwise eligible for promotion, if recommended. Furthermore, eligible Soldiers lacking the prerequisite level of military education due to operational deployment conflicts or the inability of the Army to schedule the course, were granted waivers. This included 173 Soldiers who were granted waivers for the Basic NCO Course (Now Advanced Leader Course) and 34 Soldiers who were granted waivers for the Advanced NCO Course (now Senior Leader Course).

The Secretary of the Army has delegated the authority for the waivers referred to in section 1114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S Army Reserve Command. A majority of these waivers were approved due to the Soldiers being deployed and/or performing operational missions. Each reserve component maintains details for each waiver.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (A narrative summary of information pertaining to the Army Reserve is also provided.)

In FY09, the ARNG had 61,812 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., pending administrative/legal discharge or separation, medical non-availability, incomplete initial entry training, officer transition, unsatisfactory participation, or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment).

In FY09, the Army Reserve had 49,330 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., pending administrative/legal discharge or separation, medical non-availability, incomplete initial entry training, officer transition, unsatisfactory participation, or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment).

9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

The number of ARNG Soldiers discharged during FY09 pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the Army National Guard is 141 officers and 15,105 enlisted Soldiers from all U.S. states and territories. The breakdown by each state is maintained by the NGB.

The number of Army Reserve Soldiers discharged during FY09 for not completing the minimum training required for deployment within 24 months after entering the Army Reserve is 63 officers and 2,910 enlisted Soldiers. Soldiers who have not completed the required initial entry training within the first 24 months are discharged from the Army Reserve under AR 135-178, Separation of Enlisted Personnel. Officers who have not completed a basic branch course within 36 months after commissioning are separated under AR 135-175, Separation of Officers.

10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRRA of the requirement in section 1115(c)(1) of ANGCRRRA described in paragraph (9), together with the reason for each waiver.

In FY09, no waivers were granted by the Secretary of the Army for the Army National Guard or the U.S. Army Reserve.

11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).

a. The number and percentage who did not meet minimum physical profile standards required for deployment:

In FY09, 242,777 ARNG Soldiers underwent a Periodic Health Assessment (PHA) physical. Of these personnel 18,830 or 7.7 percent were identified for review due to a possible deployment limiting condition or failure to meet retention standards.

In FY09, 115,133 Army Reserve Soldiers underwent a PHA physical. Of these personnel 21,505, or 18.68 percent were identified for review due to a possible deployment limiting condition or failure to meet retention standards. The FY 2008-2009 increase is most attributable to PHA physicals now being required annually.

b. The number and percentage that were transferred pursuant to section 1116 of ANGCRRRA to the personnel accounting category described in paragraph (8).

In FY09, 18,830 ARNG Soldiers were transferred from deployable to nondeployable status for failing to meet medical deployability standards. This number includes Soldiers returning from a mobilization with a new medical condition and reflects an increase in the accuracy of electronic databases.

In FY09, 21,505 Army Reserve Soldiers were considered non-available for deployment for failing to meet medical deployability standards. The new PHA physicals being required annually may account for the increase in those being found to be non-deployable.

12. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRRA.

13. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRRA.

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRRA.

14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1117 of ANGCRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.

Repealed. Public Law 104-106 (NDAA 1996), Div A, Title VII, Section 704 (b), February 10, 1996, repealed Section 1118 of ANGCRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and AR units) in a post-mobilization period for purposes of section 1119 of ANGCRRA.

Per January 2007 direction from the Secretary of Defense (SECDEF) reserve component unit mobilizations are limited to 400-day periods, including a 30-day post-mobilization leave and all post-mobilization training.

The most significant impact of this policy change is that many training tasks previously conducted during the first three to six months of mobilization have been identified for pre-mobilization training, and units are training to standard on as many of these tasks as resources permit. Information on the type of training required by units during post-mobilization is maintained by First Army. The data are not captured by state.

ARNG units strive to train in accordance with the Army Force Generation (ARFORGEN) process in order to prepare for operational missions and reduce post-mobilization training time. The ARFORGEN process requires increased resources for company-level training proficiency prior to mobilization. This training generally consists of individual warrior training tasks, weapons qualification and gunnery, battle staff training, and maneuver training. This is followed by theater-specific tasks and higher level collective training to complete the predeployment requirements for the unit's specific mission. The goal for post-mobilization training time for a brigade-size organization is approximately 60 days.

Post-mobilization training time is contingent upon the amount of certified pre-mobilization training conducted, the type of unit, and its assigned mission. In order to reduce post-mobilization training time, the ARNG has developed programs and products such as the ARNG Battle Command Training Capability, the eXportable Combat Training Capability (XCTC), training devices, and range complexes for our units.

The combination of programs and products, provide units with the capability to accomplish more during pre-mobilization training and therefore reduce post-mobilization training time.

The Army Reserve developed the Regional Training Center (RTC) concept in response to the SECDEF decision to restrict RC mobilizations to one year. These centers provide the capability for Army Reserve units to conduct training on Theater Specific Required Training (TSRT) to theater standards and conditions. The majority of training is on individual tasks but some collective training is also conducted. Because of certification by unit commanders, most of the training is not repeated in post-mobilization status. Exceptions are for tasks incorporated into other required training events and for convoy operations training.

The TSRT training is for units that will deploy to theater, including non-rotational forces (MTOE and TDA). Units mobilizing for CONUS based missions do not require this training.

Each RTC conducts standard rotations throughout the year although each has the capability to adjust training for selected large unit participation. Initially the Army Reserve provided a staff projection to DA that the training would require 17 days, but in actual implementation the training has required 21 days.

Army goals for post-mobilization training for Army Reserve headquarters and combat support/combat service support units range from 30 to 60 days. Post-mobilization training conducted by First Army

typically consists of counterinsurgency operations, counter-improvised-explosive-device training, convoy live-fire exercises, theater orientation, rules of engagement/ escalation-of-force training, and completion of any theater-specified training not completed during the pre-mobilization period.

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).

During FY 09, the ARNG continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs with the training requirements of the ARFORGEN training model. By synchronizing the use of TADSS with ARFORGEN, the ARNG continues to improve unit training proficiency prior to mobilization.

To support the training requirements of M1A1 Abrams and M2A2 Bradley-equipped Brigade Combat Teams (BCT's), the ARNG continued the fielding of the Advanced Bradley Full-Crew Interactive Simulation Trainer, which provides full crew-simulations training for M2A2 units, Tabletop Full-fidelity Trainers for the M2A2, and the Conduct of Fire Trainer XXI for M1A1 and M2A2. When fully fielded, these devices, in addition to the Abrams Full-Crew Interactive Simulation Trainer XXI, will be the primary simulations trainers to meet the virtual gunnery requirements of M1A1 and M2A2 crews.

In order to meet the virtual-maneuver training requirements in the ARFORGEN process, M1A1 and M2A2 units use the Close-Combat Tactical Trainer (CCTT) and the Rehosted Simulations Network (SIMNET) XXI, in addition to the Rehosted SIMNET CCTT Core. The CCTT, SIMNET XXI, and SIMNET CCTT provide a mobile training capability to our dispersed units.

In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations, the ARNG is fielding the Virtual Convoy Operations Trainer (VCOT). The VCOT, through the use of geo-specific databases, provides commanders with a unique and critical mission rehearsal tool. Currently, 32 VCOT systems are positioned in the ARNG force to train units on the fundamentals of convoy operations.

In order to meet basic and advanced rifle marksmanship requirements, the ARNG is fielding the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship-training device. The ARNG is also continuing use of its previously procured Fire Arms Training System (FATS) until EST 2000 fielding is complete. The EST 2000 and FATS are also used to provide unit collective tactical training for dismounted Infantry, Special Operations Forces, Scouts, Engineer, and Military Police squads, as well as combat support and combat service support elements. These systems also support units conducting vital homeland defense missions.

The ARNG supplements its marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The ARNG currently has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition. It is utilized for developing and sustaining marksmanship skills, diagnosing and correcting marksmanship problems, and assessing basic and advanced skills.

The ARNG has further developed its battle command training capability through the three designated Battle Command Training Centers (BCTCs) at Fort Leavenworth, Camp Dodge, and Fort Indiantown Gap, and the Distributed Battle Simulation Program (DBSP). BCTCs provide the backbone of the program as collective hubs in the battle command training strategy. The DBSP provides Commanders assistance from Commander's Operational Training Assistants, TADSS facilitators, and Technical Support Teams. BCTCs and the DBSP collectively help units in the planning, preparation, and execution of simulations-based battle staff training that augments the Department of the Army-directed Warfighter Exercises and greatly enhances battle staff and unit proficiency.

In order to provide the critical culminating training event of ARFORGEN, the ARNG has implemented the XCTC. The XCTC program provides the method to certify that ARNG combat units have achieved company-level maneuver proficiency prior to mobilization. The XCTC incorporates the use of advanced live, virtual, and constructive training technologies to replicate the training experience until now only found at one of the Army's Combat Training Centers.

The centerpiece of the XCTC is the Deployable Force-on-Force Instrumented Range System (DFIRST). DFIRST utilizes training technologies that allow for full instrumentation of the training area from major combat systems down to the individual Soldier, role player, and Civilian on the battlefield.

The most important part of every training exercise is the After-Action Review (AAR). By full instrumentation of the units, Soldiers, and training areas, units receive an AAR complete with two-dimensional, three-dimensional, and video playback of the actual training exercise. This allows Commanders and Soldiers to see what occurred during the training exercise from a different perspective, further enhancing the training experience.

The Army Reserve continues to leverage—to the extent resources permit—TADSS into its training program. Implementation of Army Campaign Plan Decision Point 72 continues with establishment of the 75th Battle Command Training Division (BCTD) (Provisional). This division, with five battle command training brigades, employs legacy constructive simulations to provide battle command and staff training to Army Reserve and Army National Guard battalion and brigade commanders and staffs during pre-mobilization and post-mobilization. The concept plan as well as requirements for supporting Army battle command systems and simulations drivers for the 75th BCTD is pending Headquarters Department of the Army (HQDA) approval.

The Army Reserve continues to partner with the Program Executive Office, Simulations, Training and Instrumentation; Training and

Doctrine Command agencies; and HQDA to define TADSS requirements for combat support and combat service support units. The 75th BCTD is on the Entity-level Resolution Federation (ERF) fielding plan. The ERF provides a high-resolution (e.g., individual Soldier-level fidelity aggregated to unit resolutions) joint constructive battle staff training simulation.

The LMTS and EST 2000 remain essential elements of Army Reserve marksmanship training. LMTS procurement continues, and distribution throughout the Army Reserve force continues to increase. The LMTS has also been adapted to support convoy operations training. In either individual pre-marksmanship training or convoy modes, the system allows the Soldier to use an assigned weapon, as well as crew-served weapons, in a simulation/training mode. EST 2000 systems have been fielded to many Army Reserve Engineer and Military Police organizations to enable full use of its training capabilities by units with high densities of crew-served weapons their at home stations.

The Army Reserve also has a number of low-density simulators it employs to reduce expensive "live" time for unique combat service support equipment. For example, Army Reserve watercraft units train on the Maritime Integrated Training System (MITS), a bridge simulator that not only trains vessel captains but the entire crew of Army watercraft. In 2007 the Army Reserve invested in communications infrastructure so that the MITS at Mare Island, California can communicate and interact with another Army MITS at Fort Eustis, Virginia. This provides the capability to conduct distributed multi-boat collective training among all the simulators. Of note, the MITS is also

used by U.S. Navy, U.S. Coast Guard, and harbor management agencies. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for floating watercraft maintenance units. Other simulator requirements are being identified in requirements documents.

18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information:

Readiness tables are classified. This information is maintained by the Department of the Army, G-3.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:

Summary tables and overall assessments are classified. This information is maintained by the Department of the Army, G-3.

19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:

a. The number of such inspections;

b. Identification of the entity conducting each inspection;

c. The number of units inspected; and

d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

During FY09, Inspectors General and other commissioned officers of the Regular Army conducted 947 inspections of the ARNG, inspecting 1,403 ARNG units. The bulk of these inspections, 711, were executed by Regular Army officers assigned to the respective States and Territories as Inspectors General. First Army and the Department of the Army Inspectors General conducted 96 of the inspections, and the remaining 140 by the U.S. Army Forces Command (FORSCOM); Training and Doctrine Command (TRADOC); Communications-Electronics Command (CECOM); and the U.S. Army Audit Agency.

Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections were not provided with a pass / fail rating. Results of such inspections may be requested for release through The Inspector General of the Army.

Operational Readiness Evaluation data for the Force Support Package and expanded separate brigades are unavailable, as inspections thereof were eliminated as requirements in 1997. Data available under the Training Assessment Model (TAM) relates to readiness levels and is generally not available in an unclassified format. TAM data are maintained at the state level and are available upon request from state level-training readiness officials.

In accordance with AR 1-201, *Army Inspection Policy*, the U.S. Army Reserve Command (USARC) conducts inspections of regional readiness commands and direct support units within requirements of the USARC Organizational Inspection Program (OIP). Per the Army Regulation, OIPs at division levels and above mainly comprise staff inspections, staff assistance visits, and Inspectors General. Staff inspections are only one aspect by which Commanding Generals can evaluate the readiness of their commands. The Inspector General conducts inspections and special assessments based on systemic issues and trends analysis with emphasis on issues that could impede the readiness of the Army Reserve.

The Chief, Army Reserve, directed the Inspector General to conduct special assessments in FY09 prompted by concerns over systemic issues. One was the Special Assessment of Training Management. Its objective was to determine if units in the Army Reserve were in compliance with Command Training Guidance for Training Years 2008-2010, with emphasis on the execution of weapons training, remedial training, qualification, and ammunition availability. This assessment also encompassed an annual regulatory review of compliance with and effectiveness of the Army Voting Assistance Program, a program of special interest to the Department of the Army. Another was the Special Assessment of the Impact of Army Reserve Equipment Shortages (Funding/Availability/Modernization) and Training with the US Army Reserve Command (USARC), which evaluated training issues due to equipment shortages and the affect it had on our Soldiers' morale.

The Army Reserve is meeting regulatory requirements through a combination of Battle-Focused Readiness Reviews (BFRRs) and staff assistance visits, with the assistance visits conforming to regulatory requirements of AR 1-201. The BFRR is the tool used by major subordinate Commanders to provide the Army Reserve Commanding General a status on resources and readiness of their commands, and resolve systemic issues/trends in order to achieve continuous improvements in readiness. The Army Reserve conducted 19 BFRRs in FY09, while inspecting 65 units. The staff assistance visits were more oriented to a particular topic in the staff proponent's area.

20. A listing, for each ARNG combat unit (and US Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and US Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such ARNG unit (and for the US Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or US Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.

There are no longer ground combat active or reserve component associations due to operational mission requirements and deployment tempo.

As FORSCOM's executive agent, First Army and U.S. Army Pacific (USARPAC) for Pacific based Reserve Component units, execute active duty associate unit responsibilities through both their pre-mobilization and post-mobilization efforts with reserve component units. When reserve component units are mobilized, they are thoroughly assessed in terms of manpower, equipment, and training by the appropriate chain of command, and that assessment is approved by First Army or USARPAC as part of the validation for unit deployment.

Validation of the compatibility of the Reserve Component units with the active duty forces occurs primarily during training and readiness activities at mobilization stations, with direct oversight by First Army, USARPAC, and FORSCOM.

21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC. 261 note), shown (a) by State for the Army National Guard (and for the US Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

Title XI (FY 09) Authorizations				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	97	110	8	215
TRADOC	50	3	0	53
FORSCOM	979	2,165	101	3,245
USARPAC	30	49	1	80
TOTAL	1,156	2,327	102	3,593

Title XI (FY 09) Assigned				
	OFF	ENL	WO	TOTAL
U.S. Army Reserve	28	77	7	112
TRADOC	5	5	0	10
FORSCOM	659	2,119	85	2,863
USARPAC	28	53	1	82
TOTAL	720	2,254	93	3,067

As of September 30, 2009, the Army had 3,067 active component Soldiers assigned to Title XI positions. In FY06, the Army began reducing authorizations in accordance with the National Defense Authorization Act 2005 (NDAA 2005, Public Laws 108-767, Section 515). Army G-1 and U.S. Army Human Resources Command (HRC) carefully manage the authorizations and fill of Title XI positions. The data is captured at the command level. The actual duty location for each position is not captured down to the state level of detail.

Mr. EDWARDS. Thank you, Chief. Thank you for the scorecard. That is a much kinder scorecard than most Americans give Congress these days.

But I think this committee has a right to be proud of its work on a bipartisan basis on these quality-of-life issues, and we take that seriously, because when you are fighting for a Joint Strike Fighter, new nuclear aircraft carrier, there are a lot of business lobbyists running around the halls of Capitol Hill lobbying because it is in their economic interests, but not many coming around asking for new hospitals or day care centers or training barracks, so it is a privilege for us to work with you on that.

Why don't we start the questions with Mr. Wamp?

TRAINING NEEDS

Mr. WAMP. Thank you for the courtesy, Mr. Chairman.

Number one, I compliment you on your testimony. It was not even written, and it was incredibly concise and articulate and very effective, but it is all just inside of you, and that is why you are who you are, General Casey.

When you talk about the training component as you go through this modular transformation, what are the MILCON needs in the new training paradigm for this persistent conflict? Are there any things that you see here after 40 years that we need to key into? I understand your specific requests and needs for now, but what new training needs are there in terms of facilities for training the men and women to the level at which your priorities call for?

General CASEY. Yes, that is a great question. And, you know, we are now getting to the point where the soldiers have 17, 18, 24 months at home. They will begin to start training on things other than preparing for Iraq and Afghanistan. And that part of our training infrastructure has not been exercised as much as it has.

Now, back in February 2008, we implemented a doctrine of full spectrum operations, and offense, defense and stability operations applied simultaneously no matter where you are on the spectrum of conflict. And we have yet to take that to our training facilities and our ranges and really figure out what that means. And that is a process that we have started at the combat training centers in putting in scenarios that allow our forces to operate against hybrid threats rather than just insurgents.

And I think our understanding of that is going to grow over time, so I would say we have plenty of money in this to upgrade ranges, but as our concept for training evolves, I think we may come forward here with some additional requirements for adapting our ranges.

ARMY NATIONAL GUARD

Mr. WAMP. My nephew, who is an Army National Guardsman from Tennessee just got back from his second tour in Iraq. My world at home is seen through Fort Campbell and seen through unbelievable Tennessee Army National Guard deployments—multiple deployments. I know families that have been deployed four times. Probably three and four were totally voluntary. They said they would go back again, because it is important work.

But from your perspective—and I have been with General McKinley a whole lot lately. He has been in Tennessee a lot, and to have the top soldier in the National Guard wearing four stars kind of speaks to one force performing today in this persistent conflict and incredible deployment and of the need for the National Guard to continue to come up more at parity with our active component.

How do you think that is going? And, like, on the MILCON side I know it is still a small percentage of MILCON needs that go to the National Guard, but do you think—do you feel like it is coming into balance, speaking of the balance of Guard and active?

General CASEY. Absolutely. In fact, half the Guard are combat veterans today. That is a fundamentally different Army than it was a year ago. Actually, in this budget the military construction for the Guard is the highest they have ever had in the base budget. And so we are definitely continuing to invest not only in military construction, but also in the equipment side of things.

Mr. WAMP. Do you know what percentage it is? I think last year was only 8 percent. Do you know what the percentages of the total MILCON project that is designated for the Guard? Is there a percentage?

General CASEY. Well, 874 of—so it is about one-eighth, a little, about one-eighth, one-eighth.

Mr. WAMP. So up from 8 percent to 12 percent. Okay.

General CASEY. So, anyway, your point on the Guard and Reserve training and training facilities. One of the things that the 12-month mobilization policy has caused us to do is get much more efficient in the training. And so we are going back to I think it is about six locations around the country. We are putting Guard and Reserve training centers, and we are upgrading them so that, you know, that we can continue to this.

And that is a much different mindset than we had, you know, 8 years ago because we can let this stuff lay fallow because we only needed it for the big one. Now we are constantly mobilizing and demobilizing 70,000 to 80,000 Guardsmen and Reservists a year. And that has been continuous. That is a different ballgame.

DEPLOYMENTS

Mr. WAMP. And then my final question, in case I cannot come back after these votes, Mr. Chairman, is—and Mr. Crenshaw is here, Mr. Carter is here—in terms of deployments, and I don't want anybody in your position or the commander-in-chief to telegraph what we are planning to do or when we are planning to do it, but if Afghanistan goes according to the plan and we are able to fix our up-tempo and modify these ratios back towards 3-to-1 ultimately, when do you see that beginning to change in terms of this continuing 1-to-1, close to 1-to-1 ratio? What is the timeline you see—2 to 3 years?

General CASEY. Well, even with the plus-up in Afghanistan, we get 70 percent of the active force to 1 year out, 2 years back by the end of 2011, and we get 80 percent of the Guard and Reserve to 1 year out, 4 years back at the end of 2011.

Mr. WAMP. Wow.

General CASEY. And the rest comes in 2012. And those that don't make it are in the 18 to 24 range. So we will continue to get better, assuming the drawdown—

Mr. WAMP. So assuming, then, and under your definition, we will get back to sustainable deployment levels by 2012.

General CASEY. Well, I would say we get back to acceptable levels in 2012, but I think it is probably going to be 2013 or 2014 before we get to 1-to-3, 1-to-5, which to me is sustainable. One-to-two is a heckuva lot better than 1-to-1, but it is not sustainable. I mean, that means that you are saying to a young lieutenant coming in at 1-to-2, "You are going to be gone for 10 years of your 30-years' career."

Mr. WAMP. And if you were saying, in your position after 40 years, to anyone still here as a policymaker at that point, after we get back to more normal rotations, where does that leave the need of the United States military in terms of our investment in capability going forward? I know we are not hollowed out to that point because of this long-term investment, but are we short. Are we adequate? Do we need to invest?

I mean, going back to the Reagan years, you get to a point where you know in your heart we need to invest in our military again. I am talking about infrastructure, facilities, equipment, bullets and bombs. Do you think at the end of that period, when we are back to a more normal deployment tempo, will we need the nation to invest heavily in our military again to just get us back up to a preparedness level?

General CASEY. I don't think—I mean, we have invested majorly in our military over the last 6 or 7 years. And so from a facilities perspective, from an equipment perspective, you know, we are in pretty good shape, and then there are things programmed that will just continue to help us get better.

SUSTAINMENT

The issue is going to be sustaining, sustaining that over the long haul, because just on the facility side, I mean, we have significantly increased the amount of facilities on our installations. And so now we got to maintain them. So it will be probably in different bins, but we are going to have to invest a lot to sustain this force.

Mr. WAMP. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Wamp.

Mr. Farr.

Mr. FARR. I was just thinking your paper was excellent, really great—we should get it out there for everybody to understand where the Army stands today. When I arrived in Congress about 17 years ago, I think the attitude around here was the future was not going to be the Army. It was going to be Star Wars. We are going to fight all these battles from the air, and we were going to do it all by technology.

VOLUNTEER FORCE

And it is just amazing how things have turned around. This global war on terrorism has really made it people-to-people, but I don't think it changed the soldier, because I think the soldiers are al-

ways interested in human nature, human beings, but it certainly made us prepare little bit differently.

When I just read the roles of the land forces where you wrote, “Over 3,900 American soldiers have given their lives, and more than 25,000 others have been wounded during this long period of sustained conflict ever fought by an all voluntary force. Today’s Army has over 255,000 soldiers and more than 18,500 Army civilians serving in nearly 80 countries around the world, with the remainder stationed within the United States supporting domestic missions, resetting from recent deployments and preparing for upcoming deployments.”

And I was struck by the fact that it is the longest period of sustained conflict, and we have done it all with volunteers. It has not discouraged people from continuing to volunteer. You know, I represent the Monterey Peninsula, and I am too much on this committee talking about it, but I remember General Abizaid said that the institutions on the Monterey Peninsula were a national treasure, and so much of what we do is relevant to your mission.

DEFENSE LANGUAGE INSTITUTE

And so my questions are kind of down in the weeds, but it relates to the Defense Language Institute. The Army has proposed in the FYDP in 2012 and 2013 to include \$49.5 million for another barracks and classroom remodeling. Some of that classroom building was supposed to have been funded by the budget last year, but fell out.

And last year the Army civilian leadership suggested a decline in student enrollment in the DLI in the outyears. But given that the fiscal year 2013 FYDP recommends new barracks, does that mean that the Army thinks the DLI enrollment will continue to grow? What are the future enrollment projections? Do you know that?

What I am trying to say is that we have got to better understand these languages and cultures. I remember one of the specialists coming back from Iraq when we were putting billions of dollars into IEDs, and he asked a fundamental question: “Why don’t we study what makes people set these things off in the first place?”

I love that question. You cannot do that until you understand cultures and so on, and the DLI obviously plays a big role in that. Where do you see the future of the school going? Do we need more linguists? And do we need more FAOs and AOs and folks with that kind of specialty?

General CASEY. Absolutely. I only see the language requirement grow. And we have done a lot of work on—I call it—the core skills, the FAOs and the intelligence analysts and those folks. What we are seeing now—and this is also predicated on demand from theater—is Stan McChrystal is saying, “I want one Dari speaker per platoon that is at a 1-to-1 level.”

Now, so we need to do that. Now, all of those folks are not going to go to Monterey, and they are talking about mobile training teams that go out, spend some time at the bases, putting language labs on bases and everything. But, I mean, we all know the direction that is going, and the language and culture are a huge part of our ability to be effective in this century.

STABILIZATION RECONSTRUCTION

Mr. FARR. How about the other side of it is that once we are there, understanding how to do stabilization and reconstruction. It seems to me that is a whole new MOS that has come out of this conflict, and we now have a department at the Naval Postgraduate School that is educating our military. But the problem is that every command sees they need people with that background, but we have not created the MOS for it. And I wondered whether you thought that was worth doing.

General CASEY. Yes, I think we talked about this last year and about creating a special MOS for that. Now, when we look at our doctrine, as I mentioned full spectrum operations, those stability operations, we consider that to be something that the entire force does. But as you suggest, we do need specialists there, and I don't know where that went in last year's, so I will go back and revisit that. I will send you a note on that, where we are with that stability and—

Mr. FARR. Appreciate that. Thank you. I wanted to comment on—

General CASEY. I may finally get there one day.

Mr. EDWARDS. Great. We are going to stick to the 5-minute rule only because of the pending vote. This is a 15-minute vote, three votes after this.

Judge Carter. I would like to recognize you now.

Mr. CARTER. General Casey, good to see you again. Two times in a day is pretty special. All of my questions are all kind of tied together, so I can get a bunch of answers pretty easily.

The Quadrennial Defense Review is complete. The Army has a better picture of its construction requirements for the next few years. Can you talk about the military construction of the Army and how that may be affected? We know the FYDP undergoes adjustments, but do you anticipate significant cuts in construction programs and installations as we track out 5 years of time?

And as you look at that, are you doing planning, because if you do start to draw down the Army, it will probably be the retirements and incentives to get out, which leaves younger soldiers filling in the blanks, and those younger soldiers would then tend to be barracks soldiers more than off-post-soldiers.

And we have been talking about barracks construction. Several questions have been asked about barracks construction. What do you see down the road for that? And finally, what about privatization? The Navy told us they are on hold on theirs. Are we still thinking about it—barracks?

BARRACKS CONSTRUCTION

General CASEY. Barracks probably yes, okay.

Mr. CARTER. That is a big question.

General CASEY. Can we do that last one first? That is simple. You know, we had that pilot program going on at four places. We are generally satisfied with the results of that. Frankly, my own personal view is we have done so well with the family housing privatization, if it works half as well for barracks, we will—we will be in good shape.

Now, you know, what is the crystal ball say after the QDR? And as you may know, we are in the throes now of putting together the 2012–2017 program. And so we are trying to figure out what that crystal ball says. You know, we are not planning any major force structure reductions right now. I cannot get there right now.

We have to get back to at least 1-to-2 for a few years, and then all of the sudden they get to 1-to-3. Well, if you cut the force, you are never going to get there. Otherwise you have to accept the fact that—

Mr. CARTER. I agree with that.

FORCE STRUCTURE

General CASEY [continuing]. You don't you think you can do less. You have to do better.

But that said, we were talking about this in the other room. You know, we don't have big aircraft carriers or satellite programs or bomber programs that people can cut. We have force structure. That is it. And all our big dollars are in force structure. Forty percent of our budget is in the personnel side. And so when we get cut, we get substantial cuts, we either have to take down force structure or stop modernizing.

And we are not there yet, but as I look at 2012–2017, that period, I just cannot imagine that the budgets that we have been getting over the last 4 or 5 years are not going to start to taper off and come down. And so we are looking at that, but right now there are no major force structure reductions planned.

You will see us—we have got two combat aviation brigades to base, and there are discussions going on now about whether or not these two brigades come back from Europe. And that was deferred. The decision on that was deferred again until after the NATO Strategic Concept is finished. So those are some potential large construction builds that are out there.

Mr. CARTER. Okay. Thank you.

General CASEY. Thanks.

Mr. EDWARDS. Thank you.

Mr. CARTER. Good answer. Straight answer.

Mr. EDWARDS. Congressman, I am going to recognize Mr. Crenshaw.

In terms of procedure, if staff would let us know when there are 3 minutes left on this vote, and then I think what I will do is go up and vote on the first vote, vote on the second vote immediately when it opens, and then come back down.

MENTAL HEALTH SERVICES

I don't know how many of you can stay or need to go to other meetings, so I am going to leave that to you. But at least I will come back down immediately after the second vote. That will leave us a range of about 10 minutes or so before the next vote.

Mr. Crenshaw.

Mr. CRENSHAW. Mr. Chairman, I would be happy to yield my time to you to now go to vote.

Mr. EDWARDS. That would be good.

MENTAL HEALTH

Mr. CRENSHAW. Just maybe just one question, General. We had a really interesting discussion yesterday. We had some of the VA folks, particularly mental health services, and then we had kind of the consumer side. We had the head of one of the veterans groups from Iraq and Afghanistan.

And we were just talking about the fact that so often we got great trained troops that go off to fight, best trained in the world, best equipped, and their training starts away ahead of time before they actually go to the battlefield. Then when they come home to go back to society or go back to their career or go back to their family, we don't really—there is not much training there. Maybe somebody comes in and says, "Well, getting ready to go back. You got any—need any help, or whatever—thoughts?"

And one of the things that came out of that was that so often when particularly in counseling and mental health in today's world because of the two battlefronts we are in, when people come back, they really don't want to talk to anybody. They don't know people, if they come back. And there is a 1-day and somebody comes in and says, "Well, I just want to tell you about the services we have got if you need counseling, you need some this, whatever."

And this all became in a—I don't know what size unit it might be, but if there were somebody in that unit that was kind of trained and charged to kind of help in that transition back, that they would actually be part, you know, if they would serve in a unit for 2 or 3 years or if they are in deployment for a year or whatever, then when everybody came back, there would be this one kind of one-stop shopping where one of the individuals would have a little bit of training that might go on over the course of time, but just somebody that everybody would know and have worked with and fought with.

And if they had any thoughts, they could kind of, you know, go to this individual that—and I guess the question is, is that something you all thought about? Does that make sense? I mean, I am sure there are some problems with that, but it seems to me it might help the transition back just like the transition going in terms of training.

General CASEY. It makes great sense. In fact, we started a program in October called Comprehensive Soldier Fitness. And I think I talked about it last year. It was conceptual last year. We physically started it in October, and one of the main elements of that program are what we call master resilience trainers.

And these are sergeants, and there are a few family members that we have taken to the University of Pennsylvania. And there is a 10-day training program that they grow through there. And our goal is to put one of these folks in every battalion in the Army by the end of this year to do exactly what you say. There is a soldier there that understands resiliency and how to help folks deal with tough challenges. And you go see this, the guy who is always there, just exactly like you said. So we think this has great possibility.

The other elements of the program—there is an online survey that a soldier or family member and soon a civilian can do in the

privacy of their own home. And it gives you a strength rating in the five key areas of fitness—physical, emotional, social, spiritual and family. You just get a little bar graph. If you have long bars, you are okay. If you have short bars, you need a little work.

Then it allows you to connect to some online self-help modules, again, that you can do in the privacy of your own rooms there. And then to the rest, the master resilience trainer, he ties all that stuff together. Three hundred eighty thousand soldiers have taken that, and family members have taken that assessment tool already to date, and our goal is to have them all completed here by the summer. So it is exactly the right direction to go, and we are moving out in that direction.

Mr. CRENSHAW. Thank you very much.

Thank you.

Mr. EDWARDS. And we will stand recessed until immediately after the second vote.

[Recess.]

PERCENTAGE OF ARMY SOLDIERS KILLED IN IRAQ AND AFGHANISTAN

Mr. EDWARDS. I call the subcommittee back to order.

General Casey, this vote will be kept open for a while. And I talked to Judge Carter and Mr. Crenshaw. Mr. Wamp and I talked. We felt that additional questions we would have we could submit in writing and to allow you to get back to your very, very busy schedule.

I just want to ask one question, if you might know the answer to this. In your testimony there have been 3,900 soldiers that have lost their lives in service in Iraq and Afghanistan?

General CASEY. Soldiers, right. There is more than that when you take all the services—

Mr. EDWARDS. And I know every serviceman and woman, soldier, sailor, airman, Marine, Guardsman, who has served during this time period over the last decade have sacrificed and served our country, but just to know the numbers, do you know what percent of all the servicemen and women killed in Iraq and Afghanistan, approximately what percent have been soldiers?

General CASEY. Oh, of the total.

Mr. EDWARDS. Of the total.

General CASEY. It has been a while since I have looked at that. I want to say it is—it is better than 70 percent, but I am not 100 percent sure.

Does somebody know that back there?

Mr. EDWARDS. We can get that number.

General CASEY. I can get that for you.

[The information follows:]

Army Soldiers make up 73 percent of the total military personnel killed in action in Iraq and Afghanistan.

Mr. EDWARDS. We can get that number in writing. And that is not to denigrate in any way the sacrifice of the other services, but just it underscores the incredible sacrifice of American soldiers and their families in this war against terrorism.

Mr. Wamp, do you have any additional questions?

Mr. WAMP. Let him go back to his responsibilities.

Thank you, General Casey. As Chet and I said on our way down here, it is an incredible privilege for us to be across the table from you, based on who you are and who you represent. And the freedoms that we take sometimes for granted in this country are in your hands. We are grateful for you.

General CASEY. Well, thank you. Don't discount the role that you all play in allowing us to do this. So thank you very much.

Mr. EDWARDS. All right. It is a privilege. And let us know how we can continue to work together. Thank you, Chief, for appearing here today.

General CASEY. Thank you.

Mr. EDWARDS. We stand adjourned.

Mr. WAMP. Thank you very much.

Mr. EDWARDS. You bet. Thank you, Zach.

[Questions for the Record submitted by Congressman Wamp]

RESTORING BALANCE

Question. For the last three years, we have heard or read in your testimony the importance of restoring balance to an Army that has experienced and is experiencing the cumulative effects of years of conflict. FY11 budget represents the final year of a four-year plan that began in 2007 to restore balance to the Army. Your testimony though contains a statement that we have heard before and that is that today's Army remains out of balance.

Describe some of the progress that has been made towards achieving the balance that we all want the Army to achieve? The FY11 budget request represents the final year of a four-year plan that sought to achieve balance. Will the Army's balance be restored by the end of FY11?

Answer. We have a plan to get ourselves back in balance that is centered on four imperatives—sustain our soldiers and families, prepare our soldiers for success in the current conflict, reset them effectively when they returned, and transform for an uncertain future.

Our first objective was to complete the January 2007 directive to increase the size of the Army by 74,000. Originally, we planned to do that by 2012. However, with the support of Congress and Secretary Gates, we completed it last Spring. When that did not prove to be sufficient, we were granted by Congress a temporary increase of up to 22,000 Soldiers. Currently the Army is utilizing 15,000 additional Soldiers, and will evaluate later this year whether we need the other 7,000.

Given this growth and the continued drawdown of forces in Iraq, our force planning assessments indicate about 70% of the active component and 80% of the reserve component will achieve BOG:Dwell goals (1:2 and 1:4) by 2011. This has also allowed us to meet the need for additional forces in Afghanistan without returning to 15-month deployments and without going back on stop loss.

Our second key objective was to increase the time our Soldiers spent at home, perhaps the most important element of putting ourselves back in balance, for several reasons. One, our Soldiers need time to recover from repeated combat deployments. Indeed, we recently completed a study that demonstrates what we intuitively knew, that it takes two to three years to recover from a one-year combat deployment.

So it is very important that we reach our near-term objective of two years at home between deployments for active force and four years at home between deployments for our Reserve components. As demand decreases, we plan to move to more sustainable goals of three and five years, respectively, between deployments. More time at home also gives us more stable preparation time for the next mission and more time to prepare to do other things. When you're only home for a year, you barely have time to finish your leave before you have to begin preparing to go back.

Additionally, as time at home increases, we will be able to train more units for full spectrum operations, and gradually regain some of the skills that have atrophied over the past several years.

Our third objective was to move away from our Cold War formations to organizations that are more relevant for the challenges we'll face in the 21st century. In 2004 we set out to convert all 300-plus brigades in our Army to modular organizations. Today we're almost 90 percent complete, and these formations are demonstrating their versatility and their value in Iraq and Afghanistan every day.

We also set out to rebalance the skills within the force, to move away from skills that were necessary in the Cold War to skills more needed today. This involved converting, retraining and equipping around 150,000 Soldiers from all components to new jobs. Today we're almost 75 percent complete with this rebalance.

By way of example, in the last six years we have stood down around 200 tank companies, artillery batteries and air defense batteries, and we've stood up a corresponding number of military police, engineers, civil affairs and Special Forces companies. This has paid tremendous benefits in the current operations. Together, the rebalancing and the modular conversions represent the largest organizational transformation of the Army since World War II, and we will have done this while fighting two wars.

Fourth, we are moving to put the whole Army on a rotational readiness model, much like the Navy and Marine Corps have been on for many years. This model will allow us to more efficiently and effectively provide a sustained flow of land forces that are trained for the full spectrum of operations to our combatant commanders. It will also allow us to have forces available to hedge against unexpected contingencies in a way that is predictable and sustainable for this all-volunteer force.

A force package of one Corps headquarters, five Division headquarters, 20 Brigade Combat Teams (BCTs) and approximately 90,000 enablers is available as the BOG:Dwell goals of 1:2 and 1:4 come to fruition. The Army will shortly publish the Army Force Generation (ARFORGEN) schedule for FYs 12-14 as FY11 serves as a bridging year for full implementation.

Our fifth objective was to complete our re-stationing, and we're just over halfway through these efforts. We are on track to complete the BRAC by the end of 2011. This will affect over 380,000 Soldiers, family members, and civilians. And while it creates a lot of turbulence, the construction on these new installations will significantly improve the quality of life for our soldiers and families.

So the bottom line is that we've made progress, but we still face challenges as we work to restore balance and set the conditions for the future.

Question. What are the remaining impediments to achieving balance?

Answer. The most significant impediment to achieving balance is the continued high demand on our forces and equipment, which places significant stress on our Soldiers, Families, units, and equipment. By giving Soldiers more time at home between deployments, we have more time to better prepare them for the reset mission. We'll also be able to see more units training for the full spectrum of operations and we will gradually get back some of the skills that atrophied over the past several years.

In order to fully achieve balance, the Army must complete one three year cycle at the BOG:Dwell goals of 1:2 for the active component and 1:4 for the reserve component.

Question. What can this Subcommittee do as we begin deliberations on the FY11 bill to further help the Army achieve balance?

Answer. Timely and full funding of the Army's FY11 budget request will help ensure the Army is ready to meet the needs of the Nation and continue the process of restoring balance while setting the conditions for the future. Over the last eight years, the Army has received significant portions of its funding for combat readiness through Overseas Contingency Operations (OCO) appropriations. This recurring reliance on OCO funds and an overlap between base and OCO sustainment programs means that the Army's base budget does not fully cover the cost of both current and future readiness requirements. Because of this reliance, a precipitous drop or delay in OCO funding will not fully fund the readiness of our Army for the current conflict. The Army continues the orderly restoration of the balance between base and OCO requirements in its FY11 base budget request. This request fully funds Army authorized end strength and brings \$965 million in Operations and Maintenance (O&M) expenses back into the base rather than keeping those requirements in OCO.

Question. Are there any MILCON priorities that didn't make it into the budget that would help?

Answer. No, the FY11 Budget supports the Army Campaign Plan priorities. The FY11 priorities include Grow The Army (GTA), Global Defense Posture Realignment (GDPR) and Army Modular Force (AMF). The FY11 Budget request includes the most urgent requirements of the GTA, GDPR, and AMF priorities. Future requirements for these priorities will continue beyond this year's request.

NATIONAL INSTITUTES OF HEALTH STUDY ON SUICIDE PREVENTION

Question. The Army recently began a study in collaboration with the NIH looking at suicide prevention. Please provide the Committee with the current status of this study?

Answer. The Army Study to Assess Risk and Resilience in Service Members (STARRS) started to receive data from Army sources in January, 2010, following a detailed process of identifying relevant data sources, entering into a Data Use Agreement with the Army and demonstrating compliance with the Army's Information Assurance protocol. Parallel Data Use Agreements with applicable DoD data sources are in process. The Study is scheduled to begin new data collection from current Soldiers and new recruits over the next six months.

Army STARRS will report progress and findings to the Army on a quarterly basis, as well as on an ad hoc basis as new findings arise. In the coming year, the Study is scheduled to deliver initial findings on risk and protective factors for suicide and related outcomes, based on analyses of historical data, as well as very detailed new information on the characteristics, exposures and experiences of current Soldiers and new recruits. There will be particular focus on known risk factors for suicide, such as mental health problems. In subsequent years, the Study will follow Soldiers over time, identify those who have particular negative (or positive) outcomes, and deliver practical, actionable information on specific risk and protective factors for suicide to help the Army prevent suicide and improve Soldiers' overall psychological health.

From a scientific perspective, it is too early for there to be substantive findings. In the interim, and at the request of the Army leadership, The National Institute of Mental Health (NIMH) has provided a report on civilian "best practices" regarding suicide prevention and behavioral health care. NIMH and the Army are working together to identify where relevant interventions could be implemented by the Army.

The Army transferred \$10M to NIMH in June 2009 to cover the FY09 expenditures. An additional \$10M is programmed for FY10.

WARRIOR IN TRANSITION COMPLEXES

Question. Provide the Committee with the current construction status of Warrior in Transition complexes in the U.S. by location?

Answer. There are 18 Warrior in Transition Complex projects under construction. The construction status follows: Fort Carson Soldier and Family Assistance Center (SFAC) is 94% complete; Fort Stewart SFAC is 99% complete; Fort Riley Barracks (Brks), Administrative/Operations (Admin/Ops), and SFAC is 99% complete; Fort Campbell SFAC is 99% complete; Fort Polk SFAC is 36% complete; Fort Drum Brks and Admin/Ops is 99% complete; Fort Hood Admin/Ops is 6% complete; Fort Campbell Brks and Admin/Ops is 13% complete; Fort Bliss Brks, Admin/Ops, and SFAC is 22% complete; Fort Bragg Brks, Admin/Ops, and SFAC is 0% complete; Fort Hood Brks, Admin/Ops, and SFAC is 6% complete; Fort Sam Houston Brks, Admin/Ops, and SFAC is 2% complete; Fort Belvoir Brks, Admin/Ops, and SFAC is 0% complete; Fort Lewis Brks, Admin/Ops, and SFAC is 6% complete; Fort Richardson Brks, Admin/Ops, and SFAC is 0% complete; Fort Wainwright Brks, Admin/Ops, and SFAC is 0% complete; Fort Benning Brks, Admin/Ops, and SFAC is 1% complete; and the Fort Leonard Wood Brks, Admin/Ops, and SFAC is 0%.

There are seven projects that are still pending an award of a construction contract. The projects are: Fort Carson Brks and Admin/Ops; Fort Stewart Brks and Admin/Ops; Schofield Barracks Brks, Admin/Ops, and SFAC; Fort Knox Brks, Admin/Ops, and SFAC; Fort Polk Brks and Admin/Ops; Fort Drum Brks, Admin/Ops, and SFAC; and the Fort Sill Brks, Admin/Ops, and SFAC.

Question. How much is included in the FY11 request for WITs, by location?

Answer. We only have one barracks construction project which is part of the Fort Eustis Warrior Transition Complex in FY11 for \$18M.

Question. Does this complete all U.S. Warrior in Transition Complexes?

Answer. Yes, this completes all planned Warrior Transition Complexes in the United States. However, the Warrior Transition project that was scheduled for Germany was deleted from the FY10 program and will be relooked in the FY12-17 POM. Additionally, we will continue to assess the need for Warrior Transition facilities at other installations.

INADEQUATE OVERSEAS HOUSING

Question. Provide the Committee with the current status of inadequate overseas housing including the cost to bring overseas housing up to adequate status?

Answer. The Army is continually assessing the condition of its government owned housing and will program accordingly to keep them to standard. The Army has 799 inadequate overseas government owned homes. All inadequate units are located at Baumholder, Germany. The Army Family Housing construction program will replace 102 homes in the FY10 and FY11 construction program. The Army has programmed, through the future year defense program, for the replacement of the remaining 697 homes to standard at a cost of approximately \$362 million.

FY 2011 MILITARY CONSTRUCTION BUDGET REQUEST

Question. Does the FY11 Military Construction budget request include an adjustment to reflect the current construction market economy?

Answer. Yes, cost adjustments were made to FY11 Active, Guard and Reserve major construction accounts to reflect current market conditions.

Question. If so, what is that adjustment?

Answer. The re-pricing for the FY11 Military Construction program assumed a reduction of approximately \$195.3M of both the Continental United States and Outside the Continental United States construction costs, but excludes Planning and Design, Minor Construction and Host Nation.

Question. Was this done on a project by project basis or across-the-board reduction?

Answer. The re-pricing for the FY11 Military Construction program was an across the board reduction, excluding Planning and Design, Minor Construction and Host Nation.

ARMY BRAC 2005

Question. Provide the Committee with a current assessment on the implementation of BRAC 2005?

Answer. The Army is committed to completing BRAC by September 15, 2011. Program funding and execution are on track to allow the Army to complete all BRAC 2005 actions by that date. The Army will award the remaining BRAC 2005 construction projects in FY10, which will enable the completion of all BRAC closure and realignment actions within the statutory timeline. The Army portion of the BRAC 2005 construction program is worth \$13.4B and consists of 328 projects with only 21 remaining to award.

Question. How many BRAC 2005 construction projects have yet to be awarded? When will they be awarded?

Answer. As of 5 April 2010, there were 21 projects left to be awarded. All of the projects are scheduled to be awarded by August 2010 with 75% of them awarded by the end of May 2010.

Question. What is the cost estimate of the BRAC 2005 construction that has yet to be awarded?

Answer. The 21 projects remaining to be awarded have an estimated cost \$634M, \$296.2M of which is for six projects under construction that are incrementally funded.

Question. What is the latest date that the Army can award a BRAC construction project and still meet the September 15, 2011 statutory deadline?

Answer. The remaining BRAC projects are all scheduled to be awarded by the end of the FY10. There are many factors that affect a construction schedule, the most important being type of project, weather and location. The type of projects remaining are mostly small or incrementally funded projects that have started and will be operationally complete so we are able to meet all BRAC closure and realignment actions within the statutory timeline.

INCREMENTALLY FUNDED PROJECTS

Question. Does the OMB oppose the incremental funding of military construction projects?

Answer. Yes, the policy of Office of Management and Budget (OMB) is to fully fund military construction projects. OMB and the Department of Defense (DoD) developed criteria that must be met for a project to be considered for incremental funding. These criteria were included in the DoD Financial Management Regulation (FMR Vol 2B, Chap 6). However, recent requests for exceptions to this policy—even when incrementally funding large projects can save tens of millions of dollars thru efficiencies—have been rejected.

Question. Are there any incrementally-funded projects in the FY11 budget request?

Answer. Yes, we have four previously authorized incrementally-funded projects in the FY11 budget request.

Question. Where are they located?

Answer. They are located at Ft. Wainwright, AK, Wiesbaden, GE and two projects in Vicenza, IT.

Question. What is the FY11 cost for these projects?

Answer. The FY11 cost for these projects is \$140.5M: Ft. Wainwright—\$30M; Wiesbaden—\$59.5M; and two Vicenza projects—\$25M and \$26M.

Question. Does FY11 represent the final year of funding for these projects?

Answer. Yes, for the two Vicenza, IT projects and the Wiesbaden, GE project. They are in their final year of funding. Ft. Wainwright, AK funding continues beyond FY11.

ARMY MODULAR FORCE

Question. Is the Army 88 percent complete with reorganizing into Modular Force BCTs?

Answer. As of 24 March 2010, the Army was 88% complete with the modular brigade conversions (266 of 301). For Brigade Combat Teams (BCTs), the Army had begun or completed the modular conversion of 96% (70 of 73). Of the 70 BCTs, 23 are still in the conversion process; two Active Component BCTs are in the middle of their 12-month conversion (one finishes in August 2010 and the other in September 2010) and 21 Army National Guard BCTs are in various stages of their 48-month conversion (seven finish in September 2010, ten finish in September 2011, three finish in March 2012, and the last finishes in September 2012).

Question. Does the budget request include sufficient funds to support the remaining conversion into modular BCTs?

Answer. Yes. The (FY11) funding request supports the remaining modular conversions and the Army has sufficient funding to equip the modular forces as they convert. The 172nd Heavy Brigade Combat Team will be the last Brigade Combat Team to convert and that is scheduled for FY13.

Question. How much is in the request for this?

Answer. The FY11 budget request includes \$1.584B for Transformation of the Modular Force: \$1.268B in Military Construction, Army, and \$316.5M in Military Construction, Army National Guard.

[Questions for the Record Submitted by Congressman Carter]

ENSURING ARMY INSTALLATIONS HAVE ADEQUATE BARRACKS AND MOTOR POOL SPACE TO ACCOMMODATE RETURNING FORCES AND EQUIPMENT

Question. As we redeploy our Iraq forces by December 2011 in compliance with the Status of Forces Agreement, do you believe the Army will have sufficient barracks space to accommodate the increased number of stateside forces while keeping in compliance with one-plus-one standards?

Answer. As we redeploy our Iraq forces by December 2011 in compliance with the security agreement, the Army will not have sufficient barracks space to accommodate the increased number of stateside forces while complying with one-plus-one standards. Our analysis shows sufficient barracks space to accommodate the re-integration of units and Soldiers to Fort Bliss, TX, Fort Drum, NY, and Fort Riley, KS. The data for Fort Lewis, WA, shows there to be a significant shortfall of available barracks spaces that comply with one-plus-one standards by December 2011. However, the Army is committed to having completed the Army-wide permanent party barrack buyout program by 2013 with occupancy available by 2015, to include all requirements resulting from the draw down in Iraq.

Question. Additionally, if the Army is planning to return all equipment from Iraq, will all installations have sufficient motor pool space to adequately accommodate the returning up-armored equipment along with unarmored equipment currently in use at installations for training purposes? If not, what is the plan for ensuring installations can adequately accommodate all personnel and equipment over the next several years without overcrowding either?

Answer. The Army has implemented a four step process to provide disposition for equipment and materiel excess to United States Forces—Iraq. Disposition for all excess equipment and materiel is categorized in one of four ways: (1) consume in place; (2) redistribute within theater; (3) transfer; and (4) dispose. Equipment that was deployed along with the units from home station will return with the unit to home station. There is adequate motor pool and storage space to accommodate that equipment. Theater Provided Equipment (TPE) procured outside standard Army procedures and policies, such as the accelerated procurement of Mine Resistant Am-

bush Protected (MRAPs), will require planning and programming to provide required support facilities. Adequate storage space is available for equipment identified to fill Army Prepositioned Stocks (APS) requirements.

WEDNESDAY, APRIL 14, 2010.

QUALITY OF LIFE

WITNESSES

**KELLY B. HRUSKA, DEPUTY DIRECTOR, GOVERNMENT RELATIONS,
NATIONAL MILITARY FAMILY ASSOCIATION**

**MARY KELLER, EXECUTIVE DIRECTOR, MILITARY CHILD EDUCATION
COALITION**

SERGEANT MAJOR OF THE ARMY KENNETH O. PRESTON

SERGEANT MAJOR OF THE MARINE CORPS CARLTON W. KENT

MASTER CHIEF PETTY OFFICER OF THE NAVY RICK D. WEST

CHIEF MASTER SERGEANT OF THE AIR FORCE JAMES A. ROY

STATEMENT OF THE CHAIRMAN

Mr. EDWARDS [presiding]. Well, we will do something that Congress rarely does. We will start 1 minute early.

I want to welcome everybody to the hearing. The committee will come to order, and I want to welcome everyone to this, the last hearing of our series of hearings on the 2011 fiscal year budget for military construction accounts and for the V.A. and other related agencies.

Today's hearing will address what has been a major and consistent interest of this subcommittee: the quality of life for our servicemembers and their families. The 2010 Quadrennial Defense Review emphasizes the importance of preserving and enhancing our all-volunteer force. It makes a number of policy and budgetary commitments to sustaining that goal.

This subcommittee plays a crucial role in ensuring that that promise is fulfilled, and we intend to do everything we can to support our families, especially at a time when our nation is asking so much of them during a time of multiple deployments and a time of war.

Today, we will hear about the strains that the war is placing on our military families and the steps that both the services and non-governmental organizations are taking to address these problems.

And this year, we are going to do something a little bit different. We are going to have two panels, rather than one. In our first panel, we will hear from representatives of the National Military Family Association and the Military Child Education Coalition to gain their perspective on quality-of-life issues.

And then after the conclusion of this panel, we will begin with our traditional panel consisting of the four senior non-commissioned officers (NCOs) of the respective services.

Before I proceed, I want to thank all of our witnesses for rearranging your schedules. We had a not-so-small blizzard get in the way of our originally scheduled date for this hearing.

At this point, I would now like to recognize our ranking member, Mr. Crenshaw, for any opening comments he would care to make.

STATEMENT OF CONGRESSMAN CRENSHAW

Mr. CRENSHAW. Thank you, Mr. Chairman.

First, let me say, I didn't realize this is the last hearing that we are going to have, so I am a little disappointed, because some of the hearings I have are not as interesting as these hearings. So—but time flies when you are having fun, as they say.

Mr. EDWARDS. Absolutely.

Mr. CRENSHAW. And I am sitting in for Representative Wamp, who many of you know and who serves as the ranking member. He has a conflict, but I think this is one of the most interesting hearings that he finds, and as I—do I. So I just want to let you know that he still cares a great deal about quality of life and couldn't be here today.

But, Mr. Chairman, I would just echo your words of welcome. Ladies, the work that you do, the organizations you represent, I just appreciate so much what you are doing. And the folks sitting behind you, they come here every year, and I always look forward to it, because you get to hear the real scoop. And these are folks that are out on the front lines and they get to tell us what they are hearing from, really, the backbone of our military.

We talk a lot about all the equipment and all the strategy, but it is the men and women that really make our military what it is today. So I look forward to this time. And, again, thank you for your leadership, Mr. Chairman.

Mr. EDWARDS. Ander, thank you very much. Very well said.

Let me now introduce our first panel of witnesses. Kelly Hruska is the government relations deputy director for the National Military Family Association.

I won't go through her entire and very impressive resume, but she has been in this position since June of 2007 and has been a Navy spouse for 16 years, and we thank you for that service and your family's service to our country. Her husband is a Navy captain.

She is the president of the Naval Officers' Spouses' Club of Washington, D.C., and many, many other organizations she has been active in, supporting our military troops over their years and their families, as well. She holds a master's of public administration degree from Shippensburg University in Pennsylvania.

Dr. Mary Keller is the president and CEO of the Military Child Education Coalition, known as MCEC. She is one of the founding members of MCEC and has been the executive leader of it since 1998. She has served as a teacher, an administrator in Texas schools for over 21 years, including 8 years with Killeen Independent School District, a district I had the honor of representing before Judge Carter was able to assume that honor is representing the Killeen area and Fort Hood.

Dr. Keller holds a doctorate in educational administration from Texas Tech and is the author of a number of publications on military children and education.

Thank you, both, for being here, and thank you for the work, as Mr. Crenshaw said, that your organizations do, week in and week

out, and being a voice for military families. I think one of the reasons that this committee feels so passionate about supporting quality-of-life issues is that when the debate in Congress is whether to fund Joint Strike Fighter or nuclear aircraft carriers or build nuclear submarines or other major weapons programs, there are naturally hundreds of business lobbyists willing to come to Capitol Hill and lobby for those interests.

There are not many knocking on our doors asking for better education, support, health care, quality of life, you know, housing for our military families. And you and those who will speak on the second panel are the voices for these great Americans that, as you know, are sacrificing so much for our country.

So we thank you for what you are doing. We thank you for being here. Ms. Hruska, if we could begin with your testimony. Your full statement will be submitted for the record. We would like to ask if you could summarize your testimony in about 5 minutes or so.

STATEMENT OF KELLY B. HRUSKA

Ms. HRUSKA. Great, thank you.

Chairman Edwards and distinguished members of the subcommittee, the National Military Family Association would like to thank you for the opportunity to present testimony on the quality of life of our military families, the nation's families.

Your recognition of the sacrifices of these families and your response to legislation to the increased need for support have resulted in programs and policies that have helped sustain our families through these difficult times. Our association believes policies and programs should provide a firm foundation for families buffeted by the uncertainties of deployment and transformation.

Standardization in delivery, accessibility and funding are essential. Programs should provide for families in all stages of deployment and reach out to them in all geographic locations. Families should be given the tools to take greater responsibility for their own readiness.

At every military family conference we have attended in the last year, childcare was one of the top five issues affecting families, dropping care being the most requested need. Some installations are responding to these needs in innovative ways.

For instance, in a visit to Kodiak, Alaska, we noted that the gym facility provided watch care for its patrons. Mom worked out on the treadmill, while her child played in a safe, carpeted, and fenced-in area right across from her. Another area of the gym, previously an aerobics room, had been transformed into a large play area for mom and me groups to play in the frequently inclement weather.

These solutions aren't expensive, but they do require thinking outside the box. At our Operation Purple Healing Adventures Camps for families with the wounded, ill and injured, families told us there is a tremendous need for adequate access to childcare on and near military treatment facilities. Families need the availability of childcare in order to attend medical appointments, especially mental health appointments.

Our association encourages the creation of drop-in childcare for medical appointments on the DOD or V.A. premises or partnerships with other organizations to provide this valuable service.

In May 2008, our association commissioned the Rand Corporation to do a longitudinal study on the experience of 1,500 families. Rand followed these families for 1 year and interviewed the non-deployed caregiver, a parent and one child per family between 11 and 17 years of age, at three time points over the year.

The research addressed two key questions: How are school-age military children faring? And what types of military—issues do military children face related to deployments?

In December, the baseline findings were released in the journal article in pediatrics. Findings showed, as the months of parental deployment increased, so did the child's challenges. The total number of months away mattered more than the number of deployments.

Older children experienced more difficulties during deployment. There was a direct correlation between the mental health of the caregiver and the well-being of the child. Girls experience more difficulty during reintegration.

About one-third of the children reported symptoms of anxiety, which was somewhat higher than the percentage reported in other national studies on children. And in the initial findings, there were no differences in results between services or components.

What are the implications? Families facing longer deployments need targeted support, especially for older teens and girls. Support needs to be in place across the entire deployment cycle, including reintegration, and some non-deployed parents may need targeted mental health support.

One way to address these needs would be to create a safe, supportive environment for older youth and teens. Dedicated use activity centers for our older youth would go a long way to help with this.

Our association is an outgrowth of the study results. We will be holding a summit in early May where we will be engaging with experts to isolate action items to address the issues surfaced in the study. We would be happy to share these action items with you, especially as they relate to military construction issues.

During the course of this study, Rand researchers also found that living in military housing was related to fewer deployment-related challenges. For instance, fewer caregivers who lived in military housing reported that their children had difficulties adjusting during deployment as compared to those caregivers who needed to rent their homes.

In a subsequent survey, the study team explored the factors that determine a military family's housing situation in more detail. Among the list of potential reasons provided for the question, "Why did you choose to rent?", researchers found that the top three answers were there was—military housing was not available, renting was most affordable, and the preference not to invest in a home at that time. Privatized housing expands the opportunities for families to live on the installation and is a welcome change for military families.

Our association continues to be concerned that there will not be enough commissaries to serve areas experiencing substantial growth, including those locations with servicemembers and families relocated by BRAC. The surcharge was never intended to pay for

DOD and service transformation. Additional funding is needed to ensure commissaries are built or expanded in areas that are gaining personnel as a result of these programs.

Our association wishes to thank Congress for recent enhancements to educational opportunities for military families, in-state tuition, post-9/11 G.I. Bill transferability, the Fry Scholarship for surviving children, and other initiatives have provided families with more educational opportunities than previous years.

We thank you for your support of our servicemembers and their families and we urge you to remember their service as you work to resolve the many issues facing our country.

Working together, we can improve the quality of life for these families. Thank you.

[Prepared statement of Kelly B. Hruska follows:]

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Statement of

Kelly B. Hruska
Government Relations Deputy Director

NATIONAL MILITARY FAMILY ASSOCIATION

Before the

Subcommittee on
Military Construction, Veterans Affairs and Related Agencies

of the

UNITED STATES HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

APRIL 14, 2010

Not for Publication
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The Committee

The National Military Family Association is the leading non-profit organization committed to improving the lives of military families. Our 40 years of accomplishments have made us a trusted resource for families and the Nation's leaders. We have been at the vanguard of promoting an appropriate quality of life for active duty, National Guard, Reserve, retired service members, their families and survivors from the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

Association Representatives in military communities worldwide provide a direct link between military families and the Association staff in the Nation's capital. These volunteer Representatives are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive federal grants or contracts.
Our website is: www.MilitaryFamily.org.

Kelly B. Hruska, Government Relations Deputy Director

Ms. Hruska was hired as Government Relations Deputy Director for the National Military Family Association (NMFA) in June 2007. In this position, she follows issues relevant to the quality of life of the families of the seven uniformed services, such as child care and youth, work/life issues, domestic violence, survivors, mental health (as it applies to children and deployment), and wounded/disabled service members and the effects on their families. She has contributed to several publications, including *Military Money Magazine* and the *Journal of Poverty Law and Policy*. Ms. Hruska currently co-chairs The Military Coalition's (TMC) Awards Committee and serves on the Military Construction & MWR Committee, Survivors Committee and Tax and Social Security Committee. Ms. Hruska also represents the National Military Family Association on the Department of Defense Military Family Readiness Council.

A Navy spouse for 17 years, Ms. Hruska has served in various volunteer leadership positions in civilian and military community organizations including Navy-Marine Corps Relief Society, The Girl Scouts, and Navy Spouses Clubs. She was also appointed to the City Commission on Children and Youth by the Corpus Christi City Council. Ms. Hruska received her Bachelor of Arts in Political Science from La Salle University and her Masters of Public Administration from Shippensburg University of Pennsylvania.

In addition to her work at the Association, Ms. Hruska is President of the Navy Officers' Spouses' Club of Washington D.C. and is the former Coordinator of the Joint Armed Forces Officers Wives Luncheon (JAFOWL) Committee. Ms. Hruska and her husband, Captain Jim Hruska, USN, reside in Annandale, Virginia with their daughter, Emily.

Chairman Edwards and Distinguished Members of the Subcommittee, the National Military Family Association would like to thank you for the opportunity to present testimony on the quality of life of military families – the Nation’s families. As the war has continued, the quality of life of our service members and their families has been severely impacted. Your recognition of the sacrifices of these families and your response through legislation to the increased need for support have resulted in programs and policies that have helped sustain our families through these difficult times.

In this statement, our Association will expand on several issues of importance to military families:

- I. Family Readiness
- II. Family Health
- III. Family Transitions

I. Family Readiness

The National Military Family Association believes policies and programs should provide a firm foundation for families buffeted by the uncertainties of deployment and transformation. It is imperative full funding for these programs be included in the regular budget process and not merely added on as part of supplemental funding. We promote programs that expand and grow to adapt to the changing needs of service members and families as they cope with multiple deployments and react to separations, reintegration, and the situation of those returning with both visible and invisible wounds. Standardization in delivery, accessibility, and funding are essential. Programs should provide for families in all stages of deployment and reach out to them in all geographic locations. Families should be given the tools to take greater responsibility for their own readiness.

We appreciate provisions in the National Defense Authorization Acts and Appropriations legislation in the past several years that recognized many of these important issues. Excellent programs exist across the Department of Defense (DoD) and the Services to support our military families. There are redundancies in some areas, times when a new program was initiated before looking to see if an existing program could be adapted to answer an evolving need. Service members and their families are continuously in the deployment cycle, anticipating the next separation, in the throes of deployment, or trying to reintegrate when the service member returns. Dwell times seem shorter and shorter as training, schools, and relocation impede on time that is spent in the family setting.

“My husband will have three months at home with us between deployment and being sent to school in January for two months and we will be PCSing soon afterwards.This does not leave much time for reintegration and reconnection.”

We feel that now is the time to look at best practices and at those programs that are truly meeting the needs of families. In this section we will talk about existing programs, highlight best practices and identify needs.

Child Care

At every military family conference we attended last year, child care was in the top five issues affecting families – drop-in care being the most requested need. Some installations are responding to these needs in innovative ways. For instance, in a recent visit to Kodiak, Alaska, we noted the gym facility provided watch care for its patrons. Mom worked out on the treadmill or elliptical while her child played in a safe carpeted and fenced-in area right across from her. Another area of the gym, previously an aerobics room, had been transformed into a large play area for “Mom and me” groups to play in the frequently inclement weather. These solutions aren’t expensive, but do require thinking outside the box.

Innovative strategies are needed to address the non-availability of after-hours child care (before 6 a.m. and after 6 p.m.) and respite care. We applaud the partnership between the Services and the National Association of Child Care Resource and Referral Agencies (NACCRRA) that provides subsidized child care to families who cannot access installation based child development centers. Families often find it difficult to obtain affordable, quality care especially during hard-to-fill hours and on weekends. Both the Navy and the Air Force have programs that provide 24/7 care. These innovative programs must be expanded to provide care to more families at the same high standard as the Services' traditional child development programs. The Army, as part of the funding attached to its Army Family Covenant, has rolled out more space for respite care for families of deployed soldiers. Respite care is needed across the board for the families of the deployed and the wounded, ill, and injured. We are pleased the Services have rolled out more respite care for special needs families, but are concerned when we hear that some installations are already experiencing shortfalls of funding for respite care early in the year.

At our *Operation Purple® Healing Adventures* camp for families of the wounded, ill and injured, families told us there is a tremendous need for access to adequate child care on or near military treatment facilities. Families need the availability of child care in order to attend medical appointments, especially mental health appointments. Our Association encourages the creation of drop-in child care for medical appointments on the DoD or VA premises or partnerships with other organizations to provide this valuable service.

We appreciate the requirement in the for National Defense Authorization Act Fiscal Year 2010 calling for a report on financial assistance provided for child care costs across the Services and Components to support the families of those service members deployed in support of a contingency operation and we look forward to the results.

Our Association urges Congress to ensure resources are available to meet the child care needs of military families to include hourly, drop-in and increased respite care across all Services for families of deployed service members and the wounded, ill and injured, as well as those with special needs family members.

Working with Youth

Older children and teens must not be overlooked. School personnel need to be educated on issues affecting military students and must be sensitive to their needs. To achieve this goal, schools need tools. Parents need tools, too. Military parents constantly seek more resources to assist their children in coping with military life, especially the challenges and stress of frequent deployments. Parents tell us repeatedly they want resources to "help them help their children." Support for parents in their efforts to help children of all ages is increasing, but continues to be fragmented. New federal, public-private initiatives, increased awareness, and support by DoD and civilian schools educating military children have been developed. However, many military parents are either not aware such programs exist or find the programs do not always meet their needs.

Our Association is working to meet this pressing need through our *Operation Purple®* summer camps. Unique in its ability to reach out and gather military children of different age groups, Services, and components, our *Operation Purple* program provides a safe and fun environment in which military children feel immediately supported and understood. For the second year, with the support of private donors, we achieved our goal of sending 10,000 military children to camp in 2009. We also provided the camp experience to families of the wounded. This year, we expect to maintain those numbers by offering 92 weeks of camp in 40 states, Guam and German. In 2009, we introduced a new program under our *Operation Purple*

umbrella, offering family reintegration retreats in the National Parks. They have been well received by our families and more apply than can attend. We are offering ten retreats this year.

Through our *Operation Purple* camps, our Association has begun to identify the cumulative effects multiple deployments are having on the emotional growth and well being of military children and the challenges posed to the relationship between deployed parent, caregiver, and children in this stressful environment. Understanding a need for qualitative analysis of this information, we commissioned the RAND Corporation to conduct a pilot study in 2007 aimed at the current functioning and wellness of military children attending *Operation Purple* camps and assessing the potential benefits of the OPC program in this environment of multiple and extended deployments.

In May 2008, we embarked on phase two of the project – a longitudinal study on the experience of 1,507 families, which is a much larger and more diverse sample than included in our pilot study. RAND followed these families for one year, and interviewed the non-deployed caregiver/parent and one child per family between 11 and 17 years of age at three time points over the year. Recruitment of participants was extremely successful because families were eager to share their experiences. The research addressed two key questions:

- How are school-age military children faring?
- What types of issues do military children face related to deployment?

In December, the baseline findings of the research were published in the journal *Pediatrics*. Findings showed:

- As the months of parental deployment increased so did the child's challenges.
- The total number of months away mattered more than the number of deployments.
- Older children experienced more difficulties during deployment.
- There is a direct correlation between the mental health of the caregiver and the well-being of the child.
- Girls experienced more difficulty during reintegration, the period of months readjusting after the service member's homecoming.
- About one-third of the children reported symptoms of anxiety, which is somewhat higher than the percentage reported in other national studies of children.
- In these initial findings, there were no differences in results between Services or Components.

What are the implications? Families facing longer deployments need targeted support – especially for older teens and girls. Supports need to be in place across the entire deployment cycle, including reintegration, and some non-deployed parents may need targeted mental health support. One way to address these needs would be to create a safe, supportive environment for older youth and teens. Dedicated Youth Centers with activities for our older youth would go a long way to help with this. Our Association, as an outgrowth of the study results, will be holding a summit in early May, where we will be engaging with experts to isolate action items that address the issues surfaced in the study. We will be happy to share these action items with you, especially as they address construction needs.

Our Association feels that more dedicated resources, such as youth or teen centers, would be beneficial to address the needs of our older youth and teens during deployment.

Military Housing

In the recent RAND study of military children on the home front commissioned by our Association, researchers found that living in military housing was related to fewer caregiver reported deployment related challenges. For instance, fewer caregivers who lived in military housing reported that their children had difficulties adjusting to parent absence (e.g., missing school activities, feeling sad, not having peers who understand what their life is like) as compared to caregivers who needed to rent their homes. In a subsequent survey, the study team explored the factors that determine a military family's housing situation in more detail. Among the list of potential reasons provided for the question, "Why did you choose to rent?" researchers found that the top three reasons parents/caregivers cited for renting included: military housing was not available (31%); renting was most affordable (28%), and preference to not invest in the purchase of a home (26%).

Privatized housing expands the opportunity for families to live on the installation and is a welcome change for military families. We are pleased with the annual report that addresses the best practices for executing privatized housing contracts. As privatized housing evolves the Services are responsible for executing contracts and overseeing the contractors on their installations. With more joint basing, more than one Service often occupies an installation. The Services must work together to create consistent policies not only within their Service but across the Services as well. Pet policies, deposit requirements, and utility policies are some examples of differences across installations and across Services. How will Commanders address these variances as we move to joint basing? Our families face many transitions when they move, and navigating the various policies and requirements of each contractor is frustrating and confusing. It's time for the Services to increase their oversight and work on creating seamless transitions by creating consistent policies across the Services.

We are pleased the NDAA FY10 calls for a report on housing standards and housing surveys used to determine the Basic Allowance for Housing (BAH) and hope Congress will work to address BAH inequities.

Privatized housing is working! We ask Congress to consider the importance of family well-being as a reason for expanding the amount of privatized housing for our military families.

Commissaries and Exchanges

The commissary is a vital part of the compensation package for service members and retirees, and is valued by them, their families, and survivors. Our surveys indicate that military families consider the commissary one of their most important benefits. In addition to providing average savings of more than 30 percent over local supermarkets, commissaries provide a sense of community. Commissary shoppers gain an opportunity to connect with other military families, and are provided with information on installation programs and activities through bulletin boards and publications. Commissary shoppers also receive nutritional information through commissary promotions and campaigns, as well as the opportunity for educational scholarships.

Our Reserve Component families have benefitted greatly from the addition of case lot sales. We thank Congress again for the provision allowing the use of proceeds from surcharges collected at these sales to help defray their costs. Not only have these case lot sales been extremely well received and attended by family members not located near an installation, they have extended this important benefit to our entire military community.

Our Association continues to be concerned that there will not be enough commissaries to serve areas experiencing substantial growth, including those locations with service members and families relocated by BRAC. The surcharge was never intended to pay for DoD and Service transformation. Additional funding is

needed to ensure commissaries are built or expanded in areas that are gaining personnel as a result of these programs.

Our Association believes that additional funding is needed to ensure commissaries are built or expanded in areas that are gaining personnel due to BRAC and transformation.

The military exchange system, like the commissary, provides valuable cost savings to members of the military community, while reinvesting their profits in essential Morale, Welfare and Recreation (MWR) programs. Our Association strongly believes that every effort must be made to ensure that this important benefit and the MWR revenue is preserved, especially as facilities are down-sized or closed overseas. In addition, exchanges must continue to be responsive to the needs of deployed service members in combat zones and have the right mix of goods at the right prices for the full range of beneficiaries.

As a member of the Defense Commissary Patron Council and a strong proponent of the military exchange system, our Association remains committed to protecting commissary and exchange benefits which are essential to the quality of life of our service members, retirees, families and survivors.

National Guard and Reserve

The National Military Family Association has long recognized the unique challenges our Reserve Component families face and their need for additional support. National Guard and Reserve families are often geographically dispersed, live in rural areas, and do not have the same family support programs as their active duty counterparts. The final report from the Commission on the National Guard and Reserve confirmed what we have always asserted: "Reserve Component families face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty families."

This is especially true when it comes to accessing the same level of counseling and behavioral health support as active duty families. However, our Association applauds the innovative counseling and behavioral health support to National Guard and Reserve families, in the form of Military OneSource counseling, the TRICARE Assistance Program (TRIAP), and Military Family Life Consultants (MFLC). Combined, these valuable resources are helping to address a critical need for our Reserve Component families.

In the past several years, great strides have been made by both Congress and the Services to help strengthen our National Guard and Reserve families. Our Association wishes to thank Congress for authorizing these important provisions. We urge you to fully fund these vital quality of life programs critical to our Reserve Component families, who have sacrificed greatly in support of our Nation.

In addition, our Association would like to thank Congress for the provisions allowing for the implementation of the Yellow Ribbon Program, and for including reporting requirements on the program's progress in the NDAA FY10. We continue to urge Congress to make the funding for this program permanent. In addition, we ask that you conduct oversight hearings to ensure that Yellow Ribbon services are consistent across the nation. We also ask that the definition of family member be expanded to allow non-ID card holders to attend these important programs, in order to support their service member and gain valuable information.

Our Association asks Congress to fully fund the Yellow Ribbon Program, and provide oversight hearings to ensure that Yellow Ribbon services are consistent across the nation, and are accessible to all Reserve Component families.

Flexible Spending Accounts

We would like to thank Members of Congress for the Sense of Congress on the establishment of Flexible Spending Arrangements (FSA) for uniformed service members. We hope this subcommittee will press each of the seven Service Secretaries' to establish these important pre-tax savings accounts. FSAs would be especially helpful for families with out-of-pocket dependent care and health care expenses.

Financial Readiness

Financial readiness is a critical component of family readiness. Our Association applauds DoD for tackling financial literacy head-on with their Financial Readiness Campaign. Financial literacy and education must continue to be on the forefront. We are strong supporters of the Military Lending Act (MLA) and hope Congress will press states to enforce MLA regulations within their state borders. With the depressed economy, many families may turn to payday lenders. DoD must continue to monitor the MLA and its effectiveness of derailing payday lenders.

Military families are not immune from the housing crisis. We applaud Congress for expanding the Homeowners' Assistance Program to wounded, ill, and injured service members, survivors, and service members with Permanent Change of Station orders meeting certain parameters. We have heard countless stories from families across the nation who have orders to move and cannot sell their home. Due to the mobility of military life, military homeowners must be prepared to be a landlord. We encourage DoD to continue to provide financial education to military service members and their families to help families make sound financial decisions. We also encourage DoD to continue to track the impact of the housing crisis on our military families.

We appreciate the increase to the Family Separation Allowance (FSA) that was made at the beginning of the war. In more than eight years, however, there has not been another increase. We ask that the FSA be indexed to the Cost of Living Allowance (COLA) to better reflect rising costs for services.

Increase the Family Separation Allowance by indexing it to COLA.

II. Family Health

Family readiness calls for access to quality health care and mental health services. Families need to know the various elements of their military health system are coordinated and working as a synergistic system. Our Association is concerned the DoD military health care system may not have all the resources it needs to meet both the military medical readiness mission and provide access to health care for all beneficiaries. It must be funded sufficiently, so the direct care system of military treatment facilities (MTF) and the purchased care segment of civilian providers can work in tandem to meet the responsibilities given under the TRICARE contracts, meet readiness needs, and ensure access for all military beneficiaries.

Congress must provide timely and accurate funding for health care. DoD and VA health care facilities must be funded to be "world class," offering state-of-the-art health care services supported by evidence-based research and design. Funding must also support the renovation of existing facilities or complete replacement of out-of-date DoD health care facilities. As we get closer to the closure of Walter Reed Army Medical Center and the opening of the new Fort Belvoir Community Hospital and the new Walter Reed National Military Medical Center, as part of the National Capitol Region BRAC process, we must be assured these projects are properly and fully funded. We encourage Congress to provide any additional funding recommended by the Defense Health Board's BRAC Subcommittee's report.

Military Health System

Improving Access to Care

In the question and answer period during the U.S. Senate Committee on Armed Services' Subcommittee on Personnel on June 3, 2009, Senator Lindsey Graham (R-SC) asked panel members to "give a grade to TRICARE." Panel members rated TRICARE a "B" or a "C minus." Our Association's Director of Government Relations stated it was a two part question and assigned the "quality of care, B. Access to care, C minus." The panelist and Subcommittee Members discussion focused on access issues in the direct care system - our military hospitals and clinics - reinforcing what our Association has observed for years. We have consistently heard from families that their greatest health care challenge has been getting timely care from their local military hospital or clinic.

Our Association continues to examine military families' experiences with accessing the Military Health System. Families' main issues are: access to their Primary Care Managers (PCM); getting someone to answer the phone at central appointments; having appointments available when they finally got through to central appointments; after hours care; getting a referral for specialty care; being able to see the same provider or PCM; and having appointments available 60, 90, and 120 days out in our Military Treatment Facilities (MTFs). Families familiar with how the Military Health System (MHS) referral system works seem better able to navigate the system. Those families who are unfamiliar report delays in receiving treatment or sometimes decide to give up on the referral process and never obtain a specialty appointment. Continuity of care is important to maintain quality of care. The MTFs are stressed from eight years of provider deployments, directly affecting the quality of care and contributing to increased costs. Our Association thanks Congress for requiring, in the NDAA FY09, a report on access to care and we look forward to the findings. This report must distinguish between access issues in the MTFs, as opposed to access in the civilian TRICARE networks.

Our most seriously wounded, ill, and injured service members, veterans, and their families are assigned case managers. In fact, there are many different case managers: Federal Recovery Coordinators (FRC), Recovery Care Coordinators, coordinators from each branch of Service, TBI care coordinators, VA liaisons, et cetera. The goal is for a seamless transition of care between and within the two governmental agencies, DoD and the VA. However, with so many coordinators to choose from, families often wonder which one is the "right" case manager. We often hear from families, some whose service member has long been medically retired with a 100 percent disability rating or others with less than one year from date-of-injury, who have not yet been assigned a FRC. We need to look at whether the multiple, layered case managers have streamlined the process, or have only aggravated it. Our Association still finds families trying to navigate alone a variety of complex health care systems, trying to find the right combination of care. Individual Service wounded, ill, and injured program directors and case managers are often reluctant to inform families that FRCs exist or that the family qualifies for one. Many qualify for and use Medicare, VA, DoD's TRICARE direct and purchased care, private health insurance, and state agencies. Why can't the process be streamlined?

Support for Special Needs Families

Case management for military beneficiaries with special needs is not consistent because the coordination of the military family's care is being done by a non-synergistic health care system. Beneficiaries try to obtain an appointment and then find themselves getting partial health care within the MTF, while other health care is referred out into the purchased care network. Thus, military families end up managing their own care. Incongruence in the case management process becomes more apparent when military family

members transfer from one TRICARE region to another and is further exacerbated when a special needs family member is involved. Families need a seamless transition and a warm handoff between TRICARE regions and a universal case management process across the MHS. The current case management system is under review by DoD and TRICARE Management Activity. Each TRICARE Managed Care Contractor has created different case management processes.

We applaud Congress and DoD's desire to create robust health care, educational, and family support services for special needs children. But, these robust services do not follow them when they retire. We encourage the Services to allow these military families the opportunity to have their final duty station be in an area of their choice. We suggest the Extended Care Health Option (ECHO) be extended for one year after retirement for those already enrolled in ECHO prior to retirement. If the ECHO program is extended, it must be for all who are eligible for the program. We should not create a different benefit simply based on diagnosis.

There has been discussion over the past years by Congress and military families regarding the ECHO program. The NDAA FY09 included a provision to increase the cap on certain benefits under the ECHO program and the NDAA FY10 established the *Office of Community Support for Military Families with Special Needs*. The ECHO program was originally designed to allow military families with special needs to receive additional services to offset their lack of eligibility for state or federally provided services impacted by frequent moves. We suggest that before making any more adjustments to the ECHO program, Congress should direct DoD to certify if the ECHO program is working as it was originally designed and if it has been effective in addressing the needs of this population. We need to make the right fixes so we can be assured we apply the correct solutions. This new office will go a long way in identifying and addressing special needs. However, we must remember that our special needs families often require medical, educational and family support resources. This new office must address all these various needs in order to effectively implement change.

National Guard and Reserve Member Family Health Care

National Guard and Reserve families need increased education about their health care benefits. We also believe that paying a stipend (NDAA FY08) to a mobilized National Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan may prove to be more cost-effective for the government than subsidizing 72 percent of the costs of TRICARE Reserve Select for National Guard or Reserve members not on active duty.

Grey Area Reservist

Our Association would like to thank Congress for the new TRICARE benefit for Grey Area Reservists. We want to make sure this benefit is quickly implemented and they have access to a robust network.

TRICARE Reimbursement

Our Association is concerned that continuing pressure to lower Medicare reimbursement rates will create a hollow benefit for TRICARE beneficiaries. As the 111th Congress takes up Medicare legislation, we request consideration of how this legislation will impact military families' health care, especially access to mental health services.

National provider shortages in the psychological health field, especially in child and adolescent psychology, are exacerbated in many cases by low TRICARE reimbursement rates, TRICARE rules, or military-unique geographic challenges - for example large populations in rural or traditionally underserved

areas. Many psychological health providers are willing to see military beneficiaries on a voluntary status. However, these providers often tell us they will not participate in TRICARE because of what they believe are time-consuming requirements and low reimbursement rates. More must be done to persuade these providers to participate in TRICARE and become a resource for the entire system, even if that means DoD must raise reimbursement rates.

Pharmacy

We caution DoD about generalizing findings of certain beneficiary pharmacy behaviors and automatically applying them to our Nation's unique military population. We encourage Congress to require DoD to utilize peer-reviewed research involving beneficiaries and prescription drug benefit options, along with performing additional research involving military beneficiaries, before making any recommendations on prescription drug benefit changes, such as co-payment and tier structure changes for military service members, retirees, their families, and survivors.

We appreciate the inclusion of federal pricing for the TRICARE retail pharmacies in the NDAA FY08. However, we still need to examine its effect on the cost of medications for both beneficiaries and DoD. Also, we will need to see how this potentially impacts Medicare, civilian private insurance, and the National Health Care Reform affecting drug pricing negotiations.

We believe it is imperative that all medications available through TRICARE Retail Pharmacy (TRRx) should also be available through TRICARE Mail Order Pharmacy (TMOP). Medications treating chronic conditions, such as asthma, diabetes, and hypertension should be made available at the lowest level of co-payment regardless of brand or generic status. We agree with the recommendations of *The Task Force on the Future of Military Health Care* that over-the-counter (OTC) drugs be a covered pharmacy benefit and there be a zero co-pay for TMOP Tier 1 medications.

The new T3 TRICARE contract will provide TRICARE Managed Care Contractors and Express-Scripts, Inc. the ability to link pharmacy data with disease management. This will allow for better case management, increase compliance, and decrease cost, especially for our chronically ill beneficiaries. However, this valuable tool is currently unavailable because the T3 contract is still under protest and has not yet been awarded.

National Health Care Proposal

Our Association is cautious about current rhetoric by the Administration and Congress regarding National Health Care Reform. We request consideration of how this legislation will also impact TRICARE.

The perfect storm is brewing. TMA will be instituting the new T3 contract this year. Currently, there is the possibility that two out of three TRICARE Managed Care Contractors could change. This means that the contracts of 66 percent of our TRICARE providers would need to be renegotiated. Add the demands and uncertainties to providers in regards to health care reform and Medicare reimbursement rate changes. This leads to our concern regarding the impact on providers willingness to remain in the TRICARE network and the recruitment of new providers. The unintended consequences may be a decrease in access to care due the lack of available health care providers.

DoD Must Look for Savings

We ask Congress to establish better oversight for DoD's accountability in becoming more cost-efficient. We recommend:

- Requiring the Comptroller General to audit MTFs on a random basis until all have been examined for their ability to provide quality health care in a cost-effective manner;
- Creating an oversight committee, similar in nature to the Medicare Payment Advisory Commission, which provides oversight to the Medicare program and makes annual recommendations to Congress. *The Task Force on the Future of Military Health Care* often stated it was unable to address certain issues not within their charter or the timeframe in which they were commissioned to examine the issues. This Commission would have the time to examine every issue in an unbiased manner.
- Establishing a Unified “Joint” Medical Command structure, which was recommended by the Defense Health Board in 2006.

Our Association believes optimizing the capabilities of the facilities of the direct care system through timely replacement of facilities, increased funding allocations, and innovative staffing would allow more beneficiaries to be cared for in the MTFs, which DoD asserts is the most cost effective. The Task Force made recommendations to make the DoD MHS more cost-efficient which we support. They conclude the MHS must be appropriately sized, resourced, and stabilized; and make changes in its business and health care practices.

We suggest additional funding and flexibility in hiring practices to address MTF provider deployments.

Our Association recommends a one year transitional active duty ECHO benefit for all eligible family members of service members who retire.

We believe that Reserve Component families should be given the choice of a stipend to continue their employer provided care during deployment.

Behavioral Health Care

Our Nation must help returning service members and their families cope with the aftermath of war. DoD, VA, and State agencies must partner in order to address behavioral health issues early in the process and provide transitional mental health programs. Partnering will also capture the National Guard and Reserve member population, who often straddle these agencies' health care systems.

Full Spectrum of Care

As the war continues, families' need for a full spectrum of behavioral health services—from preventative care to stress reduction techniques, individual or family counseling, to medical mental health services—continues to grow. The military offers a variety of psychological health services, both preventative and treatment, across many agencies and programs. However, as service members and families experience numerous lengthy and dangerous deployments, we believe the need for confidential, preventative psychological health services will continue to rise. It will remain high, even after military operations scale down. Our study found the mental health of the caregiver directly affects the overall well-being of the children. Therefore, we need to treat the family as a unit rather than as individuals because the caregiver's health determines the quality of life for the children.

Access to Behavioral Health Care

Our Association is concerned about the overall shortage of psychological health providers in TRICARE's direct and purchased care network. DoD's *Task Force on Mental Health* stated timely access to the proper psychological health provider remains one of the greatest barriers to quality mental health services for service members and their families. The Army Family Action Plan (AFAP) identified mental

health issues as their number three issue for 2010. While families are pleased more psychological health providers are available in theater to assist their service members, they are disappointed with the resulting limited access to providers at home. Families are reporting increased difficulty in obtaining appointments with social workers, psychologists, and psychiatrists at their MTFs and clinics. The military fuels the shortage by deploying some of its child and adolescent psychology providers to combat zones. Providers remaining at home report they are overwhelmed by treating active duty members and are unable to fit family members into their schedules. This can lead to compassion fatigue, creating burnout and exacerbating the provider shortage problem.

We have seen an increase in the number of psychological health providers joining the purchased care side of the TRICARE network. However, the access standard is seven days. We hear from military families after accessing the psychological health provider list on the contractor's websites that the provider is full and no longer taking patients. The list must be up-to-date in order to handle real time demands by families. We need to continue to recruit more psychological health providers to join the TRICARE network and we need to make sure we specifically add those in specialty behavioral health care areas, such as child and adolescence psychology and psychiatrists.

Families must be included in mental health counseling and treatment programs for service members. Family members are a key component to a service member's psychological well-being. We recommend an extended outreach program to service members, veterans, and their families of available psychological health resources, such as DoD, VA, and State agencies. We appreciate the VA piloting programs that incorporate active duty service members and their families into their newly established OIF/OEF health care clinics. The family is accessed as a "unit" and educated about the VA's benefits and services. These initiatives need to be expanded throughout the VA and fully funded.

Frequent and lengthy deployments create a sharp need in psychological health services by family members and service members as they get ready to deploy and after their return. There is also an increase in demand in the wake of natural disasters, such as hurricanes and fires. We need to maintain a flexible pool of psychological health providers who can increase or decrease rapidly in numbers depending on demand on the MHS side. Currently, Military Family Life Consultants and Military OneSource counseling are providing this type of service for military families on the family support side. The recently introduced web-based TRICARE Assistance Program (TRIAP) offers another vehicle for non-medical counseling, especially for those who live far from counselors. We need to make the Services, along with military family members, more aware of resources along the continuum. We need the flexibility of support in both the MHS and family support arenas. We must educate civilian network providers about our culture. Communities along with nongovernment organizations are beginning to fulfill this role, but more needs to be done.

Availability of Treatment

Do DoD, VA and State agencies have adequate psychological health providers, programs, outreach, and funding? Better yet, where will the veteran's spouse and children go for help? Many will be left alone to care for their loved one's invisible wounds resulting from frequent and long combat deployments. Who will care for them when they are no longer part of the DoD health care system?

The Army's Mental Health Advisory Team (MHAT) IV report links reducing family issues to reducing stress on deployed service members. The team found the top non-combat stressors were deployment length and family separation. They noted soldiers serving a repeat deployment reported higher acute stress than those on their first deployment and the level of combat was the major contribution for their psychological health status upon return. Our study on the impact of deployment on caregivers and children

found it was the cumulative time deployed that caused increased stress. These reports demonstrate the amount of stress being placed on our troops and their families.

Our Association is especially concerned with the scarcity of services available to the families as they leave the military following the end of their activation or enlistment. Due to the service member's separation, the families find themselves ineligible for TRICARE, Military OneSource, and are very rarely eligible for healthcare through the VA. Many will choose to locate in rural areas lacking available psychological health providers. We need to address the distance issues families face in finding psychological health resources and obtaining appropriate care. Isolated service members, veterans, and their families do not have the benefit of the safety net of services and programs provided by MTFs, VA facilities, Community-Based Outpatient Centers and Vet Centers. We recommend:

- using alternative treatment methods, such as telemental health;
- modifying licensing requirements in order to remove geographic practice barriers that prevent psychological health providers from participating in telemental health services outside of a VA facility;
- educating civilian network psychological health providers about our military culture as the VA incorporates Project Hero; and
- encouraging DoD and VA to work together to provide a seamless “warm hand-off” for families, as well as service members transitioning from active duty to veteran status and funding additional transitional support programs if necessary.

National Guard and Reserve Members

The National Military Family Association is especially concerned about fewer mental health care services available for the families of returning National Guard and Reserve members as well as service members who leave the military following the end of their enlistment. They are eligible for TRICARE Reserve Select, but as we know, National Guard and Reserve members are often located in rural areas where there may be no mental health providers available. Policy makers need to address the distance issues that families face in linking with military mental health resources and obtaining appropriate care. Isolated National Guard and Reserve families do not have the benefit of the safety net of services provided by MTFs and installation family support programs. Families want to be able to access care with a provider who understands or is sympathetic to the issues they face. We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture. We hear the National Guard Bureau's Psychological Health Services (PHS) is not working as designed to address their mental health issues. This program needs to be re-evaluated to determine its effectiveness.

Children

Our Association is concerned about the impact deployment and/or the injury of the service member is having on our most vulnerable population, children of our military and veterans. Our study on the impact of the war on caregivers and children found deployments are creating layers of stressors, which families are experiencing at different stages. Teens especially carry a burden of care they are reluctant to share with the non-deployed parent in order to not “rock the boat.” They are often encumbered by the feeling of trying to keep the family going, along with anger over changes in their schedules, increased responsibility, and fear for their deployed parent. Children of the National Guard and Reserve members face unique challenges since there are no military installations for them to utilize. They find themselves “suddenly military” without resources to support them. School systems are generally unaware of this change in focus within these family

units and are ill prepared to look out for potential problems caused by these deployments or when an injury occurs. Also vulnerable, are children who have disabilities that are further complicated by deployment and subsequent injury of the service members. Their families find stress can be overwhelming, but are afraid to reach out for assistance for fear of retribution to the service member's career. They often choose not to seek care for themselves or their families. We appreciate the inclusion of a study on the mental health needs of our children in the NDAA FY10 and hope the research we commissioned will provide useful information as the study is designed.

The impact of the wounded, ill, and injured on children is often overlooked and underestimated. Military children experience a metaphorical death of the parent they once knew and must make many adjustments as their parent recovers. Many families relocate to be near the treating MTF or the VA Polytrauma Center in order to make the rehabilitation process more successful. As the spouse focuses on the rehabilitation and recovery, older children take on new roles. They may become the caregivers for other siblings, as well as for the wounded parent. Many spouses send their children to stay with neighbors or extended family members, as they tend to their wounded, ill, and injured spouse. Children get shuffled from place to place until they can be reunited with their parents. Once reunited, they must adapt to the parent's new injury and living with the "new normal." We appreciate the inclusion of a study to assess the impact on children of the severely wounded in the NDAA FY10.

We encourage partnerships between government agencies, DoD, VA and State agencies and recommend they reach out to those private and non-governmental organizations who are experts on children and adolescents. They could identify and incorporate best practices in the prevention and treatment of mental health issues affecting our military children. We must remember to focus on preventative care upstream, while still in the active duty phase, in order to have a solid family unit as they head into the veteran phase of their lives. School systems must become more involved in establishing and providing supportive services for our nation's children.

Caregiver Burnout

In the eighth year of war, care for the caregivers must become a priority. There are several levels of caregivers. Our Association hears from the senior officer and enlisted spouses who are so often called upon to be the strength for others. We hear from the health care providers, educators, rear detachment staff, chaplains, and counselors who are working long hours to assist service members and their families. They tell us they are overburdened, burnt out, and need time to recharge so they can continue to serve these families. These caregivers must be afforded respite care, given emotional support through their command structure, and be provided effective family programs.

Education

The DoD, VA, and State agencies must educate their health care and mental health professionals of the effects of mild Traumatic Brain Injury (mTBI) in order to help accurately diagnose and treat the service member's condition. They must be able to deal with polytrauma—Post-Traumatic Stress Disorder (PTSD) in combination with multiple physical injuries. We need more education for civilian health care providers on how to identify signs and symptoms of mild TBI and PTSD.

The families of service members and veterans must be educated about the effects of mTBI and PTSD in order to help accurately diagnose and treat the service member/veteran's condition. These families are on the "sharp end of the spear" and are more likely to pick up on changes attributed to either condition and relay this information to their health care providers. Programs are being developed by each Service.

However, they are narrow in focus targeting line leaders and health care providers, but not broad enough to capture our military family members and the communities they live in.

Reintegration Programs

Reintegration programs become a key ingredient in the family's success. Our Association believes we need to focus on treating the whole family with programs offering readjustment information; education on identifying mental health, substance abuse, suicide, and traumatic brain injury; and encouraging them to seek assistance when having financial, relationship, legal, and occupational difficulties. We appreciate the inclusion in the NDAA FY10 for education programs targeting pain management and substance abuse for our families. As Services roll out suicide prevention programs, we need to include our families, communities, and support personnel.

Successful return and reunion programs will require attention over the long term, as well as a strong partnership at all levels between the various mental health arms of DoD, VA, and State agencies. DoD and VA need to provide family and individual counseling to address these unique issues. Opportunities for the entire family and for the couple to reconnect and bond must also be provided. Our Association has recognized this need and successfully piloted family retreats in the National Parks promoting family reintegration following deployment.

We recommend an extended outreach program to service members, veterans, and their families of available psychological health resources, such as DoD, VA, and State agencies.

We encourage Congress to request DoD to include families in its Psychological Health Support survey; perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members).

We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture.

Caregivers must be afforded respite care; given emotional support through their command structure; and, be provided effective family programs.

Wounded Service Members Have Wounded Families

Our Association asserts that behind every wounded service member and veteran is a wounded family. It is our belief the government, especially the DoD and VA, must take a more inclusive view of military and veterans' families. Those who have the responsibility to care for the wounded, ill, and injured service member must also consider the needs of the spouse, children, parents of single service members and their siblings, and the caregivers. DoD and VA need to think proactively as a team and one system, rather than separately; and addressing problems and implementing initiatives upstream while the service member is still on active duty status.

Reintegration programs become a key ingredient in the family's success. For the past two years, we have piloted our *Operation Purple® Healing Adventures* camp to help wounded service members and their families learn to play again as a family. We hear from the families who participate in this camp, as well as others dealing with the recovery of their wounded service members that, even with Congressional intervention and implementation of the Services' programs, many issues still create difficulties for them well into the recovery period. Families find themselves having to redefine their roles following the injury of the

service member. They must learn how to parent and become a spouse/lover with an injury. Each member needs to understand the unique aspects the injury brings to the family unit. Parenting from a wheelchair brings a whole new challenge, especially when dealing with teenagers. Parents need opportunities to get together with other parents who are in similar situations and share their experiences and successful coping methods. Our Association believes we need to focus on treating the whole family with DoD and VA programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. Injury interrupts the normal cycle of deployment and the reintegration process. We must provide opportunities for the entire family and for the couple to reconnect and bond, especially during the rehabilitation and recovery phases.

Brooke Army Medical Center (BAMC) has recognized a need to support these families by expanding in terms of guesthouses co-located within the hospital grounds and a family reintegration program for their Warrior Transition Unit. The on-base school system is also sensitive to issues surrounding these children. A warm, welcoming family support center located in guest housing serves as a sanctuary for family members. The DoD and VA could benefit from looking at successful programs like BAMC's which has found a way to embrace the family unit during this difficult time.

The Vet Centers are an available resource for veterans' families providing adjustment, vocational, and family and marriage counseling. The VA health care facilities and the community-based outpatient clinics (CBOCs) have a ready supply of mental health providers, yet regulations restrict their ability to provide mental health care to veterans' families unless they meet strict standards. Unfortunately, this provision hits the veteran's caregiver the hardest, especially if they are the parents. We recommend DoD partner with the VA to allow military families access to mental health services. We also believe Congress should require the VA, through its Vet Centers and health care facilities to develop a holistic approach to care by including families when providing mental health counseling and programs to the wounded, ill, or injured service member or veteran.

The Defense Health Board has recommended DoD include military families in its mental health studies. We agree. We encourage Congress to direct DoD to include families in its Psychological Health Support survey; perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members). We appreciate the NDAA FY10 report on the impact of the war on families and the DoD's Millennium Cohort Study including families. Both will help us gain a better understanding of the long-term effects of war on our military families.

Transitioning for the Wounded and Their Families

Transitions can be especially problematic for wounded, ill, and injured service members, veterans, and their families. The DoD and the VA health care systems, along with State agency involvement, should alleviate, not heighten these concerns. They should provide for coordination of care, starting when the family is notified that the service member has been wounded and ending with the DoD, VA, and State agencies working together, creating a seamless transition, as the wounded service member transfers between the two agencies' health care systems and, eventually, from active duty status to veteran status.

Transition of health care coverage for our wounded, ill, and injured and their family members is a concern of our Association. These service members and families desperately need a health care bridge as they deal with the after effects of the injury and possible reduction in their family income. We have created two proposals. Service members who are medically retired and their families should be treated as active duty for TRICARE fee and eligibility purposes for three years following medical retirement. This proposal will allow the family not to pay premiums and be eligible for certain programs offered to active duty, such as

ECHO for three years. Following that period, they would pay TRICARE premiums at the rate for retirees. Service members medically discharged from service and their family members should be allowed to continue for one year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed.

Caregivers

Caregivers need to be recognized for the important role they play in the care of their loved one. Without them, the quality of life of the wounded service members and veterans, such as physical, psychosocial, and mental health, would be significantly compromised. They are viewed as an invaluable resource to DoD and VA health care providers because they tend to the needs of the service members and the veterans on a regular basis. And, their daily involvement saves DoD, VA, and State agency health care dollars in the long run. Their long-term psychological care needs must be addressed. Caregivers of the severely wounded, ill, and injured service members who are now veterans have a long road ahead of them. In order to perform their job well, they will require access to mental health services.

The VA has made a strong effort in supporting veterans' caregivers. The DoD should follow suit and expand their definition. We appreciate the inclusion in NDAA FY10 of compensation for service members with assistance in everyday living. However, our Association believes this provision does not go far enough. In order to perform their job well, caregivers must be taught the skills to be successful. This will require the caregiver to be trained through a standardized, certified program.

Compensation of caregivers should be a priority for DoD and the Secretary of Homeland Security for our Coast Guard. Caregivers must be recognized for their sacrifices and the important role they play in maintaining the quality of life of our wounded service members and veterans. Financial compensation must be established for caregivers of injured service members and veterans that begin while the hospitalized service member is still on active duty and transitions seamlessly to a VA benefit. Current law creates a potential gap in compensation during transition from active duty to veteran status. Our Association proposes that compensation should reflect the types of medical and non-medical care services provided by the caregiver. The caregiver should be paid directly for their services. Non-medical care should be factored into a monthly stipend tied to severity of injury –cognitive and physical injury and illness—and care provided. In order to perform their job well, caregivers must be taught the skills to be successful. This will require the caregiver to be trained through a standardized, certified program. Compensation for medical care should be an hourly wage linked to training and certification of the caregiver paid for by the VA and transferrable to employment in the civilian sector if the care is no longer needed by the service member or veteran.

Consideration should also be given to creating innovative ways to meet the health care and insurance needs of the caregiver, with an option to include their family. Current proposed legislation does not include a "family" option. Additional services caregivers need are: respite care, such as 24 hour in-home care, mental health services, and travel and lodging expenses when accompanying service members and veterans for medical care.

There must be a provision for transition benefits for the caregiver if the caregiver's services are no longer needed, chooses to no longer participate, or is asked by the veteran to no longer provide services. The caregiver should still be able to maintain health care coverage for one year. Compensation would discontinue following the end of services/care provided by the caregiver. Our Association looks forward to discussing details of implementing such a plan with Members of this Subcommittee.

The VA currently has eight caregiver assistance pilot programs to expand and improve health care education and provide needed training and resources for caregivers who assist disabled and aging veterans in their homes. DoD should evaluate these pilot programs to determine whether to adopt them for themselves. Caregivers' responsibilities start while the service member is still on active duty.

Relocation Allowance and Housing

Active Duty service members and their spouses qualify through the DoD for military orders to move their household goods when they leave the military service. Medically retired service members are given a final PCS move. Medically retired married service members are allowed to move their family, however, medically retired single service members only qualify for moving their own personal goods.

Our Association suggests that legislation be passed to allow medically retired single service members the opportunity to have their caregiver's household goods moved as a part of the medical retired single service member's PCS move. This should be allowed for the qualified caregiver of the wounded service member and the caregiver's family (if warranted), such as a sibling who is married with children or mom and dad. This would allow for the entire caregiver's family to move, not just the caregiver. The reason for the move is to allow the medically retired single service member the opportunity to relocate with their caregiver to an area offering the best medical care, rather than the current option that only allows for the medically retired single service member to move their belongings to where the caregiver currently resides. The current option may not be ideal because the area in which the caregiver lives may not be able to provide all the health care services required for treating and caring for the medically retired service member. Instead of trying to create the services in the area, a better solution may be to allow the medically retired service member, their caregiver, and the caregiver's family to relocate to an area where services already exist.

The decision on where to relocate for optimum care should be made with the Federal Recovery Coordinator (case manager), the service member's medical physician, the service member, and the caregiver. All aspects of care for the medically retired service member and their caregiver shall be considered. These include a holistic examination of the medically retired service member, the caregiver, and the caregiver's family for, but not limited to, their needs and opportunities for health care, employment, transportation, and education. The priority for the relocation should be where the best quality of services is readily available for the medically retired service member and his/her caregiver.

The consideration for a temporary partial shipment of caregiver's household goods may also be allowed, if deemed necessary by the case management team.

Provide transitioning wounded, ill and injured service members and their families a bridge of extended active duty TRICARE eligibility for three years, comparable to the benefit for surviving spouses.

Service members medically discharged from service and their family members shall be allowed to continue for one year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed.

Caregivers of the wounded, ill and injured must be provided with opportunities for training, compensation and other support programs because of the important role they play in the successful rehabilitation and care of the service member.

The National Military Family Association is requesting the ability for medically retired single service members to be allowed the opportunity to have their caregiver's household goods moved as a part of the medically retired single service member's PCS move.

Senior Oversight Committee

Our Association is appreciative of the provision in the NDAA FY10 establishing a DoD Task Force on the Care, Management, and Transition of Recovery, Wounded, Ill, and Injured Members of the Armed Forces to access policies and programs. We understand the Senior Oversight Committee, a permanent structure, is in the process of being established and manned. This Task Force will be independent and in a position to monitor DoD and VA's partnership initiatives for our wounded, ill, and injured service members and their families, while this organization is being created.

The National Military Family Association encourages the all committees with jurisdiction over military personnel and veterans matters to talk on these important issues. We can no longer continue to create policies in a vacuum and be content on focusing on each agency separately because this population moves too frequently between the two agencies, especially our wounded, ill, and injured service members and their families.

III. Family Transitions

Survivors

In the past year, the Services have been focusing on outreach to surviving families. In particular, the Army's SOS (Survivor Outreach Services) program makes an effort to remind these families that they are not forgotten. DoD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need, through all of VA's venues. New legislative language governing the TRICARE behavioral health benefit may also be needed to allow TRICARE coverage of bereavement or grief counseling. The goal is the right care at the right time for optimum treatment effect. DoD and the VA need to better coordinate their mental health services for survivors and their children.

We thank Congress for extending the TRICARE Dental benefit to surviving children. We ask that eligibility be expanded to those active duty family members who had not been enrolled in the active duty TRICARE Dental benefit prior to the service member's death.

Our Association recommends that eligibility be expanded to active duty survivors who had not been enrolled in the TRICARE Dental Program prior to the service member's death. We also recommend that grief counseling be more readily available to survivors.

Our Association still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. The SBP annuity, paid by DoD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor becomes eligible for DIC.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SBP is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this

choice currently leaves the spouse with an annual income of \$13,848, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses.

We believe several other adjustments could be made to the Survivor Benefit Plan. Allowing payment of the SBP benefits into a Special Needs Trust in cases of disabled beneficiaries will preserve their eligibility for income based support programs. The government should be able to switch SBP payments to children if a surviving spouse is convicted of complicity in the member's death.

We believe there needs to be DIC equity with other federal survivor benefits. Currently, DIC is set at \$1154 monthly (43% of the Disabled Retirees Compensation). Survivors of federal workers have their annuity set at 55% of their Disabled Retirees Compensation. Military survivors should receive 55% of VA Disability Compensation. We are pleased that the requirement for a report to assess the adequacy of DIC payments was included in the NDAA FY09. We are awaiting the overdue report. We support raising DIC payments to 55% of VA Disability Compensation. When changes are made, ensure that DIC eligibles under the old system receive an equivalent increase.

We ask the DIC offset to SBP be eliminated to recognize the length of commitment and service of the career service member and spouse. We also request that SBP benefits be allowed to be paid to a Special Needs Trust in cases of disabled family members.

We ask that DIC be increased to 55% of VA Disability Compensation.

Education of Military Children

The National Military Family Association would like to thank Congress for including a "Sense of Congress" in regards to the *Interstate Compact on Educational Opportunity for Military Children* in last year's National Defense Authorization Act. The Compact has now been adopted in thirty states and covers over 84% of our military children. The Interstate Commission, the governing body of the Compact, is working to educate military families, educators, and states on the appropriate usage of the Compact. The adoption of the Compact is a tremendous victory for military families who place a high value on education.

However, military families define the quality of that education differently than most states or districts that look only at issues within their boundaries. For military families, it is not enough for children to be doing well in their current schools, they must also be prepared for the next location. The same is true for children in underperforming school systems. Families are concerned that they will lag behind students in the next location. With many states cutting educational programs due to the economic downturn, this concern is growing. A prime example is Hawaii, which opted to furlough teachers on Fridays, cutting seventeen days from the school calendar. With elementary schools already on a shortened schedule for Wednesday, these students are only getting approximately three-and-a-half days of instruction every other week. In addition, the recent cuts have made it increasing hard for schools to meet IEP requirements for special needs students. Furthermore, Hawaii is requiring parents to pay more for busing, and the cost of school meals have gone up 76%. Our Association believes that Hawaii's cuts are just the "tip of the iceberg" as we are beginning to see other states make tough choices as well. Although Hawaii's educational system has long been a concern for military families, many of whom opt for expensive private education, Hawaii is not the only place where parents have concerns. The National Military Family Association believes that our military children deserve to have a good quality education wherever they may live. However, our Association recognizes that how that quality education is provided may differ in each location.

We urge Congress to encourage solutions for the current educational situation in Hawaii and recognize that service members' lack of confidence that their children may receive a quality education in an assignment location can affect the readiness of the force in that location.

While our Association remains appreciative for the additional funding Congress provides to civilian school districts educating military children, Impact Aid continues to be under-funded. We urge Congress to provide appropriate and timely funding of Impact Aid through the Department of Education. In addition, we urge Congress to increase DoD Impact Aid funding for schools educating large numbers of military children to \$60 million for FY11. We also ask Congress to include an additional \$5 million in funding for special needs children. The DoD supplement to Impact Aid is critically important to ensure school districts provide quality education for our military children.

As increased numbers of military families move into new communities due to Global Rebasing and BRAC, their housing needs are being met further and further away from the installation. Thus, military children may be attending school in districts whose familiarity with the military lifestyle may be limited. Educating large numbers of military children will put an added burden on schools already hard-pressed to meet the needs of their current populations. We urge Congress to authorize an increase in this level of funding until BRAC and Global Rebasing moves are completed.

Once again, we thank Congress for passing the Higher Education Opportunity Act of 2008, which contained many new provisions affecting military families. Chief among them was a provision to expand in-state tuition eligibility for military service members and their families, and provide continuity of in-state rates if the service member receives Permanent Change of Station (PCS) orders out of state. However, family members have to be currently enrolled in order to be eligible for continuity of in-state tuition. Our Association is concerned that this would preclude a senior in high school from receiving in-state tuition rates if his or her family PCS's prior to matriculation. We urge Congress to amend this provision.

We ask Congress to increase the DoD supplement to Impact Aid to \$60 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies. We also ask Congress to include an additional \$5 million for school districts with Special Needs children.

Spouse Education & Employment

Our Association wishes to thank Congress for recent enhancement to spouse education opportunities. In-state tuition, Post 9/11 G.I. bill transferability to spouses and children, and other initiatives have provided spouses with more educational opportunities than previous years.

Since 2004, our Association has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program, with the generosity of donors who wish to help military families. Our 2010 application period closed on January 31, 2010. We saw a 33% increase in applications from previous years with more than 8,000 military spouses applying to our program. Military spouses remain committed to their education and need assistance from Congress to fulfill their educational pursuits.

We have heard from many military spouses who are pleased with the expansion of the Military Spouse Career Advancement Accounts, now called MyCAA. Unfortunately the abrupt halt of the program on February 16, 2010 created a financial burden and undue stress for military spouses. We are pleased DoD has reinstated the program for the 136,583 spouses enrolled in the program prior to February 16, 2010. We ask Congress to push DoD to fully restart this critical program for all eligible spouses as soon as possible. We also ask Congress to fully fund the MyCAA program, which is providing essential educational and career support

to military spouses. The MyCAA program is not available to all military spouses. We ask Congress to work with the appropriate Service Secretary to expand this funding to the spouses of Coast Guard, the Commissioned Corps of NOAA and U.S. Public Health Service.

Our Association thanks you for establishing a pilot program to secure internships for military spouses with federal agencies. Military spouses are anxious for the program to launch and look forward to enhanced career opportunities through the pilot program. We hope Congress will monitor the implementation of the program to ensure spouses are able to access the program and eligible spouses are able to find federal employment after successful completion of the internship program.

To further spouse employment opportunities, we recommend an expansion to the Workforce Opportunity Tax Credit for employers who hire spouses of active duty and Reserve component service members, and to provide tax credits to military spouses to offset the expense in obtaining career licenses and certifications when service members are relocated to a new duty station within a different state.

The Services are experiencing a shortage of medical, mental health and child care providers. Many of our spouses are trained in these professions or would like to seek training in these professions. We think the Services have an opportunity to create portable career opportunities for spouses seeking in-demand professions. In addition to the MyCAA funding, what can the Services do to encourage spouse employment and solve provider shortages? We would like to see the Services reach out to military spouses and offer affordable, flexible training programs in high demand professions to help alleviate provider shortages.

Our Association urges Congress to recognize the value of military spouses by fully funding the MyCAA program, and by creating training programs and employment opportunities for military spouses in high demand professions to help fill our provider shortages.

Families on the Move

A PCS move to an overseas location can be especially stressful for our families. Military families are faced with the prospect of being thousands of miles from extended family and living in a foreign culture. At many overseas locations, there are insufficient numbers of government quarters resulting in the requirement to live on the local economy away from the installation. Family members in these situations can feel extremely isolated; for some the only connection to anything familiar is the local military installation. Unfortunately, current law permits the shipment of only one vehicle to an overseas location, including Alaska and Hawaii. Since most families today have two vehicles, they sell one of the vehicles.

Upon arriving at the new duty station, the service member requires transportation to and from the place of duty leaving the military spouse and family members at home without transportation. This lack of transportation limits the ability of spouses to secure employment and the ability of children to participate in extracurricular activities. While the purchase of a second vehicle alleviates these issues, it also results in significant expense while the family is already absorbing other costs associated with a move. Simply permitting the shipment of a second vehicle at government expense could alleviate this expense and acknowledge the needs of today's military family.

Travel allowances and reimbursement rates have not kept pace with the out-of-pocket costs associated with today's moves. Military families are authorized 10 days for a housing hunting trip, but the cost for trip is the responsibility of the service member. Families with two vehicles may ship one vehicle and travel together in the second vehicle. The vehicle will be shipped at the service member's expense and then the service member will be reimbursed funds not used to drive the second vehicle to help offset the cost of shipping it. Or, families may drive both vehicles and receive reimbursement provided by the Monetary

Allowance in Lieu of Transportation (MALT) rate. MALT is not intended to reimburse for all costs of operating a car but is payment in lieu of transportation on a commercial carrier. Yet, a TDY mileage rate considers the fixed and variable costs to operate a vehicle. Travel allowances and reimbursement rates should be brought in line with the actually out-of-pocket costs borne by military families.

Our Association requests that Congress authorize the shipment of a second vehicle to an overseas location (at least Alaska and Hawaii) on accompanied tours, and that Congress address the out-of-pocket expenses military families bare for government ordered moves.

Military Families – Our Nation's Families

We thank you for your support of our service members and their families and we urge you to remember their service as you work to resolve the many issues facing our country. Military families are our Nation's families. They serve with pride, honor, and quiet dedication. Since the beginning of the war, government agencies, concerned citizens and private organizations have stepped in to help. This increased support has made a difference for many service members and families, yet, some of these efforts overlap while others are ineffective. In our testimony, we believe we have identified improvements and additions that can be made to already successful programs while introducing policy or legislative changes that address the ever changing needs of our military population. Working together, we can improve the quality of life for all these families

Mr. EDWARDS. Thank you, Ms. Hruska, for your excellent presentation.

Dr. KELLER.

STATEMENT OF DR. MARY KELLER.

Dr. KELLER. Thank you, Mr. Chairman, and good morning to you, and good morning to Mr. Crenshaw.

We are so excited to have the opportunity to talk about the over 2 million children whose parents are serving our nation in the active-duty forces, the National Guard, and the Reserves. I would really like to hone in, sir, on the 1.1 million children who are school age, K-12. And just to give you a little scope, that is the size of the New York City public schools, if all of those kids were in one school district.

Mr. Chairman, you and the members of this subcommittee are really asking the right kinds of questions. What do we really know about the quality of life for children and for their families? And, of course, parents are happy when their kids are happy. In Texas we say, if Mama ain't happy, nobody is happy.

But, you know, those answers really aren't precise. We have too many stories and too many anecdotes. We in the Military Child Education Coalition have spent 14 years in the field with educators, with parents, with students. In the past 4 years, we have trained over 70,000 military connected parents about how to be more engaged with schools, how to have a good parent-teacher conference, how to ask the right kinds of questions when you are new to a school or you are just suddenly a single parent because the other parent has been deployed.

We have also trained thousands and thousands of educators. And, by the way, most educators have no personal experience with military. So the child's life is predominantly spent in school, when they are not at home. So how do we know how the kids are doing? What is the report card? And that is what I would like to talk to you about.

No parent would be satisfied with a report card coming home that was full of stories unless your child was in kindergarten. Then you are okay with smiley faces. But we are not okay with smiley and frowning faces. We need to know how the kids are doing precisely.

When we know how kids are doing—and that is, their academic performance, their attendance, their graduation rates, their retention rate—you have done so much to set kids up right for college readiness, for workplace readiness, and to give military families those opportunities, but are they prepared?

They might be able to get into college, but can they stay in college and complete? Are they ready for the workplace? Are they ready to choose a military life? And the way that we know that is really knowing how kids perform in school.

Sir, what we have known for the past decade in public schools—and as you said, I have experience as a school administrator and teacher—is we know how kids are doing. For kids in general, we know their academic performance. We know if they are in special programs. We know what kinds of patterns of course-taking that we see in kids' portfolios. We do not know this about military kids.

We don't even know the most basic question: What schools do military kids attend? This is true for the kids in the active-duty, but it is really true for kids in the National Guard and Reserves. All kids deserve for us to have the very best information. Their parents deserve that information. Local educators deserve that information. Policy leaders, both in local communities, on school boards, and you deserve that information, and commanders need to know, how are my kids doing?

What we would ask you to do is consider what is already in place as a superhighway, and that is the capacity of the Department of Education, and we worked very closely with them—they have been great—and the states to collect data on students, which they already do, and that is school performance, how kids are doing in special programs, and that data can be disaggregated by grade level, by gender, so the great point NMFA has brought up in their research about how girls are doing, we don't know what the implication is on their school record.

What we need to do is switch on the field to enable parents, when they enroll their child, to indicate, is that child a military child? And that means either active-duty, National Guard or Reserve. When that happens, the schools collect the data. It rolls up to the states. The states then, from the over 80 percent of military kids who are in public school, will roll that data up to the National Center for Educational Statistics.

Then we can answer the questions that we can't answer now. So there are too many decisions—unfortunately, because we don't have the data—being made on stories and not substance. So then we don't have the measurement to know what programs are really working, if funding appropriately plays. Are there grade levels? Are there—are there genders that need to be focused on more at certain times through schools and communities, through after-school programs? Are military youth programs aligned with what is also going on in the schools?

So how can we get that report card on kids? And that is why I would ask your support in what we feel is so important, and that is getting the great report card so that everyone knows about the well-being of the military child in school. Again, that is 1.1 million children who are K-12, so that we have the information so we can set them up for the future.

We have been working with Gallup organization on the Gallup student poll. Over 250,000 kids were polled in October; 25,000 kids indicated that they were military-connected kids. The results go into three bins: hope, engagement and well-being.

What we know is, 25,000 of 250,000 kids indicated that they were military-connected kids, and their voice deserves to be heard, not only in how they see their school's capacity to serve them in a school environment, but how is their voice heard in their own academic performance? Because this is what sets kids up for their future.

So we ask your help for this, because we believe that we can get better data on kids, we can make better decisions. And this is something that we can sustain. As our chairman of the board, General Ben Griffin, says, we have got to take for the sake of the child to heart. This is something that we believe needs to happen and

that it can help everyone, and that is from the engaged parent to the meaningful opportunities that happen for kids at schools to the important things that are going on in communities, both military and civilian.

Thank you very much.

[The information follows:]

[Statement of Dr. Mary Keller follows:]

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STATEMENT BY

DR. MARY KELLER, PRESIDENT AND CEO
THE MILITARY CHILD EDUCATION COALITION

BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION AND
VETERANS AFFAIRS AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

ON MILITARY FAMILY QUALITY OF LIFE

SECOND SESSION, 111TH CONGRESS

APRIL 14, 2010

Introduction:

Chairman Edwards, Congressman Wamp, and Members of the subcommittee, on behalf of our Chairman, General (Ret.) Ben Griffin and our Military Child Education Coalition Board of Directors, thank you for the opportunity to appear today to discuss critically important aspects of military family quality of life. I am Dr. Mary Keller, the President/CEO of the Military Child Education Coalition (MCEC), a global network of professionals and volunteers dedicated to Military Children.

The Military Child Education Coalition is a 501(c)(3) nonprofit organization focused exclusively on the well-being and needs of America's two million military-connected children, specifically in the areas of academic opportunity and excellence, school transition support, and developmental needs. The name of our organization and its focus on the word "child" is intentional because our goal is to ensure that every military-connected child grow and thrive through good and challenging times so that they are college-, work place-, and ultimately, life-ready. The MCEC strives to honor the service of the brave men and women of the U.S. military who serve our nation by taking care of and advocating on behalf of their most prized possession: their children.

Let me start by telling you a little about the demographics of military-connected children: there are about two million children of which 1.1 million are school-aged, with 75% below age 12. Eighty percent attend U.S. public schools, and roughly eight percent are enrolled in Department of Defense Education Activity schools. The rest attend private, parochial, or host nation schools, or are homeschooled.

Mr. Chairman and members of the subcommittee, based on this significant population, you are asking the right question, "How are military kids doing after almost nine years of war?" Based on our experience in the field, research and surveys, we know a little but not enough. What we do know is first and foremost that babies, toddlers, school-aged children, and young adults are kids first and military-connected second. Sometimes, they are afraid and anxious about the well-being of their parents, both the one deployed and the one at home. While aware of the challenges in their life, they are patriotic and proud of their family. Like any kids, they experience stress differently. Most apparent for military kids is the added factor of deployment-related stress and, sometimes, the "new normal" of a parent who returns profoundly changed.

Through all the challenges, military kids remain adaptable, eager, and flexible. Some are more resilient than others. And they are remarkably strong and perceptive. Shannon – a fourth grader – epitomizes their insight:

"Life as a military kid is not ordinary. Even though there are struggles, there are also rewards. I have a lot to be thankful for. I am proud to be a military kid, and I am proud of my father. Friends and family; tough times, and change are what make me who I am."

About the Military Child Education

Fourteen years ago, at the kitchen table of General Tom and Sandy Schwartz' on Fort Hood, the Military Child Education Coalition was founded out of concern about the education and school transition needs of the military-connected student. Then, the focus was on the children of parents serving on Active Duty, recognizing that they move and change schools three times more often than their civilian classmates. After September 11, 2001, we expanded our mission quickly and appropriately to include the children of the National Guard and Reserves. Today we continue to extend our reach as necessary, and provide assistance to the siblings of service members, as well as to the children of Veterans.

From that humble start, we have grown to become a global non-profit organization. Our coalition membership includes all components of the Armed Services, including the Coast Guard, school systems around the world, parents, organizations and corporations, as well as individuals. The MCEC is committed to a grass roots approach. We collaborate actively with the military, educators and community members as well as with leaders at the federal, state and local levels. In addition to the Departments of Defense and Education, we work with the Bill and Melinda Gates Foundation, Gallup Corporation, Bob Woodruff Foundation, Sesame Workshop, Zero to Three, Survivor Corps, Leader to Leader, America's Promise, USAA Foundation and the USAA Education Foundation, and the Association of the United States Army, the Henry M. Jackson Foundation, the PTA, and a number of universities.

Funding is provided through an active membership base, private donations, and grants from local, state, and foundation sources. Likewise, we have contracts with the Army, Navy and the Department of Defense. In 2007, we were honored to receive funding from Congress that enabled us to scale-up our services especially in communities where children of the National Guard and Reserve are located through the program *Living in the New Normal: Helping Children Thrive through Good and Challenging Times*. Thank you for providing the resources. In addition to these programs, MCEC sponsors 20 other initiatives directed at increasing the network of informed, first responders who support our military connected children to meet their educational goals, mitigate challenges and provide for their well-being.

What We Do and How We Do It

As any teacher will tell you, there are three major influencers/socializers in every child's life: home, school, and friends and caring adults. Attuned to the developmental needs of children, the MCEC's programs, resources and volunteers operate through these three dimensions.

Home and Family: Providing parents with training and knowledge about their kid's challenges is vital. The primary delivery for our outreach to parents is through the Parent to Parent program where we employ and train spouses as peer trainers in child literacy. Through our partnership with the Army, as of March 2010, the MCEC's Parent to Parent teams have trained over 70,000 parents to be positive advocates for their children. Recently, OSD engaged us to expand the P2P program to families of the National Guard and Reserve.

Student Programs and School-Based Support: Especially for middle and high school students, the school is their community and kids are their peers. Providing effective "convoys of support" for adolescents and

teens means enlisting and training those peers. Therefore, we created the Student to Student (S2S) and Junior Student to Student (JS2S) programs. The kids and adults in these programs are trained and provided with curricula and products that help new students assimilate quickly and/or support students going through a challenging time. The goal of S2S and JS2S is 100% acceptance of all new students. Currently there are 130 JS2S middle schools and the 224 S2S high schools around the world. Listen to the words of Craig Miller, a faculty sponsor of the exemplary Student to Student program at Steilacoom High School in Washington State, who shared:

"The S2S (Student to Student) program is designed to aid incoming new students, specifically to help them adapt and feel comfortable in their new environment. Steilacoom High School is a relatively small school. When we started the program, we had around 700 students enrolled (9-12), we now have about 840. My S2S team members have worked with nearly 600 new students in the four years we have had our program. We get a lot of turnover here. Nearly 48% of our students (district-wide) are from military families. We are located next to Fort Lewis and we are also near McChord AFB. We get students whose parents are stationed at both."

Professional, Caring Adults: It is critically important that adults be trained to understand the unique circumstances of military kids, and have the resources to respond appropriately. To assist in these areas, MCEC offers graduate-level, accredited professional development courses. To date we have trained over 16,000 professional educators and community professionals in both the military and civilian systems. This is especially significant when you consider that most of the school counselors, administrators, and other professional educators that have taken advantage of our graduate level training directly engage with students and their parents on a daily basis. Two examples of our array of professional development courses are *Supporting Children of the National Guard and Reserve*, a program which trains school professionals about the unique needs of children whose parents serve in the Reserve components, and *Living in the New Normal*, a program that develops resilience, child development, risk protection, as well as explores factors that may compound the challenges of a separation from a deployed parent. Utilizing public engagements as a delivery method, LINN provides specific strategies and actions that lay people can implement in their own communities.

In all of our professional development courses, the voice of the child is foremost. Recently we heard from a sixth grader who shared these reflections about her dad who had just returned from a second deployment:

It's hectic. Preparing...When he finally comes home, it's really happy times, but then you have to kind of get him rehabilitated, I shouldn't say (laughing), to getting used to coming back and getting the schedules after fixing around everyone. So it takes some time to get used to.

What We Have Learned and How We Know It

Our best source of lessons-learned comes from the field. Every day, we learn from children, youth, parents, educators, other professionals, military and civilian leaders, and caring volunteers. Every day, we are humbled and inspired, and urged on by their dedication.

Research and scientifically-based evidence informs and shapes our programs. MCEC's Science Advisory Board is made up of well-respected military and civilian professionals in the fields of psychiatry, education, pediatrics, psychology, applied mathematics, public policy, anthropology, and philosophy.

The MCEC's standards of research-to-inform-practice also hold true for us as well as our research-based partnerships. For example, the Army asked us to do the first Secondary Education Transition Study in 2001. The insights gathered in that study (SETS, 2001) resulted in over 400 school systems signing Memorandum of Agreement that allow transitioning students to hand carry school records and for more flexibility in providing access to school programs. The SETS findings, and the resulting Guiding Principles, provided the foundation for the Interstate Compact on Educational Opportunity for Military Children which 29 states have enacted.

Last year, General George Casey asked us to update SETS with a broader spectrum of inquiry into such experiences for children in the 21st Century. With findings due this coming fall, the Education of the Military Child-21st Century research initiative will include over 1300 in-depth interviews of school administrators, educators, Army personnel, parents, and children (grades 5-12). It is being conducted at 11 installations and includes the National Guard and Army Reserve. The EMC-21 has four areas of inquiry:

- *An update of the Secondary Education Transition Study (SETS). What factors and new options impact today's 8th grade-12th grade school transitions?*
- *Enrichment Programs. Are gifted and talented enrichment programs accessible to military-connected kids and do they respond to the transition challenges?*
- *Homeschooling choices, implications and transition challenges for Army Families. Why do families make that choice? How do they carry out the task? What expectations do they have for their children's outcomes? How does transition affects home-schooled students. How do military service components support the families decision?*
- *The education-related effects of multiple deployments on school-aged children. Looking at children in grades one through twelve, what are the range of school-related issues associated with the repeated deployments of a parent.*

In addition to EMC21, we are excited to receive the results of research conducted in collaboration with the Gallup Corporation and America's Promise. The Gallup Student Poll, available at no cost, is a 20-item measure of hope, engagement, and well-being. *The poll results in a campus climate profile. We added questions to the GSP that would speak to the hearts and minds of military-connected kids. Of the more than 246,682 students in grades 5-12 that responded to the October 2009 survey, some 25,000 students identified themselves as military-connected. Of those 25,000 students, 17,428 (7.1%) reported a parent deployed in last eight years, 10,897 (4.4%) reported a sibling deployed in last eight years, 2,736 (1.1%) reported both a parent and a sibling deployed in last 8 years.*

Though we continue to analyze the results, preliminary evidence supports the notion that recurring deployments are having detrimental effects. We are grateful that the Bob Woodruff Foundation has

provided the funding necessary to analyze the results in detail, so that we clearly understand and report upon the impacts of recurring deployments.

What More Needs to Be Done?

Consider this: A student who was a first grader in 2001 is now in high school. If that student is a military-connected child, the chances that a parent has been deployed up to three times are high. For that child and family, lost time with a parent cannot be replaced. Likewise, the cumulative effects of anxiety that accompanies those separations and disruptions cannot be removed. For those reasons, we believe the military child is America's child, and we owe their parents a debt of gratitude for their service. This is best said in the words of a ten year old: "Dad, you have been gone half my life."

To repay that debt, Congress, the Department of Defense and the military service branches have made tremendous advances and improvements in family readiness programs and in providing quality services. Today, more family programs are available than ever in the past. We are encouraged by the President's budget request and commend the Administration and service components for providing important elements of support for our military families.

While we do know much about these children and about their needs—**we do not know enough**. We believe the time is right to review current programs, measure their effectiveness and outputs, and determine whether gaps exist. Based on our research and experience, MCEC provides five recommendations:

First, MCEC and our fellow stakeholders believe we have an obligation to our Service Members to ensure that conditions are set that ensure their children are college and work place ready. Especially while deployed, service members should have no doubt that their children are supported with efficacious school programs and environments that ensure their success.

Second, we need more precise information about how military connected kids are doing in school. With that information, we can create programs and practices that respond in thoughtful ways to the complexities of life for military families. Right now, too much of what is said about military kids is a product of sweeping or inaccurate generalizations. Conversely, we may be missing important patterns and experiences that can inform teachers, curricula and other important influencers.

Third, military-connected kids require inclusive solutions that adapt to their changing environments and needs. These solutions must be respectful and supportive of parents, cognizant of the developmental levels of children, tailored to unique environments and situations, and adaptive to changing needs. Ultimately each child deserves to be surrounded by supportive peers and adults that can encourage them to grow in competence, confidence, and coping skills. Likewise, they need the appreciation of a teacher, coach, or friend that reinforces the exemplary values manifest in the military culture and family.

Fourth, effective, consistent communication about programs is vital so parent can make informed decisions about the availability and efficacy of resources available to assist them deal with deployments, trauma and loss. This challenge is amplified for between 10-14% of military-connected children who have special needs. They suffer from a paradox of choice. Making the correct, informed choice depends on good training and advocacy. Regardless of the vehicle, the messaging should be consistent and the choices trustworthy.

Fifth, we must improve the tenuous network available to children of widely dispersed National Guard and Reserve families. Erica, whose dad is a Senior MSGT in the 193rd Special Operations Wing from the Pennsylvania Air National Guard, wrote:

"None of my friends, teachers, or even community knows what it is like when my dad is deployed, something that is very hard to explain."

Her comments articulate the need to increase the community's awareness about all military children and adopt measures to fill gaps.

Most fragile of all are the children of veterans and survivors, especially those veterans with physical or behavioral challenges. We cannot ignore these children. Typically, they make the toughest transition when they disconnect from the military environment, moving back into purely civilian environments.

Addressing the Gaps in Order to Improve Decisions Concerning the Well-Being of Children

One of our MCEC founding fathers and past chairman of the board, General (Retired) Tom Schwartz, has always cautioned against making promises to kids that we cannot keep. Children deserve promises that yield consistently what is appropriate, personal, and precise. Likewise, parents deserve good information about reliable options for the well-being and academic success of their child. Earlier in my testimony, I said that we know a lot about military-connected kids, but not enough. To overcome the challenges of a generation of children raised in an era of persistent conflict, we need better, more precise information about their development, to provide informed decisions in order to support them, their parents and professionals who work with them.

As it stands now we have insufficient information, beyond anecdotal stories and examples, about the academic life of military-connected children. We don't know where these children attend school or how they are performing on such important indicators as academic progress, attendance, special programs, and the implications on the long term for the college, workplace, and life readiness.

Shockingly, there is no public school-based information about military children; nor is there any state or national information. Absent this information, leaders—and more importantly—parents are guessing about important decisions related to their children. Like other cohort groups of public school children, such as children in special education programs, children of poverty, and those who speak a language other than English, data about military connected children should be collected and studied in order to understand their amplified need for attention from educators and special program supports.

The challenge is daunting, but it must be met. Using applied research methodologies, this data can be collected and translated into reliable indicators that will inform thoughtful strategies, processes, and instructional practices that have a likelihood of making a real difference for children. Properly constructed, the data can divulge a deeper understanding of what is needed for children of different ages, in a variety of situations, in classrooms and schools settings, and educators and influencers will become more confident about how best to serve military children with complex challenges.

To this end, MCEC and our partners are collaborating with the United States Department of Education and the Department of Defense to explore constructive ways to use existing capacities to establish reliable, consistent, and sustainable data processes that include all school-aged military-connected students of the Active Duty, Guard and Reserves. This data will provide precision to know and monitor basic and essential questions: How are the kids doing in the schools they attend? What programs and practices are working—and under what conditions?

From these practices, we can construct models that are scalable, can be customized without loss of integrity in execution, and have measurable outcomes. With pervasive conflict into the foreseeable future – and family impacts that will last a generation after the conclusion of any military engagement – it is critical that we establish these measurement systems now.

In addition to answers to the above questions, data collection and analysis has other advantages:

- 1) DOD and the Services will gain a better understanding about how to coordinate and assess their youth programs. With 75-80% of military families living off the installation and children spending the vast majority of their time outside of home and in the school environment, it is essential that local partnerships have good data in order to better measure and align their programs.
- 2) Schools and communities will be better able to evaluate their programs for replication and efficacy. Pattern discernment, over time, can be used to help inform programs beyond the school setting such as after school and summer programs as well as those available through the military systems both on installation and through the Guard and Reserves.
- 3) Indicators can be developed that improve the confidence in the array of systems, supports, and tools that require funding. Without this consistent, child-based, information as an important dimension it may be unclear as to which efforts should be retained when resources diminish.
- 4) Local schools, communities and military installations can identify available programs, measure success and institutionalize those that work. From that inventory, information can be synchronized so parents moving into the area are well informed about options and opportunities that exist for the benefit of their children.
- 5) Frankly, better data will reduce the viral spread of disconnected programs that crowd out what should be spotlighted, added, or phased out. This confusion—termed the “paradox of choice”—adds to the stress parents and caregivers experience. To reduce this stress, precise data will enable professionals to develop programs that allow for a personal, more reliable approach, which is especially

necessary for parents of children with special needs as they attempt to interpret different levels of service and, what are too often, frustratingly inconsistent resources.

6) All too often, the burden of the “too much” can miss the mark of what is actually needed by real kids, in real schools, in local communities—especially given the hectic pace of family life. Better understanding of the challenges of the military child at school can bolster the trust and confidence of parents, commander, and professionals; uncertainty can be alleviated by communicating to parents, commanders, and professionals.

7) Identifying indicators and developing practices and programs targeted at military-children can be applied effectively to other highly mobile children, for example, children of migrant workers and other seasonal workers.

8) Finally and perhaps most importantly, ensuring successful programs and mechanisms that support the family and children of service members is vital because, one day, these children will decide whether they want to join the service. Their experience today could affect the decisions of tomorrow. Given that about 50% of the all-volunteer force is from the children of service members, this support becomes essential to the nation’s efforts to retain an all-volunteer, professional force.

Conclusion

When asked about how military-connected children are doing today, based on all the challenges they face, our answers are, unfortunately, anecdotal...and our kids deserve much more. So do their parents. Therefore, we ask you to consider developing a method that allows for access to information, study of it and synthesis into programs that address gaps through more thoughtful discernment.

This course of action is necessary beyond the current conflicts because our military will deploy whether to war, peacekeeping, or disaster relief. Even without any deployments, military families will move multiple times to different schools that have different rules, standards and options. These eventualities and realities must be addressed so military-connected kids can be kids. Like us, they have a job which is to learn, grow, and make healthy choices. They rely on their parents and teachers who, in turn, rely on all of us who care. By capturing the lessons now and building effective networks of care, we can make a true, sustainable difference...*for the sake of the child.*

DEPARTMENT OF EDUCATION AND MILITARY FAMILIES

Mr. EDWARDS. Thank you, Dr. Keller. Both of you made excellent presentations, and your passion is certainly very clear. And thank you for being a passionate lobbyist on behalf of these great kids and military families.

Dr. Keller, could I ask you, what is the status of the Department of Education process, in terms of collecting this kind of information? Have they agreed to it, is it a matter of getting it done, or they agreed to certain parts of it, but not other parts? Where are we?

Dr. KELLER. They have agreed to open the field that would be for children who are active-duty, National Guard or Reserve. What they haven't agreed to, and that is the finer grain data, and that would be by service branch, which may not be that important, if you can figure it out by location.

What they have agreed to, sir, is to make that part of the reauthorization for the Elementary and Secondary Education Act, which you know is a complex process.

Mr. EDWARDS. Yes, okay. Are there other areas where we need to collect information so we have this report card that would go beyond the scope of the Department of Education?

Dr. KELLER. Yes, sir. We are officially concerned about the 1 in 7 children who are in special education programs, or at least we think they are in special education programs. Again, it is a problem of data of not knowing precisely.

If we get that data, sir, then it could give you more information on this committee and the decisions that you make that may have to do with ways that we can support families such as childcare, because we have children that have an amplified need.

CHILDCARE

Mr. EDWARDS. Okay. Thank you.

Ms. Hruska, let me just say, you mentioned in your opening comment, at the very top of your list of issues, childcare is one of the top five needs you hear. And let me just say, an example of where this testimony today can make a difference is the testimony of our noncommissioned officers, many of whom are sitting behind you, in the last several years that really inspired and encouraged this subcommittee to add over \$1 billion for childcare facilities around the country.

And the Department of Defense finally caught on and decided \$20 million a year just isn't going to even come close to letting us catch up with the needs. I hope once that program is completed, you know, we will make some real strides in terms of making it more available on our military posts. And I thank you for bringing up that issue.

OLDER CHILDREN ADJUSTING TO DEPLOYMENTS

Let me just ask one question, and then we will go to the other members for their questions. The Rand report said that it is older children that seem to have the most difficult time adjusting to Mom or Dad being deployed for a period of time.

Ms. HRUSKA. Yes, sir.

Mr. EDWARDS. What specifically, teenage years? What age?

Ms. HRUSKA. Yes, sir. It seems to be the older teen or the teenagers, the 15-, 16-, 17-year-olds. Now, I just want to remind you, these are the baseline findings. And so the longitudinal results should be released at the beginning of next month.

But we are seeing—and I believe Dr. Keller has seen this, as well—that it is older teens that are having difficulties.

Mr. EDWARDS. Okay. That is interesting. And while we focused on childcare for the need of some of the youngest children, we haven't had a lot of discussion in this subcommittee about youth activity centers for teenagers. Do most military installations have, you know, significant-sized youth activity centers for teenagers? Or is it the hit-and-miss proposition?

Ms. HRUSKA. I think it is a hit and miss. It really is. You have got some installations that have excellent programs, others that it is lacking. And this is a tough group. I think we have all struggled with trying to find the right mix of programming for teenagers.

But what we are finding also is that teens—especially if they have younger siblings—are taking on many of the responsibilities of caring for those younger siblings. So having a place where they can go to just have fun and relax and not, you know, have to take care of their little brothers and sisters is really critical.

Mr. EDWARDS. Okay, thank you. Thank you both.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Mr. Chairman.

You know, talking about teenagers and then talking about education, I mean, one of the most interesting things about this subcommittee—and I think one of the most challenging things—is there is always something new. There are always some new challenges.

And I guess when you deal with people, people are complicated, and there are problems. We talk about big military systems, and then we realize we have got to deal with the men and women, the active-duty folks, and then we realize they got wives and husbands, and then we realize they got kids.

So this is really helpful, I think, to us to—we had a hearing not long ago, just mental health of active-duty folks. And we realized we train them to go in to battle, but we don't do a very good job of helping them come home and deal. And now we hear the same kind of situation with kids. I mean, it is kind of obvious, but I guess we don't always focus on it. When Mom or Dad goes off, it brings a certain amount of anxiety.

SPECIAL NEEDS CHILDREN

And you mentioned special needs. One of the things I have been real interested in, just one of my priorities in Congress in general has been special needs. In fact, I have got some legislation—I think most of the members of this committee are co-sponsors of it, but it just—it deals with people with special needs. The federal government, we help people save for retirement, and we help people save to go to college. And it is a concept where we actually help people to save if they use those dollars for special needs, education, transportation, all the things that you all are dealing with.

And I was interested to learn that because of my involvement there, you see so many of the challenges that most people don't face, and then you realize, yes, even in the military, we have got to deal with that.

And I read there is a new program called ECHO, or something like that, that—is that working? I mean, that is an interesting—we finally get to that point where we want to deal with that in the military. Can you tell me a little bit about how that is going? Are there things that we can do to make that better? Do you know much about that? You mentioned it when you talked about special needs?

Dr. KELLER. It is especially true for families who have a child who is autistic. You know, a family with a child who has autism, of course, has some special challenges, but because the ECHO component of TRICARE extends, you know, the medical capacity of the family to seek services, I would really like to brag on the Marine Corps.

I think they have done a really good job of getting information out to parents, and they have done a good job of putting case workers out. It is hard to navigate, so it is hard for a family to say, "Here, I have a child with special needs, so now I have to navigate the school system, may have to navigate the medical world, and, oh, by the way, I have my military benefits that I have to figure out, too."

By having that concierge that helps you with your child figure out what can they access, especially when you have a parent who is working as a single parent because their spouse is deployed. So I think that the ECHO program has great potential. It looks like it has great promise. I think it is still early. They are trying to get the information out and help families know, what can you access? How do you most effectively access that, as well?

Ms. HRUSKA. And, Mr. Crenshaw, if I may add that, in this year's National Defense Authorization Act, Congress created the Office for Community Support for Military Families with Special Needs, which all special needs families are extremely grateful for and our organization is grateful for it, as well.

The problem was that it wasn't really funded. And so DOD is really trying to get the office up and running to do what it was intended to do, but without that funding, it is—they can only do so much.

And the whole idea of the office was to help create a standardization across the services for all families with—that have a family member with special needs, covering all diagnoses, and to help provide a standardization in terms of detailing or I should say assignments—and the assignments process, the family support process.

And then also the medical, which is really critical, because—and the educational, because you can't discuss special needs without looking at that family support piece, the educational piece, and the medical piece as intertwined. So we really urge you—we know that you have quite a deal of influence to see if we could find funding for that office this year.

Mr. CRENSHAW. Great. And, finally, I will put in a plug for my legislation, as you all go back, because basically it is very simple and straightforward. It allows—if you have a special needs child,

you can take after-tax dollars, you can just set up a simple account and that money goes tax-free. And as long as that money is used for education or medical purposes, you know, dealing with that special needs, it is just a way—it seems to me, if we—we help people retire, we help them save for college, this is something that we really, I think, have an obligation, you know, as a society, and that would help, you know, above and beyond what is going on in the military, but I think it is great, because I think the more you see, the more you understand there are people that really need some help.

And so thank you for what you are doing there.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Berry.

Mr. BERRY. Thank you, Mr. Chairman—you mentioned the lack of funding for the special needs program. Is there any more funding in the president's budget or proposed for this year?

Ms. HRUSKA. I don't believe so, sir, but I can double-check and get back to you.

Mr. BERRY. How much more funding do you need?

Ms. HRUSKA. Last year, in the authorization, they used the figure \$50 million.

Mr. BERRY. Fifty?

Ms. HRUSKA. Fifty million, but there was nothing appropriated.

Mr. BERRY. Well, I don't think there is a member of this committee that does not sit on it because they care about what happens to our military and their families and when they come back and the way they are treated as veterans. And we appreciate you all being here to help keep us informed as to what we need to be doing.

Mr. EDWARDS. Thank you, Mr. Berry.

Mr. Bishop.

CONGRESSIONAL MILITARY FAMILY CAUCUS

Mr. BISHOP. Thank you very much.

Let me thank both of you for being here and thank you for your testimony. I just have a brief comment, and I hope that you are aware, both of you, of the newly formed caucus, the Congressional Military Family Caucus, which was formed for the very purpose of being able to address the kinds of issues that you have raised today.

And, of course, we hope that you will certainly be in touch with the members of our caucus and attend and be supportive of the various briefings that we have in that regard, because it certainly helps us, as we go through this process, and, of course, the members of that caucus serve on various committees, and, of course, this is one of the committees that will be pivotal, as well as the authorizing committees.

And if you can just be close to us, in terms of expressing your needs, your concerns, and your aspirations, we want to be available to be as helpful as we can possibly be.

SCHOOL CONSTRUCTION NEEDS DUE TO BRAC

Mr. EDWARDS. Thank you very much, Mr. Bishop. Thank you. And thank you for your leadership on that caucus.

And I only have one additional question. The other questions I will submit in writing, but it is a question I thought of as I listened to Mr. Bishop speak. He has expressed concerns over the years, very eloquently, about the need for construction funding for schools at bases that are growing dramatically because of BRAC. And we have seen some problems around the country.

Ms. Hruska, you mentioned something—you referenced that, some of the challenges that bases that are increasing because of BRAC or reassignments. Any thoughts from either of you on, are we meeting the needs with this BRAC process about to conclude a year from now? Are we providing the educational needs, particularly the construction needs, for those bases that are seeing so many new kids come in?

Dr. KELLER. Sir, from my experience as an area superintendent and a school administrator, it takes a long time to build a school and to get the teachers that you need. Honestly, it is the teachers that are the most important component, so it takes a while to get that ramped up.

So I see the greatest challenge is we are out in schools everywhere, and we are there in the districts that are growing or districts that are changing, and that is keeping ahead of when the student population is expected to come so that I think the challenge certainly is funding and having the timing so that the funding is there, you know, when you need it, so you have that building in those classrooms that are ready so that kids aren't in portable buildings or, you know, have to drastically change attendance zones so that—for the military child, that can mean one more transition.

And anything that we can do to provide predictability, consistency and quality for the military child is the same that we want to provide for any child.

Mr. EDWARDS. Well, Ms. Hruska—

Ms. HRUSKA. I would echo Dr. Keller's remarks, as well, keeping ahead of it.

Mr. EDWARDS. I don't know if we are going to have another BRAC round in our lifetime, but if we do, I hope the transportation infrastructure needs on and actually off post and the school construction needs are taken into account in that budgeting process.

Mr. BISHOP. Mr. Chairman, will you yield on that question?

Mr. EDWARDS. Yes. Yes. Mr. Bishop.

IMPACT AID

Mr. BISHOP. One of the—since the bulk of military children, particularly older elementary school age, are actually receiving their education off post as opposed to on post, we have got a real dilemma in terms of funding that school construction, because many of the local school districts that are impacted, that are plussed up with BRAC, are having challenges, particularly with the economy, of being able to meet the needs of those expected—that influx of students.

And we have been struggling now for several years with this committee and this committee trying to figure out how to actually get that funding done, because the impact aid is an after-the-fact kind of aid, and it is small, and it does not really address the problem in time to assure the quality of life and quality of education for our military children who are attending schools particularly off-post.

And so we could—we would appreciate, I think, your input and your advocacy for Congress or the Department of Defense to be actively engaged in a proactive planning and funding for these communities of impact. The Office of Economic Adjustment is one of those vehicles that is possible, but it has not in recent years been used adequately to address that.

And I am hoping that we can get some help, because we sort of haven't moved off the dime, if you will, to get it done. And, of course, time is running out for the influx of those children. BRAC is moving on. And a lot of progress is being made on the military side. But in terms of support for the families and those children that have to be educated, that is not moving as rapidly as we would like.

And your advocacy on that would be very helpful.

Mr. EDWARDS. Well said. Thank you, Mr. Bishop.

GUARD AND RESERVE FAMILIES

Mr. CRENSHAW. Would you mind just one quick question? And I just wonder, of the Guard and Reserve families, are they affected differently than some of the active-duty families? And do we—you know, today's world, you know, there are so many being deployed today, are we reaching out to them in a different way or as well as we can?

Dr. KELLER. Yes, sir, absolutely, the children of the National Guard and the Reserves are affected in some ways that are different and some ways that are the same. Generally they don't move as often in terms of changing schools; however, that is not always true. I mean, they may move, to live with another family or there is another reason that the family needs to move.

They don't move as frequently as the children of the active duty. So in terms of school transition, usually their experience is not as intense as the children of the active duty.

And in terms of deployments and separation, their experience is absolutely as intense, and sometimes much more isolating. You know, the children of the active duty, if they are around an installation, are with other children who have the same experience, the kids in the high school with other kids in the high school who have the same kind of experience.

And we found that peer-based programs—that is why we have our programs at 230 high schools—it is peer-based programs, because students honestly listen to each other for support when you are in middle and high school. This is much harder to do for children of the National Guard and Reserves because they may be the only child.

And this is why we are with the Army and the Operation Military Kids program, where you are getting a lot of other kids to

speak out and to work together. But, still, it is extremely hard to serve some kids because they can be so isolated.

So we train educators and in communities that have no military presence, you know, how can they reach out? How can they ask the questions? And interestingly enough, even in communities with a large active-duty presence, honestly, I feel guilty. When I was an area superintendent of Killeen, I never asked the question of which students' parents serve in the National Guard or Reserve, because we were so focused on the active-duty component.

And I think that sometimes those kids get invisible because they don't see themselves as military kids until that parent is activated, mobilized, or deployed, or comes back profoundly changed.

So it is by far more difficult to support the children of families in the reserve component.

Ms. HRUSKA. And, sir, it is not just educators, but we have got to educate all of the adults that come in touch points with our military kids, whether, you know, regardless for component so that they understand to ask the question and, you know, if they see that a kid may be quiet or there has been a change that, you know, talk with them and ask, you know, do you have a parent deployed?

But it is not just educators. It is our Cub Scout leaders, our Girl Scout leaders, you know, our caregivers, physicians, school nurses. We really need to educate everyone to start asking those questions.

Mr. CRENSHAW. And you are aware of that. And as you reach out, you—it is almost like an individual augmentee. You know, when you are in the Navy and you go to Afghanistan, you kind of leave your helicopter or your friends and you go off kind of by yourself.

And I imagine if you are a kid, if you live on a base or, you know, everybody else is in the military, you kind of understand. But if you are just out there isolated and you are—all of a sudden your mom or dad is gone for 6 months and you don't have any buddies that, you know, are kind of part that active-duty circle of friends, as you say, you are almost all by yourself.

So it is great that is something you recognize and doing what you can in your organization to reach out to them. So I commend you for that.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Mr. Crenshaw.

Mr. Berry, anybody? Any additional questions? If not, thank you both for your testimony, and I hope you will look at yourselves and your two organizations as a major resource for this committee. And please stay in touch with our staff and how we can work together, because I know individually and members of the organizations you represent today are constantly out meeting with military families. We welcome your feedback.

Thank you both.

We will now begin our second panel and would like to ask our witnesses to come forward.

As we begin this panel, let me thank each of you and all of you collectively for your total of 125 years of military service to our nation. We think that among the four of you, you represented our country for an equivalent of a century and a quarter is very, very impressive.

And I also want to say that if you ever had any questions about whether your testimony on Capitol Hill makes a difference, the members of this subcommittee stand as proof that the answer to that question is yes.

I could give many examples, but the one I would underscore is the one I mentioned just a moment ago, and that is that you were the voices that came to this subcommittee several years ago and, for 2 or 3 years running, said that one of the top quality life concerns you heard from our servicemen and women and their families was the need for more affordable, quality, safe and secure childcare centers at our military installations.

And a direct result of your leadership and input on that is the additional billion dollars that we have put out through this subcommittee into investing into new childcare centers. And I look forward to the day when all of that money has been fully invested and those centers are up and operating. So I thank you for coming today and would emphasize the importance of your testimony.

Let me just quickly formally introduce our witnesses. I won't go through all of their resumes in great detail. Obviously, they wouldn't be in the positions they are in without an incredible record of service.

But for the record, Sergeant Major of the Army Kenneth O. Preston was sworn in to his position on January 15th of 2004. He has served in the Army since June of 1975 and was at 1st Cavalry Division of Fort Hood in Germany. And prior to becoming sergeant major of the Army, he was a command sergeant major for Combined Task Force 7 in Baghdad.

Sergeant Major of the Marine Corps Carlton Kent is a returning witness, as well. He became Sergeant Major of the Marine Corps on April 25th of 2007, has nearly 34 years of service, completed his basic training in March of 1976. He served as Sergeant Major of the Marine Forces Europe and the first Marine expeditionary force at Camp Pendleton prior to becoming Sergeant Major of the Marine Corps.

Sergeant Major, welcome.

Master Chief Petty Officer of the Navy Rick West is a returning witness, as well, and he assumed his position on December 12th of 2008. He has served approximately 29 years in the Navy after enlisting out of high school in 1981. He is a submariner whose assignments include service on the staff of Commander of Submarine Force U.S. Pacific Fleet and Chief of the Boat aboard the USS Portsmouth. He most recently served as fleet Master Chief for U.S. Fleet Forces Command prior to becoming the Master Chief Petty Officer of the Navy.

Master Chief West, welcome. It is good to have you here.

Master Chief Petty Officer WEST. Thank you, sir.

Mr. EDWARDS. The Chief Master Sergeant of the Air Force, James Roy, this is Chief Roy's first time to testify before this committee, and I hope you will enjoy the experience and visit us many times in the future, Chief. He became Chief Master Sergeant in the Air Force on June 30th of 2009 and has served in the Air Force since 1982.

He has served in numerous roles, including civil engineer, various assignments in the U.S. and overseas, most recently served as

the senior enlisted leader and adviser to the commander of the U.S. Pacific Command and also served as command chief master sergeant of U.S. Forces Japan in the 1st Fighter Wing.

I am going to leave it to each of you to introduce the noncommissioned officer leaders of the Reserve and the Guard, but let me say, on behalf of our committee, how deeply grateful we are for the service of the members of the Guard and Reserve.

As Mr. Crenshaw, pointed out, they have been playing an incredibly vital role in our war against terrorism, our war in Iraq and Afghanistan, and we know that the demands on our families in the Guard and Reserve have been tremendous.

So I want to thank the leadership here of the Guard and Reserve for all that you do. We could not be doing what we are doing in Iraq and Afghanistan and throughout the world today were it not for the tremendous Americans, the citizen Soldiers, Sailors, Airmen and Marines, who are serving in the Guard and Reserve. And we thank each of you for your leadership.

With that, I would like to recognize Mr. Crenshaw for any opening comments he would care to make.

Mr. CRENSHAW. No, I will just reiterate what I said earlier, just welcome you all back. Thank you for all that you do, and particularly for being able to kind of be our eyes and ears of the men and women that you deal with every day. And as the chairman pointed out, when you bring those concerns to us, it means a lot, because I know you are there talking to those people, and they can speak freely with you, and I hope you will always speak freely with us, because we are here to try to make changes for the better. So thank you for your service.

Mr. EDWARDS. Great. Thank you, Mr. Crenshaw. And we will never ask you if an OMB budget is adequate, but we might reserve the option of asking you if there are some unmet needs or what you might do with additional investments for our military troops and families if you haven't.

With that, Sergeant Major Preston, if you would begin. And you are all familiar with this process. We will submit your entire testimony for the record, but we would like to recognize each of you for your opening comments at this time, and then we will have questions and answers in discussion.

Sergeant Major.

STATEMENT OF SERGEANT MAJOR KENNETH O. PRESTON

Sergeant Major PRESTON. Chairman Edwards, thanks very much.

Representative Crenshaw, members of the committee, thanks very much for the opportunity to come in and represent again the soldiers, civilians and families of America's Army.

The Army right now today has about 260,000 soldiers currently deployed to 80 countries around the world. It is no secret very busy. In fact, more soldiers deployed today than we had at the height of the surge in Iraq in 2007.

When you look at the Army, the Army is represented by three components, the active component, the Army National Guard, and the Army Reserve.

And I have two senior command sergeant majors with me today I would like to introduce. First, Command Sergeant Major Richard

Burch, newly appointed command sergeant major for the United States Army National Guard, and Command Sergeant Major Michael Schultz, the newly appointed command sergeant major for the United States Army Reserve.

Both of these command sergeant majors represent 569,000 citizen soldiers. We could not do what we do today as an Army or a nation if it weren't for their contributions.

I want to begin by saying thank you to the committee's leadership and this committee for all your support in years past in taking care of soldiers and their families. As General Casey reported in his testimony a few weeks ago, we are now on track and getting close to meeting our goals that we established in 2007 for putting the Army back into balance.

The number-one question I received from soldiers as I travel—and this is—this past year and in years past is, when will soldiers receive more dwell time between deployments? And as I speak to those soldiers and their families, I talk about the dwell time, I talk about the contributions of this committee and what you have done to help put the Army back into balance, which we are now beginning to see more predictability and stability in soldiers' and families' lives.

The one concern or worry that keeps me awake at night is stress on the force. Stress on the force comes in many different forms across all three components of the Army, the active, the Guard and Reserve, depending on where you serve in the operational force or the generating force.

Indicators of stress on the force can be seen in the increase of suicide rates again this past year, post-traumatic stress is also high, and we have watched divorces this year tick up a little.

I believe the training and the programs we are executing we started this past year and will continue to execute this year are having a positive impact and making an impact on these disturbing trends. This committee's support in past years for family housing, soldier barracks, childcare, new services, pay, and especially your help this past year with our aging hospital infrastructure has had a tremendous impact on helping us retain our very best soldiers and their families.

I could not be more proud of the men and women who choose to volunteer and serve in America's Army. And with that, I will say thank you, and I look forward to your questions.

[Prepared statement of Sergeant Major Kenneth O. Preston follows:]

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RECORD VERSION

STATEMENT BY

KENNETH O. PRESTON
SERGEANT MAJOR OF THE ARMY

BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 111TH CONGRESS
ON THE QUALITY OF LIFE
IN THE UNITED STATES ARMY

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**STATEMENT BY
KENNETH O. PRESTON
SERGEANT MAJOR OF THE ARMY**

Introduction

Mr. Chairman and committee members, I want to thank you for this opportunity to report to you on the 1.1 million men and women of America's Army.

Your support over this past year and your continued support today make a tremendous impact on our Army's ability to fight two wars, assist other nations as they build their own security forces, support our civil authorities here at home and abroad, and stand ready to deter and defeat new threats. People are the Army; Soldiers, Civilians and their Families volunteer to commit themselves in the service of our Nation. Your support has given us the resources that allow us to ensure our Soldiers are fully prepared for their missions and to care for their Family members who wait patiently for their warriors to come home.

I would like to begin by introducing the Soldiers seated behind me, the acting Command Sergeant Major (CSM) of the Army National Guard (ARNG), CSM Richard J. Burch, who serves as the Senior Enlisted Advisor for Major General Raymond W. Carpenter. Also with me is our newly appointed CSM of the U.S. Army Reserve (USAR), CSM Michael D. Schultz, who serves as the Senior Enlisted Advisor for Lieutenant General Jack Stultz. Both of these CSMs represent more than 569,000 citizen-Soldiers who play a vital role in defending our Nation. These CSMs are key

leaders in training and readiness preparation ensuring their Soldiers and units are ready to deploy when needed.

Today America's Army is busier than ever with more than 256,000 Soldiers forward deployed to 80 countries around the world. The Army has more than 147,000 deployed to Kuwait, Iraq, Afghanistan, and the Horn of Africa serving in Brigade Combat Teams (BCTs), Multi-Functional Brigades, Functional Brigades, and other force enabling units. We have more than 4,000 Department of the Army Civilians and 33,000 Civilian Contractors forward-deployed performing vital missions. Today we have more than 3,100 Soldiers in Haiti providing humanitarian assistance.

Since 9/11, more than 317,000 ARNG and 136,000 USAR Soldiers have served in Operation Iraqi Freedom, Operation Enduring Freedom, or Operation Noble Eagle. Both reserve components of the Army serve with pride and distinction in both the Iraq and Afghanistan theaters of operation. Both components provide support for our Homeland Security with capabilities that range from missile defense, support to the U.S. Border Patrol, and providing disaster relief.

During this past year I visited hundreds of posts, camps, and stations all around the world and in theater, to speak and listen to Soldiers and their Families. I have seen the tremendous work and sacrifice our Soldiers, Civilians and their Families make every day. The culture of innovation fostered by our young men and women around the world continues to demonstrate the American spirit of ingenuity and resolve, even under the most challenging of environments.

The global security environment for the foreseen future will continue to create an era of persistent conflict. An era where conflict and strife among the people of the world will

demand the help of governed nations to operate immediately, and conduct operations across the spectrum of conflict. A spectrum that will range from humanitarian relief and civil support, to peace keeping and peace support, to counterinsurgency (COIN) operations, to major combat, potentially all simultaneously in austere environments.

America's Army will support the Nation's strategic engagements around the world by performing the four critical roles of land forces. First, the Army must prevail in COIN operations. COIN operations are inherently protracted and prolonged confrontations that rely on security force capacity provided by host or allied forces. We must prevail in the current COIN operations in Iraq and Afghanistan as we help them build capacity and capability in their security forces. Second, as part of the Nation's strategy, the Army must engage to help other nations in their time of need to assure our friends and allies. Third, the Army must provide support to civil authorities at home and abroad. At home, the ARNG provides support to civil authorities during times of crisis, while Soldiers from all three components of the Army assist and advise foreign governments with health care, critical construction needs, planning, organizing, and integrating capabilities. Fourth, the Army must remain ready to deter and defeat hostile states and hybrid threats when called upon by the American people. The Army's readiness and capability to sustain major combat operations serves as a deterrent for near-peer threats.

The Army is now approximately 88% complete on modular transformation. Identical types of units across all three components; manned, equipped, and organized the same, will provide the flexibility to support the four critical roles of land forces. Regardless of the missions assigned, the Soldiers within these organizations have the training, education, and capabilities to achieve success. Our Soldiers will rely on a

range of capabilities as they analyze, adapt and apply themselves; in 3-man teams, squads, platoons and larger units, along with a menu of battlefield systems to win. Leaders and their Soldiers can today decide how to employ combinations of national power, information and economic tools, and broad strategic capabilities.

Our Soldiers, Civilians and their Families continue to meet the wartime requirements of our Nation as they have done for the past 8.5 years. The two major challenges the Army must overcome are to restore balance and set the conditions for the future of the All Volunteer Force. The Army's four strategic imperatives; Sustain, Prepare, Reset, and Transform establish the framework to overcome these challenges. People are the Army, and sustaining the all-volunteer force is our first priority. Preparing our forces and our leaders for success in the current conflict focuses the Army on working itself out of a job in Iraq and Afghanistan, while ensuring our Soldiers have the best training and equipment to get the job done. The pace and tempo of operations supporting two wars consumes the readiness of our people and equipment. Reset provides the means to restore readiness to our units returning from deployments for our equipment, and our Soldiers, Civilians and their Families. Transformation converts the Army we had prior to 9/11 to a modular organization that standardizes like units for a more deployable, adaptable, and versatile force. An increase in dwell time and the FY11 budget are two initiatives that will complete a 4 year plan to put the Army back in balance. With your support, we intend to restore balance and set the conditions for the future for the Army. This testimony identifies the strengths and weaknesses of our Soldiers, Civilians and Families quality of life attributes, using the Army's four strategic imperatives; Sustain, Prepare, Reset and Transform.

SUSTAIN

Recruiting and Retention

People are the Army and our Soldiers are the centerpiece of our formations. We cannot fight and win without well trained, educated, and dedicated Soldiers.

In Fiscal Year (FY) 09, the Army recruited 140,198 young men and women across all three components of the force. The active Army recruited over 70,000; the ARNG recruited over 52,000; the USAR recruited over 23,000 Soldiers. The hard work of our recruiters across the country, the support of our Army leaders, elected officials, and the support of the Nation all contributed to this huge success.

Thanks to your support, this past year we designed and implemented programs that assist our recruiting efforts. As an example, in February 2009 the Army started the Military Accessions Vital to the National Interest (MAVNI) initiative. The MAVNI initiative enlists legal non-citizens who have the necessary skills in a needed foreign language to meet our demands at home and abroad. While the Army has long enlisted lawful permanent residents of our country, this initiative expands the eligible market to include those individuals living in our country legally, but who do not have permanent residence. In return for their service, those enlisting through this program can apply for U.S. citizenship on an expedited basis. The MAVNI initiative fills personnel shortages in the health care, foreign language and cultural career fields enhancing our Army's effectiveness and success in mission accomplishment.

The Army's Active First Program recruits Soldiers to serve in the active component first, followed by a period of service in the ARNG or USAR. The ARNG administers the program by recruiting Soldiers for 30 to 48 months of service in the active Army in

critical occupational skills, followed by a remaining obligation of service in the ARNG or USAR. The Active First Program applies to new recruits with no prior military service. The program originated in 2007 under a trial period and continues to grow in success. Last year in FY09, the Army enlisted 1,409 recruits under this program ensuring the ARNG continues to receive young Soldiers into their ranks with years of military experience from the active component. Both the ARNG and USAR benefit from prior active service Soldiers among their ranks as they bring a wide breadth of experience, knowledge and diversity to their units.

The success of the Army's recruiting programs allowed us to improve the quality of the all volunteer force this past year. The Army closed conduct waivers in March 2009 and medical waivers in June 2009. Early indications reflect we are on track to meet or exceed our recruiting goals for FY10.

Since 2002, our retention rates have remained high. Army retention programs were a huge success story again last year. In FY09, the active Army exceeded retention goals by 24% with 68,387 Soldiers reenlisting for continued service. The ARNG exceeded retention goals by 6% with 36,672, and the USAR exceeded retention goals by 5% with 12,227 Soldiers reenlisting. Retention success starts with Army leaders throughout units and organizations creating command climates where Soldiers and their Families want to continue to serve. The command climate of an organization, coupled with job placement and job satisfaction enhance our retention success. Job satisfaction comes from executing unit missions around the world where Soldiers serve as valued members of the team, and the Nation in return, values their service. While we recruit many young single Soldiers for service within our ranks; following these initial years of

service, many of these young Soldiers marry and establish Families. Our retention success is from providing a quality of life for our Soldiers and their Families that is commensurate with the quality of their service.

The Post 9/11 GI Bill went into effect 1 August 2009. This bill is the most extensive educational benefit package ever offered to our Nation's Veterans, Soldiers and their Families. It is still too early to determine, but we are looking into the effects the Post 9/11 GI Bill might have on retaining our all volunteer force. One important factor which may support retention is the transferability clause established for this educational initiative. A Soldier may transfer their benefits to a spouse when they complete 6 years of active military service, and commit to an additional 4 years of active service. They may transfer these benefits to an eligible dependent when they complete 10 years of active military service. This clause in the 9/11 GI Bill incentivizes mid-career Soldiers to stay with the team and continue to serve. Keeping our talented and most experienced Soldiers and Leaders greatly enhances the depth and readiness of our force. While the Post 9/11 GI Bill enhances readiness, we have experienced some gaps and seams in the eligibility criteria for some of our Wounded Warriors.

We remain committed to eliminating the use of Stop Loss to retain Soldiers in deploying units by March 2011. In August 2009 we eliminated Stop Loss in the USAR and followed with the ARNG in September 2009. Last month we deployed the first Active component units with no Soldiers affected by Stop Loss. As of Dec 09, Stop Loss affected 8,353 Soldiers from all components assigned to units currently deployed prior to the start of this initiative (4,661 Active, 3,410 Guard, and 282 Reserves).

We will continue to retain our best and most experienced Soldiers to sustain our Army in this unpredictable and dangerous era of persistent conflict. We closely monitor our selective and critical skills reenlistment bonus programs, and as good stewards of the resources you provide, use those resources only as necessary. We appreciate your continued support to our recruiting and retention efforts as they allow us to sustain this quality all volunteer force.

Army Family Covenant

Recognizing that the strength of our Army comes from the strength of our Army Families, the Secretary of the Army and the Chief of Staff of the Army initiated the Army Family Covenant in October 2007. Secretary of Army John McHugh, Chief of Staff of the Army General George W. Casey, Jr. and myself later re-affirmed the program in Oct 09. The Army Family Covenant (AFC) symbolizes the Army's commitment to Soldiers and their Families. The AFC institutionalizes the Army's commitment to provide Soldiers and Families across all three components of the Army, a quality of life commensurate with the quality of service they provide our Nation. The Army Family Covenant improves Soldier and Family readiness in seven general areas: standardizing Soldier and Family programs; increasing access and quality of health care; improving Soldier and Family housing; ensuring excellence in our schools, youth and child care services; expands the education and employment opportunities for Family members; improves Soldier quality of life in recreation, travel, and the Better Opportunities for Single Soldiers (BOSS) program; and improves relationships with local communities and marketplaces. From FY 07 to FY 10, the Army more than doubled its investment in

family programs. The Army included these family programs in the FY10 base budget to ensure they remain enduring by increasing funding from \$1.7B in FY 10 to \$1.9B in FY 15. We are investing the Nation's resources wisely; focusing on our Soldiers and Families in areas that will enable readiness and resilience, while reducing the turbulence and stress that comes with military life. Continuing predictable funding is crucial to sustaining and preserving the All Volunteer Force.

Since the unveiling of the Army Family Covenant, the Army has made significant progress towards fulfilling its commitment to Soldiers, Families, and Civilians:

To help reduce the stigma of seeking behavioral health counseling, we increased the number of Military Family Life Consultants (MFLCs) to 620 in FY 10. The Army placed 502 MFLCs in Army Community Services (ACS) and Child, Youth and School Service (CYS) facilities to date. The Army plans to embed another 118 MFLCs at the brigade level by end of this FY.

In direct response to our married Soldiers who are feeling the stress of separation due to deployments, the Army developed the Strong Bonds program. The Strong Bonds program helps married (and soon to be married) couples maintain successful relationships under the stresses of multiple deployments. The Strong Bonds program provided support for more than 1,600 chaplain-led "Strong Bonds" couples and Families in enhancement retreats.

To reduce stress on Family Readiness Group (FRG) leaders, we added 1,099 Family Readiness Support Assistants (FRSA). The FRSA serves as the linchpin between the commander, the FRG leader, and the installation. Linking these three elements together ensures all participants of the FRG remain connected with the

organization, and supported by the installation and Army. The FRSA serves as a member of the brigade or battalion commander's staff to assist the commander and the Family Readiness Group, especially during a deployment. The FRSA assists with coordinating and preparing pre-deployment and redeployment activities; schedules and coordinates Family readiness and unit sponsored training events; and assists in the development and distribution of unit newsletters to keep Families informed. FRSA's coordinate video teleconferences between Families and their Soldiers, and serve as subject matter experts for the services provided by community agencies to assist Families needing any type of information or help during a deployment. These FRSA's serve at every battalion and brigade headquarters across the active Army, and for those ARNG and USAR units deployed.

To ensure we are embracing, reassuring and continually reaching out to our Survivors of Fallen Warriors, we refocused the Survivor Outreach Services (SOS) mission by building a unified support system and enhancing our Survivor benefits. We extended Housing benefits up to 365 days. Survivors living off the installation receive one full year of basic allowance for housing. Surviving children can remain in their current DOD stateside school setting until they transition; and Survivors have up to three years to take advantage of their final move benefit.

To help ease the daily burdens of household management, and balance work and life, we increased deployment respite child care from 5 to 16 hours per month per child for Families of deployed Soldiers. Respite child care programs provide expanded hourly care and respite child care services. These services help 'custodial' parents or guardians find the time to address personal needs such as medical appointments, or

take a "break" from the stress of being a geographical "single parent" during the deployment cycle.

To assist Army Families with members who have special needs, we provided up to 40 hours of respite care per month, per exceptional Family member. Exceptional Family Member Program (EFMP) respite care provides assistance to parents caring for special needs Family members. This program provides the time to address personal needs, provide attention to other Family members, and to mitigate the additional stress created by the deployment cycle.

We must never forget that we are one Army made up of Active Duty, ARNG, and USAR components. We must often reach "beyond the gates of the garrison" to ensure we reach our geographically dispersed Families. To ensure all Soldiers and Families have access to child care and youth programs, we created several community-based outreach services. These services include; Army Child Care in Your Neighborhood, Army School Age Programs in Your Neighborhood, and Army Youth Programs in Your Neighborhood. These Army affiliated and funded community based programs supplement (not replace) programs operating on Army installations. Participating community child care and youth programs are generally located in garrison catchment areas and meet standards comparable to on post child care and youth programs.

We are easing the burdens placed on military spouses created by frequent moves by ensuring military spouses have increased opportunities for employment. The Army Spouse Employment Partnership (ASEP) partners with Fortune 100/500 companies and government agencies to provide employment opportunities for military

spouses. In FY 09, ASEP hired approximately 15,600 spouses. Since the program's inception in 2003, 65,309 spouses gained employment.

Army Community Covenant

The Community Covenant was the natural next step to the Army Family Covenant to formalize support from local communities across America. The program's design fosters and sustains effective state and community support to improve quality of life for Soldiers and their Families. It is a formal commitment of support by state and local communities to Soldiers and Families of the Army – Active, ARNG and USAR.

Community Covenant signing ceremonies are a community's public commitment to support the strength, resilience and readiness of Soldiers and their Families. Since the first signing in April 2008, there have been over 450 ceremonies in 48 states, three territories, and the District of Columbia.

The Community Covenant targets national, state, and local organizations that provide education, employment, financial support, and support for surviving spouses, Wounded Warriors and deployed Soldiers and their Families. You will find over 550 of these programs and services highlighted on the Community Covenant web site.

Our goal now is to target specific areas of the country where the needs of geographically dispersed Soldiers and Families are the greatest. We must ensure they receive the same level of support as our Active Soldiers and Families in or around our military installations. We will use the Community Covenant platform to inspire and organize a comprehensive, multi-agency and versatile mix of tailored and networked, community support organizations to provide support resources. The Community

Covenant provides an opportunity for the American public to answer the President and First Lady's call to community service in support of military Families.

Yellow Ribbon Reintegration Program (YRRP)

The YRRP began as an initiative of the Minnesota ARNG in 2007. The success of the program to care for reserve component Soldiers and their Families before, during and after a deployment was exactly what the Army needed during this period of high deployments for the ARNG and the USAR. The mission of the YRRP program is to care for Soldiers and their Families by making them self-reliant and resilient throughout the entire deployment cycle. The YRRP establishes a cooperative network of military services, veteran service organizations, state governmental departments, and other agencies. These agencies provide information, resources, referral and proactive outreach to Soldiers, Family members and employers throughout all mobilization phases. The system is flexible and designed to meet the needs of mobilized Soldiers and geographically dispersed Families. This past year the ARNG and USAR conducted 1,262 YRRP events across the Nation with more than 79,800 Soldiers and 95,000 Family members attending. The success of the program centers on a series of 7 seminars designed to bring Soldiers and their Families together, to provide education on quality of life needs. The YRRP begins with an initial seminar 1 year prior to mobilization to discuss Soldier and Family support, followed with a second seminar 30 days prior to mobilization. Once mobilized and deployed, the third seminar of the YRRP ensures Family members are receiving any and all assistance needed within the first 60 days. The YRRP brings Families together a second time during the deployment in a

fourth seminar to prepare them for the upcoming reunion and reintegration with their Soldiers. There are 3 seminars planned following the units redeployment, placed at the 30, 60 and approximately 90-day periods. These 3, two day seminars allow unit leaders to monitor the reintegration process of their Soldiers and Families, and provide the needed behavioral health and counseling services in a surge capacity. The Army currently has more than 1,200 Joint YRRP events planned for FY10.

Wounded Warrior Care

The Army currently has 29 Warrior Transition Units (WTU) supporting almost 9,000 wounded, ill or injured Soldiers at major installations across the country and Europe. The WTU's mission is to support wounded, ill or injured Soldiers and their Families through healing, rehabilitation, and reintegration back into the Army. When continued service in the Army is not an option, the WTU facilitates reintegration back into society and the civilian workforce. In addition to the 29 WTUs across the Army, we established 9 Community-Based Warrior Transition Units (CBWTU) to allow recuperating Soldiers to live in their home community, and utilize health care at local medical facilities. The mission of the CBWTU is to provide high quality health care and administrative processing for ARNG and USAR Soldiers. The CBWTU allows Soldiers to live and perform duties close to their home of record and Family. The CBWTU allows ARNG and USAR Soldiers to report and work at their local armories within their physical limitations and restrictions. Every Soldier in the CBWTU program has a nurse case manager to coordinate healthcare appointments, track progress, and ensure the Soldier's care meets the Army and TRICARE standards. The CBWTU focuses on

helping the ARNG and USAR Soldier transition back to pre-mobilization health. The CBWTU program currently manages more than 1,700 Soldiers across the Nation.

The Army also assists Soldiers through the U.S. Army Wounded Warrior Program (AW2). AW2 provides personalized support to severely wounded, ill, and injured Soldiers, Veterans, and their Families wherever they live, and for as long as it takes. AW2 Advocates assist severely wounded, ill, and injured Soldiers, Veterans, and their Families on a daily basis. AW2 Advocates connect Warriors and their Families with career and education opportunities, benefit information, and local resources. AW2 Advocates also assist with MEB/PEB guidance and government agency coordination. As of 1 Feb there were nearly 6,100 severely wounded, ill, and injured Soldiers and Veterans assisted by 152 AW2 Advocates. About 1,500 of these Soldiers are currently part of the nearly 9,000 Soldiers combined who receive medical and rehabilitation care through WTUs and CBWTUs.

The Army developed the Soldier and Family Assistance Centers (SFAC) at all of our installations with a WTU. The SFAC provides services needed to facilitate the transition of Soldiers and their Families back into the Army and when required, back into society. Services provided by the SFAC include transition support, financial counseling, child care and education counseling. The SFAC also serves as a conduit for educating and distributing federal, state, local and non-governmental assistance while the Soldier and Family are in our care.

Medical

TRICARE is the Army's health care program serving Soldiers and their Families in the active, ARNG, USAR, our retired Soldiers, and surviving spouses. As a major component of the Military Health System, TRICARE brings together the health care resources of the uniformed services and supplements them with networks of civilian health care professionals. TRICARE allows the Army to expand the coverage of needed health care beyond established military treatment facilities. By partnering with health care professionals, institutions, pharmacies and suppliers in the civilian sector, Soldiers and their Families get their health care services when needed. TRICARE is critical to the readiness and quality of life we provide to our Soldiers and their Families, especially today with many of our military health care professionals deployed. Access to health care and health care services is a top concern of our Soldiers and Families.

A huge success and much appreciated program for the ARNG and USAR Soldiers is the TRICARE Reserve Select (TRS) program. TRS is a premium based health care plan designed for ARNG and USAR Soldiers and Families to have access to an affordable benefit while serving in part-time status. TRS offers a health care plan similar to the TRICARE Standard and TRICARE Extra programs with a monthly premium. TRS rates increased slightly for 2010 due to the increasing costs of providing health care. Single Soldier rates increased from \$47.51 to \$49.62 and the Family rate increased from \$180.17 to \$197.65. TRS now provides our ARNG and USAR Soldiers and their Families access to an affordable health care plan. Sustaining the health of our Soldiers across all components of the Army is a readiness priority.

Child and Youth Services (CYS)

Army CYS provides the programs needed to sustain our Soldier's Families in this era of persistent conflict, uncertainty and frequent deployments. Army Families are generally younger than the average American Family and more geographically dispersed away from extended Families in their original home towns and communities. For those married Soldiers who deploy, 49% have children under the age of two. A Soldier's normal duty day in the Army begins early in the morning requiring child care and youth supervision options for 10 to 14 hours per day, including evenings, and weekends. When married Soldiers deploy, they leave a single, working parent at home to care for the children and run the household. Deployments for Soldiers in remote duty stations and overseas locations without adequate care options only exacerbate the challenges for the Family.

With your help, the Army was able to gain approval for 59 Child Development Centers (CDC) and seven Youth Centers between FY09-14, with nine of these CDCs designed for 24 hour support. Projects approved in FY09 alone will add more than 6,000 child care spaces to our inventory. We are on track to reach our goal of meeting 80% of the child care demand and 35% of the youth participation demand by the end of this fiscal year.

Operation Military Kids increases availability, improves quality, and sustains affordability of CYS Services for Soldiers and their Families. This program also provides community based outreach services for children and youth of deployed Active, ARNG and USAR Soldiers.

The Army provides child care at reduced rates in more than 2,000 community child care programs to support geographically dispersed children. These programs include: Operation Military Child Care, Army Child Care in Your Neighborhood, Army School Age Programs in Your Neighborhood and Military Child Care in Your Neighborhood.

Access to quality education opportunities for military children is a critical quality of life issue for Army Soldiers and Families. High military student turnover and repeated deployments impact the public schools on and surrounding our military installations. In order to support them, we partnered with school districts, the U.S. Department of Education and the DOD to establish a comprehensive School Transition Service Program to mitigate these potentially negative impacts. Local School Liaison Officers serve as a resource for Active and Reserve Component Commanders, parents, and educators to address the unique educational issues military children face. First initiated in 2000, the Army now has 141 School Liaison Officers and 8 School Support Services staff serving active and reserve component Families. Over 400 public school superintendents pledged to adopt reciprocal practices that minimize academic and social disruptions for military students.

Army CYS programs send a clear message that the Army cares about Families. These programs reduce stress on Families by minimizing Soldier and spouse lost duty and work time. These programs play a critical role in influencing Soldier and Family decisions to remain in the Army because they provide positive developmental opportunities for their young and school age children. Most importantly, these programs demonstrate how the Army cares about its people. Our Soldiers and their Families rate

CYS programs as critical and essential to their Family's quality of life and their decision for continued service.

Family Housing and Soldier Barracks

Quality of life for our Soldiers and Families is critical in maintaining our All Volunteer Force. A key strategy to improving Family Housing is the Residential Communities Initiative (RCI). RCI provides quality and modern housing that Soldiers and their Families proudly call home. RCI is the principle program we are utilizing to eliminate inadequate Family housing and has made significant, positive impacts in improving quality of life. RCI began in 1999 and today we have established privatized housing on 44 installations. Through FY09, RCI programs built more than 21,000 homes and renovated 15,000. By the end of FY10, the Army will have 98% of on-post family housing privatized, with only 2% of our housing inventory maintained through traditional funding. Our housing strategy is working!

Like many Americans, Soldiers and their Families are affected by the economic down turn. Soldiers and their Families move periodically to new duty stations across the country and around the world. Approximately 33% of our married Soldiers live in Family housing and 67% live outside our installations. Soldiers receive a basic allowance for housing based on the rental market rates in the local area. Lack of available rental housing, location, and proximity to schools and shopping are factors Soldiers and Families contend with when moving to a new area. In many cases, they purchase a home that meets their quality of life needs. When Soldiers receive Permanent Change of Station (PCS) orders, they are often forced to sell their homes.

Often they are forced to sell their homes at a loss, foreclose on their mortgage, or must leave their Families and travel unaccompanied to their next duty station. This creates stress on them and their Families.

The DOD, with your support, allocated funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to temporarily expand support for military members, military Families, and DOD civilian employees impacted by the current economic crises. The program provides assistance for those who take a loss on the sale of their home due to a PCS move to a new duty station. The ARRA provided funding for the following: -19,300 permanent party barracks spaces in 159 facilities, 12,162 training barracks spaces in 119 facilities, and the funding for the construction of 64 new homes and infrastructure repair. The ARRA also provided the DOD with \$555 million to temporarily expand the Homeowners Assistance Program (HAP), which the Army serves as the executive agent for all military services. The HAP offsets losses incurred during relocation for many Service Members, surviving spouses, and civilian defense employees. Thank you for your support of this important program.

The single Soldier population in the Army is approximately 45% of the total Soldier population serving today. For these Soldiers, we are in the late stages of an ambitious barracks modernization program. At the end of FY11, 159,717 (97%) of 169,657 of our permanent party barracks will meet a 1+1 or equivalent standard. A 1+1 standard provides the single Soldier a personal room of their own with a shared bathroom and common area between two rooms. This standard eliminates multiple open showers, sinks and toilet facilities and greatly improves the quality of life for our permanent party single Soldiers. Our FY09 through FY13 appropriation request contains the funding

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necessary to begin the final stages of construction. The FY13 funding approval will allow us to complete permanent party barracks construction in FY15.

Training barracks continue to be a challenge. Funding priorities of the past focused on Family housing and permanent party Soldier barracks, while barracks for Soldiers attending Initial Entry Training (IET) were a lower priority. For an average of 15 to 36 weeks, training barracks are home for our Soldiers. Many of our training barracks range in age from 40 to 100 years old. These barracks are the first impression Soldiers new to the Army see and live-in as they transition from civilian life to the Army. In FY11, the Army will only have 65,615 (52%) of 125,413 of our training barracks spaces adequately funded for modernization. We plan to allocate funding that eliminates inadequate training barracks by FY15 and allows new barracks completion by FY17. We ask for your continued support to help us complete our barracks modernization program.

PREPARE

We must continue to prepare the force for success in both the current conflict, and the strategic and operational environments of the future. To do this, the Army has four key goals essential for success. First, we will complete growing the Army and establishing our modular formations. Second, we continue to enhance individual and the collective training provided to Soldiers and their units to better prepare them for challenging and complex operational environments. Third, we will maintain our technological edge by providing our forces the equipment they need to succeed. Fourth, we will institutionalize the Army Force Generation (ARFORGEN) process providing predictability and stability for Soldiers and their Families.

The Army has undergone significant changes in recent years, and we must continue to change to keep pace with an uncertain and complex era of persistent conflict. The same requirements that drive our imperative to change also direct our modernization efforts and need for institutional adaptation.

We will continue to adapt our institutional, collective, and individual training to enable Leaders and Soldiers to succeed in combat, and prevail against highly adaptive and intelligent adversaries. We continue to improve our training facilities at home stations and at our Combat Training Centers (CTC). We are replicating and increasing realism by creating the challenges of irregular warfare in COIN environments where we operate around the globe. Training and education provides the foundation for building strength, resilience, and the critical thinking skills for success in a deployed theater or at home with the Family. Soldier and Leader confidence comes from training and education initiatives, and from the individual equipment they wear and utilize. We have a focused commitment to ensure our Soldiers have the best available equipment to protect themselves and their comrades, while maintaining a technological advantage over our adversaries.

The Army's Comprehensive Soldier Fitness (CSF) program is a holistic program focused on developing the five dimensions of strength validated by the World Health Organization. The five dimensions of strength are Physical, Emotional, Social, Spiritual, and Family. General Casey established the Army's CSF program in 2008 with the intent of increasing strength, resilience and enhancing the performance of our Soldiers, Civilians and their Families. Partnering with the University of Pennsylvania, we are leveraging experts in the psychology field to develop this program. CSF focuses on

assessing the current strengths of the individual across all five dimensions, and provides the training and education to increase strength and resilience. This program is tied to the life-long learning principles of our education systems, focusing on building strength in each of the five dimensions throughout an individual's service with the Army.

The CSF program has four pillars; the Global Assessment Tool (GAT), Comprehensive Resilience Self-Development Modules (SDM), Master Resilience Trainer (MRT), and initiatives to include this education in all levels of professional military education. Just as the Army's Physical Fitness Test provides the individual with an assessment of their physical fitness, the Global Assessment Tool provides the individual with a confidential and personalized assessment of their strengths and weaknesses in the four other dimensions. The GAT provides individuals with a roadmap for how to begin increasing strength and resilience in those areas where they want to improve. The GAT is now available for all Soldiers to take on line.

The second pillar of the CSF program is the Comprehensive Resilience Self-Development Modules (SDM). Modules are administered to Soldiers confidentially on-line and are currently available to our Soldiers. We intend to offer the SDMs to our Family Members and our Civilian workforce in FY11.

The third pillar of the CSF program is the Master Resilience Trainer. Master Resilience Trainers will serve as the resilience subject matter expert for the commander at the battalion level and above. The MRT teaches and develops CSF initiatives within the organization for Soldiers and their Families. Master Resilience Training is the core of the CSF program, and is currently taught at the University of Pennsylvania. We will institutionalize the program and establish our own school at Fort Jackson to begin

instruction at the end of this year. The University of Pennsylvania has trained more than 430 graduates to date and we are on glide path to train and field an additional 1,800 MRTs this year. As Fort Jackson assumes responsibility for the instructional training program, we intend to train and sustain a total of 5,400 MRTs for the Army.

The CSF program will continue to grow. We will incorporate CSF education across all professional military training and education programs. New recruits will receive strength and resilience training as part of their IET prior to reporting to their first permanent duty station. Throughout the Soldier's career, all phases and levels of professional military education will have strength and resilience training integrated in each curriculum or program of instruction where applicable. The CSF program focuses on prevention and building strength and resiliency versus providing treatment after a problem occurs.

We have seen an increase in suicide rates for the fifth consecutive year. This past year we increased our efforts, resources and initiatives to mitigate suicidal behavior. We conducted stand-down days in February and March of last year and incorporated training for peer-level recognition of behaviors that may lead to suicide, and intervention at the lowest levels.

We conducted a chain teaching program following the stand-down that ran from 15 March to 15 July that touched every Soldier and Leader across all three components of the Army. The chain teaching program placed leaders in front of Soldiers talking about their own challenges and the value of seeking help. These efforts continue to chip away at the perceived stigma that asking for help demonstrates weakness. To reinforce our message, we produced the interactive training videos "Beyond the Front" and "Shoulder

to Shoulder: No Soldier Stands Alone." We established a Suicide Prevention Task Force to make rapid improvements across the full spectrum of health promotion, risk reduction and suicide prevention programs. The Army Suicide Prevention Task force identified more than 250 different tasks related to suicide prevention doctrine, organization, training, material, leadership, personnel and facilities. The Army has implemented over 90% of these tasks to date.

We believe the work this past year has had a positive impact on stemming the number of suicides. We started last calendar year with 20 suicides in January and 19 suicides in February. Our original estimates reflected we would exceed 220 suicides in 2009. We finished 2009 with 160 suicides, exceeding the 140 suicides of 2008. We believe our training focus and education programs made a difference. New emerging programs like CSF give us the ability to build resilience and strength throughout our force.

When our Soldiers return home, most will experience a brief readjustment period and a successful home transition. Some will, however, need short or long-term counseling to assist in their transition. Our PTSD rates rose each year from Calendar Year (CY) 2003 to 2008. In CY09 our PTSD cases decreased from 10,086 in CY08 to 7,647 Soldiers returning from deployment. In CY09 our PTSD cases for Soldiers that were never deployed decreased from 1,305 in CY08 to 954. Our efforts in education, prevention, and early treatment are making a difference in reducing the number of Soldiers diagnosed with PTSD. Our goal is to ensure that every Soldier receives the health care they need. Reducing the stigma associated with getting psychological care continues to be our focus. Some Soldiers still view seeking help for psychological

stress as a sign of weakness or failing in their service as a Soldier. We are working hard to change that attitude.

The Army Medical Department offers an extensive array of Behavioral Health services to address the strains on Soldiers and Families who face the demands of military life during this period of increased operational tempo and persistent conflict. We offer services that include combat and operational stress control, routine behavioral healthcare, and suicide prevention programs. Chaplains, Military One Source, and Army Community Service also offer substantial support.

We will continue to review and assess the effectiveness of Army Health Promotion, Risk Reduction and Suicide Prevention programs at all levels. We continue to focus on our Soldiers, Civilians and their Families to ensure they receive the help they need in a timely and effective manner.

Our Soldiers are better equipped today than any time in our 235 year history. This past year, we invested heavily in the latest force protection equipment and high-quality gear for our Soldiers. The Rapid Fielding Initiative (RFI) program accelerates the fielding of commercial, off-the-shelf technologies to quickly deliver essential equipment to Soldiers before they deploy. RFI leverages current development programs, lessons learned from operations in Iraq and Afghanistan, and commercial off-the-shelf technology to give Soldiers increased survivability, lethality, and mobility.

To maintain currency and relevancy, the Army's Training and Doctrine Command (TRADOC) regularly updates the RFI list of equipment issued to Soldiers. Last year, we made improvements to the mountaineering boot to better support Soldiers operating in the mountains of Eastern Afghanistan. We made improvements in combat eye

protection, fire resistant Army combat uniforms, and the Generation III Extended Cold Weather Clothing System.

The Army introduced the Army Combat Uniform (ACU) in 2004. The Army is using a rigorous four-phase initiative to explore alternatives to the current ACU camouflage pattern for Soldiers in Afghanistan in response to their needs and Congress. Beyond the immediate needs of Soldiers in Operation Enduring Freedom, we are looking at a ground combat camouflage uniform for all Soldiers.

Revaluating uniforms and equipment for survivability and durability is a routine part of our process. We used this process in the development and design of the ACU, and continually monitor Soldier feedback and surveys to ensure we continue to provide the equipment they need for mission success.

Since the introduction of the ACU, Soldier assessments resulted in many modifications and improvements. These changes include: reinforced seams to reduce tearing, reshaping the collar, introducing a larger sleeve pen pocket, replacing the Velcro on the pants pockets with buttons, reinforced the crotch to improve durability, and introducing more sizes to accommodate Soldiers' needs.

Current individual protective equipment now includes the Improved Outer Tactical Vest (IOTV) and the Enhanced Small Arms Protective Inserts (ESAPI), and the Fire Resistant Army Combat Uniform (FRACU). The IOTV is more than three pounds lighter than its predecessor and lightens the load our Soldiers carry. It is manufactured in 11 sizes, and provides a better fit by utilizing multiple adjustment points that improve weight distribution. The IOTV provides increased area protection and features a quick release mechanism allowing Soldiers or medical first responders to instantly remove the

vest in emergency situations. We are currently at 100% in fielding the IOTV to all Soldiers in all theaters of operations.

Commanders and Soldiers operating in the higher elevations of Eastern Afghanistan asked for a lighter version of the IOTV. In response to their needs, we fielded the KDH Plate carrier. The KDH Plate Carrier (medium size) is more than 5.65 lbs lighter than a stripped down variation of a medium IOTV. The KDH Plate Carrier is not a replacement for the IOTV but an additional option for commanders to use during missions in the steep terrain, generally above 8,000 feet.

To improve ballistic and concussive protection, we fielded the Army Combat Helmet (ACH) with Pad System. The seven pad suspension system, with four-point harness, improves the center of balance, provides better comfort, improves situational awareness, and allows Soldiers to aim and fire their weapons unrestricted from any firing position. We added the Neck Armor Protective Enhancement (NAPE) Pad to the ACH to provide additional stability for the entire head and improved fragmentation protection. The Army fielded the ACH to 92% of the total force, with 100% of the Soldiers in theater wearing the new helmet. In conjunction with this fielding initiative, in 2008 we fielded two brigade combat teams with the first generation of helmet sensors mounted inside the ACH. The sensors measure concussive events and overpressure during accidents and explosions, which contribute to Mild Traumatic Brain Injuries (mTBI). This year, we will field 30,000 ACH's with Generation II Helmet Sensors to 6 different brigade size elements deploying for combat operations. The sensors will provide the diagnostic data needed to understand mTBI and focus on prevention, treatment and interdiction of severe injuries for Soldiers in the future.

Every day Soldiers are patrolling the roads in armored wheeled vehicles in Afghanistan and Iraq. We will continue to work initiatives to support fielding add-on armor kits for the Mine Resistant Ambush Protected (MRAP) and Armored Security Vehicles (ASV) to improve Soldier protection. The Army also continues to work initiatives to support fielding aircraft survivability equipment, electronic countermeasures and combating Improvised Explosive Devices (IED). Currently we have almost 11,000 MRAPs and 1,121 ASVs in theater and they are saving Soldier's lives. We have also fielded 448 MRAP All Terrain Vehicles (MRAP-ATV) in Afghanistan. The MRAP-ATV provides high levels of protection in restricted rural, mountainous, and urban environments. The MRAP-ATV supports mounted patrols, reconnaissance, security, convoy protection, communication, command and control, and combat service support missions.

The Joint Improvised Explosive Device Defeat Organization (JIEDDO) has been instrumental in identifying the tactics, techniques and procedures used by the enemy to employ IEDs, and in developing the training and equipment to counter these threats. IEDs are the number one terrorist weapon used worldwide. Our Soldiers are learning the enemy's methods for building and employing these deadly weapons, and are training to defeat and counter the threats here at home prior to deployment.

Our training focus and our deployed theater strategy is to defeat the entire IED network threat. This strategy focuses on individual protection, finding the IEDs before they explode, identifying the network of bomb suppliers and bomb makers, and killing or capturing the insurgents that emplace the devices. Since 2005, we have increased our

effectiveness in countering IEDs by attacking the IED network, defeating the devices and training our force.

RESET

More than eight years of combat operations has taken its toll on our people and equipment. The pace and tempo of combat operations over a calendar year in Iraq and Afghanistan exceed the planned annual operational tempo for all of our ground combat and aircraft systems. As an example, an armored truck will incur 5 to 6 years of normal use over the course of one year in theater. Our aircraft are incurring 4 to 5 years of normal use over the course of one year in theater. After two years in theater, these armored trucks are in reality 10 to 12 years old, and the aircraft 8 to 10 years old, all needing to come back to a depot for reset. Resetting our equipment every couple of years is critical to our Nation's readiness and requires timely and adequate funding. Our ability to continue our Reset programs determines our readiness and versatility for future contingencies. This year we will reset nearly 100,000 pieces of equipment and will sustain this pace of reset for as long as troop deployment levels remain constant.

Maintenance activities and the capacity of our Army depots are now at the highest levels in more than 35 years. The Army Material Command (AMC) has done a magnificent job resetting all of our equipment from Abrams tanks and up-armored trucks to rifles, radios, and night vision goggles. AMC continues to provide reset equipment in the quality, quantity, and speed needed to get it back into the hands of the Soldiers.

In 2008, we initiated a 6-month reset program for 13 units – 8 active Army and 5 from the ARNG and USAR. This program focused on providing a longer period of time

for Soldiers to reset themselves. In 2007, at the height of the surge in Iraq, we had to deploy units on a 15-month cycle, with only 12 months of dwell time at home before the next deployment. In 2009, our last unit on a 15-month deployment returned home. The Chief of Staff of the Army recognized Soldiers and their Leaders needed time at the end of a deployment to return to a normal and predictable schedule. The intent of the 6-month reset model is to provide normal work hours, a predictable garrison schedule, no working on weekends and no extended-hour duty days. The ability to have more dwell time between deployments and the success of the 6-month reset program expanded this year to include all units returning from a deployment.

To provide a sustained flow of trained and ready forces at a tempo sustainable for our All Volunteer force, we instituted the Army Force Generation (ARFORGEN) process. ARFORGEN consists of three phases; Reset, Train-Ready, and Available. Each of the three phases provides a systematic and predictable sequence to reset the unit for future operations. ARFORGEN manages the complex tasks of manning, equipping and training to provide a versatile force package on a predictable time line. When each unit reaches the 18 to 24 month point of the train and ready phase of the ARFORGEN cycle, they are capable of conducting full spectrum operations. This process provides us a sustainable force with an operational tempo of 1 year deployed with 2 years dwell time (1:2) at home station for our Active component units; and 1 year deployed and 4 years dwell (1:4) for our Reserve components units. This increased dwell time is critical to getting the Army back in balance for current surge operations, but in the out years we must get to a 1:3/1:5 ratio to sustain long term operations. The ARFORGEN process transforms the Army to a supply focused force versus a demand

focused force. Under our current plan, 70% of the Active Army and 80% of the Reserve component will meet the 1:2/1:4 ratio by the end of FY11. The ARFORGEN process increases predictability for Soldiers, Families, employers, and communities; and enables our reserve components to remain an integral element of the operational force while providing the Nation with an increased level of strategic depth.

The Army has undergone significant changes in recent years, and we must continue to change in order to keep pace with an environment of uncertainty and complexity in this era of persistent conflict. The same requirements that drive the imperative to change also direct our modernization efforts and need for institutional adaptation.

TRANSFORM

For the past 6 years we have worked to transform our Army from a division centric, Cold War focused Army to a brigade centric, modular force of 73 Brigade Combat Teams (BCT) and 230 Support Brigades. Modular transformation is now 88% complete and rebalancing our force structure is 65% complete. This transformation provides the Nation and the Army with the right mix of organizations to sustain the force for long duration rotations. We are on track to complete the largest transformation of the Army since World War II by the end of FY13 for all components. This transformation will provide a larger pool of deployable units, increase Soldiers dwell time at home between deployments, and provide more predictability and stability for Soldiers and their Families. A key element of this strategy is the continued transformation of the Army's Reserve Components into an operational force.

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Completing the requirements of the Base Realignment and Closure (BRAC) statutes is central to our Restationing Force plan. This past year, the Army closed three active installations and five US Army Reserve Centers. To date, 59 of 263 major military construction projects are complete. We are on track to complete Base Realignment and Closure (BRAC) by the end of FY11.

THE WAY AHEAD

In closing, I want to stress the amazing work being done every day by our Soldiers, Civilians and Families around the world. They represent what is best of our Nation and work tirelessly to build lasting relationships wherever they deploy. Like their predecessors of generations past, our Soldiers are making a lasting impact on our Nation and the people of the world. Our Soldiers are the best trained, best manned, best equipped and best led force in our history. Every generation has its heroes, and this one is no different.

Throughout the past year, many of you have traveled to Iraq and Afghanistan. You have seen firsthand the great accomplishments and successes that occur every day. Our Soldiers' focus is to win and work themselves out of a job as quickly as possible so they can all come home.

This past year we celebrated 2009 as the Year of the Noncommissioned Officer (NCO). We accelerated previously approved strategic NCO development initiatives to enhance training, education, capability, and utilization of our NCO Corps. We showcased the NCO story for the Army and the American people to honor the sacrifices and celebrate the contributions of the NCO Corps, past and present. Our NCO Corps

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serves as a shining example for armies all around the world. Our NCOs lead the way in education, in training, and in discipline. They share their strength of character with every Soldier they lead, every officer they serve, and every civilian they support.

Thank you again for your continued support to our Soldiers and their Families. With your support, we have made great progress to in all aspects of our Army. As I reflect on the progress we have made over the past 6 years, I am grateful for your help and proud to have your support for the future.

I appreciate this opportunity to speak before you today and represent all of our Soldiers, Civilians and Family members serving "America's Army." Thank you.

Mr. EDWARDS. Sergeant Major Preston, thank you very much. And Sergeant Major Burch and Sergeant Major Schultz, thank you both for being here today and for your leadership, as well. Sergeant Major.

SERGEANT MAJOR CARLTON W. KENT

Sergeant Major KENT. Good morning, Chairman Edwards.

Mr. EDWARDS. Welcome back—welcome back to the subcommittee.

Sergeant Major KENT. Thank you, sir. Chairman Edwards, Congressman Crenshaw, and distinguished members, first of all, I would just like to thank you for allowing me the opportunity to speak on the behalf of all our Marines and families and the quality-of-life issues that we have.

I would tell you straight up front right now, gentlemen, that the Marines are very proud of serving this great nation. As the Commandant and I travel around, they never complain about anything. Even though in combat and very austere environments, they never complain, because they know that their families are being taken care of because of what you do on this committee. And that is a great thing.

As we travel around, Marines just want to continue to live up to our warfighting legacy that has started back since 1775. And they continue to do that. And we are very proud of them as a Marine Corps, but we still have some work to do.

As we travel around, we hear families, and they are not shy about telling us if there is some work to do. And our Commandant has taken the lead on this, and he is ensuring that we take care of our families and the Marines so they can continue to fight and concentrate on our nation's battles and win.

So, again, gentlemen, it is just an honor for me to be here and to represent the Marine Corps. And I will be open for any questions.

[Prepared statement of Sergeant Major Carlton W. Kent follows:]

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HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF
SERGEANT MAJOR CARLTON W. KENT
SERGEANT MAJOR OF THE MARINE CORPS
HEADQUARTERS, UNITED STATES MARINE CORPS
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES
ON
FEBRUARY 10, 2010

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HOUSE APPROPRIATIONS COMMITTEE



Sergeant Major of the Marine Corps

Carlton W. Kent



Sgt. Maj. Kent completed recruit training at Marine Corps Recruit Depot, Parris Island, S.C., in March 1976 and was assigned to the 1st Marine Brigade. In May 1978, Sgt. Maj. Kent was transferred to Marine Security Guard Battalion where he served as a Marine Security Guard. He served at American Embassy, Kinshasa, Zaire and Panama. In June 1981, Sgt. Maj. Kent transferred to Fort Benning for Airborne School and Parachute Riggers School at Fort Lee, Va. In June of 1982 he was assigned as 2nd Air Delivery Platoon Commander, and parachute rigger billets in various commands aboard Camp Lejeune, N.C.

In February 1983, Sgt. Maj. Kent was transferred to Marine Corps Recruit Depot, San Diego, Calif., for duty as a drill instructor, senior drill instructor and battalion drill master with First Battalion. In January 1985, he was meritoriously promoted to Gunnery Sergeant.

In May 1985, Sgt. Maj. Kent transferred to 3rd Air Delivery Platoon as Platoon Sergeant. In June 1986 he transferred to Engineer Company, BSSG-1 1st Marine Brigade, Hawaii, as Company Gunnery Sergeant. In March 1988, Sgt. Maj. Kent was assigned to Noncommissioned Officers School, 1st Marine Brigade as the NCOIC.

In February 1989, Sgt. Maj. Kent transferred to Marine Corps Recruit Depot, Parris Island, S.C., as a student at Drill Instructor School. After completion of Drill Instructor School, Sgt. Maj. Kent was assigned to Naval Aviation Officers Candidate School in Pensacola, Fla., as a Drill Instructor, Chief Drill Instructor, and First Sergeant. In February 1990, Sgt. Maj. Kent was promoted to First Sergeant and assigned as First Sergeant, MATSG, Pensacola, Fla.

In June 1992, he transferred to 4th Marine Regiment for duty. In June 1993, he transferred to the Army Sergeants Major Academy, Fort Bliss, Texas. After graduation, in February 1994 he was transferred and assigned as First Sergeant, Battery L, 3rd Battalion, 12th Marine Regiment. In December 1994, he assumed the duties as Sergeant Major, 3rd Battalion, 12th Marine Regiment. In August 1997, Sgt. Maj. Kent was transferred to the Marine Corps Recruit Depot, San Diego, Calif., where he was assigned duties as Sergeant Major 2nd Recruit Training Battalion and in September 1999 as Sergeant Major Recruit Training Regiment.

In May 2001, he was transferred to Marine Forces Europe/FMF Europe, Stuttgart, Germany, where he was assigned the duties as the Sergeant Major of Marine Forces Europe. In April 2004, he was transferred to I Marine Expeditionary Force, Camp Pendleton, Calif., to serve as the Sergeant Major of the I Marine Expeditionary Force. Sgt. Maj. Kent assumed his current post as the 16th Sergeant Major of the Marine Corps on 25 April 2007.

Mr. Chairman, Congressman Wamp, and Distinguished Members of the Subcommittee, I am grateful for another opportunity to report on the state of your Marine Corps and the personal and family readiness of our Marines and their families. Without question, the men and women of our Corps who proudly earn and wear the eagle, globe and anchor, as well as the spouses, children and parents who support them, are our most valuable resource. To echo the Commandant, they are our number one priority, and my statement identifies the tremendous progress that we have made in improving their overall quality of life. Our success on the battlefield, as well maintaining a high state of personal and family readiness, would not be possible without the strong support of the Congress and American people, and I want to thank you for your direct engagement on these issues.

YOUR MARINE CORPS

Though operations in Iraq and Afghanistan have required the Marine Corps to operate essentially as a second land army, we are soldiers of the sea. We are rightly proud of our naval history and traditions. We believe that Americans expect their Marines to be ready to respond when our country is threatened; to arrive on the scene on short notice anywhere in the world on the amphibious ships of the United States Navy, as was necessary when a disastrous earthquake recently struck Haiti; and to fight and win our Nation's battles. The public invests greatly in the Marine Corps. In turn, our commitment is to uphold their special trust and confidence and provide them the best return on their investment.

Operation IRAQI FREEDOM

The Marine Corps has transferred authority for Anbar Province, Iraq to the U.S. Army and begun a responsible drawdown. From 2003-2009, our force levels in Iraq averaged 25,000 Marines. By spring of this year, our mission in Iraq will be complete and your Marines will redeploy.

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Operation ENDURING FREEDOM

In Afghanistan, the mission has expanded. As of September 22, 2009, there were more Marines in Afghanistan than in Iraq. By March 2010, there will be more than 18,500 Marines in Afghanistan, and by mid-April, that number will grow to a robust Marine Expeditionary Force (Forward) of 19,400. Your Marines have already had success and made gains in some of the toughest regions of Afghanistan, primarily Helmand Province in the South – the source of the highest volume of opium production in the world. However, more work remains to be done.

Endstrength

Current authorized endstrength is 202,100 Marines in the active component and 39,600 Marines in the Selected Reserve. During fiscal year 2007, the Marine Corps requested and received authorization to grow the active component to 202,000 personnel by the end of fiscal year 2011. We completed our growth during fiscal year 2009 – two years ahead of schedule. We attribute this to four factors: quality recruiting, exceptional retention, reduced personnel attrition, and a great young generation of Americans who want to serve their country during wartime. With this personnel increase, we will improve training, upgrade readiness, and enhance the quality of life for all personnel and their families. The goal is to build the equivalent capacity of three balanced Marine Expeditionary Forces – the largest MAGTF and principal Marine Corps warfighting organization. We are continuing to shape the Marine Corps with the right mix of units, grades, and occupational specialties.

Taking Care of our Marines and our Families

While we recruit Marines, we retain families. With more than 47 percent of our Marines married, we believe that the investment in our families is critical to the long-term health of our institution. For our active duty population, we have just over 97,000 spouses and 112,756 children. Marines

are also caring for parents and other dependents totaling over 500, bringing our entire family population to over 210,000. This does not include the over 100,000 retired Marines and their families we support. Your Marine Corps is also a young force, with the average age of a Marine at 25, almost half of the enlisted force is between the ranks of private and lance corporal (pay grades E1 - E-3), and almost 70 percent of Marines are on their first enlistments. Our personal and family readiness planning carefully considers this demographic. We also understand that when Marines know that their loved ones at home have access to quality housing, healthcare, child care services, and education, they are better prepared to face the rigors of our wartime environment and more inclined to continue their devoted service to our Nation.

Personal and Family Readiness Programs

With the help of Congress, we initiated a number of personal and family readiness program reforms during FY08 and FY09 with supplemental appropriations. As a result of extensive program assessments and evaluations, we have built these programs into our baseline budget, beginning with a \$110M increase in FY10.

The Unit, Personal and Family Readiness Program's mission is to empower Marines and their families to achieve family readiness and maintain a positive quality of life. Since establishing over 400 full-time primary duty civilian Family Readiness Officers (FROs) to support commanders at the unit level, we have been able to reduce the excessive burden placed upon our volunteers. In addition, we initiated the development of a standardized family readiness support system designed to work across functional lines to build and sustain the capacity of military families to care for themselves and mutually support one another within the Marine Corps community. These efforts bring together community members and organizations to help identify and address complex issues. Our long-term goal is to take this internal

Marine Corps community 'capacity-building' model and extend it to the communities outside our gates, and to partner with community leaders and other organizations to develop and expand the programs and services available to our Marine Corps families, especially those in remote and isolated locations.

To foster and increase the resiliency of our Marines and their families, we have developed an inventory of LifeSkills training courses that specifically address the challenges of military life, as well as personal and family life; expanded and enhanced our pre, during, and post-deployment training; broadened the scope of our Lifestyle Insights, Networking, Knowledge and Skills (L.I.N.K.S.) training to include children and extended family members; and incorporated Combat and Operational Stress Control (COSC) and Suicide Prevention programs into our deployment training cycles. To ensure our reserve Marines are afforded the same access to deployed support services as their active duty counterparts, we have also implemented the Yellow Ribbon Reintegration Program.

Deployed and Warrior Support

To address the increased demands and impact of multiple, sustained deployments on both our active and reserve component Marines and their families, we have taken a number of actions, including: expanding deployment training to address single Marines, Marines and families, and children; providing 16 hours per month of respite care/child care for families of deployed Marines; improving communications between deployed Marines and families through the establishment of WIFI capabilities aboard all Marine Corps installations; implementing a Portable Morale Satellite Communications systems that provides an internet and web-cam capability to forward operating bases in Afghanistan where traditional "Internet Cafés" are unavailable; and partnering with the Army and Air Force Exchange Service (AAFES) to provide in-theater Tactical Field Exchanges, which offer access to a variety of

health and comfort items, movies, CDs, and snack foods. We recently opened a facility that provides Exchange services to our growing population in Afghanistan. Currently, we have 14 Marines in Afghanistan to support the Tactical Field Exchanges and we anticipate asking for civilian volunteers sometime this summer. We are preparing for additional quality of life support requirements as troop strengths increase.

Exceptional Family Member Program (EFMP)

We have transformed the Exceptional Family Member Program to ensure enrolled family members have access to a continuum of care, while providing the sponsor every opportunity for a successful career. I am proud to state that the redesigned Marine Corps EFMP has been recognized within DoD as a premier, full-service program to be used as a template for other Services.

In 2001, EFMP had only 4,500 enrolled family members. The number of exceptional family members has grown from 6,500 in 2008 to over 8,900, to date. We believe our enrollments will continue to increase due to the program changes that focus on the continuum of care and our effort to overcome past stigmas. Direct family support and respite care continue to increase the perceived value of EFMP, which, in turn, has resulted in increased program enrollment. Additional program enhancements include the establishment of Family Case Workers, who are assigned to each enrolled Marine family to assist during relocation, deployments and life events and to help families with access to medical, educational, and financial support services. In addition, the Marine Corps underwrites the cost of up to 40 hours of respite care per month for families enrolled in the program. To date, we have provided more than 250,000 hours of respite care.

School Liaison

Recognizing that military children may relocate 6-9 times during their K-12 academic year, and that they face unique challenges due to the mobile lifestyle of their parents, the Marine Corps has established School Liaisons

at all Marine Corps installations. The Liaisons use community resources to provide resource and referral assistance and to reduce the impact of the military lifestyle on school-aged children and their families. School Liaisons also provide service and support to Marine Corps families at remote locations, including Reserve and Recruiting assignments, by increasing awareness of the military school-age child's needs, as well as assisting local school districts in their requests for and utilization of federal Impact Aid funding for enrolled military children. Some of the other functions performed by our School Liaisons include: working on the Department of Defense/Department of Education K-12 Partnership, which was established to improve education for military children; addressing student transition and support when a parent is deployed; promoting and coordinating partnership activities, such as Adopt-A-School; providing access to online resources, such as Tutor.com and SOAR, which allow students and parents to strengthen academic skills in math and reading; developing Permanent Change of Station (PCS) checklists for Marine Corps families to assist parents in pre-relocation planning and registration in the receiving school district; and partnering with the USMC EFMP and supporting their efforts, through system information and family referrals for enrollment, when appropriate.

Child Care

Availability of quality, affordable child care on and off our installations continues to be a major quality of life issue for Marines and their families. Based on our FY09 annual report, we are providing 11,068 child care spaces and meeting 64 percent of the calculated total potential need. To meet the DoD standard of 80 percent of potential need, we would require approximately 3,000 additional spaces. To address child care requirements, we are grateful to Congress for funding 915 spaces in FY08 and FY09. The American Recovery and Reinvestment Act and 2009 Overseas Contingency Operations projects also provide 1,700 spaces. These projects

are scheduled to open over the next 18-24 months, and the additional spaces will be factored into future calculations of total potential need. It is important to note that the potential need data is not static and fluctuates. In addition to our nationally accredited child developments centers, we are employing a variety of strategies and expanding partnerships to help meet child care demand.

Behavioral Health

We are attentive to the health and resiliency of our Marines and their families, as well as the youthful demographic that I previously mentioned. This youthful demographic introduces societal risks that the leadership of our Corps aggressively address through our prevention programming. Despite these efforts, the Marine Corps has regrettably seen increases in suicides, domestic violence, substance abuse, and sexual assaults, highlighting the need for further action and improved Behavioral Health prevention programs and policies. The steps outlined below have the attention and personal engagement of Marine Corps leadership:

- We are restructuring the Marine Corps Community Services organization to fully integrate our Suicide Prevention, Sexual Assault Prevention and Response (SAPR), Substance Abuse Prevention, Combat and Operational Stress Control (COSC), and Family Advocacy programs. This restructuring will better equip our community support professionals to collectively respond to the needs of Marines and their families, and provide them with the critical tools necessary to foster resiliency, sustain emotional well-being, and strengthen their family structure.
- Our Combat and Operational Stress Control (COSC) program provides training and tools that enable our leaders, Marines, and family members to recognize stress reactions, to provide effective

mitigation and/or intervention within operational units and in families, and to promote wellness. To further assist leaders with prevention, rapid identification and early treatment of combat and operational stress, we are expanding our program of embedding mental health professionals in operational units - the Operational Stress Control and Readiness (OSCAR) program - to directly support all active and reserve ground combat elements. This will be achieved over the next three years through the realignment of existing Navy structure supporting the operating forces, and by increasing the Navy mental health provider inventory. The OSCAR capability is also being extended down to infantry battalions and companies by providing additional training to OSCAR Extenders (existing medical providers, corpsmen, chaplains, and religious program specialists) to make OSCAR expertise more immediately available to Marines. In addition, we are training senior and junior Marines to function as OSCAR Mentors. In this capacity, they will actively engage Marines who evidence stress reactions, liaison with OSCAR Extenders, and advocate for fellow Marines regarding stress problems. OSCAR Mentors also greatly decrease the stigma associated with stress reactions, and help Marines "take care of their own".

- Suicide Prevention. I, like all leaders of our Corps, are very concerned about the increase in the number of suicides, up from 33 in 2007, to 42 incidents in 2008, and 52 in 2009. The loss of each and every Marine is a tragedy both for the family and for our Corps. We know there is no single suicide prevention solution and, therefore, stay actively engaged in prevention and early identification of problems that may increase the risk of suicide. Leadership at all levels, from commanding generals to squad leaders, are committed to having an effect on the individual Marine to build

resilience, coping skills and encourage help-seeking behavior for distressing life events. I am happy to report that the senior enlisted Marine that was hand-selected last year to add unique insight to our efforts in suicide prevention has recently been extended for an additional two years, and the Commandant and Assistant Commandant, through the Executive Safety Board, continues to make this a top priority through the following initiatives:

- ° NCO/FMF Sailor Leadership Suicide Prevention Training - Our NCOs are the backbone of the Marine Corps and in the best position to recognize signs of distress in their peers and the Marines they lead. As a result of this training initiative, 100 percent have received this half-day, high impact, interactive workshop. Initial results are promising and the feedback from our NCOs is positive. We are continuing to push this training for all new NCOs as we conduct a 6-month study of impact.
- ° Building on the success of the NCO course, we have revised and revitalized suicide prevention training in recruit training, drill instructor school, and for new officers in The Basic School. The training is targeted to these specific Marines and their important role in leading others. We are also embarking on new training initiatives for our young Marines, Staff NCOs, officers and spouses.

In addition, the Marine Corps is also participating in the National Institute of Mental Health (NIMH) longitudinal study (STARRS), which is the most comprehensive study ever attempted in the field of suicide prevention. The study is designed to provide the Service with real time feedback to apply to suicide prevention plans and programs. Central to all efforts, we are focused on leadership in the fight

against suicide and will continue to aggressively pursue suicide prevention initiatives; reevaluate existing programs designed to reduce the stressors most correlated with suicidal behavior; develop and distribute new prevention programs; and refresh and expand training materials. Our message is clear that seeking help for distress is a duty, not an option, and is consistent with our Marine Corps ethos and values.

- Sexual Assault Prevention and Response (SAPR). The Marine Corps' SAPR program provides care and support to victims of sexual assault, tracks investigations and prosecutions in the military justice system, and holds offenders accountable. Last year, the SAPR Program sustained critical reviews by the Inspector General of the Marine Corps (IGMC), the General Accounting Office (GAO), and a DoD Task Force on Sexual Assault in the Military Services (DTF-SAMS). Program deficiencies were identified in the areas of staffing, training, leadership engagement, and resourcing. As a result, the Marine Corps implemented aggressive action in the following areas:
 - Engaged senior Leadership through a Department of Navy (DoN) Summit and Marine Corps Operational Plan Team Summit. Nineteen Marine Corps General Officers/SES participated in the DoN Summit and received the latest research and trends on sexual assault from academic subject matter experts. In conjunction, the Marine Corps conducted an Operational Planning Team comprised of 17 Marine Corps General Officers, which resulted in an Executive Steering Committee and working group being chartered to produce and implement action plans. During October, a 4-hour SAPR training course was administered at our General Officer Symposium.

- ° During the December timeframe, we hosted a Senior SNCO Sexual Assault Prevention and Family Support conference to increase awareness of this serious issue and to develop recommendations to improve our approach to combating sexual assaults and the at risk behaviors in the Marine Corps.

Additional initiatives, include:

- Initiated the hiring of full-time civilian installation SAPR Program Managers who will allow installation commanders to focus attention on effective prevention efforts and provide the tools to pursue meaningful outreach to the surrounding community.
- Revising formal training and awareness programs to include entry level through sustainment and career of Marines.
- Improving the quality of sexual assault litigation for our Judge Advocates (JAs), who are involved in prosecuting sexual assault cases and increasing the number of JAs, who attend this specialized training.

Casualty Assistance

The Marine Corps' Casualty Assistance Program (MRPC) is committed to ensuring that families of our fallen Marines are treated with the utmost compassion, dignity, and honor. Since FY08, we have improved the notification process, the training of our Casualty Assistance Calls Officers (CACOs), and have expanded the long-term care provided to our survivors. We will continue to monitor the effectiveness of these changes and make adjustments where warranted. The focus of the Marine Corps Casualty Assistance Program continues to be "taking care of our own."

The Headquarters Casualty Section is a 24-hour-per-day operation manned by Marines trained in casualty reporting, notification, and casualty

assistance procedures. The Casualty Section conducts telephonic notification to the next-of-kin (NOK) of wounded, injured and ill Marines, utilizing information contained in the Personnel Casualty Report (PCR). Notifications are typically completed within 4 hours of receipt of the PCR. When warranted, MRPC processes and facilitates family members' travel to the bedside of their Marine.

Following in-person notification on deceased cases, CACOs assist the NOK with burial arrangements, applications for benefits and entitlements, contact with benevolent and philanthropic organizations, and obtaining reports of investigation. CACOs provide additional helpful resources to the NOK, including the "Days Ahead" binder, which includes articles on dealing with grief and loss, and "A Survivor's Guide to Benefits".

Approximately, 60 days following the death, the Primary Next of Kin (PNOK) is contacted by the Marine Corps Long-Term Assistance Program (LTAP) to identify and resolve any residual issues. The LTAP has expanded relationships with the Tragedy Assistance Program for Survivors (TAPS) and Military OneSource to directly connect the survivors with qualified bereavement/peer counseling resources. LTAP also partners with the Marine Corps-Law Enforcement Foundation (MC-LEF) to provide educational bonds to the children of fallen Marines.

Personal Financial Management

Our Corps of Marines and families are not immune to the impacts of these difficult economic times and face challenges that are no different from the American population in general, such as taking on too much debt, incurring expenses of a new child, and increased housing costs. Our Marines are also faced with unique challenges through their service to our Nation, such as deployments, extended separations, and directed permanent reassignments, all of which can compound financial difficulties. To help assess the financial condition of our Marines during 2008, the Secretary of

the Navy tasked the Inspector General of the Marine Corps (IGMC) to conduct a Financial Health Quick Poll (FHQP). We reported findings during last year's testimony that indicated of the over 9,000 Active Duty Marines who responded to the survey, 15 percent of enlisted Marines and 5 percent of officers classified themselves as being in financial distress. The FHQP was re-administered in 2009 and was expanded to include a separate survey for reserve Marines. This effort resulted in participation from over 14,000 active duty Marines and 4,000 reserve Marines. The results indicate an improvement in the aggregate financial condition of active duty Marines (officer and enlisted) from 2008 - 2009. Although there is reported improvement overall, Marines in E1 - E3 pay grades are found to be in significantly worse financial condition when compared to other pay grades, with 16 percent reporting they are in financial distress. Findings from the Reserve FHQP indicate that reserve Marines in the E1 - E3 pay grades are also found to be in significantly worse financial condition than other enlisted pay grades. Within the E1 - E3 pay grades, 27 percent report being in financial distress, 18 percent unemployed, and 28 percent students. We are coordinating with MARFORRES to further analyze the FHQP results for this segment of the survey. We are also pursuing improvements in our overall Personal and Financial Management Program, to include expanded program awareness, and scheduling Military Saves Campaign events to highlight the importance of establishing personal savings goals, decreasing debt, and developing financial fitness habits that lead to improved personal financial stability. We will continue to monitor the Corps' financial health and will reassess on a biennial basis.

Traumatic Stress Injuries

All Marines, no matter how tough and how well trained, are at risk for incurring some kind of Traumatic Stress Injury. Many of these injuries are mild and rapid recovery is expected, while some clearly fare worse and

develop more debilitating conditions like Post Traumatic Stress Disorder (PTSD). Our goal is to have as few of these injuries develop into long-term medical problems as possible. Early identification of Marines with stress reactions and the provision of needed support and services is the key to meeting this issue head-on. We have developed and deployed the Marine Corps Combat and Operational Stress Control (COSC) program and our leaders are fully engaged in helping their Marines get the help that will keep them healthy and mission ready. We continue to deal with the stigma of coming forward and asking for psychological health support by making it clear to all that being a fit and ready Marine includes a sharp and well functioning mind. Clearly, psychological health care stigma is as much a societal issue as a Department of Defense or Marine Corps issue.

For those Marines who need true medical assistance, we have expanded our use of embedded mental health professionals via the Operational Stress Control and Readiness initiative as well as expanding our working relationships with Navy Medicine, the Department of Defense at large and the Department of Veterans Affairs.

Traumatic Brain Injury (TBI)

We continue to see TBI as a significant challenge, one we are meeting in coordination with the Department of Defense and Veterans Brain Injury Center (DVBIC). Many newly reported cases represent older injuries that are just now being diagnosed. Our expectation is that with the institution of a more systematic approach to head trauma detection and tracking in-theater, that is now underway, we will get better at identifying Marines with brain injuries before their symptoms cause more dramatic personal and professional problems.

While the Marine Corps is providing leadership and resources to deal with this problem, we cannot solve all the issues on our own. We continue to work closely with the Defense Centers of Excellence for Psychological Health

and Traumatic Brain Injury to advance our understanding of PTSD and TBI, and to improve the care of all Marines. We are gratified by your continued support in this arena through funding of several research initiatives that explore ways to better treat our injured Marines.

Wounded Warrior Regiment

"Etiam in Pugna" - Still in the fight. Despite the challenges they face, your wounded, ill and injured Marines remain inspired to contribute to the Marine Corps warfighting mission. They want to continue to wear the Marine Corps uniform and return to their units as quickly as their medical conditions will allow. Your Marines are steadfast in their commitment, and they remain focused on their abilities.

The Marine Corps' Wounded Warrior Regiment provides all active and reserve Marines and their commanders with non-medical care management services and support not traditionally resident in an operational unit. The WWR does not make distinctions for the purposes of care based upon the origin of the Marine's condition. Whether Marines are injured in a training accident prior to a combat deployment, injured in combat, or become ill after a deployment - all Marines contribute to the fight in some capacity. The WWR honors this contribution with consistent care to all WII Marines and their families. Whether the road to recovery keeps Wounded Warriors in the Marine Corps or leads them back to civilian life, the Wounded Warrior Regiment continues to develop programs that focus on Wounded Warriors' abilities and facilitate their recovery.

A Marine's full recovery depends upon thorough care coordination. The Regiment commands Recovery Care Coordinators, who serve as the ultimate point of contact for wounded, ill and injured Marines and their families. These coordinators help them meet their individual goals for recovery, rehabilitation and reintegration and identify the services and resources needed to achieve these goals. The Wounded Warrior Regiment stays attuned to

the oftentimes unique family support requirements of its Wounded Warriors. The Regiment's Family Support Staff works with families and family caregivers to ensure they have the necessary information, care and support during these difficult times.

The Regiment proactively engages Marines, Sailors, veterans and family members to determine where it can best deliver assistance. Named after a Marine who died of injuries sustained in Iraq in 2005, the Sergeant Merlin German Wounded Warrior 24 Hour Call Center, a Department of Defense Best Practice, receives calls from active duty members, veterans and families seeking assistance in matters of Wounded Warrior care. The Call Center conducts important outreach calls to monitor injury recovery and distribute information on new programs offered by the Regiment, the Department of Defense, the Department of Veterans Affairs and other entities. Augmented by a staff of psychological health professionals, the Call Center can provide critical assistance to those seeking help for Post Traumatic Stress Disorder and Traumatic Brain Injury.

The Regiment provides effective community reintegration programs for those Marines and Sailors who leave the Service. In addition to programs that promote financial health and provide information on education opportunities, Marines benefit from the Wounded Warrior Employment Cell. Manned by Marines and representatives of the Departments of Labor and Veterans Affairs, this cell identifies and coordinates with employers and job training programs to help Wounded Warriors obtain positions in which they are most likely to succeed and enjoy fulfilling careers.

Our recovering Marines represent the best of our Nation, and the Marine Corps has a solemn obligation to provide them with world-class care. The Marine Corps is grateful for the enduring support of Congress. We see that support in your personal visits to our Wounded Warriors in the hospital wards and bases around this Nation. We see that support in your words and deeds on

behalf of our Wounded Warriors and their families. We thank you and look forward to working with Congress as we continue our work on behalf of our Wounded Warriors who are still very much in the fight.

Infrastructure

The Marine Corps continues to strive for a prolonged commitment to facilities and infrastructure that support operations and quality of life. The Fiscal Year 2011 budget request includes \$5.8 billion which continues our efforts to improve our infrastructure. This funding provides critical Military Construction and Facilities support for our active and reserve forces.

For many years, we funded only our most critical facility needs. As a result, our installations were in a poor position to properly house and operate with the additional forces required to meet our planned endstrength increase. In Fiscal Years 2007 - 2010, the Marine Corps received over \$7 billion in new construction and planning and design alone. With this funding we are providing new quality of life facilities, improved operational and training facilities, and more up-to-date utility infrastructure systems. The generous assistance from Congress in the past has provided critical support that allows our installations to prepare to support our Grow the Force plan and puts the Marine Corps on the right path to complete the remaining requirements on time.

The Marine Corps' has four major funding areas where recapitalization and modernization initiatives in infrastructure and facilities are programmed: Bachelor and Family Housing; Facility Sustainment, Restoration and Modernization; Military Construction; and Military Construction, Navy Reserve.

Bachelor Housing

Bachelor enlisted housing is the Commandant's top Military Construction priority. The Marine Corps currently maintains over 100,000 bachelor enlisted

housing spaces worldwide. In Fiscal Year 2011, the Marine Corps is requesting over \$600 million to support this program and we are working towards constructing over 5,000 new barracks spaces. This investment will provide much needed support toward meeting the additional future requirements brought on by our Grow the Force plan and our effort to have all single Marines adequately housed.

Barracks are a critical element in supporting our warfighters. The Bachelor Enlisted Quarters initiative focuses on our enlisted troops and their quality of life within our barracks. The Marine Corps is the youngest, most junior, and least married of the four military Services. Providing appropriate and comfortable living spaces that positively impact the morale and development of these young men and women just makes sense. We are also committed to funding whole room barracks furnishings on a seven-year replacement cycle and prioritizing barracks repair projects to preempt a backlog of repairs.

The Marine Corps' goal is to provide a 2+0 room standard that allows two junior enlisted Marines (E1-E3) to share a room and bath. We believe that assigning two junior Marines to a room is the correct balance between the privacy desired by the Marines and the Marine Corps' goals of providing companionship, camaraderie, and unit cohesion. This balance provides the atmosphere we believe is necessary to motivate, train and develop Marines, while fostering unit integrity. Noncommissioned officers (E4 and E5) are provided a private room with bath in a 2+0 room. With your continued support, the Marine Corps is on track to obtain our goal to achieve the 2+0 standard for all of our Marines by 2014.

Family Housing

Marine Corps families are an integral component of readiness. We must always remember that Marines and their families serve out of a sense of duty and loyalty to our country and as they do so, they face the difficulties of

the military lifestyle -- frequent relocations often far from extended family and frequent deployments that separate families for months at a time. We have a responsibility to provide adequate family housing to our families.

We continue to increase both the quantity and quality of our family housing inventory through public private ventures (PPVs) and military construction where necessary. In addition to PPV initiatives for family housing, continued support for full funding of the Basic Allowance for Housing (BAH) allows more families to access quality affordable housing in the local community. This is important since more than two-thirds of service members do not live on a military installation. However, many families continue to prefer to live in military or PPV housing for a number of reasons, including economics, safety, schools, and community support. PPV, combined with traditional military construction, will continue to build and improve the homes necessary to supplement local community housing.

We have over 23,000 owned, leased, or PPV family housing units worldwide. Thanks to your support over the last year we were able to award projects for additional privatized housing at Marine Corps Base Camp Lejeune, North Carolina, and at the Marine Corps Air Ground Combat Center and at Marine Corps Base Camp Pendleton in California. We were also able to continue progress on our series of planned renovations to our housing in Iwakuni, Japan. In 2001 the Marine Corps had close to 17,700 inadequate housing units, with the majority of those units requiring significant revitalization or replacement. Based on contracts in place by the end of Fiscal Year 2007, the Marine Corps has met the Department of Defense goal to eliminate inadequate housing by 2007 and will complete the build-out by 2014.

The funding provided by Congress in Fiscal Year 2010 provided almost \$128M million for public private venture (PPV) seed money, operations, maintenance, sustainment and restoration for family housing. This request included \$79 million for PPV seed money, \$15 million for traditional military

construction and \$34 million for family housing operations. Your support for this request allowed us to continue to address the requirement for additional family housing resulting from Grow the Force increases and sustaining and modernizing our remaining government-owned housing.

This PPV seed money will permit construction of approximately 230 new units and a DoD Dependent school addition at Marine Corps Base Camp Lejeune, North Carolina. This PPV program continues to allow the Marine Corps to leverage private sector funds. In addition to government financing, the private sector contributes development capital for PPV projects in Fiscal Year 2010. We will use traditional military construction to sustain and restore mid-rise units for Marines at Marine Corps Air Station Iwakuni, Japan and restore the National Historic Landmark Home of the Commandants on the Marine Barracks in Washington, District of Columbia.

Our Fiscal Year 2011 family housing budget request of \$144 million continues to address the Commandant's guidance to take care of our Marines and their families. To further reduce our family housing deficit, the Marine Corps Fiscal Year 2011 request for post-acquisition construction includes \$106.7 million to support the construction of 220 units and an addition to a DoD Dependent high school at Camp Lejeune, North Carolina and 130 units at Camp Pendleton, California. Both projects support the Marine Corps growth to 202,000 Marines and will be accomplished through the use of military housing privatization initiative authorities. Additionally, the request includes \$11.1 million for improvements and repairs to the Home of the Commandants in Washington, District of Columbia, and 44 homes located in Iwakuni, Japan. The Marine Corps' budget also includes \$26.1 million for the operation, maintenance and leasing of approximately 800 units located worldwide.

Public Private Ventures

We have privatized over ninety-six percent of our world-wide inventories to date and continue to see success from our PPV projects across

Marine Corps installations in Arizona, California, Georgia, Hawaii, Massachusetts, Missouri, New York, North and South Carolina, and Virginia. PPVs have not only improved the homes in which our families live, they are also providing community support facilities such as community centers, playgrounds and greenscapes that help create neighborhoods and a sense of community. Resident satisfaction with both the quality of their home and the service provided continues to increase every year. With almost our entire domestic inventory privatized, we will continue to build on our prior successes and use PPVs to help us address most of our remaining housing requirement.

Facility Sustainment, Restoration, and Modernization

Facility sustainment funding is critical to keeping our buildings ready to support the mission and provide an acceptable quality of life. In the past, our infrastructure could not be replaced at an appropriate rate, causing portions of it to deteriorate. As a consequence, the Marine Corps has had to use an increasing percentage of its facility sustainment funds to bind together old, inadequate buildings throughout the course of their service life, rather than maintaining newer, more economical structures resulting in significant numbers of facility sustainment projects being deferred due to a lack of funds. This directly impacted the living and working conditions in barracks, mess halls, and other facilities, in highly visible and negative ways. In addition, we suffered a "quiet crisis" with respect to less obvious repairs to steam plants, airfields, sewer lines, and roads. These requirements are no longer being ignored.

A few years ago, the Office of the Secretary of Defense (OSD) developed a model to determine the amount of funding we need to sustain our facilities. This model continues to be refined and strengthened. Since inception of the model, and because of the funding standards put in place by OSD, we have done very well in programming and execution of sustainment. In fact, in Fiscal

years 2006, 2007, and 2008 our sustainment rate is over 100%. In 2009, our sustainment rate drops to 90%. However, thanks to Congressional support of Restoration and Modernization to repair our facilities, in order to support additional Marines arriving as a result of Grow the Force, living and working conditions will improve for all our Marines.

Military Construction

For the fourth year in a row, the Fiscal Year 2010 funding provided by Congress represented a significant increase from historical funding levels. In 2010, over \$2.7 billion in funding will provide facilities that address long-standing requirements at our bases and stations and support the increased endstrength across the Marine Corps. It is always a pleasure to visit our installations and hear young Marines talk about the work they perform in these new facilities.

Our Fiscal Year 2011 budget request of \$2.8 billion continues to support our Marines. Funds are being requested to support Grow the Force, Bachelor Enlisted Housing, critical aviation facilities to support next generation aircraft, improvement of Professional Military Education, and equipment modernization. Additionally, we have included funding for the replacement of facilities far beyond their useful life, other quality of life facilities, and correction of safety and encroachment issues.

Marine Corps Exclusive, Military Construction, Navy Reserve

The Marine Forces Reserve is an integral and vital portion of our Marine Corps total force. Marine Forces Reserve is comprised of almost 39,600 Select Marine Corps Reserve personnel at 185 sites, dispersed throughout 48 states, Washington D.C., and Puerto Rico. As these numbers suggest, maintenance of adequate Marine Corps Reserve facilities presents a considerable challenge. The Military Construction, Navy Reserve program for exclusive Marine Corps construction must effectively target limited funding to address at least \$140 million in deferred construction projects. Over 57

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percent of the reserve centers our Marines train in are more than 30 years old and of these, 44 percent are more than 50 years old.

The equipment our Marines use today is bigger, heavier, wider, and longer, creating support requirements that these antiquated facilities cannot meet. The electrical demand on our facilities because of modern equipment has increased significantly. Appropriately constructed or modified maintenance facilities, as well as adequate electrical power and other support infrastructure upgrades, are necessary to maintain combat readiness. We still continue to use facilities built to accommodate manual typewriters, M151 jeeps, and M-48 tanks.

To help us address these challenges, the Fiscal Year 2011 budget request includes \$20 million for Military Construction, Navy and Marine Corps Reserves. This program addresses two pressing requirements and will provide a new Reserve Training Center and a vehicle maintenance facility in Yakima, Washington; and a vehicle maintenance facility in Twentynine Palms, California.

Conclusion

Improving quality of life and "taking care of our own" will remain one of our highest Marine Corps priorities. On behalf of our Marines and our families, I thank you for your unwavering support to address the warfighting, infrastructure, and personal and family readiness requirements of the Marine Corps.

Mr. EDWARDS. Thank you, Sergeant Major Kent. You represent the Marine Corps well. We are honored to have you both here today.

Master Chief West.

MASTER CHIEF PETTY OFFICER RICK WEST

Master Chief Petty Officer WEST. Sir, Mr. Chairman, Representative Crenshaw, members of the committee, thank you very much for the opportunity to come before this committee today. I consider this a distinct honor and a privilege in one of the most important aspects of my job as Master Chief Petty Officer of our Navy.

Joining me today is Master Chief Ronnie Wright, representing the Navy Reserve force. Our Navy Reserve personnel stand shoulder to shoulder with their active-duty counterparts, serving our Navy and our nation around the world.

In my first year, I have made it known across our fleet that our Sailors' and their families' quality of life is of vital importance to the operational readiness and mission effectiveness.

Our Navy is the finest in the world. And your Sailors are making a difference every day. Between our traditional maritime requirements, counter-piracy operations, and the many non-traditional missions we have adopted in support of overseas contingency operations, the strain on our Sailors and their families is even greater than it has ever been.

And as of April 1st, 39 percent of our force is underway, and approximately 23,000 of those Sailors are into CENTCOM, 13,000 of those are boots on ground, Sailors' boots on ground, and that is the engine that drives our great Navy, and that is the people, our people, our Sailors, with their families' support. We are a global force for good.

And my wife, Bobby, and I, we understand firsthand the anxiety of war and its impact on the family stability. With both having military experience, we thought it would be easy to be Navy parents, but nothing can prepare you for the day your child deploys in harm's way. Our oldest son, a Navy diver, just returned this past Sunday from a 6-month deployment.

Navy families understand and have accepted a military lifestyle, just like we have. They are brave, strong, resilient, resourceful, and every bit as dedicated and patriotic as those of us that wear the cloth of our nation. And I firmly believe that how we support our Sailors that we send to war truly defines who we are as a Navy and as a nation.

Mr. Chairman, subcommittee, on behalf of our Sailors and families, thank you very much for ensuring they are well supported, appreciated, and given the quality of life they deserve. And I look forward to answering your questions, sirs.

[Prepared statement of Master Chief Petty Officer Rick West follows:]

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**STATEMENT OF
MASTER CHIEF PETTY OFFICER OF THE NAVY
(SUBMARINE WARFARE/SURFACE WARFARE)
RICK WEST
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON MILITARY CONSTRUCTION**

April 14, 2010



Master Chief Petty Officer of the Navy

MCPON (SS/SW) Rick D. West



Master Chief Rick West became the 12th Master Chief Petty Officer of the Navy on Dec. 12, 2008.

West was born in Rising Fawn, Ga. He graduated from Northwest Georgia High School in 1981 and immediately entered the U.S. Navy.

West received recruit training and Quartermaster training at Orlando, Fla., followed by Enlisted Submarine School at Groton, Conn. His first duty assignment was aboard *USS Ethan Allen* (SSN 608) where he completed Submarine Qualifications. Other assignments include *USS Thomas Edison* (SSN 610), *USS Sea Devil* (SSN 664), Commander Naval Activities United Kingdom (COMNAVACTUK), *USS Tecumseh* (SSBN 628)(Blue), and COMSUBPAC Staff (TRE Team).

West was assigned as Chief of the Boat aboard the San Diego based Fast Attack Submarine, *USS Portsmouth* (SSN 707), completing two Western Pacific deployments and earning two Battle Efficiency "E" awards.

West served as Command Master Chief in Submarine Squadron ELEVEN. Upon completion of his tour at COMSUBRON ELEVEN, he was selected as Force Master Chief (FORCM), attended the Senior Enlisted Academy in Newport, R.I., and served as Force Master Chief, Submarine Force U.S. Pacific Fleet (COMSUBPAC) from Jan. 2001 to Jan. 2004.

West then reported to *USS Preble* (DDG 88) in San Diego, Calif., where he completed a deployment to the Arabian Gulf and qualified as Enlisted Surface Warfare Specialist.

West was then selected to serve as Pacific Fleet, Fleet Master Chief from Feb. 2005 to June 2007.

Prior to being selected to be MCPON, he served as the 14th Fleet Master Chief for Commander, U.S. Fleet Forces Command from June 2007 to Dec. 2008.

West's personal awards include the Legion of Merit (two awards), Meritorious Service Medal (three awards), Navy Commendation Medal (four awards), Navy Achievement Medal (two awards), Enlisted Surface Warfare Insignia, Enlisted Submarine Insignia, and SSBN Deterrent Patrol Pin.

Introduction

Chairman Edwards, Ranking Member Wamp and members of this subcommittee, thank you for the opportunity to testify before you. It is an honor and privilege to represent the finest force in the history of our great Navy. I offer my heartfelt thanks on behalf of our Sailors around the world and their families for the steadfast support of Congress. I would especially like to thank this subcommittee, who provides the appropriations for our vast array of programs such as child care, privatization of military housing and continuum of care for our Sailors, which are so vital to our quality of life and that of our families.

As the 12th Master Chief Petty Officer of the Navy (MCPON), I have the privilege of working for more than 433,000 active and reserve men and women who comprise our all-volunteer Navy. I am constantly amazed and truly awed by the daily sacrifices and outstanding capabilities of our Sailors who serve with distinction on ships, squadrons, submarines and on land.

Sailors in Action

The men and women I have met, the warriors who wear the cloth of our Nation, are why I am so proud to go to work every day. I have seen them in action, and observed closely the remarkable and selfless things they do out of devout patriotism and commitment to serve others. I have seen them perform magnificently on the decks of aircraft carriers at night in the Persian Gulf as jets scream off the bow, one every 40 seconds, and I have been with them in the engine room of a destroyer where the sweat soaks through your uniform within a minute and where you can barely hear yourself think. They joined the Navy to go to sea and we trained them to

succeed there. We gave them skills to keep a ship afloat, to keep one another alive at sea, and to maintain the gear we use to take the fight to our enemies. They had no idea we might need them to strap on the kevlar, pick up a rifle and head to war in the desert.

The Navy has more than 23,000 active and reserve Sailors on the ground and at sea in the Central Command Area of Responsibility (AOR). As the focus shifts from Iraq to Afghanistan, we expect the current demand on our forces to increase over this year. I have been to the sands of Iraq and the mountains of Afghanistan where our Sailors serve alongside Marines, Soldiers and Airman, and for two consecutive years we have more Sailors serving boots on ground than deployed at sea in that part of the world. That number, more than anything else, points to a shift in traditional Navy missions and an increase in responsibility for our service. With this sustained operational tempo, we are experiencing added stress on the force, but are confident in the steps we are taking to support our Sailors and their families.

More than 50,000 Sailors are on station around the world, and 38 percent of our ships are at sea. We are executing special operations with our Navy SEALs, disabling Improvised Explosive Devices (IEDs) with our Explosive Ordnance Disposal teams, and providing close air support and electronic attack with our aircraft. We are securing key waterways with our Riverine forces, building critical infrastructure with our SeaBee battalions, augmenting ground forces with our Individual Augmentees, and treating wounded warriors.

We have Sailors on the ground excelling in new missions and Sailors above, on and under the world's oceans executing our Maritime Strategy's core capabilities of forward

presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster relief support. Supporting civil authorities with capabilities that can help stabilize and improve the situation in the wake of natural and man-made disasters is a core Navy mission. Some of our youngest Sailors are helping to rebuild nations like Haiti after suffering a devastating earthquake and aftershocks in January. More than 4,000 active and reserve Sailors and Navy civilians deployed to Haiti to help relieve Haiti's human suffering. Our great Navy Sailors and civilians handed out food and water, aided in rescues, cleanup and rebuilding, showed care and compassion, and delivered exceptional medical care to the men, women and children of Haiti who so desperately needed it.

In addition to humanitarian assistance, our ships and aircraft also deter maritime pirate activity in and around the Gulf of Aden, Arabian Sea, Indian Ocean, and the Red Sea, allowing the shipping industry time to implement self-protection measures and enabling the international community to establish a legal framework to hold pirates accountable for their actions much like USS FARRAGUT's (DDG 99) and USS MCFAUL's (DDG 74) recent actions in deterring pirate attacks in the Gulf of Aden

This is what we do. It is who we are. There is no doubt our Navy is the most capable, best trained maritime fighting force in history. Sailors are at the forefront protecting vital national assets. They are keeping open the world's sea lanes by deterring enemies in the maritime domain and assisting people in times of distress, rebuilding nations and partnerships around the world.

At the same time our Sailors are ambassadors and statesmen who not only prove we are a country of strength, but one that relishes the chance to help our fellow man. The United States Navy is the finest in the world and our Sailors are making a difference every day. We are a global force for good.

Recruiting and Retention

Our Navy recruiters are working hard at finding the very best our nation has to offer for the next generation of American Sailors. Last year marked the second consecutive year that our Navy has achieved its officer and enlisted goals in both the active and reserve components, and we project we will meet them again this year. We continue to exceed Department of Defense (DoD) quality standards in all recruit categories, achieving 97 percent High School Diploma Graduates (HSDG) and 79.4 percent Test Score Category I-III A, to date this year.

Last year, we transitioned from a posture of reducing end strength to one of stabilizing the force. Our stabilization efforts remain focused on maintaining a balanced force in terms of seniority, experience and skills while staying within our congressionally authorized end strength. We expect to meet our FY10 authorized active end strength of 328,800 (this includes 4,400 OCO funded end strength) and reserve end strength of 65,500 by the end of the fiscal year, as well as our active and reserve end strength targets in FY11.

Navy is finding ways to provide flexible service options and levels of participation to maximize each individual Sailor's ability to serve in the Navy over the course of a lifetime. In order to enhance a Continuum of Service for our Sailors, the Navy continues to improve the

awareness and knowledge of reserve programs and opportunities for our active component Sailors. The Continuum of Service concept looks to provide Sailors with flexible career options, to increase opportunity to “Stay Navy,” and promote a lifetime of Service in support of the Navy Total Force.

This year, our Perform-to-Serve program was expanded to include a Selected Reserve option. This gives us the opportunity to retain our fully-qualified Sailors within the reserve component before they separate from active duty. This change removes the recruiter from the Sailor’s transition from active duty to reserve and creates a “Recruit Once, Retain for Life” culture. We also stood up the Career Transition Office (CTO) at Navy Personnel Command to directly assist Sailors transitioning between components; we view a Sailor’s career similar to driving down a highway. Sailors need the ability to make “lane changes” to meet life-work needs, and the CTO is there to make the “lane change” as seamless as possible.

Recruiting, developing and retaining the highest quality Sailors continues to be a high priority within the Navy. To that end, we must offer a quality of life and service that is directly tied to combat readiness. Creating an environment conducive to professional growth and supporting an attractive quality of service, adequate pay, health care, and housing will all aid in our retention efforts. The Post-9/11 GI Bill program offers Sailors and their families a new opportunity with greatly enhanced benefits to further improve their lives through education. This program has been very well received in both the active and reserve components. Approximately 18,000 active duty Navy members and 3,400 reserve Navy members have been approved for

transferability of benefits. We have not seen an adverse impact to enlisted retention to date, and we will continue to evaluate the impact of the Post-9/11 GI Bill as economic conditions change.

Reserve Force

Our Navy Reserve is an integral part of this hard-working, high-spirited and amazingly capable force. I am humbled by the commitment of the men and women of our Navy Reserve. It is very rewarding and fulfilling to stand shoulder to shoulder with them as we meet our nation's requirements.

The Navy Reserve's flexibility, responsiveness and ability to serve across a wide spectrum of operations clearly enhances the Navy's Total Force, acts as a true force multiplier and provides unique skill sets towards fulfilling Navy's requirements in an increasingly uncertain world. Since 9/11, our Navy Reserve Component has met more than 62,000 mobilization requirements. In 2009, more than 7,300 were mobilized to support Operation ENDURING FREEDOM and Operation IRAQI FREEDOM. Currently more than 6,000 Reserve Sailors are on mobilization orders providing global operational support. Sailors of our Navy Reserve are demonstrating they are ready, relevant and capable to meet any challenge, at home or abroad.

Sailor and Family Readiness

The United States Navy has been tasked with emerging missions that were not foreseeable less than a decade ago, along with more frequent and often longer deployments and deployments that are individual versus unit deployments. Preparing Sailors and their families to

anticipate, understand and cope with the unusual demands associated with the Navy lifestyle and operational tempo is critical to mission success.

Sailors' families are valued members of the Navy team. Through Fleet and Family Support Centers, the Navy offers quality services to prepare Navy families for the absence of their loved ones. We have significantly increased outreach to families, delivering services in alternate, off-base locations and increasingly leveraging technology to reach remotely located, isolated personnel and reserve force families. Webinars, monthly electronic newsletters and deployment preparedness handbooks aid the families of the more than 11,000 Sailors serving as Individual Augmentees — Sailors serving on assignment in Iraq, Afghanistan and other locations in support of Overseas Contingency Operations (OCO). Comprehensive benefits, such as our Morale, Welfare and Recreation facilities, world-class healthcare, child care facilities, housing and a host of programs supporting our families will ensure we retain our best personnel while maintaining the mission readiness our country deserves.

Child Care

Overwhelming feedback from our families points to affordable, high-quality child care, preferably onboard our installations, as a significant quality of life factor. One in every four Navy families depends on Navy Child and Youth Programs (CYP) and 48 percent of CYP total system capacity resides within the Continental United States.

The CYP system of care provides high quality, subsidized developmental child care and youth recreation programs for eligible children ages four weeks to 18 years old. Currently, there

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are 132 child development centers, 103 youth centers, 3,000 child development homes, 86 school-age care programs, and 2,500 community outreach spaces. The Navy is meeting 72 percent of DoD Potential Need, and, because of your support, will achieve 80 percent across the force by Fiscal Year 2012 through a 7,000 space increase since 2006 in CYP capacity resulting in an average three-month placement time.

Homeport Ashore, Bachelor and Navy Family Housing

We appreciate Congress appropriating funds for an enhanced homeowners assistance program that will aid the military homeowner who, by nature of their service, may be forced to sell their homes and take a loss in the current market. This initiative significantly impacts our individual mission readiness and retention. Navy housing continues to be a top priority throughout the Fleet. The quality and standard of living that Sailors and their families are able to enjoy are two key determinants of whether our Sailors make the Navy a career.

Deployed Sailors consistently live in cramped and often undesirable conditions. We remain committed to providing the best living conditions possible when their ships are in port. It is reasonable for Sailors to expect this, and they deserve nothing less. Currently, 6,500 shipboard E-1 to E-4 Sailors, with less than four years of service, reside aboard ship while in homeport. The projected Homeport Ashore (HPA) deficit, with consideration for the FY09 ARRA project you supported for Naval Base Coronado, is approximately 4,300 spaces, with Norfolk, San Diego and Yokosuka, Japan, being the top three Fleet areas with deficits.

The condition of Navy bachelor housing has declined in recent years. Facilities have critical capacity, condition, and configuration backlogs and 70 percent of permanent party barracks and dormitories are rated as Q3 (partial mission capable) or Q4 (non-mission capable). More than 200 bachelor housing facilities are more than 50 years old. The Navy has a projected deficit of more than 15,000 spaces to achieve the CNO and OSD standard of private sleeping rooms across 34 installations.

In the Chief of Naval Operations' (CNO) May 6, 2009, testimony before this Subcommittee, he committed to providing housing ashore for all junior sea duty Sailors by 2016 at the interim assignment policy standard (55 square feet of space per person). The Navy has made considerable progress toward achieving this goal through military construction privatization and intensified use of existing barracks capacity.

With the strong support of this subcommittee, we have successfully used Public/Private Venture (PPV) authorities, expanding our PPV family housing model to address critical bachelor housing needs. Before the authority expired on September 30, 2009, we executed two of the three pilot unaccompanied PPV projects: San Diego which was awarded in December 2006, and Hampton Roads awarded in December 2007. Preliminary success of the two pilot projects in San Diego and Hampton Roads has driven Navy to look at the feasibility of privatizing all barracks to address projected deficits and condition deficiencies.

The Navy has privatized more than 40,000 homes in the continental United States and Hawaii family housing inventory, and achieved the previous Department of Defense goal to

eliminate 100 percent of inadequate housing by 2007. Due to OSD creating a new condition standard for government-owned inventory utilizing Q-ratings which changed the definition of "adequate/inadequate," the Navy will now have 3,044 inadequate family housing units (Q3/Q4) at the end of Fiscal Year 2011. While the newly-identified units represent 31 percent of the 9,957 government-owned units, they only represent 6 percent of the total Navy inventory, including leased and PPV units.

Affording Sailors and their families the opportunity for suitable, affordable and safe housing provides them the assurance of safety and a quality living environment for their families while deployed around the world.

Continuum of Care

The Navy continues to provide support to Sailors and their families through a variety of programs that increase medical and non-medical assistance to wounded, ill and injured service members utilizing a comprehensive approach designed to optimize their recovery, rehabilitation and reintegration. This "Continuum of Care" provides resources to safeguard the mental and physical well-being of our service members and their families and includes wounded warrior care, operational stress control, suicide prevention, and sexual assault prevention and response. Our Navy medical professionals are among the best in the world and they are rapidly improving their knowledge in assessing and treating the effects of mental health issues associated with war, such as post traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

The Navy's Safe Harbor Program is the Navy's lead organization for providing the highest quality non-medical care to all seriously wounded, ill and injured Sailors, Coast Guardsmen and their families. Enrollment in Safe Harbor is voluntary and not limited to combat related wounds or injuries. Service members injured during liberty or through shipboard accidents as well as those that have incurred a serious illness, whether physical or psychological, are eligible for support. There are more than 500 Sailors and Coast Guardsmen, and their families, who are being supported under the umbrella of the Navy's Safe Harbor Program.

The Navy's Operational Stress Control (OSC) program provides a comprehensive approach designed to actively promote the psychological health of Sailors and their families throughout a career while reducing the stigma associated with seeking help. As of March of this year, Basic OSC Awareness training has been provided to more than 84,000 Sailors at various locations across the country. We are continuing to deliver formal OSC curriculum modules to key training sites and tailor training materials to address the unique needs of specific communities.

The Warrior Transition Program (WTP) was established in Kuwait and provides a place and time for Sailors to decompress and transition from a war zone to life back home. Through small group discussions facilitated by chaplains and medical personnel, Warrior Transition Workshops prepare Sailors for resumption of family and social obligations, return to civilian employment, and reintegration with the community. In FY09, 3,283 workshops with more than 5,500 participants were conducted in Kuwait and through Mobile Care Teams forward deployed in Iraq and Afghanistan.

The Returning Warrior Workshop (RWW) is an important step in the demobilization and reintegration process for the Total Force and their families. The RWW is designed to identify problems, encourage members to talk about their experiences, direct family members to resources, and facilitate the demobilization process. In 2009, more than 1,800 service members and 1,400 family members attended one of 27 RWWs throughout the country. As of January 2010, an additional 15 RWWs, including two for the Marine Corps, have been scheduled under the current contract and 21 more RWWs are planned for the next contract through July 2011.

In an effort to address the mental health concerns of mobilized reservists, the Psychological Health Outreach program was implemented in July 2008, specifically for reserve component Sailors. Because these Sailors returning from deployment face unique challenges that can cause increased stress in their lives and exacerbate deployment-related injuries, psychological health outreach serves as a “safety net” for reserve component Sailors and their families. This program improves the overall psychological health and resiliency of Sailors returning from deployments and identifies long-term strategies to improve support services for them and their families.

We must be mindful that our force is consistently changing and so are the needs of our families. As the dynamics of American society shift, and as Navy families continue to be representatives of our nation’s communities, it is absolutely critical that our support programs evolve along with the needs of our loved ones.

We continue our efforts on suicide prevention through a multi-faceted system of communication, training and command support designed to foster resilience and promote psychological health among Sailors. Suicide prevention is an all-hands effort involving the individual Sailor, family members, peers, and leadership. The Navy's calendar year 2009 suicide rate of 13.8 per 100,000 Sailors represents an increase from the 2008 suicide rate of 11.6 per 100,000 Sailors. Although this is significantly below the national rate for the same age and gender demographic of 19.0 per 100,000¹ individuals, we remain committed to creating an environment in which stress and other suicide-related factors can be more openly recognized, discussed and addressed. This includes maintaining a solid foundation of trained and supported suicide prevention coordinators across commands, refreshing mental health provider skills in assessing and managing suicide risk, raising family awareness of suicide risk, warning signs and support resources, and encouraging Sailors to seek help.

Additionally, our Navy continues to develop and enhance programs designed to mitigate suicide risk factors and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support with the goal of reducing individual stress. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training programs, interventions, and communication efforts are meeting their intended objectives.

¹ National Center for Injury Prevention and Control (2004). Standardized U.S. suicide rates are adjusted for DON demographics.

Sexual assault is incompatible with our core values, high standards of professionalism, and personal discipline. CNO recent message to the force emphasized the importance of all Sailors living the attitude of “Not in my Navy” to the prevention of sexual assault.

Under the leadership of the newly designated Director of the Department of the Navy Sexual Assault Prevention and Response Office, the Navy has adopted a multi-faceted approach to raise awareness of effective prevention methods, victim response and offender accountability. We are working with leaders across the force to enhance training and victim advocacy programs, standardize reporting and case management procedures, and improve investigation and treatment processes. During the past year, program reviews have been conducted by the Government Accountability Office, the Defense Task Force on Sexual Assault in the Military Services, and the Naval Inspector General to identify program gaps and provide recommendations for improvement. We welcome these recommendations as we refine the Navy SAPR program and promote a culture that is intolerant of sexual assault.

Conclusion

It is often said that the greatest advantage we have is our technology. Technology has changed during the last 70 years and it has touched every part of our Navy from the way we fight, to the way we communicate, to the way we maintain and sustain our ships, planes and submarines. However, one constant has remained and that is the United States Sailor.

Whether on or below the oceans, in the air or boots on the ground our Sailors are getting the job done and sustaining a high operational tempo. If we are to maintain that superiority, we

must remain dedicated and continue to invest in the quality of life of our Sailors and our Navy families. This is all the more critical during this time when we ask so much of our Total Force in the defense of our nation.

Navy senior leadership has long understood that family readiness is tied to operational readiness. More than that, we have learned that as our commitments continue to expand, stress on the family also increases. It is absolutely critical that our support programs evolve along with the needs of our Sailors and their loved ones. As the environment in which our Sailors and their families live changes, along with global requirements and world events, we must be continuously search for new and better ways to support our Navy families.

It is no source of contention for Sailors to deploy from their loved ones. Deployments are what we do; but, we should never underestimate or take for granted the incredible sacrifices our Sailors and their families make for the good of our nation as they meet the unusual demands associated with the Navy lifestyle.

On behalf of all the men and women in uniform who sacrifice daily and their families who faithfully support them, I want to extend my sincere appreciation for your unwavering support for our United States Navy. Thank you.

Mr. EDWARDS. Master Chief West, thank you.

And let me just say that it is always so impressive to me, as someone who represented Fort Hood through three combat deployments, whether I am meeting with Soldiers, Sailors, Airmen or Marines, it is amazing to me how many of our leaders in the military have sons and daughters who, after all the sacrifices you asked of them, all the times they have moved away from their favorite friends in school to move to a new school where they knew no one, how many of them volunteer to serve in the military.

And it is a great compliment to you and your family and to all the other families that have sons and daughters serving. And I thank you for that.

Master Chief Petty Officer WEST. Thank you, sir.

Mr. EDWARDS. Thank you. And let your son know we appreciate his service.

And Master Chief Wright, thank you for your leadership in the Reserve and for being here today.

Chief Roy.

STATEMENT OF CHIEF MASTER SERGEANT JAMES A. ROY

Chief Master Sergeant ROY. Thank you, sir. Chairman Edwards, Congressman Crenshaw, members of the committee, thank you for the opportunity to tell you about America's Air Force and our families of that Air Force.

As you might tell, the pollen count in D.C. is pretty high, and I apologize for having to reschedule our meeting yesterday. Unfortunately, I wasn't able to meet with you yesterday, but we will reschedule that, so thank you.

It is an honor and distinct privilege to join my fellow senior enlisted advisers here today to represent one of the finest Air Forces among the world and, of course, those young men and women that make up the United States Air Force.

Our Air Force is more than 702,000 strong, with more than 510,000 uniformed Airmen and more than 192,000 Air Force civilians making up the total force team. Two members of the total force team join me today: Chief Master Sergeant Chris Muncy, the Command Chief Master Sergeant for the Air National Guard; and Chief Master Sergeant Dale Badgett, the Command Chief Master Sergeant for the Air Force Reserve Command.

We appreciate the incredible support of the members here and from the entire U.S. House of Representatives, which continue to be a vital part of our success. We are greatly appreciative of your efforts, actions, and legislation, that have led to the expansion of servicemembers and veterans pay and benefits. We also appreciate the visits by the House members to our servicemembers in the field and to the wounded warriors in health care facilities.

To represent all the Air Force wounded warriors, I am joined here today by Technical Sergeant Chris Frost, an Explosive Ordnance Disposal (EOD) technician wounded in an Improvised Explosive Device (IED) attack in Iraq during Operation Iraqi Freedom (OIF).

Our airmen are on the front lines in a variety of theaters of operations, providing Airmanship skills to combatant commanders around the world. They are deploying at an increased rate, leaving

behind families and friends. We must make sure our Airmen and their families are safe, healthy, and well educated.

My spouse, Mrs. Paula Roy, who joins me here today, speaks with many family members and works with our staff to try to meet the Air Force needs. It is my distinct honor to be with you here today to tell you about America's Air Force and what we do on a daily basis.

Thank you again. I look forward to your questions.

[Prepared statement of Chief Master Sergeant James A. Roy follows:]

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DEPARTMENT OF THE AIR FORCE
PRESENTATION TO THE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION
AND VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: QUALITY OF LIFE IN THE MILITARY

STATEMENT OF: CMSAF JAMES A. ROY
CHIEF MASTER SERGEANT OF THE AIR FORCE

April 14, 2010

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES



BIOGRAPHY

UNITED STATES AIR FORCE

CHIEF MASTER SERGEANT OF THE AIR FORCE JAMES A. ROY

Chief Master Sergeant of the Air Force James A. Roy represents the highest enlisted level of leadership, and as such, provides direction for the enlisted force and represents their interests, as appropriate, to the American public, and to those in all levels of government. He serves as the personal adviser to the Chief of Staff and the Secretary of the Air Force on all issues regarding the welfare, readiness, morale, and proper utilization and progress of the enlisted force. Chief Roy is the 16th chief master sergeant appointed to the highest noncommissioned officer position.



Chief Roy grew up in Monroe, Mich. and entered the Air Force in September 1982. His background includes numerous leadership roles at squadron, group, numbered air force and combatant command levels. He has been stationed at locations in Florida, the Republic of Korea, Missouri, Guam, Mississippi, South Carolina, Virginia, Kuwait, Japan and Hawaii. He has worked a variety of civil engineer duties. Chief Roy also served as a superintendent of a military personnel flight and a mission support group before becoming a command chief master sergeant at the wing, air expeditionary wing, numbered air force and combatant command levels.

Before assuming his current position, he served as Senior Enlisted Leader and advisor to the United States Pacific Command Combatant Commander and staff, Camp H. M. Smith, Hawaii. He was appointed to this position on June 30, 2009.

EDUCATION

- 1985 Noncommissioned Officer Preparatory Course, MacDill AFB, Fla.
- 1991 Associate of Science Degree in Construction Management, Park College, Parkville, Mo.
- 1992 Associate in Applied Science Degree in Construction Technology, Community College of the Air Force
- 1993 Noncommissioned Officer Academy, Kadena AB, Japan
- 1993 Associate in Applied Science Degree in Instructor of Technology and Military Science, Community College of the Air Force
- 1996 Senior Noncommissioned Officer Academy, Gunter AFB, Ala.
- 1996 Baccalaureate of Science Degree in Engineering Management, Park College with Summa Cum Laude honors, Parkville, Mo.
- 2000 Master of Science Degree in Human Resources Management, Troy State College, Troy, Ala.
- 2005 USAF Senior Leadership Course, Center for Creative Leadership, Greensboro, N.C.
- 2005 Keystone – National Defense University, Suffolk, Va.
- 2005 Leadership Team Awareness Course, Defense Equal Opportunity Management Institute, Patrick AFB, Fla.
- 2006 USAF Senior Leadership Course, Gettysburg College, Gettysburg, Pa.
- 2008 Security Assistance Management-Overseas Course, Defense Institute of Security Assistance

Management, Wright-Patterson AFB, Ohio

ASSIGNMENTS

1. September 1982 – November 1982, trainee, Basic Military Training, Lackland AFB, Texas
2. November 1982 – February 1983, student, heavy equipment operator, Fort Leonard Wood, Mo.
3. February 1983 – January 1987, heavy equipment operator, 56th Civil Engineer Squadron, MacDill AFB, Fla.
4. February 1987 – December 1987, heavy equipment operator, 554th Civil Engineer Squadron, Osan AB, Republic of Korea
5. January 1988 – May 1992, instructor/instructor supervisor, heavy equipment operator, 3770th Technical Training Group, Detachment 0001, Fort Leonard Wood, Mo.
6. May 1992 – May 1993, foreman, horizontal construction, 8th Civil Engineer Squadron, Kunsan AB, Republic of Korea
7. May 1993 – March 1994, foreman, heavy repair, 633d Civil Engineer Squadron, Andersen AFB, Guam
8. April 1994 – March 1995, manager, heavy repair, 36th Civil Engineer Squadron, Andersen AFB, Guam
9. March 1995 – November 1996, chief, readiness flight, 36th Civil Engineer Squadron, Andersen AFB, Guam
10. November 1996 – July 1997, chief, heavy repair, 36th Civil Engineer Squadron, Andersen AFB, Guam
11. August 1997 – July 1999, chief, facility maintenance, 81st Civil Engineer Squadron, Keesler AFB, Miss.
12. July 1999 – March 2000, superintendent, military personnel flight, 81st Mission Support Squadron, Keesler AFB, Miss.
13. March 2000 – September 2000, superintendent, 81st Mission Support Group, Keesler AFB, Miss.
14. September 2000 – September 2002, command chief master sergeant, 14th Flying Training Wing, Columbus AFB, Miss.
15. September 2002 – May 2004, command chief master sergeant, 437th Airlift Wing, Charleston AFB, S.C.
16. June 2004 – August 2005, command chief master sergeant, 1st Fighter Wing, Langley AFB, Va. (October 2004 – November 2004, command chief master sergeant, 386th Air Expeditionary Wing, Southwest Asia)
17. August 2005 – May 2007, command chief master sergeant, United States Forces Japan and Fifth Air Force, Yokota AB, Japan
18. June 2007 – June 2009, senior enlisted leader and advisor, United States Pacific Command, Camp H.M. Smith, Hawaii
19. June 2009 – present, Chief Master Sergeant of the Air Force, the Pentagon, Washington, D.C.

MAJOR AWARDS AND DECORATIONS

Defense Superior Service Medal
Defense Meritorious Service Medal
Air Force Meritorious Service Medal with one silver oak leaf cluster
Air Force Commendation Medal with two bronze oak leaf clusters
Air Force Achievement Medal with one silver oak leaf cluster

OTHER ACHIEVEMENTS

1993 John Levitow Award, Noncommissioned Officer Academy
1996 13th Air Force Senior Noncommissioned Officer the Year
1996 Ancient Order of Chamorro and a special resolution from Guam's 24th Legislature

EFFECTIVE DATES OF PROMOTION

Chief Master Sergeant of the Air Force June 30, 2009

(Current as of July 2009)

INTRODUCTION

Mr. Chairman, Mr. Wamp, Members of the Subcommittee, thank you for this opportunity to present concerns important to America's Airmen, their families and our United States Air Force. It is an honor and distinct privilege for me to join my fellow Service Senior Enlisted Advisors and represent some of nation's finest men and women.

Our Air Force is more than 682,500 strong--with more than 512,000 uniformed Airmen and more than 170,500 Air Force civilians.

We appreciate the incredible support of the Members here and from the entire House of Representatives, which continues to be vital to our successes. We greatly appreciate your efforts, actions and legislation that have led to the expansion of servicemember and veteran's pay and benefits. We also appreciate the visits by House members to our servicemembers in the field and to our wounded warriors in health care facilities.

Our Airmen are on the frontlines in a variety of theaters of operation, providing Airmanship skills to combatant commanders. They are deploying at an increased rate, leaving behind family and friends. We must make sure Airmen and their families are safe, healthy and well educated. We also have to ensure they are properly organized, trained and equipped for employment by combatant commanders. It's my honor today to tell you about what America's Air Force is doing on a daily basis.

STRENGTHENING THE NUCLEAR ENTERPRISE

The Air Force continues to strengthen the nuclear enterprise, placing intense focus on ensuring the nuclear deterrence mission is executed with precision and reliability every single day. Secretary of the Air Force Michael B. Donley, Air Force Chief of Staff General Norton A. Schwartz and I have all visited the nuclear missile fields. We had the opportunity to speak with the amazing Airmen who provide the same round-the-clock nuclear deterrence that their

predecessors have for over 50 years. These Airmen are working diligently to achieve the standard of perfection the nuclear mission demands and the American public expects.

One of our most substantial efforts in strengthening the Air Force nuclear enterprise was creating a new major command. Air Force Global Strike Command was established to be a visible commitment to the nuclear enterprise, clearly aligning the Intercontinental Ballistic Missile (ICBM) and nuclear-capable bomber forces under a single chain-of-command. This change provided the needed oversight and advocacy of the Air Force's nuclear forces. The command will enhance the effectiveness of our nuclear enterprise by focusing on developing and providing combat-ready forces for nuclear deterrence and global strike operations to support the President of the United States and combatant commanders.

The demand of the nuclear mission requires discipline and compliance with the highest of standards. It is imperative that Airmen at every level are focused on upholding our core values of Integrity First, Service before Self and Excellence in all We Do.

AIRMEN IN THE JOINT AND COALITION FIGHT

More than 37,000 Total Force Airmen are currently deployed to 153 locations worldwide supporting combatant commanders. Nearly another 133,000 provide strategic mobility, space and missile capabilities, command and control, and intelligence, surveillance, and reconnaissance to joint warfighters. In all, 56 percent of our active-duty force and 43 percent of the Total Force is on line to fulfill combatant commander requirements everyday.

More than 30,000 Airmen are deployed to the U.S. Central Command area of operations, with nearly 4,000 filling joint expeditionary taskings. Airmen are on the frontlines with their fellow Soldiers, Sailors and Marines in roles such as detainee operations, convoy operations and protection, explosive ordnance disposal, police training teams, military transition teams, civil engineering, security, communications, fuels, medical services, logistics, intelligence, and base operating support. They are part of the joint team, serving in whatever capacity needed by the

combatant commander. Together with our sister services, we are training and augmenting both Iraqi and Afghan security forces, rebuilding critical infrastructure, and providing medical services to these war-torn countries.

Our remotely piloted aircraft (RPA) platforms continue to increase the support to joint and coalition warfighters on the ground. Airmen are finding, fixing, tracking and attacking our enemies using Air Force Predators, Reapers and Global Hawk RPA aircraft. Our Predator operations alone have increased from 12 combat air patrols in 2007 to 40 today to support combatant commanders and warfighters. By growing the number of RPA operators and increasing the number of combat air patrols to 50 by fiscal year 2011, we are protecting joint and coalition interests around the globe.

END STRENGTH

We are programmed to have an Active Air Force end strength of 331,700 at the end of this fiscal year. This will allow us the right size of force to meet mission demands, which continue to grow as we require Airmen for air, space and cyberspace operations.

RECRUITING AND RETENTION

Airmen are our most valuable asset. We need the right number of Airmen with the right skills to support combatant commander requirements. We are firmly committed to organizing, training and equipping our Airmen to the highest possible standard.

Our goal continues to be to recruit the best and brightest our Nation has to offer and we are succeeding. Currently, 99.2 percent of our recruits hold a high school degree and 18.4 have some college completed despite the nationwide escalating high school drop-out rate. We also face significant challenges due to disqualification factors and an increasingly obese youth population, but we still recruit talented young men and women.

Our recruiters continue to meet mission requirements despite these challenges. One recruiter met a potential recruit who was living in an abandoned trailer because he had lost his

mother years earlier and his father was in jail. He had a high school degree and was able to pass the Armed Services Vocational Aptitude Battery test, so he qualified for the Air Force. Because of his living situation, the recruiter was able to get the recruit to leave for basic training within days. That Airman is now having a successful career.

We are on track to meet recruiting goals for our Active Duty, Air Force Reserve and Air National Guard. In this fiscal year, 7,924 of America's young men and women destined for Air Force duty have completed or currently attend Air Force Basic Military Training (BMT). Additionally, there are 11,019 recruits "contracted" to attend BMT.

Recent aggregate retention results for Air Force enlisted members show we are exceeding or within tolerance for our retention goals for all Selective Reenlistment Bonus zones. While meeting these goals in the aggregate is encouraging, there is a continuing need to manage the critical and war-fighting skills through a properly sized bonus program to ensure required retention and manning. We are concerned about a number of career fields, including contracting, career enlisted aviators, command and control specialties, intelligence, civil engineers and public affairs.

Reenlistment bonuses are our most effective tool for retaining quality Airmen in these mission critical specialties. We appreciate continued Congressional support for these incentive efforts.

DEVELOPING AIRMEN

Deliberately developing our Airmen is a key priority. Our Airmen must have a mix of skills so the Air Force can continue providing combat-ready, expeditionary forces to combatant commanders now and in the future

The Air Force is focused on providing the right expeditionary combat skills needed for our Airmen to fly, fight and win. It is critical that our Airmen have training and education to think with a global perspective and operate in an expeditionary environment.

QUALITY OF SERVICE

The quality of service Airmen and their families receive is an overwhelming factor in how long they will serve. That is why we have designated July 2009 to July 2010 as the Year of the Air Force family. We have focused on four main pillars: health and wellness; Airmen and family support; education, development and employment; and Airmen and family housing.

Whether working on the installation or deployed fighting the war on terror, our Airmen deserve buildings and facilities of a high standard commensurate with the outstanding service they provide their country. Since 2000, and with the very generous support of Congress, the Air Force funded 76 military construction projects for child development centers and fitness centers totaling \$704 million. While this represents a significant investment by the Air Force, many requirements remain.

We thank the Congress for its historical support of funding for quality of service initiatives. Steady gains in these areas over the years have enabled us to retain skilled Airmen and develop them into the leaders we need for the future.

Our fitness centers continue to provide an opportunity for our personnel to stay in shape and burn off stress from work and deployments. The Air Force has funded 44 fitness center projects at a cost of \$447 million over the last 10 years. These projects have included add-ons to existing centers and replacing old and undersized facilities. We continue to construct and expand our facilities to meet the needs of our Airmen and their families and appreciate your support in funding these projects.

We are transforming the way the Air Force delivers food service. We are focusing on a campus-style feeding food service for Airmen and their families while improving efficiency and providing significant savings. Our food transformation initiative addresses changing lifestyles, needs and preferences while improving program and facility standards. We plan on offering a variety of healthy options while keeping our warfighting capabilities at the forefront. We are

partnering with industry and are in the process of implementing the new transformation process at six bases, with future bases being evaluated.

ASSISTANCE TO SEVERELY INJURED SERVICE MEMBERS

Caring for our wounded warriors is more than a priority; it's a lifelong obligation. These brave men and women put their service to country before themselves, and we must give them the care they deserve. More of our Airmen survive injuries than in past wars, but some of their injuries present significant challenges to the quality of life for both them and their families.

The Air Force Warrior and Survivor Care Program ensures our Airmen and their families have the support through recovery, rehabilitation, and reintegration, whether that reintegration be back to an Air Force specialty or into the civilian sector. For Airmen who move to civilian status, the program continues for as long as the families need, and assists with extended transition assistance, employment applications, civilian job searches, financial planning and assistance, relocation and integration back into civilian communities.

Our Air Force will continue to work with our joint partners, the Veterans Administration and the Military Severely Injured Center to make sure we are doing everything possible to care for these heroes and their families – it is our solemn obligation.

POST TRAUMATIC STRESS AND TRAUMATIC BRAIN INJURY

The Air Force is taking an aggressive and proactive approach to track Airmen who may have post-traumatic stress (PTS) symptoms or a traumatic brain injury (TBI). Airmen learn about PTS, TBI and other deployment-related health issues via an education program used before and after deployment.

In addition to training, Airmen are also screened for TBI before and after deployment. Deployers are given a computerized assessment that measures cognitive abilities including reaction time and memory. The member is reassessed in theater if they sustain a head injury.

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Scores are compared with baseline in order to aid with return-to-duty determinations, in conjunction with clinical assessment.

Airmen seeking help for deployment-related stress also have the option of being treated through primary care channels as the Air Force increases the mental health presence within the primary care setting. The goal of placing mental health providers in primary care is to enable Airmen to feel more comfortable seeking mental health assistance.

Airmen with common symptoms including sleep, energy, mood, or concentration difficulties simply see their primary care manager, just as they would for any other treatment. The primary care manager then refers the servicemember to the behavioral health consultant working in the primary care clinic. This process helps to normalize minor mental health treatment alongside other, more routine care. The goal is to reduce the stigma behind seeing a provider for stress, helping Airmen feel less isolated and more willing to ask for help.

CHILD CARE

Child care continues to be one of the most important quality of service factors for our Airmen and their families. Quality child care facilities are a key component in assuring Airmen that their family is being cared for while they defend our country. Since 2000, the Air Force has funded 32 child development center military construction projects worth \$260 million and OSD funded an additional 55 projects totaling \$116.4 million. We are striving to reduce our shortfall in child development center spaces from 6,400 to zero by fiscal year 2012. While we have addressed the facilities and personnel needed, we are still trying to fund supplies and equipment.

Our child care programs also include Reservists and Air National Guardsmen by providing child care during scheduled drill weekends, and a child care subsidy when activated. While we face funding challenges in meeting every child care requirement, we are striving to provide quality child care options to all our Airmen.

AIRMEN EDUCATION OPPORTUNITIES

The U.S. Air Force has the most educated enlisted force in the world. Since April 25, 1977, more than 287,000 Airmen have earned a fully accredited associate degree, corresponding to their career field, through the Community College of the Air Force (CCAF).

Currently, 69 percent of our enlisted Airmen have college credit, 17 percent have associate degrees and 6 percent have a bachelor's degree. When you look at our senior noncommissioned officers, 36 percent have an associate degree, 17 percent have a bachelor's and 4 percent have a graduate degree.

In March, we rolled out the General Education Mobile program to make education more accessible for our Airmen. This program offers the five general education courses required for a CCAF degree through distance learning courses. This program is intended to attract those students who are struggling to get their general education credits filled because of numerous reasons, primarily the Air Force's high operations tempo. Distance learning will allow some of our more heavily deployed career fields to continue their education while deployed. Students at deployed locations must have Internet access in order to take online courses.

Our Associate-to-Baccalaureate Cooperative (ABC) program is helping CCAF graduates apply credits toward a bachelor's degree at military-friendly schools. This program has grown since last year from 35 to 42 civilian higher-education institutions and offers 214 bachelor's degree programs. These institutions take all of an Airman's CCAF credits and apply them toward a bachelor's degree. Since its inception in June 2007, 112 bachelor's degrees have been awarded.

We've also had an overwhelming number of Airmen who have transferred their Montgomery G.I. Bill benefits to their dependents. This benefit helps families, but it also helps the Air Force retain our Airmen through the associated service commitment. We continue to recruit and retain Airmen who value educational opportunities for themselves and their families.

EXCEPTIONAL FAMILY MEMBER PROGRAM

The Exceptional Family Member Program (EFMP) is how we assist Airmen and their families who have special needs, balancing mission requirements with family care responsibilities. We have more than 15,000 families in the program right now.

The Air Force has established EFMP assignments through the Air Force Personnel Center and Special Needs Identification and Assignment Coordination, delivered by the Air Force Medical Service, as two key prongs to the program. We recently added a third prong, EFMP-Family Support, which will provide information and referral services available in the base and local community. We are also finalizing a contract to provide respite care for EFMP families and adding EFMP family support positions at 35 Air Force installations that have 175 or more special needs families.

KEY SPOUSE PROGRAM

The Key Spouse Program is an effective way to communicate with family members and is akin to the Navy Ombudsman Program and the Army Family Readiness Group. We aim to bridge the gap between the military spouse and the military chain of command to help build a greater sense of community within units, especially where families are separated or deployed.

Currently, 95 percent of commanders have chosen to participate in the program, selecting a volunteer spouse to serve in this important role. We have a total of more than 1,100 trained volunteers. We hope with increased emphasis and continued standardization, this program will become even more helpful.

EDUCATION FOR MILITARY CHILDREN

Military life, frequent moves and extended separation during deployments present a host of challenges for our families. Nearly half of all service members are married and have children. Consequently, military families often weigh assignment decisions based on the quality of education from the local school systems for their children.

Twenty-seven states have passed legislation to establish an Interstate Compact On Educational Opportunity For Military Children to address educational solutions at the state, local, and school district levels. These compact states are working to solve issues dealing with class placement, records transfer, graduation requirements, immunizations, exit testing and allowing late entry to extra-curricular activities and sports teams. With 27 states on board, the compact now covers more than 81 percent of our military connected school-aged children. Another eight states (DC, ID, NE, NM, NY, PA, SC and TN) are already working their respective bills during their 2010 state legislative sessions. We are interested in seeing more states sign on to this Interstate Compact so children in military families are not penalized in school for their families' service to the nation.

We are making great strides in support for Air Force connected students attending public, private, DoD Dependent Schools, home and virtual schools. Currently 28 Air Force bases have locally funded permanent civilian school liaison officer positions and beginning in FY11, the Air Force will centrally fund 54 additional positions so that all Air Force bases will have the services of a full-time civilian school liaison officer. In addition, staff in the Airman and Family Readiness Centers provide school liaison support to leadership and families. Major commands and installations continue to work creative initiatives such as providing webcasts of graduations so parents can share these occasions while deployed. Additionally, a senior military officer or DoD civilian has been designated at each installation to advocate with local and state school administration and school boards for the interests of Air Force families.

IN-STATE TUITION

On the issue of in-state tuition for military family members, I would like to thank Congress for recognizing the need to extend affordable higher educational opportunities to children and spouses of service members. Your passage in 2008 of legislation (effective July 2009) that requires all states to offer in-state tuition to families of military members assigned in

that state and extends that rate if the member is reassigned outside the state (provided the family member is continuously enrolled in school) has been a significant benefit to our service members and their families.

SPOUSE EMPLOYMENT

Spouse employment in the military is a constant challenge for our military families. My own spouse had to deal with finding a job every time I received an assignment. For our junior Airmen, it is often a large part of the quality of life their family enjoys. A recent survey of military spouses reported that their work income constitutes about 48 percent of total family income.

Under a personnel rule that took effect September 11, 2009, some military spouses can now be quickly hired for federal jobs without going through the usual competitive process. This new rule facilitates the entry of military spouses into the federal civil service as part of an effort to recruit and retain skilled and experienced members of the armed forces and to recognize and honor the service of members injured, disabled, or killed in connection with their service.

Eligible individuals include spouses of active-duty servicemembers who have been called on to relocate. This includes spouses of Guardsmen or Reservists who've been called up for more than 180 days of active service other than training. Eligible spouses must be moving to another duty station accompanied by their servicemember husband or wife. Spouses of former servicemembers listed as 100-percent disabled and separated or retired, as well as widows or widowers of servicemembers who died on active duty and who have not remarried are also eligible.

These types of policies help to make sure our family members have access to careers and aren't adversely affected when our service calls upon our military members and their families to relocate.

UNEMPLOYMENT COMPENSATION

Expanding unemployment compensation to spouses of servicemembers is important to military families. When states support unemployment compensation this also allows spouses to take reasonable time to find suitable employment at the new location and gives them the time and resources necessary to obtain any new licensing or credential requirements. Currently, 36 states provide unemployment compensation to spouses who leave because of a military move, and we are looking forward to the day when all states properly compensate military spouses.

HOUSING

The Air Force is committed to ensuring our Airmen and their families have quality housing in which to live and raise families. We believe our people deserve well-built and well-maintained housing. Through military construction (MILCON) and housing privatization, we are providing quality homes for our families. We will continue to privatize housing at continental U.S. bases, including Alaska and Hawaii. We will also renovate overseas housing as its inventory ages and requires sustainment and modernization.

Investment in dormitories provides high quality housing to our unaccompanied Airmen. The Air Force continues to modernize inadequate dormitories that house enlisted Airmen. In addition to repairing structural inadequacies in dormitories, our focus remains on ensuring we provide a structured environment where commanders and first sergeants serve as mentors in the care and development of our first-class Airmen. The dormitories are not just a place to sleep; they are a place for young Airmen to adjust to military life.

MILITARY CONSTRUCTION

For the past several years, the Air Force has chosen to take risk in infrastructure in order to invest in modernization efforts. Though we intend to continue modernizing our force, we also expect to support our Airmen by renovating and replacing aging facilities in the coming years. We have prioritized our program to cover our most critical military construction requirements by

focusing on projects that support the Air Force priorities of continuing to strengthen the nuclear enterprise, partnering with the joint and coalition team to win today's fight, developing and caring for our Airmen and their families, modernizing our air and space inventories, organizations, and training, and in acquisition excellence. Again, the continued support of this specific Subcommittee and the entire House Appropriations Committee has been vital to the success of these MILCON programs.

SUMMARY

Mr. Chairman, Mr. Wamp, Members of the Subcommittee, thank you for this opportunity to represent Airmen and their families by testifying today.

Our Airmen are doing incredible work, ranging from providing humanitarian aid to the Haitian earthquake victims in U.S. Southern Command to supporting U.S. Central Command on a daily basis in Iraq and Afghanistan. More than two-thirds of Airmen came in after September 11, 2001, which means the majority of our force has been at war their entire careers. They deploy longer than ever before and some need a second hand to count the number of combat tours they've been on. Despite this pace, our Airmen have shown amazing resiliency.

Also amazing is the contributions of Air Force families. They stoke the home fires while our Airmen are carrying out their warfighting mission. They are brave when extraordinary challenges attempt to weaken them. They are strong when worry about their loved one enters their mind. They are relentless when the drain of a deployment attempts to bring them down. They are the wind beneath our wings.

Thank you again for your continued support of our brave Airmen and their supportive families.

Mr. EDWARDS. Thank you very much, Chief Roy.

And, Chief Master Sergeants Muncy and Badgett, thank you for being here. And, Sergeant Frost, thank you for representing everyone who has been wounded in combat.

I was in my hometown of Waco this past week, and we had a group called Ride 2 Recovery. And many of these wounded warriors had no use of their legs or they gave one or two legs in service to country—350-mile bicycle ride from San Antonio to Arlington, Texas.

And I told them, if I had tried to join them—I am in half-decent shape—I would be on the road to the hospital as opposed to recovery. But thank you for your service and sacrifice for our country.

With that, I would like to recognize Mr. Crenshaw to open up to questions.

HOMEOWNERS ASSISTANCE PROGRAM

Mr. CRENSHAW. Thank you, Mr. Chairman.

To start, I would like to ask maybe each one of you all a question about housing. This is something that I think we talked about before. With the housing market kind of going down, people watching the value of their homes go down from 20 percent to 50 percent, we are seeing it in Florida, and we are seeing it in Texas. We are probably seeing it everywhere.

And, you know, if you are not in the active military, you can kind of maybe wait, hope your house goes back up in value before you sell it, but if you get employed somewhere and you have got to move, you don't have that luxury. And I know we have got, I think, the housing assistance program.

And I wonder, could each of you all tell how—what you hear, how you see it? Number one, is it working? And, number two, do folks know that it is available to them, you know? Because, I mean, if we got a good program and nobody is taking advantage of it, then it really doesn't work that way.

Well, so I would love to hear what each of you have to say, just briefly how you see it working and how you see people taking advantage of it.

Sergeant Major PRESTON. Sir, I will start out. The Homeowners Assistance Program has been used very widely, I know, across the Army. A lot of—a lot of soldiers and families out there are taking advantage of it.

I have had some Soldiers come back in and ask, for those who purchased the house after the deadline—because right now, it is, you know, 2006 and prior, and went back in and did some research, and, you know, of course, the housing market at that point, when you look at 2007 and beyond, it had already dropped 10 percent, and so the housing market was on the way down.

I think a lot of buyers went in with the intent to buy, take advantage of a dip in the market, and then be able to sell it at some point down. Of course, it has not recovered.

But, overall, I mean, the Homeowners Assistance Program has been, you know, very well received, and we have worked very hard at getting the messages out to ensure, you know, soldiers and families know about the program and can take advantage of it.

It is tied in with our Corps of Engineers, you know, because they are the ones that do the housing inspection and, you know, make the determination for, you know, the value of the property.

And maybe—and each of you all, could you—do you think we ought to extend it for another year? I mean, because we are still—I don't think the housing market has bottomed yet, but comment on that, if people say, yes, we will still need that kind of assistance.

Sergeant Major KENT. It is a need, sir. The program is great, but I think starting off at first, it was just like the red tape, you know, to get through and, you know, like the paper shuffling. And that is the issues, you know, we have always got.

You know, we turn in this paperwork, then they want more paperwork. And I think that was the issue initially, but I think that we are actually through that now, sir.

Mr. CRENSHAW. Got you.

Master Chief Petty Officer WEST. I think—and the feedback I am hearing from the fleet, that is—we are still getting some, “It is too hard, too much paperwork.” And also, sir, I am seeing, just like the Army and Marine Corps, it is working, but you still continue to have geo bachelors that we have to support in all of our fleet areas, due to the nature of the fact that our homes are—they have lost value.

You know, some of us are able to wait and recover, but we have really ramped up our counseling services, our financial programs. Our Navy and Marine Corps relief society has stepped up, and I don't see it as a huge issue in our fleet, but I do get some feedback with some negative comments on it.

Mr. CRENSHAW. Got you.

Chief Master Sergeant ROY. Sir, just a comment, as the sergeant major had said, I think the program started off very, very slowly. For one particular instance, I met a young E-6 at McGuire Air Force Base in New Jersey. The young member had just moved from Las Vegas.

Her spouse was a civilian, but had went forward into the U.S. Central Command (USCENTCOM) theater of operation, was working within there, and she was just in tears, because she could not make ends meet, and she did not want to give up her house, because of all the implications of that. And she was trying to hang on to everything that she had.

Now, having fast-forwarded that just a few months, I met with a group of Airmen just the other day. And a young lieutenant colonel came to me and told me that—how important this program was and how effective it was. So just in a few months, I have noticed a change and the process starting to work very well.

QUALITY OF LIFE IN MAYPORT

Mr. CRENSHAW. Great. Let me ask—let me ask Master Chief West a kind of a specific question. It relates to Mayport. My colleagues on the subcommittee always enjoy when I talk about Mayport. And as you all know—or certainly you know—that the Navy has decided to homeport a nuclear carrier at Mayport.

And there had been the conventional carriage there before, but the question—it is like a lot of things. You hear arguments about, well, you are going to disperse the fleet, which makes sense. You

need to have a backup nuclear maintenance facility on the East Coast, which makes sense.

But when it gets down to the quality of life for the men and women in uniform, I guess we haven't talked much about it. We are going to be asked as a subcommittee to fund the remaining work to be done to—the upgrades from Mayport to homeport a nuclear carrier.

And so I think it would be important to hear from you that some of the quality-of-life issues that the men and women that are going to come there. For instance, you always hear—and I think it is true—Mayport is actually the number-one requested post in the Navy, so I assume these quality-of-life issues are kind of being met.

But comment on just your view of just the cost of living in the Mayport-Jacksonville area, the kind of schools that we have down there from your perspective, just overall quality of life, not necessarily compare it to other places in America, but just make sure that we have got all the ducks in a row and all those quality-of-life issues, from your standpoint, are certainly being met or probably exceeded, so I would love to hear your thoughts on some of those areas.

Master Chief Petty Officer WEST. Yes, sir. I appreciate the question, sir. I will tell you, both locations that I know that we have talked about provide great quality of life. When I go to Mayport, though, those Sailors are really impressed with the quality of life that they receive in that particular area.

I look to something called BAH, basic allowance for housing, as an indicator for me on what the quality of life and how that will affect our junior Sailors, which as you know, if a carrier is homeported there, we will have many more junior Sailors flowing in.

But for example, an E4 with dependents in Mayport gets about—gets about \$200 to \$300 less than they would up in the Norfolk area, for example. I will use that, since that is one of the places that we have a lot of our carriers at, sir, as you know.

But that in the BAH algorithm, the way we determine BAH is many factors. It goes into utilities. It goes into the surrounding area. So, again, I will look at BAH as being a big-time win and our Sailors being able to go down in Mayport a big win when it becomes a BAH and cost of living.

Schools, you know, a lot of schools, many times it really boils down to how the parents are involved, as well. But I will tell you, when I do go to Mayport, there are huge amounts of positive comments about the schools in the Duval County area, the fact that they do have the ability to bring folks in, considering we had a carrier there not too long ago, so there are empty seats there for us.

So I think, as far as BAH and school districts, it is a win for the Navy and the nation. And I did take the liberty, after getting all these questions in my visits down there, you know, schools in Mayport are ranked fairly well, actually above average. So I think that it would be a good thing for us.

Your leadership in the local area has also helped us out with the military down there by allowing us head of the line when it comes to magnet schools. Again, sir, I really appreciate that.

If you look at other things, I think the biggest quality-of-life up-check down there would be seashore flow. It will provide more choices for our Sailors in that particular area. And what I mean by that—for example, you bring a nuclear carrier down there, there are Kings Bay and Charleston that are all within a pretty close distance to be able to spread out shore duty or go from that carrier over and back and forth.

So, sir, I look at that. I look at it is more affordable. You have no state tax down there for our junior Sailors. Your climate is pretty darn nice. And the commute, as well.

So I think there are many things that take on when you talk about quality of life. I think it is a good move.

Mr. CRENSHAW. That is good to hear, because, obviously, I was born and raised in Jacksonville and, you know, think it is a great place, and it is a very Navy-friendly town. We have got Naval Air Station (NAS) Jacksonville. We have got Blount Island, a Marine installation, and, of course, Mayport.

So it is good to hear firsthand from somebody that is talking to folks and seeing firsthand, you know, how they—how they react. So it probably is the number one. Maybe we ought to ask somebody sometime. I always say that, but it is the number-one requested post in the Navy. It sounds like from what you said it is certainly well worth it.

Master Chief Petty Officer WEST. Sir, I think it is going to play out well, again, for our Navy and our nation. And those words are not only mine, it is from the Sailors, and I think that is important that we listen to our Sailors and their families when it comes to quality of life.

Mr. CRENSHAW. Thank you.

Thank you, sir.

Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you, Master Chief West. And Mayport has the number-one spokesman on their behalf sitting just to my left. A great and effective spokesman for the—

Master Chief Petty Officer WEST. They have a pretty good football team, but I am a Georgia Bulldog. That is where I went to school.

Mr. EDWARDS. Mr. Berry.

HOMOWNERS ASSISTANCE PROGRAM

Mr. BERRY. Well, I would just reinforce what has already been said, that we do want to meet the needs. And if we don't know about them, there is not much we can do. Sometimes even if we know about them, we don't get it down.

The issue of paperwork associated with the housing assistance program, from what you all said, it is improved. Who is responsible for improving that? And how does that—we don't—we don't write the regs for that, surely. Is it Department of Defense or—

VOICE. Yes, sir, it is. It is the Department of Defense.

Mr. EDWARDS. Any thoughts about how we could reduce some of the red tape on that program?

Sergeant Major PRESTON. I think, sir, I think most of it is an execution process. It is a matter of getting out to the soldiers and families who are interested, having an ombudsman, you know,

someone there that is a subject matter expert to help them walk them through that process. And I know from an Army perspective, for what we have done, I think it is working very well.

Mr. BERRY. Thank you.

Mr. EDWARDS. Thank you, Mr. Berry.

Mr. Bishop.

Mr. BISHOP. Thank you very much. Let me thank all of you for what you do in representing our Soldiers, Airmen and Sailors. You do such a great—

Mr. EDWARDS. The Marines. I don't want you to get you in trouble.

SUICIDE RATES

Mr. BISHOP. Pardon me? Oh, Marines—I got the worldwide logistics center. But let me just thank you all for what you do. I am very concerned about the persistent suicide rate, particularly with the Army and the Marine Corps. For the Army, I think this is the fifth consecutive year that the suicide rate has increased. And, of course, over the last 3 years, the Army has really increased its efforts with the support, of course, of this committee, to try to have enhanced resources and initiatives aimed at identifying and mitigating the causes of these suicidal behaviors.

But apparently, it is not yet being successful for both the Army and the Marine Corps. Could I get you guys to speak to that and to talk about the effectiveness of the comprehensive soldier fitness program and how it will enhance the soldiers' and family members' resilience and total fitness in this era of constant deployment and conflict?

Sergeant Major PRESTON. Sir, I will just—as I look at 2009—and I will start with 2009, just to put it in contrast, but I think my statement of the programs that are out there are making a difference. When you look at the number of suicides in January of 2009, 21 suicides, February 2009, there was 19. So between those 2 months, 40 suicides.

Now, if we would have projected that out through 2009, potentially 240 suicides for the year. We actually ended 2009 with 160. Now, what happened is, after January, February 2009, we implemented—the immediate response was a stand-down day, a chain teach, and then went into a number of interactive videos, the shoulder-to-shoulder video that we put out there. That was an interactive video based on real-life scenarios to teach first-line supervisors, leaders at the lowest level, the indicators of suicide, and then, you know, how you deal with those challenges and how you seek help.

COMPREHENSIVE SOLDIER FITNESS

We have also now continued that, as you mentioned, the Comprehensive Soldier Fitness program, which we started in October of last year. The chief of staff of the Army, General Casey, started to program out. We have partnered with the health care professionals in the civilian—in the civilian field, a lot of that with the University of Pennsylvania.

We are now—as you look at comprehensive soldier fitness, there are four pillars that make up that program. First, there is a global

assessment tool, which is an online assessment tool to allow every individual soldier, and this will also become available this year for our family members, with school-age children and spouses, as well as our Army civilians.

But it is an online assessment tool to allow every individual to go in there and measure their fitness in the four dimensions of strength. You know, there are five dimensions of strength—physical, emotional, social, spiritual and family. Okay, well, those four other dimensions—the emotional, social, spiritual, and family—what we want to do is be able to provide feedback to the soldiers, their families, and Army civilians of where their strengths and weaknesses are.

You know, if you are going in to set up a physical training program for an individual, the first thing you do is you do an assessment, you know, allow them to know where the weaknesses are and where they can start building strength and resilience. So that is the first pillar.

And, you know, the goal that the chief has set for the Army is, by the end of May, all soldiers will have taken the global assessment tool, and that is all 1.1 million across all three components.

The second pillar that makes up the program is the online comprehensive resilient modules, and these are self-help modules. And like the GAT, it is designed to be confidential. It is only the individual soldier that sees the results from the survey. And it is also the individual soldier that goes on and takes the resilience modules that begin building strength in their weak areas.

The third and fourth pillar really gets at education. It is tied in with the leadership within our organizations. The third pillar is a master resilience trainer, and this is where we have partnered with the University—

Mr. BISHOP. Say that again?

Sergeant Major PRESTON. Master resilience trainer. And these are noncommissioned officers, officers and warrant officers, that we have sent up to the University of Pennsylvania. We now have approximately 800 master resilience trainers that have been trained. It is a 10-day course.

We have just opened our own school now at Fort Jackson. In fact, we just finished running the first pilot course through that school down at Fort Jackson. So our intent now is to get one master resilience trainer per battalion across the Army. That is the immediate goal. And then, long term, you know, we will look at spreading those master resilience trainers out among all the companies, troops and batteries.

But the master resilience trainer really becomes the subject matter expert for the commander on the ground, to help them put together strength and resilience programs within the unit, but it also helps the commander by having a subject matter expert to teach those resilience programs that they learned while they were in school.

And then the fourth pillar is to take what is being taught in the master resilience course and now put that training into all of our professional military education courses. So for the enlisted officer and warrant officer courses out there, from day one when a soldier comes in the Army, all the way through the sergeant majors acad-

emy, the War College at Carlisle, all those professional development schools will have master resilience training.

So this is a—this is a big commitment by the Army to make strength and resilience training, just as we have done for decades with physical training, to start building strength and resilience in those other four dimensions.

Mr. BISHOP. What about the family support for that? Is it voluntary? Are they—do you have private agencies that the family can go to so that there is no stigma attached to it?

Sergeant Major PRESTON. Actually, it is both. And it will be—for the comprehensive soldier fitness program, it is voluntary for family members and civilians as it comes online. But at the same time, we have also got those agencies on the installation that also provide that confidential care, as well, for all three, soldiers, civilians and families.

Mr. BISHOP. We have been told that, from the top down, the issues that—the orders have been issued to really get on that right away and that each unit commander at every level, all the way down to the lowest level, would be responsible for reinforcing that. Is that, in fact, happening?

Yes, sir?

SUICIDE PREVENTION

Sergeant Major KENT. You just touched on, sir—and from the Commandant down, he is really pushing that leadership down. In 2008, we had 42 suicides; 2009, we increased by 10, we had 52. And I can tell you right now, from the general all the way down to the private, we are engaged in this, sir. We want to get rid of this stigma, first of all, by allowing individuals to actually come forward and say, “I have a problem.”

And it needs to start in basic training, and that is where we are concentrating at right now. The drill instructor sits the recruits down and say, “Look, if you ever have a problem, this is the process.” And it is working right now, sir, and we are pushing it down—

Mr. BISHOP. So the troops are not afraid to come forward and say, “I have got a problem,” or that they recognize that they have a problem, particularly after deployments, because of PTSD, which is a real problem?

Sergeant Major PRESTON. Sir, I would say that—and probably like the Marine Corps, when you have a commander that stands up in front of his or her troops and really says this is okay to ask for help, this gets at that stigma that a young Soldier, irregardless of what leadership position they are in, that knowing that it is okay, that it is not going to be held against them, and not going to be seen as weak we encourage Soldiers to come forward.

And it is usually—once you get into that 80- to 120-day window post-deployment immediately when a Soldier gets back, you are excited about getting back, you want to get back to your family, you want to get back into your life. But then after the honeymoon is over, so to speak, that is when issues start to surface.

GUARD AND RESERVE SUICIDE PREVENTION

And that is when you really have to be engaged as leaders with all the members of the organization.

Mr. BISHOP. But the final aspect of that is the Guard and Reserve. How about the Guard and Reserves that are returning from deployment? They don't have as much observation, particularly by their superiors, because, I mean, they are training then just once a month. How is the Guard and Reserve responding to those post-deployment issues?

Sergeant Major PRESTON. If I could, the one big program out there that has been a very big help is the yellow ribbon program. And the yellow ribbon program out there is designed to bring soldiers and families together, and it is they meet twice post—or pre-deployment. They bring their families together during deployment twice. And then there is three times post-deployment. And it is at the 30-, the 60-, the 90-day—

Mr. BISHOP. That is Guard and Reserve, too?

Sergeant Major PRESTON. That specifically is the Guard and Reserve.

Mr. BISHOP. Okay.

RETURNING WARRIOR WEEKENDS

Master Chief Petty Officer WEST. Sir, just to add on real quick, the Navy does something called Returning Warrior Weekends. And it was—it started out as a Reserve-type program, but we have also included the active duty in that now, and we have expanded that. It is a weekend getaway for those returning Individual Augmenters (I.A.s) and their families who they designate.

It is very successful. We had a lot of folks that have gone through it, and we are seeing some pretty good takeaways from that, certainly.

Chief Master Sergeant ROY. And if I could just add, Mr. Chairman—

Mr. EDWARDS. Please.

Chief Master Sergeant ROY [continuing]. None of us are exempt from this. The United States Air Force has a similar problem. What we are seeing is that it is not necessarily related to the deployment piece, but more along the lines of relationships. So we are trying to look at it from that angle, as well.

As the Sergeant Major had mentioned we just simply call it the resiliency program. We are really trying to focus on what it is that we can help that member with before they need it. And then the last element of that is how we communicate with families. We are really trying to work on that piece of working with families.

PRIVATIZED HOUSING PROGRAM

Mr. EDWARDS. Thank you, Mr. Bishop, and thank you. You have been a constant advocator for our servicemen and women and their quality of life. Thank you for that, that series of questions.

Let me just ask about the privatized housing program. I am proud of this committee's work on that. It took a long time to try things a new way, and a lot of folks at the Pentagon and elsewhere didn't like that. You are trying something new now. I think over

90 percent of our new family housing is built in that public-private partnership program.

The initial feedback we get is very positive, but I want to continue having our subcommittee monitor that program. It is critical to know that these developers that are partners aren't just building a nice house upfront and then, 5 years later, it falls apart. Any feedback any of you have? Any challenges, problems out there in that housing program we need to pay attention to? Or is your impression that it is going well?

Chief Master Sergeant ROY. If I could, Mr. Chairman—

Mr. EDWARDS. Please, keep going.

Chief Master Sergeant ROY. In the very beginning we had some problems with some contractors. We have worked through that. What I am finding when I visit the wings is that our Airmen are absolutely satisfied with the quality of house, the size of the house, and then also the amenities that go along with the house.

The community centers have pools and gyms and much inside them, as well. So from our perspective, the project owners have gone beyond what we expected them to, and I think the quality of life of our Airmen and their families have been immeasurably improved by privatized housing.

Mr. EDWARDS. Good.

Master Chief Petty Officer WEST. Sir, I will echo that with the Navy. Never before—at least in my 29 years of service—have our Sailors lived in the quality of homes they have now.

I echo what my Air Force brother here says, but I would also say, those programs that they do provide, those centers that they have on those housing units, they are also working together with our fleet and family support centers and partnering in a lot of those programs, which is helping us out, especially during these high deployment times.

Mr. EDWARDS. Okay. And we have tried to emphasize to them that you are not just building houses, you are building neighborhoods and communities.

Master Chief Petty Officer WEST. Yes, sir.

Mr. EDWARDS. And I am glad to hear that—

Sergeant Major KENT. It is some great housing, sir. You know, I can recall a time when I was a young Marine living in a concrete box. But, you know, today, those Marines are living in pretty nice houses.

Sergeant Major PRESTON. Sir, we are pushing 98 percent of the Army's housing being privatized, and it is a huge success story.

Mr. EDWARDS. Well, it is good to hear. And what I would ask, since you do have your ear to the ground and you are constantly talking to servicemen and women and you are representing their families, please stay in touch with us. If at any point any of the developers start cutting back on maintenance and what was a nice house in year 1 through 5 became kind of shoddy in year 6 or 10, please let us know.

DEPLOYMENTS

My second question in this round deals with deployments. Obviously, this committee doesn't make the decisions in terms of when

our servicemen and women deploy and to where they deploy. But we deal with quality-of-life issues that result from that deployment.

I think the general impression is that the time away from family is by far and away the number one quality-of-life concern for servicemen and women. My question to you—so we could better understand our servicemen and women's attitude—would be this.

Is there a general sense that deployment time away from home is going to reduce over the next several years and, therefore, that gives them some hope, they are willing to hang in there, tough it out, during these challenging times? We are asking more of our servicemen and women and their families than we have a right to ask.

And also along that line, if they felt there would be no change for the next 5 to 10 years, the deployment rates were going to continue, as they are this year, what would be the impact on morale and recruitment and retention?

Sergeant Major KENT. I can actually—by us growing from 175,000 to 202,000, that really helped us out a lot as far as deployment to dwell. Also, we have drawn down over in Iraq. We have a little over about—about 130 Marines there, which is a great news story, because that means that things are going great over there right now.

The Marines know in the future that they will see more dwell time back at their home station. Right now, we do have units that are getting a lot more dwell time, but we are increasing in other places right now.

Over in Afghanistan, we are looking at putting about 19,400 Marines there. But that is still a drop from what we had over in Iraq, with about 26,000 at the peak.

I will be honest with you, sir. Every word that we go and talk to Marines, the first thing that comes out of their mouth, "When will I deploy?", especially those that have not been deployed. And we have those Marines constantly ask the Commandant and I, as we travel around, "When is this unit going to combat?" Because that is why they joined the Marine Corps.

You know, they did not walk into that recruiting office wanting to sit back at their home station. They walked in because they knew that they were going to deploy and fight for this country one day.

Mr. EDWARDS. Okay.

Sergeant Major KENT. So, sir, I don't foresee that being a problem as far as retention, because I will tell you right now, we will hit our F-CAP and S-CAP by May or June. And we had until 1 October to hit it, sir, so we will hit it then.

Mr. EDWARDS. What is your, on average right now, deploy time versus time at home?

Sergeant Major KENT. Right now, sir, we are deployed—at the battalion squadron level, we are deployed for 7 months.

Mr. EDWARDS. Seven months out and then how many months back at home?

Sergeant Major KENT. About right now, the average unit, sir, should be about 10 or 11 months back at their home station, but it will get better as we start building up the units.

Mr. EDWARDS. Okay. So right now, a little more than 1 to 1, in terms of time at home versus time deployed.

Sergeant Major PRESTON, what is that number in the Army?

Sergeant Major PRESTON. We are right now, sir, averaging about 15 to 18 months, depending on the type of unit, between deployments. So 1 year deployed, 15 to 18 months back. And, you know, both the chief, General Casey and I, see a marked difference when you have 12 months of dwell time versus 18 months of dwell time. And it is a marked difference.

Mr. EDWARDS. Master Chief West.

Master Chief Petty Officer WEST. Sir, that is a real hard question for us. It is just due to the nature of operations. We have been deploying since the beginning of the Navy, so we are deploying force, and we are out there doing it.

You know, we bring on things like humanitarian assistance, disaster relief, such as Haiti recently, which pulled about 8,000 or so of our forces down there. You add that on with the I.A. piece that we have going on over in the Middle East. And we do have folks in Iraq and Afghanistan now, along with the piracy and the Africa partnership station, all those operations, that does increase the op-tempo.

Some of our carriers now are out there doing 8-month deployments and then coming back, but that is due to the nature of some of the maintenance processes that we are trying to get our carriers through. We take a very good, hard look at that. We want, you know, the 2-to-1-type ratio, but often that doesn't work when you are talking EOD unit, a Navy SEAL group.

So it is really dependent on the nature of the ops and who is doing them, as far as our dwell time. But we have our eye on it, sir, and I can tell you right now, you give our sailors a challenge, and they will get up there and do it for you, too. They are charged up and ready to go.

Mr. EDWARDS. Thank you, Master Chief.

Chief Roy.

Chief Master Sergeant ROY. Mr. Chairman, as the Navy said, that is kind of hard for us to pinpoint, as well. I will tell you, though, that we have about 40,000 Airmen deployed in any given day. Obviously most of them are deployed to USCENTCOM theater of operation.

Many of those Air Force Specialty Codes are (AFSCs), what we call chronic critical AFSCs, such as contracting and EOD. So we have some specific low-density, high-demand kind of AFSCs that we pay specifically attention to. We certainly appreciate your help on that, as well.

There is another area, another category of Airmen that I would like to highlight, and that is the nearly 160,000 Airmen that we have out there that are employed by a combatant command every single day. These are Airmen within the nuclear enterprise. These are also those Airmen that are operating within the United States, the continental United States, but operate in the USCENTCOM theater of operations.

For instance, those Airmen that are operating out at Creech Air Force Base, Indian Springs, NV operating out of the Intelligence, Surveillance, and Reconnaissance (ISR) platforms, that every one of

us know so much about and we rely upon, those are Airmen that have unique challenges, when you talk about deployment.

It is not necessarily a deployment, but it is something when you go, drive an hour-and-a-half from Las Vegas out to Creech Air Force Base, you are in a USCENTCOM theater of operation, and then you see something really bad happen, and then you have got to go home an hour-and-a-half, and then you are with your family again. There are some unique challenges to that. It may not be as hard as a deployment, but some of us would argue it is just as hard, or maybe harder than a deployment, because of the unique challenges of that. So we have a lot of Airmen within that category, as well.

Mr. EDWARDS. Okay, thank you for that.

Mr. Crenshaw.

Mr. CRENSHAW. Let me just follow up on that, Mr. Chairman.

Sergeant Major, you mentioned in your testimony that was kind of the number-one concern, the dwell time. And what is your assessment—you know, when General Casey was here, we talked about this, as well. And I know they are kind of working towards increasing the dwell time.

And so the question becomes, how are we doing? I mean, what is your general assessment? Because a lot of times—particularly in government—we hear people say, “Well, this is not sustainable. This is not acceptable. This is not good.” The question becomes, how are we doing in dealing with issues?

And I appreciate you bringing it up as a concern, and you are in kind of—you talk about what the timing is. But just give us, you know, from what you hear, is that something that we are working on, that your people feel like we are kind of increasing that dwell time, we are aware of it? What is your overall assessment?

Sergeant Major PRESTON. Sir, I would say that, you know, both the chief and I—probably the key message that we take out to soldiers and families is the talk about Army transformation. And part of that transformation process is putting the Army back into balance.

And with the growth that we had over the last several years, you know, to grow the number of soldiers in the Army, to grow the additional units and organizations, to provide more predictability and stability, more dwell time between deployments, and now with what is—what we started in 2007, with where we are now, we are beginning to see the benefits of that growth, as well as the structure going into place.

And even now with more soldiers deployed than we had at the height of the surge in 2007—because we still have a lot of stuff in Iraq that was there, mainly through the elections that, you know, eventually will come out—but even with that process in place, you know, the dwell time has increased. And we expect the dwell time to continue to increase.

And the goal is that, by the end of 2011, for the active component to be at a 1-to-2 ratio, which is where we want to be at a minimum standard, where if you are deployed for a year, you have got 2 years back at home station, you know, with that organization, and for the reserve component, a 1-to-4 ratio as a minimum requirement.

Right now, we have got some Guard and Reserve units out there that are a little bit less than 1 to 4. But that is the goal, by the end of 2011. We will get to about 70 percent of the active component will be at that 1-to-2 ratio. There will be some low-density, high-demand kind of units out there that will be somewhat less than 24 months, 20 months, 22 months, somewhere in that area.

And then for the reserve component, same thing. We will be at about 85 percent of them will be at that 1-to-4 ratio.

Eventually—and I am being the optimist—as we look at what is going on in theater, we like to see those dwell ratios increase for the active component to a 1-to-3 ratio and for the reserve component a 1-to-5 ratio.

Mr. CRENSHAW. Still, once you get there, there will be—probably will be less of a concern, people—I mean, you are moving in the right direction. People are aware of that and probably you will come back next year or the following year and say it is not as big a concern, even though we are dealing with it.

Sergeant Major PRESTON. Yes, sir.

Mr. CRENSHAW. Thank you.

I have one more question, Mr. Chairman.

INDIVIDUAL AUGMENTEE

Just to Master Chief about the Navy, I touched on this with the first panel, and you touched on it in your testimony, with the individual augmentees. And when the Marines and the Army go off, they train together, they deploy together, their families stay home together, and the IA—I think you pointed out that you have got more boots on the ground than maybe you do have serving on ships, so it really is a joint effort, but it is a unique problem for the Navy when they go off as an individual. They don't go off with their buddies and their teammates.

And so I guess the question becomes, is that something you are aware of? But in terms of family services, the quality-of-life issues, is that something Navy recognizes and tries to deal with? And maybe those individuals, do they have access to some of the services that might be available to the Marines and the Army? How does all that fit in, in terms of that—you know, their deployment kind of being isolated?

Master Chief Petty Officer WEST. Yes, sir. And, yes, sir, you are right. We have more boots on ground in that particular theater than we do afloat, which is a pretty amazing statistic when you step back.

But, yes, sir, we do have our fleet and family support centers in all of our services geared toward not only our I.A.s, but also our individual—our augmentees and our shipboard personnel.

We do work across services. Particularly when you start talking our reservists who may have their nearest home base, as you would call it, maybe an Army base. So we have worked across services. We are working internal. We continue to get better at the I.A. process as we go back and look at some of the lessons learned.

I am happy that our Sailors are doing the job that they are doing, but I am also happy with our fleet and family support centers and all those support services that have stepped up and have done a heck of a job for our Sailors and their families.

Mr. CRENSHAW. Well, thank you. And I think that is one—because I think most people—I didn't really understand this, and I don't think most people do, that that is peculiar to the Navy. And the fact that it is a joint effort ought to be acknowledged from time to time. And I commend you for that.

Mr. Chairman, I don't have any more questions, but let me just say that you guys are an inspiration to me every year you come here. So thank you.

Chief Master Sergeant ROY. Mr. Chairman, if I could just add a point, it is Navy unique, and it is also Air Force unique. Last Thursday and Friday, I was at Fort Polk, Louisiana, visiting with 120 Airmen getting ready to go out on a combat advisory role. That is obviously an Army mission. We are joint fighters. That is the way we do things.

Many of those 30,000 or 40,000 Airmen that I talk about are in those roles. So it is Navy unique, but it is also Air Force unique, as well. And our Airmen family readiness centers help with that, as the questions that you asked.

Mr. CRENSHAW. Well, I would like to acknowledge that, as well. I just don't have any Air Force bases in my district. I got three Navy in, so I know all about that. I learn something new every day. Thank you.

Mr. EDWARDS. Thanks, Mr. Crenshaw.

Mr. Berry.

Mr. BERRY. I don't have anything else, Mr. Chairman. We do thank you very much.

Mr. EDWARDS. Okay.

Mr. Bishop.

Mr. BISHOP. Thank you very much.

Mr. EDWARDS. Mr. Farr.

ARMY CONTRACTORS IN THEATER

Mr. FARR. Well, thank you very much. I am sorry I am late. I, like all of us, we sit on several appropriations committees. Thank you, Mr. Chairman.

Mr. EDWARDS. Thank you for coming.

Mr. FARR. I just have a couple of questions. First of all, we welcome you to this committee. This is the only committee in Congress that deals with people from enlistment to the grave, literally, the grave. We have all the cemeteries that the Veterans Administration has, and we are very interested in all of the quality-of-life, morale issues, and certainly people's ability to do their job well.

Sergeant Major Preston, I was just interested in learning the Army has 33,000 civilian contractors who are now forward deployment. And the Obama administration has indicated that they intend to build up the government capacity and reduce the number of government contractors.

And I guess the question is, how would such policy impact the Army's civilian contractors? Could these jobs be done and filled effectively by military personnel?

Mr. EDWARDS. May I interrupt just for a moment? I am going to ask for your help, if I could, Sam.

There is a resolution on the floor honoring Dr. Hector Garcia, who passed away recently, and who founded the American G.I.

Forum to stand up for rights for Hispanic veterans, particularly in the case of a young private who came back after being killed in World War II in Europe and was refused funeral services at his hometown because he was an Hispanic-American down in South Texas.

I grew up as a neighbor of his, four houses away from him, so I wanted to go to the floor to pay respects to that great World War II veteran.

So, Mr. Farr, if I could ask you to finish the hearing as chair. And as I leave, I want to echo the other comments you have heard. Thank you for your tremendous leadership, for your excellent testimony today, and for inspiring all of us. Thank you for the men and women that you represent so well every day and their families. You truly have made a difference in your testimony and the subcommittee over the years, and your testimony today will make a difference. And we very much look forward to working with you.

And this being the last of our scheduled hearings, I know we may well have oversight hearings in the months ahead, but I also want to thank the staff, both majority and minority, for doing an excellent job in scheduling these 16 hearings this year on the fiscal year 2011 budget. They have been well organized, and I thank each of you for your work on that.

With that, please excuse me for having interrupted. Please proceed, and I will slip out for my comments for Dr. Garcia. Thank you.

Mr. FARR. Thank you very much.

Mr. EDWARDS. Thank you.

Mr. FARR [presiding]. Sergeant Major.

Sergeant Major PRESTON. Yes, sir. Sir, you asked about the contractors. And, you know, the bottom line, yes, could some of those contractor positions over there be done by soldiers? Yes. But the purpose of the contractors, as I travel into theater over there, is really it takes a lot of stress and relieves a lot of stress off of the units and the organizations. It reduces the number of units and organizations that would have to be deployed.

We had an earlier discussion about dwell time right now between deployments, and we are averaging right now about 15 to 18 months depending on the type of unit, between 1-year deployments. So units deployed for a year, they are getting about 15 to 18 months of dwell.

If you had the additional combat support, combat service support type of units on the ground that would do those functions that maybe the contractors are doing, they would increase, you know, the turbulence and the turns that those units would have to deploy into theater.

As I—as I travel around, I know that we are taking a very hard look at the contracting process and where we can to eliminate and reduce those contracts. Many of those contractors that you mentioned are, you know, individuals that are hired there in country. They work in the local areas, in those towns and villages. They do a lot of the laundry services. They provide a lot of the food processing for Brown and Root or those kind of companies that are doing the dining facilities.

But, so it is—that impact, also, was with the money that is going back into the local economy, so—

Mr. FARR. Yes, I think it is all of those functions that the military used to provide for itself, correct? And we have now contracted them out.

Sergeant Major PRESTON. I guess it is the cost of having a bigger force to be able to do those ourselves versus contracting it out.

Mr. FARR. Yes, well, I think it is a gray area that we obviously are going to spend a lot more time dealing with. And certainly, the capacity of host countries, maybe some of the things they could do, trying to develop their economic development, get them on their feet.

I also was very interested in your comment about the Military Accessions Vital to the National Interests initiative that helped the Army recruit legal non-citizens who have critical foreign language skills. I am interested in cultural capacity programs, and I wondered how beneficial you think this new program is.

Sergeant Major PRESTON. I think it is very important right now, because it allows us—it is what we call the 09 Lima program, where we have recruited soldiers that come from those ethnic regions of the world, where we need them to partner, be placed inside our units and organizations. They become trainers and mentors for our soldiers on the ground to help us understand the people, the culture of that particular region. So it has been a very successful program. It is small in numbers.

Mr. FARR. So you recruit a host country national with those language and cultural needs? Or they are Americans of that particular—are they Afghan-Americans or are they Afghan?

Sergeant Major PRESTON. It is both. You know, we have recruited them. There is a large population of Iraqi-Americans and Afghan-Americans in California that we have tapped into. They play a very vital role not only as soldiers in the Army, but we also contract many of their services as role-players at our combat training centers, at Fort Irwin, California, and Fort Polk.

Mr. FARR. Mr. Crenshaw, do you have—

Mr. CRENSHAW. No, don't have any further questions.

Mr. FARR. I have one other question, if you will bear with me.

Mr. CRENSHAW. Sure.

Mr. FARR. I apologize for being late. Sergeant Major Burch and Sergeant Major Schultz, when wounded Guard and Reserve soldiers return to their communities, are they receiving adequate medical follow-up care for PTSD? What we hear is that the secretary of veterans affairs wants the program to be seamless, essentially, when you enter the military in any capacity, you are entering the Veterans Administration, you are entering both, and the idea is that whatever care, whether it is provided by men and women in uniform or provided after they leave the uniform, that will be quality and seamless and same professional capacity.

Is that also extended to the Guard and Reserve?

Sergeant Major BURCH. I think what we are seeing is—

GUARD AND RESERVE MEDICAL CARE/PTSD

Mr. FARR. You may have to use—the microphone. Just come to that end chair there.

Sergeant Major BURCH. Sir, I think what we are seeing is, in the entire process, as a soldier is wounded and returning from the theater, they go through an evaluation process at our medical treatment facilities. Part of their job is to ensure that if we put a soldier into a community-based warrior transition program, that there is sufficient medical care to take care of whatever ailments the soldier may have.

Within the Army, we have medical treatment facilities that specialize in burns, specialize in traumatic brain injury, that specialize in amputees, and that is the starting point for the soldiers. And the Army does a great job for the reserve component soldiers to make sure that, when they send them home, their continued care in the neighborhood there is the quality of care that they would receive at one of our military treatment facilities.

And if that quality of care is not available in their community, then arrangements are made to make sure that the soldier does get the quality of care in a community nearby.

Mr. FARR. For PTSD, as well?

Sergeant Major BURCH. As well. Yes, for PTSD, as well.

Mr. FARR. Soldiers, in uniform go to bases, are assigned to bases. And there you have the whole entire support infrastructure for the military there.

Sergeant Major BURCH. Right.

Mr. FARR. Guardsmen and Reserves don't necessarily go back to a base. They go back to a community. And therein, they are like a veteran.

Sergeant Major BURCH. We have the joint family support assistance program that is part of the reserve components, and it takes care of our active-duty brethren that are geographically separated from their posts, as well—

Mr. FARR. So would they get access to veterans care, medicine for, say, PTSD, or would it be through regular Army and regular services?

Sergeant Major BURCH. It depends on the geographical location. If it is available, they will make it to a V.A. center, an active component post. Whether it be Army, Navy, Air Force, Marines, we have folks go to all those types of facilities.

If they are geographically separated, then those facilities ensure that our soldiers are receiving care at a quality facility in the local community.

Mr. FARR. Either in general private—

Sergeant Major BURCH. Yes.

Mr. FARR [continuing]. Or could they also get access to care in the Veterans Department?

Sergeant Major BURCH. Yes, they can.

Mr. FARR. So veterans' clinics would be available to reservists, guardsmen and—

Sergeant Major BURCH. Yes, they can.

Sergeant Major PRESTON. And, sir, I would add to—I mean, and also online. You know, Army OneSource has been a great venue for geographically dispersed—you know, the Guard's Yellow Ribbon program has been very instrumental, typically for the 30-, 60-, 90-day sessions that are held post-deployment, because that is one of

the processes there, is to do PTS screening during the Yellow Ribbon program.

Sergeant Major BURCH. As part of the joint family support assistance program, the military family life consultants for the soldiers, their spouses, military family life consultants for the youth and children, as well as the American Red Cross, is part of that program, and the Military OneSource and their vast array of resources, all those things being funded by OSD to support soldiers of any branch of the service, whether it is active or reserve, because we know the soldiers and their families are sometimes geographically dislocated because of the deployments, too.

Mr. FARR. Well, I want to thank all you gentlemen for your service and all the people behind you for serving, as well. We are very proud of the military community. We are also very proud of our Veterans Department.

I represent the Defense Language Institute in Monterey. I invite you out. Your soldiers are in that school. In fact, the Marine Corps is always the first to come—

Sergeant Major KENT. We just visited last week, the Commandant and I was up there.

Mr. FARR. You did? Well, thank you. I wish I had known—I was home. What is very interesting is this whole concept of oneness, families are in the civilian community, and how do we make sure that the civilian community appreciates them and vice versa and they know what resources are there.

And I think it is a whole new paradigm that we are developing. We are not being just stovepiped anymore. I think that is very smart, a smart use of our money and smart leadership, and I want thank you for being so concerned with the care of the soldiers and their families. That is what this committee stands for.

So thank you very much. And with that—do you have any other questions for this panel?

Mr. CRENSHAW. No.

Mr. FARR. And with that, the committee will stand adjourned.

[Questions for the Record submitted to the National Military Family Association by Congressman Wamp]

Question 1. Financial issues have often plagued military families. What support services are available to families who need help?

Answer. Service members and their families are individually responsible for their financial wellbeing, but have support along the way. Each branch of Service has established a Personal Financial Management Program (PFMP) to provide educational classes, financial counseling, workshops, and seminars on various financial topics. PFMP educational programs focus on sound financial practices, recognizing and avoiding financial traps, and the rights and obligations of consumers. PFMP educators are not only financial gurus, but they also understand the environment of the military and the programs that are specific to military service members.

The National Military Family Association has partnered with FINRA Foundation and the Association for Financial Counseling Planning Education (AFCPE) to provide the education necessary for up to 200 military spouses annually to enter the financial counseling career field. The recipients of the FINRA Foundation Military Spouse Fellowship agree to volunteer on military installations for two years providing financial education to service members and their families. Over the past four years, over 800 spouses have entered the program.

Military Relief Societies continue to be the first referral for service members and their families seeking financial assistance. Many states have also created financial assistance funds for National Guardsmen and their families.

Air Force Aid Society (AFAS)—www.afas.org
Army Emergency Relief (AER)—www.aerhq.org

Coast Guard Mutual Assistance (CGMA)—www.cgmahq.org
 Navy-Marine Corps Relief Society (NMCRS)—www.nmcrcs.org
 Reserve Aid—www.reserveaid.org

Question 2. Child care has been a consistently important issue to the services over the years. What in this area is in the most in need of improvement?

Answer. At every military family conference we attended last year, child care was in the top five issues affecting families—drop-in care being the most requested need. Some installations are responding to these needs in innovative ways. For instance, in a recent visit to Kodiak, Alaska, we noted the gym facility provided watch care for its patrons. Mom worked out on the treadmill or elliptical while her child played in a safe carpeted and fenced-in area right across from her. Another area of the gym, previously an aerobics room, had been transformed into a large play area for “Mom and me” groups to play in the frequently inclement weather.

Innovative strategies are also needed to address the non-availability of after-hours child care (before 6 a.m. and after 6 p.m.) and respite care. Families often find it difficult to obtain affordable, quality care especially during hard-to-fill hours and on weekends. Both the Navy and the Air Force have programs that provide 24/7 care. These innovative programs must be expanded to provide care to more families at the same high standard as the Services’ traditional child development programs. The Army, as part of the funding attached to its Army Family Covenant, has rolled out more space for respite care for families of deployed soldiers. Respite care is needed across the board for the families of the deployed and the wounded, ill, and injured. The Services have rolled out more respite care for special needs families, but the programs are too new to assess the impact it will have on families.

At our *Operation Purple*® Healing Adventures camp for families of the wounded, ill and injured, families told us there is a tremendous need for access to adequate child care on or near military treatment facilities. Families need the availability of child care in order to attend medical appointments, especially mental health appointments. Our Association encourages the creation of drop-in child care for medical appointments on the DoD or VA premises or partnerships with other organizations to provide this valuable service.

[Questions for the Record submitted by Congressman Carter for Dr. Keller, Military Child Education Coalition]

Question 1. Based on input from the MCEC’s field experience and direct work with students, parents, and professionals, what is your opinion of how our military-connected kids are doing? What types of programs seem to have the best results?

Answer. It is clear that there is not a single answer as to how all military children are doing. There are nearly two million military connected children and 1.1 million of these children are school-aged, equal to the size of the New York City Schools—the largest school system in America. No one would expect all of these children to be the same—this is true for the military child as well. Military children, like all other children, are kids first and military-connected second. Their ages range from birth to 23 and the developmental and situational considerations in a group as large and diverse as the military child population are challenging. Additionally, kids across this great age-range experience stress differently. Resilience is situational; experience and seasoning with separation, change and transition is situational; and of course, each child is different! One thing we do know, however, is that evidence is emerging that military-connected kids, experiencing multiple separations from a parent due to multiple deployments, are experiencing additional challenges. What we are learning is important but not enough.

To overcome the challenges of a generation of children raised in an era of persistent conflict, we need better, more precise information about their development, to provide informed decisions in order to support the kids, their parents, the professionals that work with them everyday and enable targeted, helpful community supports.

The Military Child Education Coalition, with over 12 years of research and field experience, has found that the most effective programs are those that provide an informed, trained, and caring convoy of support for military children. By working collaboratively with professionals, parents, and children in their local school and community environments, MCEC has been able to develop programs that are appropriate, effective, and sustainable. MCEC has implemented a two pronged approach that provides professional development in the schools and communities and peer support programs for parents and students. The Transition Counselor Institute and a variety of other courses have provided over 15,000 professionals with the knowledge and skills to meet the challenges that military children often face. In the peer to peer category, over 73,000 parents have been trained over the past two years

through the MCEC's Parent to Parent program, the Student to Student program has been established in over 220 high schools, and the Junior Student to Student program has grown to over 130 middle schools.

Over the past five years, MCEC has added the critically important dimension of broad-based community engagement in supporting military families through its *Living in the New Normal* (LINN) program. This initiative, chaired by MCEC Board Member Patty Shinseki, is being successfully delivered in all 50 states. LINN is tailored to each state and community, assembling key decision makers to raise awareness and match resources with needs. In North Carolina, the governor acted on the LINN process by implementing funding to establish family readiness centers throughout the state. In Vermont, the active engagement by state leaders has helped leverage the state's already extraordinary outreach programs designed to support their Guard and Reserve families. MCEC has always touted the goodness of what happens at the local level, and LINN has applied that philosophy in a very real way.

Question 2. It is my understanding that MCEC has also been working with the Department of Education to establish standardized state education data systems so it is possible to track military kids who are moving around with their families. How has this partnership progressed? How important is collecting this data?

Answer. There is no reliable, consistent, and sustainable data system that collects information about military-connected children as a cohort. Consequently, we do not know whether and how repeated deployments affect the performance of children in school. We cannot quantify the school completion/graduation rates for military children. We do not know if the children who graduate from high school are college and work-place ready. We cannot identify gaps in current school programs, resources and curricula. Conversely, the caring community of professionals and parents do not know what programs are effective and worthy of replication.

The MCEC has been working with Department of Education on a number of initiatives and has been greatly encouraged by their strong support for improving the quality of data collected. We believe that we have jointly framed a viable method for collecting the missing data on the military child sub-group. We must know where the children are if we are to be able to identify where resources and programs need to be applied and if we are to better understand where programs are being effective. In a period of competing resources, this level of fidelity becomes even more critical as we seek to ensure that we are helping our military children in their very necessary quest to be college and work place ready.

Question 3: What are the most effective models for applying or implementing programs that respond to and reach the majority of our military kids?

Answer. Community based, peer support and professional development models are the most effective models for applying programs that both reach and help the majority of our military children. These children need informed, trained adults surrounding them that understand the challenges they are facing due to multiple deployments, separations and family transitions. The adults around them need to be sensitive to these issues but it doesn't happen by accident. Research informed, evidence based professional training must be provided to key adults in the community such as teachers, counselors, nurses, coaches, and of course the remaining parent and other family members.

When informed adults pay attention to the needs and challenges of our military kids, such as deployment related stress or the new normal of an absent parent or a parent that returns home profoundly changed, the child feels this attentiveness and responds positively. We can best help when we surround the child with concerned adults and peers that help, which is why we are engaged in preventative, peer based solutions.

It is also important to make the distinction between military-installation centric models versus school and community based models for maximum outreach and impact. On average only some 20–25% of military families and children live on military installations. If we want to reach the majority of these families directly, we need the programs to be delivered where they live and school on a daily basis—in their schools, communities and close to their family. This is why MCEC engages in school based and community based support programs, such as Parent to Parent, Student to Student, and Tell Me a Story and other literacy programs

Question 4. What does your experience with the MCEC's "Living in the New Normal" tell you about state and community support systems?

Answer. The most encouraging thing we have discovered is the fact that America is eager to help their military families. *Living in the New Normal* (LINN) has served as the catalyst for states and communities to operationalize that desire to help. The most important element is to understand the need. Particularly in the case of Guard and Reserve families, that don't have the benefit and resources of an installation,

it is often difficult to discern the scale of need and even find the families. The second important element is helping states and communities identify their own resources, which are often quite prolific. We find that the participating organizations and agencies are frequently unaware of the programs and resources available, underscoring just how difficult it can be for individual families to find them. The result of a successful LINN provides the charter that states and communities can use to meet those needs, with the right resources, and advocate for the services and resources families need most. It works because the program is grass roots; it works because the sustainable efforts are the local efforts.

For example, following the Public Engagement held in North Carolina, the governor realized the gap present in his state to get help to remotely located families of the Guard and Reserve. The governor and his collective communities established regional family support centers throughout the state to reach these remote families. He also authorized statewide, free pre-kindergarten programs through the public schools for military children.

Lastly, if school performance data could be collected on the subgroup of military children, indicators could be developed in both densely military populated areas and remote areas that improve the confidence in the array of systems, supports and tools that require funding. Without consistent, child based information as an important dimension it may be unclear as to which efforts should be retained when resources shift or diminish.

QUESTIONS FOR FIRST PANEL

Congressman Carter asks for the record the following questions of Dr. Mary Keller, President and CEO of the Military Child Education Coalition:

Question. What are the opportunities for expanding the “network of support” for our Military Children?

Answer. The opportunities for expansion are based on the need for more school and community based programs for military children. We need more preventative, peer based programs in the locations that most military children and families are immersed in—their schools and local communities. We need more professionally trained teachers, counselors, school and pediatric nurses trained in the issues affecting military children. These trained parents, professionals and peers can surround the military children with support that encourages them to grow in competence, confidence and coping skills. We also have opportunities, as mentioned above, to extend networks of support, through professionally trained adults and peers in the schools and communities, to help the children of remotely located families of the Guard and Reserve. These families need to know what is available in their communities in terms of support and this awareness education needs to reach the parents, the local schools and the community at large.

Question. What were the opportunities for the Military Child Education Coalition to provide support at Fort Hood following last year’s tragic shooting?

Answer. Immediately following the tragic shootings at Fort Hood last year, MCEC coordinated an initiative where professionally trained doctors, counselors and teachers spoke with each and every counselor, teacher and school administrator in the Fort Hood area about how to approach school children immersed in the closeness of this tragedy. In conjunction with the Uniformed Services University, MCEC coordinated specialists and message content to get the foremost experts in the fields of tragedy response and children delivering skills and help to adults in the schools to help children cope and heal.

Question. In addition to treatment interventions provided in clinical settings, what is the role for community-based, peer-to-peer outreach?

Answer. When a child reaches a clinical setting, the situation can be critical. The child is usually in that setting as a result of a serious problem or deficit. MCEC’s focuses our practice on strategies that help children thrive. Though we absolutely address and recognize how to mitigate risk. We focus on a model of prevention based strategy and programs. Appropriate training assures knowledgeable professionals who can help the military child grow in competence, confidence, and coping skills. Support from just one adult who touches a child on a daily basis, can and does lead to resilience in children.

Question. How does community-based, peer-to-peer outreach complement and/or enhance work in the clinics?

Answer. The most important role that these programs serve is prevention. Because the vast majority of children do not need clinical intervention, the role of the community-based programs (such as scouting, sports, the arts, and youth programs) cannot be overstated. These models are sustainable and use resources efficiently. Therefore, it is essential to connect children to programs and resources geared to

the needs and interests of children regardless of the parents' military or veteran status. Remember—the military child is a child first—and that child deserves to grow, learn, and be nurtured as they become productive adults.

[Questions for the Record for Dr. Keller submitted by Ranking Member Wamp]

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[Questions for the Record for the Senior Enlisted submitted by Congressman Carter]

Question. In Central Texas, the Workforce Centers have been relying on BRAC National Emergency Grant (NEG) funding for displaced Fort Hood spouses to receive training and education support—but BRAC funding ends this year. Therefore, as the Senior Enlisted Service member of your Service, do you have any ideas about how big of an issue spouse career/workforce training and education is for the spouses married to the members of your Services, and if DoD has done all they can with the My CAA program, do we as the Congress need to encourage the Department of Defense and the Department of Labor to develop a spouse training/education program—not just a pilot project at a few installations?

Answer. Today, more and more spouses seek the personal fulfillment of a full professional career. When this is coupled with the fact that many families need two incomes to maintain their quality of life, spouse employment and career development opportunities become crucial to recruitment and retention. In response to this need, the Air Force has historically provided a strong spouse career and employment service through installation Airman & Family Readiness (family support) Centers. Baseline services at all Airman & Family Readiness Centers (A&FRCs) include classes and individual consultation on career planning and personal development, resume writing, interviewing skills and all other phases of the job search process. Discovery Centers, located in the family centers, offer guided access to computers, printers, internet information on careers, jobs, and the development of job search skills, as well as local and long distance job listings in both the public and private

sectors. Individual career counseling and planning as well as career assessments and interpretation are available by appointment. Resources to support training and education have also been available to Air Force spouses for some time. The Air Force Aid Society funds a Spouse Tuition Assistance Program for those stationed overseas and the Hap Arnold Grants for stateside spouses. The Air Force Aid Society also supports a Spouse Employment Program which can provide entry-level job training with a goal of finding immediate viable employment.

The initial My CAA program has certainly been a welcome addition to the resources Air Force, along with Air Force Aid Society, has already developed to assist spouses in training for and locating suitable employment. The program has great potential and Air Force supports the study and development of a sustainable, long term My CAA that will be part of an integrated process to not only train/educate spouses for portable careers but help them find employment and continue that employment as they relocate and transition.

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Answer. While I cannot speak for the Department of Defense' My Career Advancement Account program, I can assure you that Families are important to the Army, a priority to Soldiers, and a vital factor in the Army's overall readiness, quality of life, recruiting, and retention. A prepared Family is better able to manage deployment, long-term separations, and the Army lifestyle in general. The Army has a myriad of robust training and education support programs geared towards our spouses, both Active and Reserve Component. Programs such as the Army Spouse Employment Partnership, which is an expanding partnership between the Army and corporate America. Or the Stateside Spouse Education and Assistance Program, which is a need-based education assistance program designed to provide spouses financial assistance in pursuing educational goals. The Army also has the Employment Readiness Program that provides assistance to Family members in acquiring skills and tapping into resources that will help them develop a career plan. The FY10 and FY11 Army programs that support spouses are currently funded to meet our Families' needs.

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Answer. Given the challenges of the military mobile lifestyle, it is important that our spouses have the opportunity to develop and sustain satisfying careers. It is our understanding that DoD is developing proposals for the long-term posture of the Military Spouse Career Advancement Account (MyCAA). At this point, we are unaware of the specifics of the proposal; therefore, we defer to DoD on MyCAA issues. We also support the collaborations between agencies to enhance support to our families.

Question. In Central Texas, the Workforce Centers have been relying on BRAC National Emergency Grant (NEG) funding for displaced Fort Hood spouses to receive training and education support—but BRAC funding ends this year. Therefore, as the Senior Enlisted Service member of your Service, do you have any ideas about how big of an issue spouse career/workforce training and education is for the spouses married to the members of your Services, and if DoD has done all they can with the MyCAA program, do we as the Congress need to encourage the Department of Defense and the Department of Labor to develop a spouse training/education program—not just a pilot project at a few installations?

Answer. Military spouse career/workforce training and education is a significant issue for spouses as it can impact mission readiness and overall family resiliency. According to the 2009 Personal and Family Readiness Survey:

- When military spouses are employed, they are more likely to work part-time, work fewer hours in a week and fewer weeks in a year; 10% of spouses stated this is directly attributed to a lack of education/training/certification.

- More than 30% of spouse's stated that job opportunities and career issues affect their spouse's decision to stay in the military.

- Despite social and institutional support to buffer the effect of these moves on military families, each move could disrupt the progression of a military spouse's career if the job is not easily transferable or suitable training is not available for the spouse; 50% of the spouses stated that they were unable to continue career progression after their last PCS move.

- An obstacle for many younger military families is finding employment, particularly when they lack necessary skills; 15% of the enlisted spouses state that the lack of necessary training or experience was a top 10 factor related to their unemployment.

DoD is currently reevaluating the MyCAA program. The outcome of that reevaluation is intended to better support career and job opportunities for spouses as well as provide career/workforce training to a greater number of spouses. Providing additional education/training programs in portable career fields would be a great benefit to the spouses of all our Military Service members.

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