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MEMORANDUM

TO: ADC BOARD OF DIRECTORS
TIM FORD
TODD HERBERGHS
RANDY FORD

FROM: MR. SCHLOSSBERG
MR. PERSKY, LEGISLATIVE ASSISTANT

DATE: DECEMBER 22, 2011

RE: FUNDING LEVELS AND REPORT LANGUAGE IN THE FISCAL YEAR
2012 SPENDING BILL

Introduction

President Obama is expected to sign into law the Fiscal Year 2012 Consolidated Appropriations Act (H.R. 2055), which includes at Division H the Military Construction Appropriations Act for Fiscal Year 2012. The House and Senate have passed the bill.

In addition to setting appropriations levels, Congress provides additional direction via report language included in the bill's conference report (House Report 112-331). The language and allocations set forth by the individual chambers in House Report 112-94 and Senate Report 112-29 also provide direction that is to be complied with unless specifically addressed to the contrary in the conference report.

This memorandum provides a Fiscal Year 2012 funding table and a list of Fiscal Year 2012 report language that was adopted directly via the conference report or indirectly via the House or Senate reports. This memorandum excludes report language from the House or Senate that was contradicted by the conference report.

BRAC 2005 funding

No additional funding is provided for the BRAC 2005 account. The conference report rescinds \$258,776,000 in unobligated funding from a prior-year BRAC 2005 appropriation and re-appropriates the same amount in Fiscal Year 2012. The effect of this action is that no

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additional funding is available in the BRAC 2005 account. This new appropriation may be obligated within five years.

If you have any questions concerning this information, please call George Schlossberg directly at (202) 828-2418 or email him at george.schlossberg@kutakrock.com, or call Eli Persky directly at (202) 828-2465 or e-mail him at eli.persky@kutakrock.com.

A handwritten signature in black ink, appearing to read "Eli Persky". The signature is written in a cursive style with a large, sweeping flourish at the end.

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Fiscal Year 2012 Funding Table

	Request	Conference Authorization	House Appropriation	Senate Appropriation	Conference Appropriation
BRAC 2005	\$258.78 million	\$0	\$258.78 million	\$258.78 million	\$258.78 million
BRAC 1990	\$323.54 million	\$323.54 million	\$373.54 million	\$323.54 million	\$323.54 million
Military Construction, Army	\$3.24 billion	\$3.01 billion	\$3.04 billion	\$3.07 billion	\$3.01 billion
Military Construction, Navy and Marine Corps	\$2.46 billion	\$2.42 billion	\$2.44 billion	\$2.19 billion	\$2.11 billion
Military Construction, Air Force	\$1.36 billion	\$1.13 billion	\$1.25 billion	\$1.23 billion	\$1.23 billion
Military Construction, Defense-Wide	\$3.85 billion	\$3.4 billion	\$3.53 billion	\$3.38 billion	\$3.43 billion
Family Housing Construction, Army	\$186.9 million	\$176.9 million	\$186.9 million	\$186.9 million	\$176.9 million
Family Housing Construction, Air Force	\$84.8 million	\$84.8 million	\$84.8 million	\$84.8 million	\$60.04 million
Guam buildup funding	\$400.48 million	\$83.6 million	\$336.48 million	\$180.6 million	\$180.6 million

PROVISIONS ADOPTED

Rescinding unobligated balances from the Department of Defense Base Closure Account 2005 [Conference Report—House Report 112-331]

The conference agreement includes section 132 rescinding unobligated balances from the Department of Defense Base Closure Account 2005. The House bill contained a similar provision and the Senate bill contained no similar provision.

Associated Bill Text

SEC. 132. Of the unobligated balances available for "Department of Defense Base Closure Account 2005", from prior appropriations Acts (other than appropriations designated by law as being for contingency operations directly related to the global war on terrorism or as an emergency requirement), \$258,776,000 are hereby rescinded.

Guam OEA Funding [Conference Report—House Report 112-331]¹

The conference agreement modifies a provision proposed by the House to provide grants through the Office of Economic Adjustment to assist the civilian population of Guam. The Senate bill contained no similar provision.

Associated Bill Text

SEC. 8110. Of the amounts appropriated for "Operation and Maintenance, Defense-Wide", \$33,000,000 shall be available to the Secretary of Defense, notwithstanding any other provision of law, acting through the Office of Economic Adjustment of the Department of Defense, to make grants, conclude cooperative agreements, and supplement other Federal funds, to remain available until expended, to assist the civilian population of Guam in response to the military buildup of Guam, to include addressing the need for vehicles and supplies for civilian student transportation, preservation and repository of artifacts unearthed during military construction, and construction of a mental health and substance abuse facility: *Provided*, That the Secretary of Defense shall, not fewer than 15 days prior to obligating funds for this purpose, notify the congressional defense committees in writing of the details of any such obligation.

¹ This item is located in Division A—Department of Defense Appropriations Act, 2012 within H.R. 2055

Defense Access Road Program Enhancement [Conference Report—House Report 112-331]

The conference agreement includes section 103 as proposed by both the House and the Senate allowing the use of construction funds in this title for advances to the Federal Highway Administration for the construction of access roads.

Allowing the transfer of proceeds between BRAC accounts [Conference Report—House Report 112-331]

The conference agreement includes section 118 as proposed by both the House and the Senate allowing the transfer of proceeds between BRAC accounts.

Associated Bill Text

SEC. 118. In addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), to be merged with, and to be available for the same purposes and the same time period as that account.

Limiting the expenditure of funds for projects impacted by BRAC 2005 [Conference Report—House Report 112-331]

The conference agreement includes section 123 as proposed by both the House and the Senate placing limitations on the expenditure of funds for projects impacted by BRAC 2005.

Associated Bill Text

SEC. 123. None of the funds made available in this title, or in any Act making appropriations for military construction which remain available for obligation, may be obligated or expended to carry out a military construction, land acquisition, or family housing project at or for a military installation approved for closure, or at a military installation for the purposes of supporting a function that has been approved for realignment to another installation, in 2005 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note), unless such a project at a military installation approved for realignment will support a continuing mission or function at that installation or a new mission or function that is planned for that installation, or unless the Secretary of Defense certifies that the cost to the United States of carrying out such project would be less than the cost to the United

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States of cancelling such project, or if the project is at an active component base that shall be established as an enclave or in the case of projects having multi-agency use, that another Government agency has indicated it will assume ownership of the completed project. The Secretary of Defense may not transfer funds made available as a result of this limitation from any military construction project, land acquisition, or family housing project to another account or use such funds for another purpose or project without the prior approval of the Committees on Appropriations of both Houses of Congress. This section shall not apply to military construction projects, land acquisition, or family housing projects for which the project is vital to the national security or the protection of health, safety, or environmental quality: *Provided*, That the Secretary of Defense shall notify the congressional defense committees within seven days of a decision to carry out such a military construction project.

**Related to the closure of the Umatilla Army Chemical Depot [Conference Report—
House Report 112-331]**

The conference agreement includes a modified section 126 as proposed by the Senate related to the closure of the Umatilla Army Chemical Depot. The House bill contained no similar provision.

Associated Bill Text

SEC. 126. (a) Notwithstanding any other provision of law, the Secretary of the Army shall close Umatilla Chemical Depot, Oregon, not later than 1 year after the completion of chemical demilitarization activities required under the Chemical Weapons Convention.

(b) The closure of the Umatilla Chemical Depot, Oregon, and subsequent management and property disposal shall be carried out in accordance with procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 110-510; 10 U.S.C. 2687 note).

(c) Nothing in this section shall be construed to affect or limit the application of, or any obligation to comply with, any environmental law, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(d) The Secretary of the Army may retain minimum essential ranges, facilities, and training areas at Umatilla Chemical Depot, totaling approximately 7,500 acres, as a training enclave for the reserve components of the Armed Forces to permit the conduct of individual and annual training.

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REPORT LANGUAGE

Department of Defense Base Closure Account 2005 [Conference Report—House Report 112-331]

The conference agreement appropriates \$258,776,000 for the Department of Defense Base Closure Account 2005, as proposed by both the House and Senate. The conferees note that significant bid savings have been realized in the BRAC 2005 military construction program, primarily as a result of the favorable bid climate over the past several years, and believe that these savings should be used to offset current BRAC 2005 requirements as well as current and projected requirements of the Homeowners Assistance Program. The conferees therefore are rescinding \$258,776,000 from previous BRAC 2005 appropriations (Sec. 132 of Administrative Provisions) to offset the fiscal 2012 request. Additionally, the conferees direct the Department to use the transfer authority provided elsewhere in this Act to transfer sufficient unobligated balances from the BRAC 2005 account to the Homeowners Assistance Program to address eligible claims for benefits, including permanent change of station benefits, submitted through September 30, 2012.

Base Realignment and Closure [House Report 112-94]

The committee recognizes the unique strain placed upon state and local military communities, municipalities, and jurisdictions through the Base Realignment and Closure (BRAC) process. The committee also recognizes that under U.S. Census rules established in response to the Vietnam War, military personnel stationed overseas were not counted in the 2010 Census as residents of the states and communities in which they were stationed. Consequently, because many federal and state programs use funding formulas tied to the decennial census, this rule could deprive military communities, where servicemembers and their families live a majority of the time, of federal funding they are justly entitled to receive. The committee encourages the Department of Defense to work closely with local municipalities and jurisdictions to help minimize the impact of both policies on their ability to provide appropriate infrastructure and resources to best meet the needs of U.S. military servicemembers and their families.

Base Realignment and Closure 2005 (Transportation Infrastructure Improvements) [House Report 112-94]

The committee directs the Secretary of Defense to determine the magnitude of impacts, with particular emphasis on mission accomplishment, as a result of ongoing and future Base Realignment and Closure actions on transportation infrastructure at and in the vicinity of each affected military installation and consider expanded use of and additional funding sources for the Defense Access Roads program to mitigate such impacts through multi-modal transportation improvements and report to the committee on the findings by January 30, 2012.

BRAC 133 [Conference Report—House Report 112-331]

On November 30, 2011, the Department of Defense Inspector General (DODIG) released report number DODIG 2012-024, which found that the Army's transportation management plan for Base Closure and Realignment (BRAC) recommendation #133 (Mark Center) was based on faulty data, rendering the transportation plan's findings and conclusions unreliable. Further, the Inspector General found that the traffic studies used to develop the plan do not address the totality of issues related to site ingress and egress, nor will the plan achieve its goal of reducing single-occupancy vehicle utilization. The conferees find the analysis as outlined in the DODIG's report deeply troubling. Equally troubling is the Army's refusal to even consider the DODIG's recommendations.

In an effort to mitigate traffic congestion surrounding the Mark Center site, the conference agreement includes a limitation on the number of parking spaces the Department may utilize at the Mark Center to no more than 2,000, with the exception of disabled parking spaces. The limitation may be waived in part, but not in whole, if the Secretary of Defense certifies that none of the intersections surrounding the Mark Center reach failing levels of service "e" or "f," as defined by the Transportation Research Board Highway Capacity Manual, during a consecutive 90 day period.

Should the intersections currently undergoing traffic monitoring surrounding the Mark Center be deemed as not to have reached failing levels of service, the Department of Defense (DOD) and the Virginia Department of Transportation (VDOT) must agree to the number of additional spaces that may be utilized at the Mark Center, which would then be subject to another 90 day traffic monitoring program. To ensure that the Department adequately plans and mitigates traffic generated by the BRAC #133 development, the Department is directed to implement the DODIG's recommendations outlined in report number DODIG-2012-024, and certify to Congress not later than 180 days after enactment of this Act that the recommendations have been implemented.

The conferees recognize that the employees that work at the Mark Center bear no fault in the poor planning and execution of the transportation management plan. The conferees therefore strongly encourage the Department of Defense to examine mandatory commuting alternatives such as telework, flexible work schedules, satellite parking facilities with dedicated shuttle service to the Mark Center, parking capacity at the Pentagon, additional ridesharing and public transit incentives and all other means to ensure that Mark Center employees can commute to and from work without undue burden.

Incrementally Funded Project [Conference Report—House Report 112-331]

The conferees note that the Administration requested several large military construction projects that can be incrementally funded, but were instead submitted as large single-year

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requests, in accordance with a directive from the Office of Management and Budget to the Department of Defense to severely restrict the use of incremental funding for military construction. The Committees on Appropriations of both Houses of Congress have previously notified the Administration that they reserve the prerogative to provide incremental funding where appropriate, in accordance with authorizing legislation. The conferees continue to believe that military construction projects should be fully funded or separated into stand-alone phases when practical. In some cases, however, incremental funding makes fiscal and programmatic sense. The conference agreement therefore incrementally funds the following projects: Aviation Complex Phase 3A, Fort Wainwright, Alaska; Mountainview Operations Facility, Buckley AFB, Colorado; Hospital Replacement, Increment 3, Fort Bliss, Texas; Ambulatory Care Center Phase 3, Joint Base San Antonio, Texas; STRA TCOM Replacement Facility, Increment 1, Offutt AFB, Nebraska; Data Center, Increment 3, Camp Williams, Utah; Ambulatory Care Center, Ph 3, Joint Base Andrews, Maryland; and Strike Fuel Systems Maintenance Hanger, Anderson AFB, Guam.

Army Stationing in Europe [Conference Report—House Report 112-331]

In order to better understand future requirements for U.S. military construction in Germany in light of current and projected realignment activities, the conferees direct that no later than 90 days after enactment of this Act, the Secretary of Defense shall provide a report, in writing, on installations and properties in Germany that the Department of Defense intends to return to the host nation. This report should include (1) intended timelines for closures of U.S. Army installations along with a list of military construction projects required at other installations to facilitate the downsizing and consolidation of Army forces in Germany; (2) identification of the brigade combat team that will be withdrawn from Germany; (3) an estimate of costs (including operation and maintenance costs and military construction costs) to be incurred during fiscal years 2012 through 2015 in connection with keeping the brigade identified in Germany through September 30, 2015, versus stationing a similar brigade in the United States; and (4) identification of the Army installations in the United States with the capability, existing infrastructure, and training facilities to support a brigade combat team similar to the one referenced above. The report should be submitted to the Committees on Appropriations of both Houses of Congress and may include a classified annex in necessary.

Guam Realignment [Conference Report—House Report 112-331]

The conferees support the Administration's focus on strengthening the U.S. military posture in the Pacific region. One of the most ambitious undertakings by the Department of Defense is the joint U.S.-Japanese plan to move 8,000 Marines and their families from Okinawa to Guam. The conferees note that a number of unforeseen obstacles, including lengthy environmental studies, legal challenges, and land use issues, have hampered the Department's ability to execute planned military construction projects associated with the realignment that have been funded in previous appropriations bills. In light of these delays, the conference

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agreement does not include funding, as requested, for two projects associated with the realignment. The conferees encourage the Department to complete the Guam master plan and provide a revised cost estimate and timetable for the Guam relocation so that the realignment can proceed without further delay.

Missile Defense within U.S. Pacific Command Area of Responsibility [House Report 112-94]

Obstacles ranging from passive to active hostility are challenges to the efforts by U.S. Pacific Command (PACOM) to maintain security across the large Asia-Pacific region. Potential and existing threats from North Korea and China make the command's focus on maintaining security throughout the region a top priority. Security in the region also includes missile defense of our allies. Currently there is a missile defense presence of patriot missile batteries based in South Korea and early warning information is shared with our allies. With Command's responsibility for such a vast region and the planned increase of Marines Corps personnel on Guam, the committee directs the Department of Defense to submit a report within 60 days after enactment of this Act to the Committees on Appropriations of both Houses of Congress on what additional missile defense assets would be required to support continued security of the region from existing threats.

Department of Defense Education Activity (DODEA) Schools [Conference Report—House Report 112-331]

The conferees note that over 86,000 children attend DODEA schools in the United States and overseas, but according to the 2009 DOD *Report to Congress on Department of Defense Education Activity's Military Construction Program*, 79 percent of DODEA schools were structurally rated as poor or failing. The conferees note that DOD's Future Years Defense Plan (FYDP) for fiscal years 2012 through 2016 includes funding to recapitalize many, but not all, of these schools. The conferees urge the Secretary of Defense to prioritize the recapitalization of all poor or failing DODEA schools, and accelerate funding for this purpose in future FYDPs.

Energy Conservation Investment Program (ECIP) [Conference Report—House Report 112-331]

The conference agreement provides \$135,000,000 for ECIP, as proposed by both the House and the Senate. Additionally, the conference agreement provides \$10,000,000 in dedicated funding for ECIP planning and design, as proposed by the Senate. The conferees strongly support the efforts of the Department of Defense to promote energy conservation, green building initiatives, energy security, and investment in renewable energy resources, and commend the leadership of the Department and the services for making energy efficiency a key

component of construction on military installations. The conferees urge the Department to use the dedicated planning and design funds to invest in innovative renewable energy projects as well as projects that enhance energy security at military installations and encourages the Department to request dedicated planning and design funding for ECIP in future budget submissions.

Evaluation of Operational Costs in Air Force Strategic Basing Process [Senate Report 112-29]

The committee commends the Air Force for its commitment to developing and maintaining a transparent, repeatable, and effective strategic basing process. The committee is concerned that the cost criteria for the Air Force strategic basing process do not include evaluation of the relative operational costs that may vary from each candidate base. Given the high cost of operating aircraft, the recurring nature of these costs, and the significant improvements in modeling and simulation to evaluate alternative bed-down scenarios, the committee believes these costs warrant examination in the strategic basing process. These operational costs include the cost associated with the flight time resulting from a candidate base's relative distance to military operating areas for tactical fighter aircraft, training ranges for trainer aircraft, logistic centers for airlift aircraft, and operational refueling tracks for tankers. Therefore, the committee directs the Secretary of the Air Force to capture and evaluate these operational costs when evaluating candidate bases in the strategic basing process.

Water Infrastructure (Army) [Senate Report 112-29]

The committee is concerned about the level of investment in Army water infrastructure projects. Army bases, especially those in areas with growing populations and sensitive environments, would benefit economically and environmentally from sustained investment in upgraded water infrastructure. While the committee is encouraged by Army advances in water conservation represented by the Net Zero Water pilot program, gains from this program can only be sustained by consistent investment in upgraded water infrastructure. As the Army looks at its ability to reduce pollution and limit effluent, the Army needs to look at prioritizing drinking water and waste water improvements within the military construction program.

ITEMS OF SPECIAL INTEREST

Defense Access Roads [Senate Report 112-29]

As a result of the massive buildup of various military installations throughout the Nation due to BRAC 2005 realignments, force structure increases, and force transformation initiatives,

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the issue of traffic congestion in and around growth installations, particularly in densely populated urban areas, has become a major problem for both DOD and local communities.

The only funding mechanism for DOD to build or improve public roads outside of military installations is the Defense Access Road [DAR] program. Unfortunately, the DAR program is constrained by stringent eligibility requirements, such as the doubling of existing traffic, which make it virtually impossible for highly congested urban areas to qualify.

Two recent studies—the Government Accountability Office [GAO] report “Defense Infrastructure: High-level Federal Interagency Coordination is Warranted to Address Transportation Needs beyond the Scope of the Defense Access Roads Program” (GAO–11–165) and the committee-directed study by the National Academies of Sciences Transportation Research Board, “Federal Funding of Transportation Improvements in BRAC Cases”—identified serious shortcomings in the existing DAR criteria that limit the DAR program’s ability to meet the traffic mitigation needs of communities surrounding growth installations, especially urban communities.

For example, DAR certification, which is required before a road project can be considered for military construction funding, is a cumbersome process and does not guarantee funding. Each road project is funded individually and must compete with all other worthy and needed military construction projects. Often, installation commanders are unaware of the DAR program or its requirements. Additionally, DOD leadership and installation commanders frequently do not coordinate or effectively communicate the impacts of major basing decisions on traffic patterns with local community planning entities. For major metropolitan areas, the most serious problem with the DAR program is that the eligibility criteria, including the requirement that existing road traffic must double, are impossible to demonstrate when traffic is already at a maximum volume.

Both GAO and the Transportation Research Board provided recommendations to address these issues. The committee directs the Department to utilize the findings of both reports and develop a plan to improve the DAR program, with specific focus on modifying the DAR criteria. The committee also encourages the Department to develop a plan to eliminate the backlog of road projects needed to mitigate traffic impacts on local communities that have experienced significant growth as a result of the most recent round of base closures. In addition, the committee urges the Department to incorporate public road and transportation infrastructure requirements into future basing decisions.

Global Challenges [Senate Report 112-29]

The stationing of U.S. military forces overseas has long been viewed as a key component in strengthening international alliances in support of U.S. foreign policy objectives deterring

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aggression against U.S. allies, and providing a forward presence of U.S. troops that can be quickly deployed to respond to conflicts.

However, the strategic benefit of forward deployment comes with a steep price tag, and at a time of severe budgetary pressures, it is essential that all overseas basing decisions be carefully evaluated and subjected to stringent cost versus benefit analyses.

The committee has carefully scrutinized the Defense Department's [DOD] overseas basing plans and the associated request for military construction funding for fiscal year 2012 in support of those plans. While supportive of the Department's strategic objectives, the committee has concerns over various aspects of the fiscal year 2012 military construction request in support of DOD's global defense posture, due largely to questions surrounding the assumptions on which some of the projects are based, the lack of comprehensive master plans for major military construction initiatives, and the paucity of verifiable cost and scope data for military construction projects associated with major basing or realignment initiatives.

Following are discussions and committee recommendations regarding several key DOD overseas basing initiatives.

Japan/Okinawa/Guam [Senate Report 112-29]

In mainland Japan, Okinawa and Guam, DOD and the Government of Japan are moving forward with a complex troop realignment initiative that includes repositioning and consolidating United States forces among a number of bases within Okinawa and Japan, and relocating approximately 8,600 Marines and 9,000 dependents from Okinawa to Guam. The Marine relocation is one piece of a larger DOD effort to build up the United States military presence on Guam. Other elements of the plan include Air Force intelligence, surveillance and reconnaissance assets; a new Navy pier and hospital, and, potentially, an Army missile defense component.

The committee is concerned that although DOD has requested more than \$1,000,000,000 in funding since fiscal year 2010 for military construction projects to implement elements of the Marine Corps buildup in Guam, the Department has yet to produce a comprehensive master plan, realistic cost estimate, or construction timeline encompassing all elements of the plan. Moreover, several land use issues—including the availability of land on Guam and the Northern Mariana Islands for essential training range support for the Marines—remains unresolved. And the proposed United States military construction program does not begin to address the requisite civilian infrastructure improvements on Guam—including transportation, water, sewer and electrical upgrades—that will be needed to accommodate the projected population increase.

The committee is also concerned about the defense of the planned United States military assets and facilities on Guam. Although the original Guam plan included a potential Army air

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and missile defense system, there is no construction funding for the project in the Army's Future Years Defense Plan and no indication that DOD intends to proceed with this crucial project. Absent a robust defense system, United States military facilities on Guam will be vulnerable to potentially devastating attack by enemy forces.

GAO reported that it had identified approximately \$29,100,000,000—primarily construction costs—that is anticipated to be shared by the United States and Japan to implement initiatives in mainland Japan, Okinawa, and Guam. According to the GAO report, DOD officials stated that total cost estimates for its initiatives were not available because of the significant uncertainty surrounding initiative implementation schedules. Furthermore, while it is difficult to determine what, if any, impact the March 11, 2011, earthquake and tsunami in Japan will have on current agreements and initiative financing and construction plans, DOD officials have said that there is potential for increases in the cost of materials and labor in Asia.

In assessing the overall DOD force posture realignment in the Pacific region, GAO pointed out that congressional defense committees “have been presented with individual posture decisions and funding requests that are associated with specific construction programs or initiatives, but those requests lack comprehensive cost estimates and the financial context that such estimates would provide—including long-term costs to complete and annual operation and maintenance costs.”

“Without that context,” GAO warned, “DOD is presenting Congress with near-term funding requests that will result in significant long-term financial requirements whose extent is unknown.”

Due to the lack of verifiable cost estimates for the Guam buildup, the failure of DOD to submit to the congressional defense committees a comprehensive master plan for the initiative, and continuing uncertainty over the ability of the Government of Japan to fulfill its commitment to relocate United States troops on Okinawa, the committee has deferred funding for fiscal year 2012 military construction projects associated with the relocation of United States Marines to Guam.

No funding was requested in the fiscal year 2012 budget for military construction related to tour normalization in Korea, but the committee will expect detailed cost information and a completed business case analysis, approved by the Secretary of Defense, for the strategic objectives that to this point have driven the decision to implement tour normalization, before approving any funding requests in future years. This business case analysis should clearly articulate the strategic objectives, identify and evaluate alternative courses of action to achieve those objectives, and recommend the most cost-effective alternative.

To ensure that DOD and Congress have comprehensive posture cost information that can be used to fully evaluate investment requirements and the affordability of posture initiatives, GAO recommended in its report that DOD take seven specific actions, including developing a

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business case analysis for the strategic objectives related to tour normalization, limiting investments and funding risks at Camp Humphreys, and developing annual posture cost estimates for initiatives in the Pacific region that can be used in future posture planning. Although DOD generally agreed with GAO's recommendations, it did not specify what corrective actions it would take or identify timeframes for completion. The committee strongly supports the recommendations contained in GAO-11-316, and therefore directs the Secretary of Defense to provide the following information within the specified timelines:

—Prepare initiative status reports as described in Senate Report 111-226, and include them in the annual DOD Global Defense Posture report as specified by the committee in Senate Report 111-226.

—Provide to the congressional defense committees and to the Comptroller General a detailed implementation report describing the results of the Department's efforts and specific timeframes for further actions needed to implement the recommendations contained in the GAO report 11-316. The corrective action implementation report shall include, but is not limited to, the following:

—a completed business case analysis for the strategic objectives that to this point have driven the decision to implement tour normalization;

—the selected alternative that has been approved by the Secretary of Defense to achieve the stated strategic objectives;

—a full accounting of the funds applied and requested to construct new facilities and infrastructure at Camp Humphreys, Korea, with specific identification of all funds associated with implementing tour normalization;

—steps DOD has taken to limit investments and other financial risks associated with construction programs at Camp Humphreys—funded either by direct appropriations or alternative financing methods that are affected by decisions related to tour normalization; and

—a comprehensive cost estimate for DOD posture in the U.S. Pacific Command, including costs associated with operating and maintaining existing posture as well as costs associated with posture initiatives.

This report shall be provided to the congressional defense committees no later than March 15, 2012.

The committee further directs the Comptroller General to assess the implementation report of the Secretary of Defense, and report the results of the GAO assessment to the congressional defense committees within 120 days of receipt of the report of the Secretary.

The committee also directs the Comptroller General to conduct a detailed assessment of posture initiatives in Japan, Okinawa, and Guam, focused on the planning, costs, long-term financial commitments, the status of the Futenma Replacement Facility and the transfer of Marine Corps forces to Guam, and the impact of the natural disasters that struck Japan in March 2011. GAO's assessment should include, but is not limited to, the extent to which DOD has:

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—developed specific plans for new facilities, infrastructure and housing units in mainland Japan, Okinawa, and Guam under existing or planned agreements with Japan, and the extent to which these requirements depend on establishing the Futenma Replacement Facility;

—developed options or alternatives to the Futenma Replacement Facility and evaluated the potential impact on infrastructure, housing conditions, requirements, and estimated posture costs;

—evaluated how changes in the specific Marine Corps units and forces that will remain in Okinawa or relocate to Guam affect infrastructure and housing costs on Okinawa and Guam;

—developed an approach to identify and address any cost, funding, schedule, or construction capability shortfalls resulting from the natural disasters that struck Japan in March 2011; and

—identified specific training deficiencies that form the justification for a new training range in the Northern Mariana Islands, and completed an analysis of alternatives to address these shortfalls.

This assessment shall be provided to the congressional defense committees no later than May 25, 2012.

U.S. Pacific Command Transformation [Senate Report 112-29]

The Defense Department has embarked upon a massive restructuring of U.S. military forces in the Pacific Command [PACOM]. This effort represents the largest transformation of U.S. military presence in the Pacific region since World War II. Moreover, it carries with it an as-yet undetermined infrastructure price tag estimated to be in the tens of billions of dollars.

The plan comprises two overarching realignments—one realigning the stationing of United States troops and instituting a new “tour normalization” program in the Republic of Korea, and the second redistributing United States forces in Japan and Okinawa and moving thousands of United States Marines and their families from Okinawa to Guam.

The committee is concerned about the practical implications of implementing such a sweeping and potentially costly restructuring of United States military forces at a time of severe budget restraints and, in the case of the Japan/Okinawa realignment, in the face of popular opposition to essential components of the plan from the citizens of Okinawa.

A May 2011 report to the committee by the Government Accountability Office [GAO], “Defense Management: Comprehensive Cost Information and Analysis of Alternatives Needed to Assess Military Posture in Asia” (GAO 11–316), found that DOD is transforming the facilities and infrastructure that support its posture in Asia without the benefit of comprehensive cost information or an analysis of alternatives that are essential to conducting affordability analyses.

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GAO identified potential costs for the PACOM transformation initiatives ranging as high as \$46,700,000,000 through 2020, and \$63,900,000,000 through 2050, but the report cautioned that the estimates are “volatile and not comprehensive.” In a time of soaring budget deficits that have resulted in the imposition of crippling budget cuts on non-defense programs, the committee questions the wisdom of embarking on long range, multi-billion dollar global defense initiatives based on military construction cost estimates that are found to be “volatile and not comprehensive.”