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APPROPRIATIONS COMMITTEE

TESTIMONY OF  
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(INSTALLATIONS AND ENVIRONMENT)

BEFORE THE  
HOUSE APPROPRIATIONS COMMITTEE  
MILITARY CONSTRUCTION SUBCOMMITTEE

THURSDAY, FEBRUARY 12, 2004

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Mister Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the Army's BRAC 2005 planning and to highlight some of the Army's overall accomplishments in the BRAC program.

In 1988, Congress established the Defense Base Closure and Realignment Commission to ensure a timely, independent and fair process for closing and realigning military installations. Since then, the Department of Defense has successfully executed four rounds of base closures to rid the Department of excess infrastructure and align the military's base infrastructure to a reduced threat and force structure. Through this effort, the Army estimates approximately \$9 billion in savings through 2004.

Pursuant to the FY 2002 Department of Defense Authorization Act, the BRAC law, Public Law 101-510, was amended to authorize a round of base closures in 2005. Consistent with this authorization and DoD and Army policy, the Army intends to accomplish this round of base closures and to accomplish the following goals: support Army transformation and help reshape the Army to better support the combatant commander; generate an installation portfolio in line with our force structure and mission requirements; and save money by consolidating functions, eliminating excess installations and creating efficiencies at closed or realigned installations. Cost savings from the base realignment and closure process will allow the Army to invest in remaining installations to improve operational capability and support - while maintaining the well-being of Army soldiers, civilians and their families. The Army supports a round of closures and realignments in 2005 and appreciates Congress' support and authority for the BRAC 2005 round.

The Army is working closely with the Office of the Secretary of Defense and the other Military Services through Joint Cross-Service Groups, the DoD Infrastructure Steering Group, and the Infrastructure Executive Council to generate the best possible installation portfolio, to enable us to train and operate jointly, project power globally, and provide the best possible support to combatant

commanders. In addition to joint operations and training, we are exploring joint organizational and basing solutions as concepts that will free resources to modernize equipment and infrastructure, and enhance our capabilities to meet the threats of the 21<sup>st</sup> Century.

The Office of the Deputy Assistant Secretary of the Army for Infrastructure Analysis (IA) is a new Army organization specifically created to accomplish and oversee compliance with the legal and regulatory requirements associated with BRAC 2005. The Deputy Assistant Secretary (IA), among his other responsibilities, will lead The Army Basing Study (TABS) in assessing all Army installations in accordance with BRAC law. The TABS Group serves as the single point of contact in the Department of the Army for BRAC 2005 analysis and will meet all legislatively and OSD-directed BRAC 2005 milestones.

The Army is conducting a comprehensive, detailed assessment of its Army installations, and their capacity and military value. The Army, in conjunction with the other Services and Joint Cross Service Groups, will evaluate base realignment and closure alternatives and develop, document, and publish base realignment and closure recommendations to the SECDEF that are consistent with the CSA's intent, DoD and Army force structure plans, BRAC selection criteria, and the requirements of the BRAC law. The Army will issue data calls to its installations in order to gather information and assist in its analysis. DoD has published the Draft Selection Criteria in the *Federal Register* for public comment, as required in BRAC legislation. The Final Selection Criteria is due to Congress on 16 February 2004 and unless disapproved by Congress, will form the basis for developing BRAC recommendations. All bases will undergo the same consideration and treatment during the evaluation process.

Even as we conduct analysis in conjunction with BRAC 2005, we continue to implement the decisions of the first four BRAC rounds.

The Army has made significant progress in its disposal of BRAC property and implementing the BRAC closure and realignment decisions. The Army

completed all closures (112) and realignments (27) for all 4 rounds of Base Realignment and Closure (BRAC) as of 13 July 2001, and continues to enjoy annual savings, which totaled more than \$900 million in FY 2003. However, these savings do not come without a short-term cost/investment.

Since 1988, the Army spent a total of \$5.5 billion through fiscal year 2004 on the BRAC program. The Army invested \$1.7 billion (31 percent) of that sum on facility and infrastructure construction or renovation at gaining installations. The consolidation of activities in new and renovated facilities has greatly improved efficiency in the workplace and the quality of life for Army personnel and their families.

Environmental restoration costs approximately \$2.5 billion (44 percent) at closing sites, a cost the Army would have to eventually bear. The remaining funds totaling more than \$1.3 billion (25 percent) funded equipment and personnel relocation costs.

The Army is now in the third year of completing the remaining environmental restoration activities and associated caretaking operations at BRAC installations that have closed but not yet transferred. We request funds in fiscal year 2005 to properly maintain these installations and to continue environmental restoration and ordnance removal actions that will facilitate economic revitalization and will render these installations safe and suitable for transfer. We are requesting \$100.3 million in fiscal year 2005: \$8.3 million to fund caretaking operations of remaining properties and \$92.0 million for environmental restoration. In FY 2005, the Army will complete environmental restoration efforts at three installations, leaving 11 installations requiring environmental restoration.

FY 2003 was a superb year! The Army transferred 100,957 acres of BRAC property in FY 2003, which is almost 40% of the total Army BRAC excess acreage, and almost as many acres as all prior years combined. To date, the Army has disposed of 223,911 acres (85 percent of the total acreage disposal requirement of

262,705 acres). The Army has 38,794 acres of BRAC land remaining to dispose of at 28 BRAC installations.

The Army was able to accomplish this goal by using a combination of innovative and traditional transfer mechanisms and property disposal authorities. Transfers were conducted using all available --economic development conveyances, public benefit conveyances, conservation conveyance, public sales, negotiated sales, CERCLA early transfers and transfer to other federal agencies. The Army continues to utilize Environmental Services Cooperative Agreements and Performance Based Contracting for environmental restoration activities at BRAC sites, which supports the acceleration of cleanup and transfer of property.

The BRAC program pioneered the use of a type of Performance Based Contract known as Guaranteed Fixed Price Remediation (GFPR), which has now become a DoD Business Initiative Council (BIC) effort. In FY 2003, the Army BRAC program awarded two such contracts for cleanup at Fort Ord, California and Camp Bonneville, Washington, bringing the BRAC program's GFPR contract total to nine awards.

The Department of Defense is authorized to enter into cooperative agreements with federal, state or local government entities or conservation agencies for the remediation of contamination on DoD property. The Army has used this authority to enter into Environmental Services Cooperative Agreements (ESCA) at BRAC property. These agreements allow the Army to transfer property and associated cleanup responsibilities to local redevelopment authorities and thereby allow the authority to integrate cleanup with their redevelopment plans. In FY 2003, the Army awarded an ESCA to the Joint Powers Authority at Fort McClellan, Alabama for property contaminated with hazardous wastes and ordnance and explosives. This grant combined with a CERCLA early transfer allowed the Army to transfer over 4,693 acres of property and the associated cleanup responsibility to the local redevelopment authority years ahead of

schedule. This was the first ESCA in DoD granted for the cleanup of ordnance and explosives. This action saved the Army approximately \$11 million.

The Army remains committed to promoting economic redevelopment at our BRAC installations. We are supporting early reuse of properties through economic development conveyances, as well as the early transfer of properties along with the use of ESCAs and guaranteed fixed price remediation contracts to accelerate the completion of remaining environmental remediation. The Army is also leasing property that cannot be transferred due to its environmental condition. Leasing allows communities to use property before the environmental remediation is complete and it relieves the Army of operation and maintenance costs associated with the property. Real property assets are being conveyed to local communities, permitting them to quickly enter into business arrangements with the private sector.

There are many examples of Army success in implementing BRAC. There are also examples of the complex and difficult challenges associated with this unique task. We have learned lessons from our successes and from working through difficult and challenging tasks. We will build on these lessons and successes as we execute BRAC 2005. We owe it to our Soldiers to transform this Army to provide them the greatest opportunities for success as we send them into harms way. With your support and authority to execute BRAC 2005, Army infrastructure will be better configured to face the new challenges, and our nation will be safer and more secure.

Mister Chairman, this concludes my statement. Thank you.