

House Armed Services Subcommittee on Readiness Holds Hearing on Military Base Realignment and Closure Authorization

LIST OF PANEL MEMBERS AND WITNESSES

FORBES:

We want to welcome all of our members and our distinguished panel of experts to today's hearing that will focus on the administration's request for another base realignment and closure round. I want to begin by apologizing to all of our witnesses for the fact that we've had to delay this because of our votes. Thank you so much for your patience and putting up with that delay.

And I welcome this discussion to assess whether our facilities and infrastructure are aligned with our force structure, but to answer this question I think we need to assess the size of our armed forces. In my estimation there are two courses of action for Congress to consider: While our military exists in an era of peace and tranquility that includes reducing the size of our armed forces or one that presumes the changing security environment will challenge our strategic objectives and require a robust military to provide peace and stability.

One does not need to look too far in our past to predict our future. Countless intelligence estimates underscore the fact that we will be challenged in any number of regions and by numerous nongovernmental entities. The proliferation of nuclear capabilities as sought by Iran and North Korea, the emerging influence of an expanding People's Republic of China, and the continued instability in Afghanistan, Syria, and Libya all point to an uncertain future where our nation's armed forces will be called upon to provide stability.

I believe in maintaining peace through strength. I believe that a strong economy requires a strong military to protect the free flow of goods around the world. And I believe in American exceptionalism.

My friends, it's for these reasons that I believe our nation is charting the wrong course with these sweeping military reductions. The president's new strategic guidance departs from a bipartisan strategy that's been in existence for nearly two decades.

The shortsighted, budget-driven imperatives underpinning this strategy presume our military will not be required to prevail in two simultaneous regional engagements. Again, in my estimation this direction is fraught with danger and will place American interests as well as American lives at risk.

Let me be very clear: I'll oppose any initiative that seeks to undermine the preeminence of our military. I'll oppose any effort that breaks faith with our service members and veterans. And I'll oppose any effort that seeks to diminish the capabilities of our service members in favor of an expanded social agenda.

The administration presumes that our military will go quietly in the night. Thus far, the silence of our uniformed leadership on this issue has been deafening. Speaking for myself and what I believe is the majority of Americans, our nation cannot afford additional reductions in our military.

As to the request that is before our subcommittee this morning, I look forward to better understanding the reason the administration believes that another round of base closures is

necessary. In my initial assessment of this issue I believe that our current force structure is correct and our infrastructure is adequately sized for our future force. If the administration presumes that a reduced force structure is required to meet our future security challenges and cite this as the principal reason for this BRAC request I must move to vigorously oppose another round of BRAC.

Joining us today to discuss reasons for another round of base closure are three very distinguished individuals, and we appreciate their expertise and their willingness to be here today. Dr. Dorothy Robyn is the deputy undersecretary of defense for installations and environment. Brigadier General Christopher D. Bishop is the acting deputy assistant secretary of defense for plans. And Brian Lepore, director, defense capabilities assessment, the U.S. Government Accounting -- Accountability Office.

Once again, ladies and gentleman, we thank you all for being here.

And I now recognize my good friend, the ranking member, Ms. Bordallo, for any remarks she may have?

BORDALLO:

Thank you very much, Mr. Chairman.

Dr. Robyn, welcome. Welcome to our subcommittee. I have appreciated the opportunity to work closely with you over the past three years on issues pertaining to the realignment of Marines on Guam as well as some environmental issues.

General Bishop, thank you for your service and for appearing before the committee this morning.

And also, I welcome Brian Lepore, from GAO, back to our subcommittee.

Today our subcommittee is going to receive testimony on an issue that evokes a lot of passion and concern from our members. Many of us remember BRAC 2005 and some even previous BRAC rounds. As the former lieutenant governor of Guam I remember working hard to protect the bases on Guam.

And I've also found it very ironic that despite BRAC rounds on Guam the Department of Defense continues to seek private or government of Guam land to meet training requirements on the island. I think this service (ph) to highlight how shortsighted the BRAC process can be given the dynamic nature of our military requirements.

However, from my personal experience I am deeply concerned about the administration's intent to request another BRAC round. A 2007 GAO report and analysis indicated that the annual net recurring savings for the BRAC 2005 round was \$4.0 billion while total costs for that BRAC round increased 66 percent, from \$21 billion to \$35 billion, compared to the BRAC Commission's reported estimates.

Moreover, GAO estimates indicated that cumulative BRAC 2005 savings would not exceed cumulative costs until 2018. Due to the significant upfront costs associated with BRAC and the length of time to see a payback how can we afford another BRAC round, given the funding reductions mandated by the Budget Control Act?

Furthermore, our discussion about overseas basing posture is very important for the current and future security of our nation. As we decrease our operational tempo in Afghanistan and have ended the war in Iraq we need to make sure that our country is postured for the next century.

I appreciate this administration's continued commitment to the Asia Pacific region. However, I am concerned that the F.Y. '13 budget does not match the rhetoric of this strategy.

This committee has remained supportive of efforts to increase our focus on the Asia Pacific region, but questions remain about the strategic value of recent realignment decisions. I do fear that the department is making short-term decisions on overseas basing posture to the detriment of our long-term strategy and requirements. While I remain supportive of the overall goals of realigning Marines from Okinawa to Guam, I think the strategic value -- not just perceived budget or political constraints -- need to be better understood by me and the members of this subcommittee.

I believe it is important for our nation to maintain an intelligent, well-balanced forward presence of forces in overseas locations. It is important for us to find the right balance between permanent presence in some locations as well as reliance on host nation support and rotational forces.

But the risks associated with finding balances must be weighed very carefully. I am concerned that these risks have not been clearly weighed in the matter of realigning forces in Japan, and I am also concerned about proposed reductions in Europe and the message that it sends to our allies in NATO, especially Germany.

So today I look forward to the testimony from our witnesses and to our question and answer period.

And I yield back, Mr. Chairman.

FORBES:

Thank you for those remarks, Madeleine.

As we discussed prior to the hearing, I ask unanimous consent that it be made in order to depart from regular order so that members may ask questions that follow the train of thought from the preceding member. I think this will provide a roundtable-type format and will enhance the dialogue of these very important issues. So without objection, that's so ordered.

And with that, Dr. Robyn, thank you for being here. We look forward to your statement, and the floor is yours.

ROBYN:

Thank you very much, Chairman Forbes, and Ranking Member Bordallo, other members of the subcommittee. Thank you for the opportunity to testify on the department's request for authority to conduct two more rounds of base realignment and closure.

A year ago I spoke to a gathering of aerospace executives in Phoenix about what the Department of Defense was doing about facility energy. At the beginning of the speech, as a way to explain the challenge and the urgency of the task that I faced in overseeing that I pointed out that DOD has a very large infrastructure footprint -- 300,000 buildings, 2.2 billion square feet of space. That's three times as much space as Walmart, six times as much space as GSA.

I went on to talk about the -- in very excited way about all that we're doing to cut our energy costs on installations and improve energy security. Given that the audience was aerospace executives, I was looking forward to a lively exchange of questions about microgrids and other high-tech solutions.

When I finished my speech the CEO of one of the largest defense contractors in the country quickly raised his hand. He said, "How many of those 300,000 buildings do you really need?"

It was a good question and it was for me a sobering reminder that at a time when the Department of Defense is cutting weapon systems and telling defense contractors they have to reduce their overhead that defense industry leaders and others are looking to the department to do just the same thing.

And as you know, it isn't just weapon systems that we're cutting. In keeping with the new strategic guidance and to meet the demands of the Budget Control Act, which requires a cut of \$487 billion over 10 years, we are also reducing our force structure.

You've heard the numbers. The Army is reducing force levels by 72,000; the Marine Corps is resizing to 182,000 active Marines; and the Air Force is eliminating nearly 300 aircraft over five years. That, in a nutshell, is why we are asking for additional BRAC rounds.

The math is straightforward. Force reductions produce excess capacity; excess capacity is a drain on resources. Only through BRAC can we align our infrastructure with our defense strategy.

Now, I know that BRAC is not popular and I expect to get many tough questions today. Let me respond to two of them in advance.

First, why can't we cut bases in Europe before we pursue a BRAC round here at home? Let me start by noting that we have already made significant reductions in our European footprint.

In the last 20 years U.S. force presence in Europe, as measured by number of personnel and installation sites, has gone down by about 80 percent. Just since 2003 the department has returned more than 100 sites in Europe to their respective host nations and we've reduced our personnel by one-third.

And I distributed to you a chart showing just what Army has done in the last -- in the last five years. And the chart also shows that over the next three years Army will close an additional 23 sites, as -- as previously announced.

Now, with the recently announced force structure changes in Europe we can do more to consolidate our infrastructure there, and my office is working with the EUCOM theater commander, his component commanders, and service leadership here in Washington to measure the capacity of all of our European installations. This inventory will allow us to analyze how much capacity can be shed and where.

With the goal of long-term cost reduction we will assess the costs and savings of each proposed action and identify those with the highest payback. We anticipate having preliminary options for the secretary of defense to review by the fall.

However, even a significant reduction of our remaining footprint in Europe will not achieve the needed cuts to overall infrastructure. Hence, our request for a parallel BRAC process.

The second question -- or criticism that I want to respond to is this: Why would we do -- and, Congresswoman Bordallo, you mentioned this in your -- in your remarks -- how can we -- how can we afford another BRAC round given that the last one, the 2005 round, doesn't pay off until 2018? That's an eminently fair question but I would argue that the 2005 round is not the right comparison.

Unlike the first four BRAC rounds, which paid off in a relatively short period of time, the 2005 round was not about savings and eliminating excess capacity. Carried out in a post-9/11 environment when the department was at war, it was about transforming installations to better support the warfighter.

The Army, in particular, used BRAC 2005 to carry out major transformational initiatives, such as the modularization of brigade combat teams. Let me quote Dr. Craig College, the deputy assistant chief of staff for Army installation management: "The urgency of war drove the Army to leverage BRAC 2005 as the tool to integrate several critical transformational initiatives, which, if implemented separately, might have taken decades to complete."

In sort, the 2005 round took place during a period of growth in the military and it reflected the goals and needs of that time. Because the focus was on transforming installations as opposed to saving money and space it is a poor gauge of savings that the department can achieve through another BRAC round. The prior BRAC rounds, which reduced capacity and paid off in a relatively short period of time, represent a better gauge of such savings.

And just for the record, let me note that the first four BRAC rounds generated a total of \$8 billion in annual recurring savings -- savings that we -- that we get each and every year. The total savings to date from the first four BRAC rounds is \$100 billion.

For the BRAC 2005 round the annual recurring savings are \$4 billion, but because the payback period is longer we will not see the net savings from those until 2018.

The total of \$8 billion and \$4 billion -- \$12 billion -- represents the additional cost that DOD would incur each and every year for base operating support, personnel, leasing costs had we not had BRAC. These annual savings or avoided costs are equivalent to what the department would spend to buy 300 Apache attack helicopters, 124 Super Hornets, or 4 Virginia Class submarines.

Let me make a final point: Given the fiscal and strategic imperatives we face, if Congress does not authorize additional BRAC rounds the department will be forced to use its existing authorities to begin to realign and close bases. One reason we want to avoid that approach is that if the department acts outside of the BRAC process it is severely constrained in what it can do to help local communities.

To elaborate, when the department closes and realigns bases within the statutory BRAC process the local community is a key participant. Using the authorities provided in the BRAC Act, the department -- we work hard with -- to help local communities respond following a base closure.

This was not always the case. Following the 1988 and 1991 BRAC rounds the Department of Defense was largely indifferent to the fate of communities that had hosted its bases for decades. The services stripped property of assets that would have made it more valuable to the community -- they'd strip out underground sprinkler systems. Environmental cleanup took forever and the process of disposing of property, a key asset around which the community could build its base reuse plan, was slow, bureaucratic, and penny-pinching.

As a member of President Clinton's White House Economic Team I lead the Clinton administration's effort in 1993 to transform the way DOD and the rest of the federal government dealt with BRACed bases and the surrounding communities in an effort to promote job creation and economic development. My strongest supporter was then OMB Director Leon Panetta, who had represented the California district that was home to Fort Ord when that base was closed as part of the 1991 BRAC round. The changes that we made laid the groundwork for many base -- the many base reuse success stories from the 1990s that you hear about today.

If the department were forced to begin the closure and realignment process using its existing authorities communities would have to fend for themselves to a much greater degree. Under that scenario, local communities would have no role in the process for disposing of installation property. Land disposal outside of BRAC is done on a parcel-by-parcel basis with no mechanism for taking big- picture considerations into account.

Moreover, there would be no requirement for the services to dispose of the property in accordance with the local community's plans. Finally, there would be no special property disposal preference for the local community. By law, the local community would have to stand in line for the property behind, in order, other federal agencies, the homeless, and potential public benefit recipients.

In closing, let me restate the case for BRAC. The cuts in force structure that we are implementing and must implement to meet the requirements of the Budget Control Act must be accompanied by cuts in supporting infrastructure, including military bases. Absent a process for closing and realigning bases, the department will be locked in a status quo configuration that does not match its evolving force structure, doctrine, and technology.

Moreover, given the expense of our installation infrastructure, if we retain bases that are excess to strategic and mission requirements we will be forced to cut spending on forces, training, and modernization. We will also be forced to use our existing authorities to begin the realignment and closure process, a scenario that will deny communities the help they so deserve.

Thank you very much, and I look forward to your questions.

FORBES:

Thank you, Dr. Robyn.

General Bishop?

BISHOP:

Chairman Forbes, Ranking Member Bordallo, and members of the committee, good afternoon. I'm Chris Bishop. I'm the acting assistant secretary of defense for plans and policy and I'm here to answer any questions I can about the new defense strategy that's behind our posture decisions.

The president and the secretary of defense recognize the changing geopolitical environment and our financial circumstances, to include the Budget Control Act for the tune of \$487 billion, required to revise U.S. defense strategy. They led the civilian military leadership of the department through an extensive deliberation to develop the most recent strategic guidance, which was issued on January 5, 2012.

The secretary's priorities as we went into the strategy were very clear: maintain the world's finest military. A smaller, ready, well- equipped military is preferable to a large force that has -- that has been arbitrarily cut across the board.

Savings must come through a balanced approach. We need to preserve the quality of an all-volunteer force and not break faith with our men and women in uniform and their families.

This strategy directed the department to sustain a global presence with a rebalancing of our forces towards the Asia Pacific region and a sustainment of our presence in the Middle East. In Europe we're ensuring our ability to maintain defense commitments, including our NATO Article 5 commitment, and placing greater reliance on rotational presence and our partnership programs.

In Asia the department is working to make our posture more geographically distributed, operationally resilient, and politically sustainable. And last, as part of our -- our strategy the secretary of defense, the chairman, and other senior leaders wanted to make sure we increased critical -- we made critical -- increased investments in critical capabilities, such as cyberspace, special operations forces, and similar other capabilities.

I'll be glad to answer any questions, and thank you.

FORBES:

General, thank you.

Brian Lepore?

LEPORE:

Thank you, Mr. Chairman.

Chairman Forbes, Ranking Member Bordallo, and members of the subcommittee, thank you for the opportunity to be here today to present to you our preliminary findings on our review of -- and oversight of BRAC 2005. As you know, GAO serves as an independent and objective observer of the BRAC process and we review implementation of the BRAC recommendations in just the same way as we review implementation of many other federal programs.

We've issued many reports on BRAC 2005 -- about 30 to date, Mr. Chairman -- and also, as directed by the subcommittee, as you know, we are identifying lessons learned from BRAC 2005 and we will be reporting to you on that later this year.

My testimony today is based on our prior and our current work, and I will make two points. First, I will identify the key factors and challenges from BRAC 2005, and I will provide to you our latest cost and savings estimates.

Now, my first point: Some of the key challenges from BRAC 2005, some stem from the atypical way that DOD used BRAC. Here's what I mean: Prior rounds were more focused on saving money by reducing excess infrastructure, but this round was different. DOD established force transformation and enhancing jointness as goals along with reducing infrastructure to save money. These goals and the selection criteria focusing on military value led DOD to propose some atypical BRAC recommendations, and that's my point.

The round's goals and the military value selection criteria help to explain some recommendations that DOD proposed to the commission and the consequent outcomes from BRAC 2005. Here's an example: the consolidation of supply, storage, and distribution functions in the Defense Logistics Agency. The recommendation is to transform business processes after transferring them to the military services but this required a process to involve key stakeholders across the services and strategic agreements, among other things - - a little unusual approach.

Also, initiatives outside of BRAC can impact transformational recommendations within BRAC. Let me explain. DOD wanted to increase recruiting and foster jointness by consolidating functions in new armed forces reserve centers all across the country. The Army was to introduce 44 -- to implement 44 recommendations to construct 125 new armed forces reserve centers, but compounding the challenge of all of this construction was that it took place at a time when the force structure was changing among many of those units slated to occupy the centers.

Transformational recommendations can have far-reaching consequences but may not necessarily be focused just on saving money. Here's an example: The Air Force and the Air National Guard were implementing 37 recommendations affecting 56 Air National Guard bases to better support the future force structure.

As we previously reported, these recommendations were not likely to produce net annual recurring savings. The recommendations led to significant implementation challenges, also --

completing staffing documents, ensuring adequate capacity at technical schools, staff getting new missions, for example. Thus, implementing transformational-type recommendations can require significant collaboration and coordination among stakeholders, sometimes at multiple levels of government, and effective implementation planning and execution.

We saw challenging interdependent recommendations. Delays in one affected others.

Here is an example: The Communications-Electronic Life Cycle Management Command was scheduled to move from Fort Monmouth, New Jersey, to Aberdeen Proving Ground, in Maryland in a recommendation. But in another recommendation at Aberdeen the unit there had to move out of Aberdeen and move to Fort Lee, Virginia first. Construction delays at Fort Lee rippled back to Aberdeen, delaying construction supporting the relocation from Fort Monmouth. So interdependent recommendations were a key challenge in BRAC 2005.

The commission reported its struggle to understand the impact on bases that were both gaining and losing missions at the same time and felt they would have benefited from the staff expertise from successive and overlapping BRAC rounds like those in the 1990s. Here's why: core staff stayed in place from one round to the next. The 2005 commission felt that its staff had a steep learning curve.

Now, my last point: the cost and savings from BRAC 2005. DOD's fiscal year 2011 budget shows BRAC costs grew from \$21 billion to about \$35.1 billion. Military construction costs contributed about \$2.4 billion of that.

Construction costs are partially explained because DOD transferred about 123,000 people from one location to another without reducing the force structure. Thus, DOD effectively concentrated more people on fewer bases since about over 20 major bases did close in this BRAC round and incoming personnel need places to work and other support, thus fueling much of this military construction.

Now, the savings: DOD's budget shows net annual recurring savings now at about \$3.8 billion, so DOD should recoup the upfront costs of BRAC 2005 in 2018, the break-even point. That said, the commission's 20-year net present value savings estimate has decreased by 73 percent to about \$9.9 billion.

Now, some recommendations were known to be unlikely to achieve savings in the 20-year net present window all along. The commission approved 30 such recommendations in 2005, although that has now grown to 77 recommendations.

Mr. Chairman, this concludes my prepared remarks and I would be happy to answer any questions that you or the other members of the subcommittee may have.

FORBES:

Mr. Lepore, we'd like to thank you and all those who work with you for the great job you guys do over there at GAO, and thank you for being here today.

To all of our witnesses, again, thank you for being here. I thanked you and -- for your patience in being here with us through these votes.

I also thank our members. I know some of them are going to have to leave and have travel plans, so I'm going to defer my questions until the end to make sure as many of them can get theirs in as possible.

And so I'm going to at this point in time recognize the distinguished gentlewoman from Guam for any questions she might have.

BORDALLO:

Thank you, Mr. Chairman. I'll make mine quick.

Mr. Lepore, GAO has written substantially about the impact of previous BRAC rounds. The GAO has done a very thorough job in detailing the cost increases to implement BRAC 2005 as well as the reduced payback time. If -- and I stress, if another BRAC round were authorized what could the Congress do to help ensure a quicker payback time?

LEPORE:

Congresswoman Bordallo, I think the key point that I would make is that the choices that DOD makes in terms of selecting the goals of the round, the reasons for doing BRAC, as well as the selection criteria that they propose go a long way toward explaining the nature of the recommendations that are put forward. Thus, if saving money is going to be the key goal of BRAC -- of our future BRAC round, should you authorize one, then it is a fair question to ask them what goals they propose and how the military selection criteria, or whichever selection criteria they choose, will actually help to achieve those goals.

BORDALLO:

Thank you.

Dr. Robyn, the department, in its fiscal year 2013 budget, has suggested significant personnel and force structure changes. Unlike the military transformation efforts of last decade, these current changes seem aimed more at cost savings given our fiscally austere times. Are these current forces structure changes and, for example, retirement of aircraft in the Air Force, foreshadow where the department may use BRAC authority if another round was authorized?

ROBYN:

No, I don't think that's a -- a -- a fair -- I don't think it's -- it's reasonable to think that that's the case. When we do a -- a BRAC round we are -- the process requires us to consider every installation equally. So you can't really say, oh, because we're cutting that particular part of the force structure it's necessarily going to impact that installation.

Under the rules of BRAC -- and this is one of the strengths of the process -- we look at everything equally. So even if a -- you were cutting a weapon system at a particular base you would consider that base for additional missions.

So I would not draw that -- that link that you're -- that you're...

BORDALLO:

Thank you.

I just have one quick question, Mr. Chairman.

My final question is for you, Dr. Robyn, or General Bishop. Can you detail the efforts that have been ongoing to look at our overseas basing posture? I would like to and think it is important for members of this subcommittee to understand what metrics and analysis are ongoing to look at our overseas bases.

To what extent are we factoring in host nation support, like in Japan, where they pay for our forces stationed in the country to travel to their training locations? I've always been

concerned about some comments from members in the other body that want to broadly target overseas bases without having a very solid, analytical basis for these comments.

And I'm also curious how this overseas basing analysis will impact our overseas location in the Asia Pacific region. How does the president's announcement of a pivot to the region make a difference in the analysis?

Either one of you?

ROBYN:

I think some of what you're asking we'd be happy to provide but we can't do it in an -- in an open hearing.

From an installations perspective, we'll align the infrastructure to properly support evolving operational requirements and strategic commitments. Our current analysis is focused heavily on our legacy infrastructure in Europe, particularly in view of the force structure changes -- strategic changes we announced there, the elimination of two BCTs and associated support forces, decreases in Air Force presence, decreases in required support to CENTCOM, and I've talked about our -- our work with the -- the EUCOM theater commander.

As you know, the Asia Pacific is an area where we are trying to enhance our focus and the buildup of Marines on Guam is -- is part of that.

General Bishop, would you like to add to that?

BISHOP:

Ma'am, thank you. A couple of comments, if I could.

We will be providing the required NDAA reports -- one on the Pacific Asia region at the end of June, which will describe in detail that posture lay down, and we have a second study that you've asked us to do, which is the global view, and that will be completed March 2013, and we anticipate that will be fairly -- fairly complete.

If I could, I'd like to make a comment about the Asia Pacific as an example. Part of what the senior leadership of the department has wanted to do is have a very geographically distributed presence, and a great example of this is how we're looking at the Marines, and the Marines in Okinawa, in Hawaii, in Guam, in Australia. And of course, Australia -- and I can talk about this more as the -- later in the hearing if you'd like -- Australia will be a -- what we call a low- cost, small footprint presence because that's a rotational force there.

So we are looking at the Pacific in a very broad way. We're looking at it perhaps a little differently than before, trying to strengthen the places that have provided tremendous value for us and provide additional posture elsewhere, ma'am.

BORDALLO:

Thank you very much.

I yield back, Mr. Chair.

FORBES:

Thank you, Madeleine.

The distinguished gentleman from Georgia, Mr. Scott, is recognized for five minutes?

SCOTT:

Thank you, Mr. Chairman.

And I just, again, want to remind everybody that the -- the -- the money taken out of -- out of national security is not going to go to pay down the national debt or reduce the deficit; it will, in effect, go to fund social programs for which, quite honestly, we don't see a willingness to -- to cut, and I -- I think that puts every American at risk.

But General, you said that you would be happy to explain anything about the U.S. defense strategy that has changed. A little less than 12 months ago there was a proposed reduction of 25,000 uniformed personnel in the Army; now it's 75,000. Can you, in approximately -- make -- make it brief, but tell me what the -- what change in the defense strategy has led to a three-fold increase in the number of soldiers that are going to be terminated?

BISHOP:

I would say it's in a -- in a broader context as we look at the -- the drawdown in Afghanistan, the drawdown in Iraq, as we look more globally. A good example would be -- would be Europe, for example. We've had four combat brigades in Europe for -- for quite some time. There's been discussions the last number of years with both administrations on how many BCTs there should be in Europe.

Truth be told, as you think about the work -- the ongoing events in Afghanistan and Iraq, some of that BCT presence has not been in Europe for some time because it's been in Iraq and Afghanistan engaged. So as the Army looked at things in general I think they're heading towards a reduction of about eight BCTs, you know, worldwide, and two of those would come out of Europe, just if -- if -- as an example, if I could offer.

SCOTT:

Do you think the world's going to be a safer place tomorrow than it -- than it is today?

BISHOP:

That's a difficult question for me to answer. I would say from the...

SCOTT:

Let me apologize for interrupting you, then, but the -- the bottom line is, most of us don't think it's going to be safer tomorrow than -- than it is today.

Dr. Robyn, you said that math is straightforward. You work with the DOD yet the DOD is unable to produce an audited financial statement. They have, for the last 20 years, been under a law that says that they would produce an audited financial statement.

Have they simply been negligent in their duties to do that or have they just decided not to comply with the law?

ROBYN:

Well, that's a little outside my lane. I oversee real property, and the normal -- so I -- I get involved in that debate only insofar as it applies to real property. The normal rules of accounting don't -- don't -- you know, DOD is a -- is a funny place. It's certainly not -- I mean, there's enormous amount of oversight, including by -- by you folks. So I don't think it's at all a -- a dereliction of -- of duty.

SCOTT:
But they cannot produce it and they've had...

ROBYN:
Well, I believe the new Secretary Panetta has committed to -- to doing that by -- I mean, we've -- we've always had a deadline. It's a question of when we -- when we have it. I believe he accelerated the process. This, as I say, this is not -- not directly in my lane.

SCOTT:
How many square feet is the Pentagon?

ROBYN:
Oh. I don't know. I don't know.

SCOTT:
The largest building in the world and you're in charge of it...

ROBYN:
Yes. I know the 2.2 billion for all of our facilities; I don't know what it is for the...

SCOTT:
It's about 6.5 million square feet...

ROBYN:
OK. Good.

SCOTT:
... if I'm not mistaken, somewhere in there. How many civilians work at the Pentagon?

ROBYN:
Roughly 20,000 to 25,000.

SCOTT:
20,000 to 25,000.

ROBYN:
Right.

SCOTT:
How many total people work at the Pentagon?

ROBYN:
Well, that was the number that I -- I think it's 20,000 to 25,000 people.

SCOTT:

OK. That's a pretty big difference. That's about a 20- plus percent...

ROBYN:

You mean whether it's 20,000 or 25,000?

SCOTT:

Yes, ma'am.

ROBYN:

23,000, I'm hearing from the...

SCOTT:

OK. How many of them are civilian?

ROBYN:

I don't know the ratio of civilian to military.

SCOTT:

It seems to me that the civilians at the Pentagon are perfectly willing to recommend reductions of those who are in the fight -- our warfighters, our soldiers -- and reductions of those who are working to support our warfighters, yet when we ask them about reductions to -- to the areas where they work those -- those -- those areas seem to be off limit to reductions.

So I can tell you, as somebody who has a large base in their district in Robins Air Force Base, and I have a tremendous number of bases in the state of Georgia that I represent, we're extremely concerned about BRAC -- extremely concerned not -- not so much because of what it is, but because of -- the DOD's math doesn't, quite honestly, in my opinion, sometimes seem to be straightforward, and there seems to be the willingness of the civilians at the Pentagon to cut the military but, quite honestly, not look at where the waste is, which may very well be in the civilian workforce and the -- the procurement processes.

Mr. Chairman, I'll yield back my time and ask that we get that audited financial statement from the Pentagon as soon as possible...

FORBES:

Good.

SCOTT:

It's been 20 years.

FORBES:

Dr. Robyn, if you'd like to answer you can. As I told you at the beginning, we want you to have the ability to answer any of the questions. But if you'd like to take that for the...

ROBYN:

Well, sure. I will get back to you in terms of -- but I -- I think, I mean, BRAC -- BRAC affects civilians. It doesn't just affect people in uniform; it affects -- it affects civilians who work in -- and it affects communities.

And we have a -- you know, our country was established around civilian control of the military. We were told by Congress to reduce the budget by \$487 billion over 10 years. You can't do that without cutting infrastructure. It costs us \$55 billion a year to maintain our installations and we have to be...

SCOTT:

But, ma'am, you're more willing to cut the men and women that are out there -- you're more willing to cut the men and women that are out there putting together the equipment that the men and women in the war need than you are to cut those who, quite honestly, don't get any dirt under their fingernails.

FORBES:

And the gentleman's time is expired.

The distinguished gentleman from Connecticut, Mr. Courtney, is recognized for five minutes?

COURTNEY:

Thank you, Mr. Chairman.

You know, Dr. Robyn, you just cited the Budget Control Act as the sort of mission of -- of what's behind this proposal. However, you know, since Secretary Panetta announced his request for authorization of BRAC he has never once cited a single penny of -- of projected savings within any framework through the Budget Control Act, whether it's the first five years or the first 10 years.

Under the best scenario -- you know, if you get full authorization next week and you begin your process, by your own testimony and by his own comments there is no question there are upfront costs that are associated with the BRAC. We know that from, you know, the GAO report.

Yet, the budget that got sent over from -- from the administration, again, gave us nothing in terms of, you know -- you know, how many Virginia Class subs or how many helicopters or how many other weapons platforms it's going to cost for you to do the early year implementation of BRAC. And frankly, without that, at the same time that by your own testimony it's clear that the Pentagon is already doing internal governance for BRAC process -- you're already moving -- this train's moving in your department. You haven't given us language for -- for BRAC authorization, which, you know, we -- we need to pass that I -- last time I checked. And you haven't given us a single number in terms of how, you know, we can really evaluate whether or not this even fits within the Budget Control Act at all.

And, you know, to me, you know, that gap -- that absence of any hard, you know, budget data about why -- why we should do this, and yet all we -- you know, we hear the Budget Control Act cited but we have -- we've been given nothing to show where it fits in within the -- the caps that are -- that are part of the Budget Control Act. I mean, I think the reason why is -- and the, you know, the secretary said, well, because he has to wait for -- for Congress to do it and we don't want to project something that may not happen, OK, and that's, you know, respectful of the process and I appreciate that. But frankly, I think the other reason is -- is I think everybody who -- who knows this process and can read a GAO report knows that even in the best BRAC rounds it costs money to do this.

So when are we going to see those numbers, in terms of how much you say this is going to cost?

ROBYN:

You mentioned two issues. Frankly, we were -- I asked -- I asked our comptroller the other day what -- you know, why didn't we put something in, and he said, frankly, we just didn't have time. I mean, this, you know, we -- we were debating this. We were debating a lot of things. And the decision to ask for two rounds of BRAC was under debate. We did not have time.

Had we had time it would have taken the form of a -- of a cost wedge, not a savings number, because we don't know what the -- we -- we can estimate what it would cost based on prior BRAC rounds. It's not a terribly good estimate but we've done that before.

In earlier years we did not put anything in the budget in terms of what BRAC would -- would cost or -- or save up until fairly far along in the process. My understanding is we began putting in a cost wedge. It's a very, very rough -- rough analysis. So, you know, I think we could probably come up with something but obviously it won't be -- it won't be in the budget.

In terms of what are we doing to move out -- is the train moving, we -- we do -- our legislation is at OMB. I expect it to be here any day now. I think by lay it has to be here by the 17th of March and it -- and it will be, and it will look, I believe, very much like the past legislation.

We are doing those things that can be done without authorization. We are doing an inventory. We are looking at our analytic tools, things like COBRA, looking at whether we need to update the tools that we have.

We're doing the things that we can do so that if we do get authorization for a '13 round we can move out smartly, but I wouldn't -- I don't think it's fair to say the train...

COURTNEY:

You know, again, I appreciate the honesty of your answer in terms of the comptroller's inability to give us a number, but frankly, you know, if we're going to see testimony that touts the transparency of what's going on here, at the same time you're asking for authorization -- I mean, look at -- under the best scenario we're probably not going to get a defense authorization bill until after the election. It will probably be a lame duck measure.

ROBYN:

Right.

COURTNEY:

2013 is when you're asking for -- for -- for an actual list to come out. You know, that is just completely unrealistic and -- and frankly, unfair to ask Congress to -- to -- to accept that kind of a timeline when you haven't given us a scrap of information in terms of savings.

I yield back, Mr. Chairman.

FORBES:

Thank you, Mr. Courtney.

Distinguished lady from Missouri, Ms. Hartzler, is recognized for five minutes?

HARTZLER:

Thank you, Mr. Chairman. I was thinking the same line of questioning as my colleague here.

In order to call for this there has to be some justification that it's going to save money, I would assume. So what is that assumption? What types of savings are you hoping to achieve with a round of BRAC?

ROBYN:

Well, BRAC always saves money. The question is when is -- when's that break-even point. And as I said before, it was -- it came, that break-even point, the point where you begin getting net savings, came relatively soon in the first four rounds, later in the BRAC 2005 round because it -- as...

HARTZLER:

Right. I'm sorry. I didn't want to interrupt but I am...

ROBYN:

No, no, no. That's fine.

(CROSSTALK)

HARTZLER:

... five minutes.

But you are saying that we have to cut \$487 billion with the Budget Control Act over 10 years and so because of that you're going to have to have BRAC in order to make up part of that \$487 billion. So how much of that are you anticipating saving through BRAC?

ROBYN:

BRAC is a response to force structure cuts, and the force structure cuts are a response to both fiscal realities -- the Budget Control Act -- and to strategic changes...

HARTZLER:

OK. So if it's not because of the Budget Control Act it's because of force structure change then won't we have a larger force structure still than before pre-9/11? Even with the drawdowns we'll still have a larger troop force than we had then. So we needed to house them then; we needed to have a place for them to train. And so what has changed?

ROBYN:

Well, we have 500 -- today we have 500 fewer aircraft than we did in -- after the '95 round. We calculated in 2004 that at that time we had 24 percent excess capacity in -- in -- in our infrastructure. You know, rough -- those were crude estimates but we -- we did those calculations, sent it up to you all in a report. That was 2004 -- 24 percent excess capacity.

By our calculations, again, we -- we think we reduced excess capacity in the 2005 round by only 3 to 5 percent, so we began with excess capacity, and I think you heard from -- I think you've -- my colleague on the Air Force said that yesterday in another -- another hearing. The force structure cuts will generate additional excess capacity. There's just no -- no two ways around that. And that's what we need to respond to.

HARTZLER:

How much excess infrastructure do you think we have right now?

ROBYN:

I mean, the only thing I can give you is this 2004 report. That's the best thing I -- I have. We have not done that kind of analysis.

HARTZLER:

So you don't know how much infrastructure you have. You don't know how much savings you're going to have. You don't know how much cost this is going to have. And yet, you're coming to us and asking for BRAC?

ROBYN:

You never know what your costs and savings from a BRAC round are going to be until you undertake it. You do have a sense that you've got -- we knew in -- in the late '80s that we had excess capacity. I don't know if we knew exactly how much. And we knew at the end of 1995 that we still had excess capacity.

We began asking for -- when I was still in the Clinton White House we began asking for another BRAC round in '97, '98, and Congress finally gave us that in 2001. But because of changes in circumstances -- 9/11 and the war in Iraq -- the 2005 round didn't focus on cutting excess capacity; it focused on transformation of the Army.

So we had some level of excess capacity even at the end of the 2005 round, and we can see that we're going to have more with the force structure cuts.

HARTZLER:

You would think there would be a cost-benefit analysis done from that. The information I have shows the administration indicated the services had between 15 and 20 percent excess infrastructure before 2005, yet they only closed 1 percent of the infrastructure.

And so you should be able to say, "OK, we have 19 percent extra infrastructure, and here's X amount of dollars it's costing us, and so here's how much we're going to save if we do it," as some justification. So you don't have those figures now?

ROBYN:

Well, I can show you our 2004 report that shows that we had 24 percent excess capacity. I don't want to fall on my sword over the statistical techniques that were used to get that but it was a -- a -- a reasonable estimate -- 24 percent. The BRAC 2005 round eliminated, again, using similar techniques, roughly 3 to 5 percent of capacity. So that suggests roughly 20 percent.

Now, if you want to -- you know, again, I mean these are really rough numbers. We spend \$55 billion a year on installations. You can take 20 percent of -- of that as some rough order...

HARTZLER:

I think that would be helpful for all of us through the process if you give us more hard data.

Thank you.

FORBES:

Thank you, Mr. Hartzler.

Mr. Loeb sack, you're recognized for five minutes?

LOEBSACK:

Thank you, Mr. Chair.

And I want to thank the ranking member and you both for having this important hearing today. The more I sit here and the more I listen the more I'm kind of reminded of -- of Charles Lindblom, who used to talk about muddling through.

And it's actually pretty disconcerting, I have to say. I mean, a lot of us who -- who consider ourselves at least social scientists if not something more than that, and that's who I was, numbers matter. Numbers make a big difference in -- and now that I'm here in Congress and -- and responsible for taxpayer dollars and making sure they're spent correctly I have to tell you that unfortunately, the more I -- I hear today the more disconcerting all this is and the more concerns I have and the more I wonder if at best what's happening here is an attempt at muddling through. And that's not meant to be a compliment. I'm sorry.

It's really a very, very difficult situation and I have a lot of questions about even the wisdom of another BRAC given that -- that taxpayers won't even see the upfront \$35 billion cost of the 2005 BRAC start to be paid off -- even start to be paid off until 13 years after that round was initiated. And I understand, I mean, there's a lot of questions out here, a lot of unknowns and all the rest, but given all the unknowns then that makes me question even more why the heck people are thinking about doing another BRAC. It just doesn't seem to make much sense to me given all those -- all those unknowns.

And, you know, I want to go back a little bit to data and -- and all the rest, which, you know, is a concern today. But my first question is, would -- will the department be open with its data collection and the process that it uses to gather those data as we go through this if we were to go through this, and what steps would be taken to ensure that openness?

ROBYN:

First, let me say, thank you for invoking Charles Lindblom. I don't think I ever thought I'd be at...

LOEBSACK:

Not everybody here knows...

(CROSSTALK)

ROBYN:

... a hearing where that would -- that would happen, but I do. I went to public policy school and I read Charles Lindblom, and he was one of the greats. And I've got to say, I know this is not where you were going, but, you know, I think among people like Charles Lindblom BRAC is an amazing process. I mean, here you had a need to close bases; it worked in a very political, partisan way; it did not work -- the process didn't work in the '60s and the '70s.

Dick Arme y came up with a marvelous mechanism. When the task is to impose harm -- do something that is going to impose enormous harm on individual members but be for the collective good, do it in this all or nothing way. What a marvelous mechanism. And people

come from all over the world, literally, to talk to us about how BRAC works. OMB is leading a civilian version of BRAC. You know, it's tough. It's really, really tough, and that's why we're having the -- the discussion that -- that we are.

And I agree. I think numbers are important. It's ironic because I had an interesting exchange with Congressman Farr, from California, yesterday, who feels that we go too far in quantifying things, that we use this COBRA model that reduces everything to costs and benefits and we miss things like the fact that if the Naval Postgraduate School is in Monterey you're going to be able to attract eminent scholars...

(UNKNOWN)
(inaudible)

ROBYN:

... whereas you're not if -- if it's in Fort Huachuca. That was a place where the commission came down against the Army.

So I think if -- you know, I think we have to be careful that we -- we -- we use numbers a lot. We quantify a lot in the BRAC process in an effort to -- when -- we don't share it when it's an internal DOD debate; we share it when it goes to the commission and the idea is that then it -- it becomes -- it's supposed to be transparent so that the commission can hold hearings.

LOEBSACK:

I've just got a minute left so I just want to...

ROBYN:

Yes. I'm sorry.

LOEBSACK:

That's OK. I think there might be a number of people who will maybe question the assumption at the outset that this is all going to be for the collective good. We have to accept that assumption in the first place to go forward with any kind of a BRAC, and I'm not sure that we're all willing to accept that at this point.

But the second thing you mentioned, Congressman Farr and the Naval Postgraduate School, I have a real question about the ability of communities who would be affected by any of this -- a challenge the data and -- and the rating of installations prior to any of this going into effect. Can you speak to that issue?

ROBYN:

Well, I thought -- I had a -- a conversation with Congressman Courtney before the hearing started and he told me that the folks in New London did not have access to the data that DOD used to deliberate the -- the -- that issue internally. I thought -- I'll have to get back to both of you on this -- I thought that the idea was we keep it confidential while we're debating within DOD for very good reasons; it then becomes very transparent once it goes to the commission.

Brian, can you speak to this?

LEPORE:

It's my understanding that -- that much of the data does eventually become public. I think Dr. Robyn does make an important point that the process, of necessity, probably, does need to occur in some level of secrecy -- at least the part where DOD is developing the recommendations that it proposes back to the commission. But my understanding is it becomes public eventually. I can't speak to that specific...

LOEBSACK:

It needs to, if I might just say that.

I have to yield back at this point. We've already gone over. And I thank you, Mr. Chair.

But that has to be public. We have to have that transparency in the democracy. That's all there is to it. So thank you very much.

Thank you, Mr. Chairman.

FORBES:

Thank you, Dave.

Ms. Roby's recognized for five minutes?

ROBY:

Thank you, Mr. Chairman.

Thank you for all being here today.

I have a very specific timing question, and, you know in -- the 2005 BRAC was authorized in December of 2001 and initial guidance was not given by the secretary of defense until March 2004. How in the world are -- are you planning on accomplishing any type of assessment and how do we expect to approve, authorize, or complete a full BRAC in significantly less time under the president's request? It doesn't seem possible, and as suggested before, certainly not a fair, transparent process.

ROBYN:

Well, two issues. Secretary Rumsfeld actually issued a memo in 2002 which laid out the objectives. I've seen that same reference that you have and I think there was another document that came out in 2004, but the -- the kickoff -- what we call the kickoff memo came out in November of 2002 and laid out the -- the -- the objectives.

And in this case, where you had a compressed time, obviously you'd have to do that. You know, the -- I mean, we would need to figure out very quickly what the -- what the goals -- goals are. And Brian stressed the importance of -- of the goals to determining what sort of an outcome you get.

It is an aggressive -- it's an aggressive schedule. There is no...

ROBY:

Well, and let me just stop you right there because I think part of it is we've -- we've had posture hearings in this committee, and we've had the joint chiefs here, and we've talked about the \$487 billion in -- in cuts that -- that is current law that we're having to work under, but we're facing sequestration in January, and I guess my question would be, do you think it's wise to move this rapidly and this aggressively, to use your word, not knowing what January holds when we've got almost a half trillion dollars in cuts now under the Budget

Control Act, a half trillion cuts in January? Wouldn't it be irresponsible to move that quickly without us knowing what that looks like?

ROBYN:

We've asked for two rounds, and one -- one reason is clearly it is -- it is aggressive to -- to do a round in '13. We think we can do it but it is aggressive. But we've asked for two rounds because -- because things are changing. We're not necessarily anticipating sequestration but a second round would give us an opportunity to -- to adapt and to take into account things that happen subsequently.

ROBY:

Well, it is tremendous -- of tremendous concern to me, this path, and I would suggest, as I just did, again, that under our current fiscal restraints and not knowing what is -- is going to happen in the next 10 months, when -- when the joint chiefs have sat in front of us and we've asked specifically about sequestration and they've said, "We're not even discussing sequestration right now," then how in the world can we prepare for this type of aggressive BRAC under those circumstances? And I would just suggest that -- that in some respects it would be irresponsible to our military, but -- but to our military families, as well.

And with that, I'll yield back.

FORBES:

Thank you, Ms. Roby.

Mr. Reyes is recognized for five minutes?

REYES:

Thank you, Mr. Chairman. I'm more than a little concerned that we're talking about authority for two more BRAC rounds when we still have huge issues cleaning up environmental sites. I know that in Fort Bliss we have Castner Range, which is full of unexploded ordinances. It's an old artillery and mortar range.

So is there -- has -- has DOD factored in the -- the remaining issues with the past BRACs in terms of moving forward with additional -- with additional potential closings? Is somebody strategically planning through all of that?

Because I know I'm as concerned as other members about not knowing exactly the cost of -- of the last BRAC. We're moving, it seems to me, in the dark with this request for two additional BRACs without having a clear understanding or idea of how we're going to work our way through the results of the last BRACs.

ROBYN:

I think that's a -- it's a fair question and it's one that Congressman Farr asked me yesterday - - wouldn't you have more credibility if you upped the budget for cleanup of past BRAC sites? Let me answer that -- let me give you a two-part answer.

First of all, the bases that we would close or realign as part of a 2013 round or a 2015 round would likely be in much better shape than those that we closed in the '90s because we do a lot better job now of doing cleanup on our -- on our active bases. So just as a factual matter, we don't face -- even in the 2005 round the cleanup problems were not nearly as great. And you can measure that by the fraction of total BRAC costs that go for environmental cleanup. They were much lower in the 2005 round. We're still carrying them out, obviously.

We have very clear goals and a path to get to remedy in place, response complete at -- at all of the different categories of sites that we have, including the legacy BRAC sites and the 2005 BRAC sites. So we're not operating in the dark. We have a very clear path. We are, you know, in a -- a resource-constrained world. We get X amount of money every year. Our total environmental budget is about \$4 billion and a fraction of that goes for environmental cleanup.

So we're on track to meet goals. Should those goals be more aggressive if we're asking for another BRAC round? I think that's a fair -- I think that's a fair question.

REYES:

So just to put things in context, so the -- for lack of a better word to describe it, the backlog results of the last BRACs are -- if I understood you correctly, the -- you're working on it. Is that...

ROBYN:

Yes. You know, I should have those numbers handy on how many of those we've -- we've...

REYES:

That would be helpful...

ROBYN:

Yes. I will get you -- I do have those in -- in my office.

Let me just say that the -- the critical thing isn't necessarily when the cleanup is -- is completed. It depends on the nature of the -- the remediation that's required. But a lot of places -- for McClellan Air Force Base, for example, a '95 closure, that -- that -- because of the nature of the contamination that cleanup is going to go on for a long, long time but McClellan is thriving. I mean, it's -- they're doing -- that's a tremendous reuse success story.

And a lot of other places -- once you get the -- the -- what's called the remedy in place you can have development. And in fact, we -- we put at the top of the list those BRACed -- those base closure properties for which there is economic development on track. We put those at the top of the list. If a community hasn't figured out how they're going to use a piece of property it's lower down on -- on the list. So we do rank order in terms of economic development potential.

REYES:

Well, and I think it'd be important to the committee if -- if we were to have a way to measure the -- the track record of DOD, the impact that it's had on different communities, and how that prioritization...

FORBES:

Dr. Robyn, would you commit...

ROBYN:

Yes. We will...

FORBES:

... to -- to get that for the record? Mr. Reyes would like to know the answer.

ROBYN:

Absolutely. Yes. We have those handy.

REYES:

Very good. Thank you, Mr. Chairman.

FORBES:

Mr. Schilling is recognized for five minutes?

SCHILLING:

Thank you, Chairman.

Thank you all for -- for coming here today. And, you know, one of the things that the chairman usually starts out our committee meetings with is -- is, "Are we ready?" And one of the fears that we have up here is -- is that one of our main objectives here is -- constitutionally is to defend the United States of America, and -- and with all of the cuts happening and -- and not having the full numbers and knowing where we're headed, it's actually quite scary for us here. And like my colleague from Georgia, you know, I don't believe that the -- the world is going to get any safer tomorrow; I think it's actually, as we watch what's going on in Iran and what we're finding even as of today, it's -- it's -- it's quite a hostile situation, I would say, at the least.

But what I'd like to do is start out with Mr. Director, if I could, sir. You mention in your testimony that the GAO will be reporting on lessons learned from the BRAC of 2005 later this year, and do you believe, sir, that this -- this report will come too late to use its recommendations in the first of the -- the two rounds of BRAC, sir?

LEPORE:

Well, I certainly hope it gets here in time to be helpful. We are required by the directive -- the 2008 Defense Authorization Act -- to report to you by September 15th, one year after the end of implementation. In consultation with the subcommittee, you all have asked us to report earlier than that, and so to try to get it up here in time for the conference committee, and -- and we are -- we've committed to do that and so we're going to try -- we're going to do our -- our level best to get it here in time for your conference.

SCHILLING:

That would be great. It's kind of like building a house, you know, to have the builders show up and they just start building before you have the plans drawn, so that -- that would definitely be a good thing.

In your testimony you state that the Congress codify the eight final 2005 BRAC selection criteria -- you stated that the first -- let's see how I -- I've got to reread this here. In your testimony you state that Congress codify the eight final 2005 BRAC selection criteria used in the -- that BRAC and stated that the first four, enhancing military value, were the priority criteria. Will these similar criterias (ph) likely be used again for the proposed two rounds?

LEPORE:

The way the process has worked with the military value selection criteria, at least in BRAC 2005, was that the Congress directed DOD to propose the selection criteria, and they did that. You also directed that it be available for public comment. DOD published it in the Federal Register, accepted comments, and may have made changes. We haven't actually looked at exactly how they tweaked, if they were tweaked, after that process.

But the criteria started with DOD and it was proposed to you -- you, the Congress. And then the Congress subsequently, in authorizing the BRAC round, you all basically put the DOD proposal, if you will -- I think with some, perhaps some changes -- but the DOD proposal in statute and directed that the first four, known as the military value selection criteria, be the primary criteria.

Number five, which is in the other criteria, or secondary criteria, is actually the one that talks about the time between which you -- you have actually begun the process of implementing a recommendation and hit the payback period -- you've hit the break-even period. But that is actually a secondary criteria.

SCHILLING:
Very good.

And then lastly -- I'll make this one quick -- Ms. Robyn, in your testimony you state that there's too much overhead in construction, sustainment, recapitalization, and operation costs for the bases which we currently have in the strategic force we are planning for. If this is the case then how do we rectify not only the remaining cost for the most recent 2005 BRAC and those previous but also the new cost that the two proposed rounds of BRAC will bring on DOD's shrinking budget?

ROBYN:
Sorry. Could you clarify the question, please?

SCHILLING:
Yes. Basically what we're trying to figure out is, you know, here we have -- we started out in 2005; we're going to go all the way to 2018 to get this thing paid for and we're going to bring on another BRAC. So basically, are we going to pay off the previous BRAC before we start to bring on -- this is kind of like buying a car while you still owe on the other one and you can't afford the payments.

ROBYN:
Well, we are reaping savings from -- from the last BRAC round, but it -- it was an expensive - - expensive BRAC round. And it was expensive in part because it wasn't focused on just eliminating excess capacity. That was an objective but it wasn't the major objective. The major objective was transformation and -- and jointness.

So I think it -- it did not get at excess infrastructure. We have a certain amount of it now. We're going to have more of it. There's no other way to get at that other than BRAC, and it -- inherently it requires some upfront investment.

I would envision that if we have a 2013 round that it would pay back more quickly because it would be focused on going after -- our -- our -- our focus, our desire is to go after -- is to reduce overhead, so cut where we can achieve savings, more like we did in the first four BRAC rounds.

SCHILLING:
Very good.

Thank you all for your time.

FORBES:
Mr. Rogers is recognized for five minutes?

ROGERS:
Thank you, Mr. Chairman.

I am mindful of what things were like around here nine years ago when we went into Iraq and Afghanistan, and one of the great problems we experienced is our depot system was not ready, and it was embarrassing, frankly, and hard to go home and explain to family members who had loved ones over there why we weren't able to support them in the way they should have been supported. Now, it took us about 18 months to get up to speed, and what I worry about now as you all talk about this -- this BRAC is us trimming down and not being ready -- A, just losing sight of the fact we're still in war. We could be in Iran in a heartbeat, or somewhere over trying to keep folks off Israel or North Korea. I don't want to see us degrade our depot infrastructure and lose any core capability that we may need soon, and I'd like to hear you reassure me that you don't think that's a threat.

And start with you, Mr. Director?

LEPORE:
As I said earlier in my -- in my testimony, Congressman Rogers, the -- the key for doing a successful BRAC are the choices that DOD makes -- the goals that they set for the round, the selection criteria that they propose and ultimately employ, and -- and the nature of those goals and -- and the nature of the -- of the selection criteria will logically lead to the -- to the outcome. And I think that's the point I made with respect to BRAC 2005.

And to the extent that -- that DOD's -- these hypothetical recommendations -- we are speaking hypothetically here -- to the extent that they proposed recommendations that had some impact on depot capabilities, your -- your concern could prove to be well- founded. But it really would depend on the nature of the recommendations that DOD would put forward and be based on the goals of the round and the nature of the military selection criteria.

ROGERS:
General?

BISHOP:
I can offer this, just kind of in the broader posture context: I think that you're exactly right. There were some challenges in the depot systems, especially in those -- the period of time you referenced before.

One of the things the secretary has talked about is taking the excellence of -- that we've learned in the last 10 years from sometimes very difficult, sometimes very hard-fought lessons and make sure we don't lose that, make sure that we don't slip back to that level of inefficiencies. And just a general comment, I -- I would offer that the logistics enterprise in DOD, I would offer that the depot enterprise is considerably different today than it was 10 years ago, and...

ROGERS:

And that's what I want to keep. You know, I met with General Dunwoody last week about this and she assured me that -- that she learned her lesson and that she will -- even though she's retiring, that that department is not going to let us get caught like that again.

But then when I hear this talk it just -- it worries me that maybe we've -- we've got a real short memory. I'm very apprehensive about this for that reason, but also, I'm -- I'm apprehensive about these end strength reductions that are being proposed for the same reason. You know, we're liable to be in another war in the next 90 days, so...

Anyway, ma'am, will you tell me -- tell my why I'm wrong?

ROBYN:

I honestly don't have a -- any sense of whether we have excess depot capacity. We did in '95. We closed Kelly and McClellan, as you know, because there clearly was excess capacity among the five big Air Force depots. We got it down to three.

I just don't know what the situation is -- is today.

ROGERS:

Well, I just hope you all will be mindful that we have to maintain a certain core capability at all times, whether we're in war or not, because we didn't expect to be in Iraq and Afghanistan and all of a sudden in the blink of an eye we're in both places. So we have to always be ready.

Thank you very much for your time.

Thank you, Mr. Chairman.

FORBES:

Thank you, Mr. Rogers.

As I mentioned to all of our witnesses, I was going to defer my questions till the end and -- and I thank you for your patience. And I just have a number I'd like to go through with you and kind of start with what Mr. Loeb sack said, and that is basically that we need some facts. You know, we might not need all the facts but we've got to have some facts, and that's what we're trying to get our hands around.

The other thing is, one of the things that I really appreciate about these hearings is yesterday Mr. Lepore was kind enough to come meet with me before this, as you were, Dr. Robyn and General Bishop, and Mr. Lepore said, "My opinion doesn't matter." Well, I quickly told him that was wrong, and it is wrong, and here's why: because the great thing about these hearings -- and we've had this from the secretary defense on down -- you guys have been authorized to give us your opinions as well as, you know, the department's, and we value those opinions.

And, Dr. Robyn, the only thing that I would get on some of the semantics -- and I wouldn't dare suggest what you should say and what you don't say -- but it hits us a little bit odd when we hear people come in and say, "Congress made me do this." You know, the president proposed these cuts long before Congress issued, them and the president signed the bill, and the president's made very clear if he doesn't like what Congress is going to do he's going to go around it, so this is not just the Congress imposing these things on us.

The second thing is, it's a little hollow to many of us who watched what happened in the '90s to be bragging about what we did in the '90s because most of the witnesses we've had coming in here have talked about, we don't want to repeat that again where we hollowed out the force. When I first came in to Congress I remember going out and meeting with our pilots on an aircraft carrier and asking them what they needed, and they didn't talk about retirement systems or any of the things that we -- we normally look to -- they wanted engines for their airplanes. They didn't have enough engines for their airplanes to do the training and stuff they have.

And then the third thing -- and I'm not sure if it -- I think it was Mr. Loeb sack said but it might have been Mr. Courtney -- but to say that we're getting ready to impose harm on members and that that's what's driving us to do a better good, believe me -- most of the people that sit on this committee are looking and thinking that we're imposing harm on the -- the American people by these force structures that -- that we're having.

But I want to kind of walk through just to make sure I've got a clarity on what some of the facts are, and as I understand reading your testimony and hearing you today that -- Mr. Lepore has said the objectives and the goals that we have for BRAC will ultimately determine the outcome.

Fair statement, Brian?

LEPORE:

That is fair, Mr. Chairman.

FORBES:

OK.

If that's true, Dr. Robyn, then as I understand what you're saying, the primary goal for this BRAC is that because we have this huge reduced force structure that we need to have a BRAC because we're going to have excess capability. Is that just a fair statement?

ROBYN:

Yes.

FORBES:

If we didn't have the force structure we wouldn't necessarily be coming here asking to do the BRAC.

ROBYN:

I think that's fair. I also said we -- we think we do have excess capacity even before...

FORBES:

But you've had that...

ROBYN:

We've had that for a while.

FORBES:

I think it would also be fair for those of us who feel it's wrong to reduce the force structure the way we're doing, we shouldn't be supporting this round of BRAC because basically we're tearing up the very ability we would have to rebuild that force structure. Fair statement?

I mean, it's divided in two camps. I mean, if you feel this force structure is right, that we should reduce it, you ought to go on with the BRAC; if you think this force structure is not the right thing to do you ought to oppose the BRAC. Fair?

ROBYN:

Well, I think it depends on whether you think your views will -- will prevail in the...

FORBES:

No. We're not talking about whether I prevail; I'm talking about whether I -- my position and what I think is right.

ROBYN:

I think there's a logical internal coherence to that -- that logic.

FORBES:

Then let me also ask you this: You have a great deal of expertise you bring to this from not just your service in government but your being a professor at the government -- School of Government at Harvard, and you make this statement, "While some may view our request for a round in 2013 as aggressive the magnitude of the cuts we are making in force structure means we simply can't wait. Leading U.S. corporations retain their vitality and market position by being able to adapt quickly to changed circumstances and U.S. military is no different." Fair quote of what you said?

ROBYN:

Yes.

FORBES:

I take it, then, that it would be bad policy in your mind if we did not move forward with a round of BRAC based on the fact that we have these force structure changes that are going to be taking place over -- I guess it's a five-year period of time, or so, that -- they're not all going to take place now, but over a five-year period. Is that a fair statement?

ROBYN:

Yes.

FORBES:

OK. The reason I ask that...

ROBYN:

There's a trick here.

(LAUGHTER)

FORBES:

There's not always a trick, you know? No, the question I want to ask is this: If that's true then what I'm looking at is how do you know what these force structure numbers are? This is kind of what Ms. -- Ms. Roby was saying, and I guess you were given those by looking at the budget over that five-year period of time. Is that where they come from, or...

ROBYN:

Well, I think the department had an extensive, lengthy debate, as -- as General Bishop described, to...

FORBES:

I'm going to get to him in a just a second...

ROBYN:

OK.

FORBES:

... on that, but if that's true why are we not talking about the amount of force structure that would take place with sequestration? That's not five years out. That's in January. That's the law of the land -- president signed it. Why aren't you guys coming here and telling us this is not going to be just 70,000 people in the Army, but we're talking about a half trillion dollars more of force structure that we're talking about. Why is there such a silence on that?

ROBYN:

I think that's probably not the appropriate -- I don't think I'm the right person to answer the question, but...

FORBES:

But wouldn't it be bad policy, if it's bad policy not to be moving forward on a force structure cuts that are going to take place over five years shouldn't we be moving forward on a force structure that's going to have to take place in a few months?

ROBYN:

I think the secretary has said we will begin planning for it in this summer if...

FORBES:

But help me with this...

ROBYN:

... if there is not some indication...

FORBES:

You've indicated that it would be bad policy for us not to be planning force structures that are going to take place over a five-year period of time, but do you think it's not bad policy if the secretary's going to wait and start planning the force structures that are going to take place just months from now?

ROBYN:

We're hoping not to have sequestration.

FORBES:

But I'm hoping not to have these \$487 billion of cuts, but that doesn't mean we can't plan for them.

ROBYN:

But one is law and the -- well, I guess they're...

FORBES:

They're both law.

ROBYN:

Yes. But one is contingent. One is a...

FORBES:

How is it contingent? I don't understand that.

ROBYN:

Well, the sequestration is if there is not an agreement on other...

FORBES:

There wasn't an agreement. That time...

(CROSSTALK)

FORBES:

That time period has passed.

ROBYN:

I don't think there is a general acceptance that sequestration is a -- is a fait accompli.

FORBES:

Well, what do you base that on? I mean, it's -- no, seriously. This is what I have a problem with: I think the American people have a right to know, and not just wait until after the election, what these cuts are going to mean in sequestration as well as the other cuts. But there's this deafening silence.

And you can't just walk back and say, "Oh, I'm hoping that won't happen."

ROBYN:

I believe -- when we were asked this question -- my colleagues and I -- at a -- service counterparts -- yesterday at a hearing some of them offered up things that the chiefs have said on -- on record. I'm not going to...

FORBES:

But as the person coming here and telling us what you're looking for in terms of facilities, are you telling us that you don't have any idea what those potential cuts could be in January?

ROBYN:

There will be an impact on facilities, to be sure, but that's, I think, a -- that's a second-order calculation once you have a sense of what the magnitude of the cuts will be.

FORBES:

But it doesn't bother you as the person in charge of those facilities? I mean, you know, do you see the conflict that we have here when you come in and...

ROBYN:

Well, to me, asking for two rounds is consistent with that. You know, I can't say we're -- we're asking for two rounds because we think we will get sequestration; we're hoping not to. But I think...

FORBES:

OK. Let me ask you this question, if you don't mind, then: You talk about the fact -- and you mentioned 70,000-some (ph) in the Army, and that's going to mean we have excess capacity -- but the chief of staff of the Army, General Odierno, testified, he said, I don't think you'll see a big installation being asked to close; we think we have the right footprint. You also heard just last week before this committee the commandant of the Marine Corps, General Amos, indicated, my sense is we're pretty much there; we're pretty lean.

Were they wrong?

ROBYN:

I've given a lot of thought to those -- those statements. I work for the secretary of defense. Let me say that the secretary of defense is -- very much believes that we need another -- another BRAC round.

FORBES:

I understand. But you're coming back to my first part about we need a little facts -- you know, just some facts. You can't just walk in and say, "We need it," but not give us any facts.

And I've got the chief of staff that's coming here -- of the Army -- who's saying, "No, no. We're pretty much there. We're not going to -- we don't need all these closures." I've got the commandant of the Marine Corps saying, "No, no. We're pretty much there." And then I've got you coming in here and saying, "Oh, no, we've got all these cuts -- we've got to cut these facilities."

Help me with why you're right and they're wrong.

ROBYN:

When he testified last week before HAC MILCON General Odierno said he fully supported the department's request for another -- another BRAC round, and my colleague...

FORBES:

I don't disagree with that. They always come in here -- you know, I ask Admiral Mullen -- he came in here and he said he was supporting the administration so I said, "Admiral, in the whole time you've been here have you ever not supported what they did?" And he said no.

I mean, so, we -- I understand they're going to support that but -- but we have to make an independent calculus that the facts justify that. Was he factually correct or was -- were they factually wrong in their testimony?

ROBYN:

I don't want to second guess the -- the chief of the Army. That's not a good -- a good career move.

FORBES:

So then would we say that he was correct?

ROBYN:

I think the Army is still digesting the 2005 round, number one. It was huge for the Army and it -- and as we discussed earlier, the implementation was pushed out and so they are still -- I mean, they are still dealing with that.

FORBES:

Do you at least appreciate the conflict we have between that testimony and your testimony?

ROBYN:

No, I do. I do. But I think it's -- I also -- I think it's not always easy to -- to say, "We need to close bases." You alienate...

FORBES:

Oh, I know it's not easy, but I mean, this is the chief of staff of the Army. He didn't mind going down and shutting down the Joint Forces Command, you know, at all. I mean, that wasn't hard. He's a pretty tough guy. You know, I don't -- I don't think he'd come in here because it was hard and, you know, not -- not do it.

General Bishop, you've got a very impressive resume, and one of the things that -- that I look at here is you were the vice director for operations, plans, logistics and engineering, the United States Joint Forces Command. You're responsible for the force structure issues, providing oversight for deployment -- you've looked at numbers, and people, and where we've deployed them.

You've heard a lot of concerns up here about the world situation right now, and we're just getting things in on our BlackBerry right now where your boss has said that they're planning at least potential possibilities for strikes against Iran. You've probably seen that, today, coming out in the news.

As you look at that, General -- and I want to ask you, again, what I said earlier, your personal opinion for all the logistics and that -- with that even on the planning prospect, with the situations we're seeing in the world today, do you think it's wise from a strategic point of view -- not from a budgetary point -- a strategic point of view, to be making the kind of drastic structure reductions that we're making?

BISHOP:

See if I can -- I can best -- best answer your question. I think it goes back to context. We have had two hard-fought, long-term engagements -- many, many forces on the ground and in the air in Iraq and Afghanistan over these last 10 years.

As we close down our operations in Iraq, or have closed down our operations in Iraq and we drawdown our 33,000 this year in Afghanistan we are -- I believe the department is trying to position themselves to -- to deal with the global threats in a reasonable and appropriate level. There is certainly risk in any strategy that arises. There was risks in former strategies; there are certainly risks in this strategy, which have been addressed and -- and viewed holistically by the secretary and the chairman.

But as we've looked at the strategy we -- we -- we put the strategy together with that careful look and that context, but clearly, you know, in law we have a reduction of \$487 billion.

FORBES:

And that's why I ask, outside of the \$487 billion, if you weren't looking at those -- and I realize, you play the cards that you're dealt. I'm talking about, we don't look at those cards; we look at what we need to do to defend the country. If we've got to go back and change the \$487 we've got to change it; if we've got to change sequestration we've got to change it.

I'm talking about your personal look-down as you've done this logistics for our force structure. You're looking at a situation right now with all the contingencies we see in the world where we see right now, news today, the secretary of defense says that they're planning potential strikes against Iran -- just doing the planning process. Would you recommend from a strategic point of view the size of the force structure reductions that we're having outside of budgetary restraints that were forcing us to do that?

BISHOP:

In my view, Mr. Chairman, I think the strategy makes sense. I think the force posture adjustments along with the strategy make sense. I think it's a reasonable risk assessment.

Anybody in uniform would probably say we'd always prefer to have more, but there is -- as we've looked at this we've really carefully looked at it, and I want to emphasize the secretary, all the chiefs -- service chiefs -- the chairman himself, and senior people in OSD, throughout the period of time this strategy was put together, spent a tremendous amount of time looking at this and looking at it very closely.

But we clearly have to balance, you know, as you said, the cards that we're dealt, as well, and we do have the reduction of dollars, and we do have a drawdown of -- of two wars. And it's in that reality, I think, the strategy, in fact, does -- does make sense.

FORBES:

If you're looking at the fact, as I understand it now, that we're making an assessment of our overseas force structure does it really make sense to initiate a round of BRAC if the department is still in the process of assessing what we're going to do with our overseas force structure before that's done?

BISHOP:

I would say in -- in many ways that our service chiefs, our combatant commanders have -- have done an initial round of -- of carefully viewing how they want to see the posture change. We rely on very, very strong partnerships across the globe. Part of the strategy is to

strengthen those partnerships. We talked earlier about the strategy being about -- in some ways about low costs, small footprints.

Many of the members here today, they come from states that participated in the Partnership for Peace program, which has been tremendously successful throughout Europe in -- in developing capabilities it didn't have and wouldn't have served with us, and some of those states -- some of those countries have, in fact, served side by side the United States military in Iraq and Afghanistan.

So I think it's all those things -- the preserving -- preserving the -- the partnership development -- in fact, enhancing that. We need to shift how we're -- we're doing our engagement to some -- some degree as we shift away from these two wars, sir.

FORBES:

But as we're looking at all of those assessments shouldn't we do the assessment before we start a round of BRAC to see what we're going to be closing here?

BISHOP:

Perhaps I didn't answer your question well before. I'm going to avoid the -- the BRAC question; I'm going to defer that to my colleague to the left here.

But I would offer to you that the service chiefs, the chairman, and the secretary, you know, have, in fact, done a -- as they were putting the strategy together did very much -- very closely look at that.

ROBYN:

I would say, to the contrary, we would like to do the two in tandem. We would like to be reviewing our domestic bases at the same time that we're doing our -- our look at foreign consolidation, and the reason is it gives us more, in thinking about where to put troops as they return we can be more efficient and more creative if we have the -- the tool of BRAC so that we're not just putting people where we happen to have capacity; we can move -- move people around.

We did that in 2004 and 2005. We had the luxury of being able to do the foreign review at the same time as the domestic. We would ideally like -- like to do them in tandem again.

FORBES:

One last question -- Mr. Courtney has a couple questions that he'd like to follow up with -- as I understand the sequencing of the BRAC process, the secretary of defense has to give a certification that a BRAC is needed and then the cost saving -- that there's going to be cost savings that he'd going to guarantee, and he certifies to that. Then after that there is this lengthy process where the department pulls together all of its recommendations, and then the recommendations are given to the commission, and then the commission makes the recommendations to Congress, and then they pass it or not, and president decides to sign it.

How can the secretary -- am I wrong? Correct me, please.

ROBYN:

Goes to the president before it goes to Congress.

FORBES:

And then it comes back to Congress.

ROBYN:
Right.

FORBES:
How does the secretary accurately certify that he knows there's going to be cost savings before he's even had the recommendations from the department, much less from the BRAC commission?

ROBYN:
I think the secretary's certification does reflect a certain amount of internal analysis. I'm not...

FORBES:
Can you get with your folks -- have you all -- you know, because I just want to get the facts right.

ROBYN:
There's two pieces that -- that -- of analysis on which he -- he draws. One is a 20-year force structure plan developed by the joint chiefs of staff, and then the other is an inventory of installation...

FORBES:
And I understand that.

ROBYN:
... capacity and capability...

FORBES:
But I want to come back -- this is the secretary's certification. This kicks it all off. He's got to give this to Congress.

This says he is guaranteeing -- certifying, according to the language -- and, Brian, you correct me if I'm wrong on the language here -- it says he's certifying that a round is necessary, and then he is also certifying that it's going to result in annual net savings for each of the military departments. And correct me, guys, if that's not a part of -- Brian, is that a part of the process?

LEPORE:
Yes, that is correct, Mr. Chairman.

FORBES:
And it is my understanding that this comes before the recommendations.

LEPORE:
It's our understanding that the certification essentially kicks off the process.

FORBES:
Right.

LEPORE:
It's that certification that the secretary says, "I need to do this because I've got excess capacity; I want to close bases."

FORBES:
And he certifies to say that there's going to be...

LEPORE:
And he certifies the savings, and that is in the statute, Mr. Chairman.

FORBES:
Yes. And the reason I ask is because that's what, in fact, happened. He made that certification in here, he gave this to Congress, but -- but the two questions I would have for you -- the first one is, how in the world do you know what the -- that you're going to definitely have savings before you even know what the recommendations are?

ROBYN:
Well, I don't think we -- we don't even ask for the authority to do a BRAC round until we think there will be savings, so I think...

FORBES:
That's not what he's saying here. I mean, when I get something that says I certify something that's more than "I think" -- you know, that's -- I mean, that comes back to what you heard here about the audits and all that -- and I realize this is not about audits. But what I'm saying is when we see something as Congress -- this is what Mr. Courtney's been saying, Mr. -- everybody up here has been saying -- the fact, some -- it is the secretary's certification. That's the name...

ROBYN:
Right.

FORBES:
This is what he files. He signs this.

This looks to us -- and maybe we shouldn't be trusting this. We're not trusting it as much anymore, but -- you know, I'm looking at this and I'm saying, well, somebody's looked at this and -- and they're certifying that this is true.

ROBYN:
I just got a note saying...

(CROSSTALK)

ROBYN:

I mean, you have a 20-year force structure plan developed by the joint chiefs and you have a -- a comprehensive installation inventory. I mean, that's the basis for...

FORBES:

Well, first of all, the 20-year plan -- the one thing I do agree with the department on, you can't do that. That's fantasy. I mean, you know, to do 20 years. You might do five years; you can't do 20 years. And that's what the secretary's testified to, and everybody else. That's not what I'm looking at.

I'm looking at some point in time it would make sense to me that the recommendations would determine -- what if they come back and say, after looking at this objectively, which is what we're -- we shouldn't make -- we shouldn't close these facilities; we need them; they're too important. I shouldn't shut down Mr. Courtney's facility, or I shouldn't shut down anything else.

How can he certify that there would be savings if he doesn't even know what the recommendations are?

ROBYN:

Well, we clearly won't -- wouldn't put forward recommendations that we didn't think would -- would make...

FORBES:

But you don't know what -- are you telling me that you know before you start this process what the recommendations are going to be?

ROBYN:

No. No.

FORBES:

Well, if you don't do that, and even if you took your recommendations...

ROBYN:

That's the later. No, you said what if you find out of your analysis...

FORBES:

No, no. I'm aware of that. But what I'm saying is, even if you make recommendations the BRAC commission doesn't have to take any of those...

ROBYN:

Right.

FORBES:

So how do you know to certify something before you even know the recommendations that there's going to be net savings?

ROBYN:

I mean, it's comparison of needed capability and -- and infrastructure, you know? I mean, that's...

FORBES:

Brian, help me with this one. How would you -- I mean, from the GAO's point -- how could you possibly give a certification like this if you don't even know what the recommendations are?

LEPORE:

Well, let me try to answer your question this way: One of the things that we look at in GAO when we look at things like assertions that something is going to happen or something has happened is we like to see some evidence that says that whatever the nature of this assertion is, there is some fact-based reason why the individual made that. One of the things that -- that struck us about the -- about the sequencing is that the certification, as we understand it, that -- that -- that you're referring to, Mr. Chairman, occurs at the point where -- it effectively kicks -- kicks off the process. I mean, that's what the -- what the certification is for.

So I think what we -- if we were going to look at that and -- and we are -- we -- as you know, under our lessons learned report we are looking at the sequencing of the whole process, quite frankly. One of the questions I think we would certainly ask is, is the order of the steps the right order, might be a way to say it.

FORBES:

Would you at least agree with me that it would be impossible to know whether you had -- were going to have net annual savings if you didn't know what the ultimate recommendations were going to be from the commission?

LEPORE:

I think it's really hard to know where you're going to end up before you've started.

FORBES:

And with that being said, the secretary does give the certification. Can you tell me if he's wrong, to the best of your knowledge, what's the penalty for that?

LEPORE:

To the best of my knowledge, there's no real sort of legal penalty. I think one of the things that -- that any assertion that any federal official makes where we can't find evidence to support it -- and I don't know that that's the case here -- but where we cannot find evidence to support it, it does -- it would raise questions in my mind as an auditor whether I would want to trust that kind of an assertion or -- or a certification the next time.

FORBES:

And I'm not just catching you off guard on that question. I've asked you -- told you I was going to ask you that, and you've tried to inquire with counsel and all, as to whether or not there were any penalties, and you haven't been able to find any.

LEPORE:

That is what our general counsel tells me, that there -- there is no real -- no real penalty. And as you know, Mr. Chairman, under the lessons learned report we are going to go ahead and look at that sequencing and see whether there may be things that we could suggest to you as you consider this question of another round, and if so, whether there are appropriate changes you may want to consider.

FORBES:

Thank you.

Mr. Courtney?

COURTNEY:

Thank you, Mr. Chairman. And I just have a couple sort of follow-up questions.

You know, this question about end strength reductions and how that fits into the need for a BRAC, you know, I thought it was kind of interesting that when Secretary Panetta announced the budget back in January, you know, one of the things that he was very, I think, adamant about insisting on was that the -- that the reduction of end strength is not a hollowing out of the force, that we're not sort of turning the clock back to the 1990s, that in fact, the -- the troop levels are going to be higher than -- in 2017 than where we were when 9/11 occurred; and in fact, in the -- in the case of the Marines they're going to be higher than they -- they were in 2005 when the last BRAC round was completed.

And frankly, I think that's one of the reasons why General Odierno -- I can't read his mind, but it would seem logical that, you know, the fractional reductions of -- of troop levels, you know, really would make you conclude that, well, yes, you know, the footprint isn't really that far off in terms of what we -- what we need. And really going through all the branches, I mean, the proposal in the budget over five years in terms of reduction of ends strength is actually quite minimal, and -- but again -- and he was, you know, clear that he wanted to reassure people that we weren't, you know, sort of again just kind of, you know, surrendering the country, or -- or however you want to, you know, phrase it.

But again, the flip side of that is, well, then why are you insisting on a BRAC? I mean, the total number of -- of folks in uniform is really not that much different than it was in 2005.

So, you know, I -- for the record, I think it's important to -- to reiterate that point, because again, some of us who really are not happy about this BRAC proposal are not necessarily adamantly opposed to other components of his plan that he -- that he released. But frankly, that's the mystery here is that, you know, a proposal like BRAC, which in January and then as of today we still have been told zero is the -- is the -- is the net savings -- we've given nothing in terms of how this is supposed to fit within the Budget Control Act. I mean, the fact is, zero minus zero is zero. I mean, if we reject this proposal it -- it has -- it has no impact in terms of the budget document that was submitted back in January.

And again, I -- there's no way, I believe, Dr. Robyn, that you can present us with, you know, an accurate BRAC proposal that doesn't, in fact, tip the -- the balance in terms of exceeding the spending caps in the Budget Control Act. I mean, General Dempsey and Secretary Panetta, when they came before this committee, were very clear about, you know, if we sort of mess with this package, you know, it's all been sort of carefully crafted to sort of hit that number very precisely. Well, you know, if you're going to come up with a -- with an honest or accurate proposal about how to do this we're going to have to spend money, and that's got to come out of some other part of the plan that -- that the secretary presented to this committee.

And frankly, you, in my opinion, have a high burden of proof to overcome for many of us that this -- that this is really, actually, comports with the Budget Control Act.

The other point I just want to make, in your opening comment you talked about the 300,000 buildings that the Pentagon has, and there's no question that within that inventory there's got to be some structures that are excess, and frankly, probably a drain in terms of energy costs, et cetera. But the fact is, you don't need a BRAC to take down a building. I mean, we had -- we had a wrecking ball down in Groton, you know, two or three years ago that took down World War II dormitories that frankly were an eyesore and a drain in terms of the operating budget of the base that was there.

And so, you know, I would just sort of say that, I mean, yes, there is 300,000 buildings; yes, there is probably excess there. But that's not what we're being asked to do. This isn't a building realignment commission request; this is a base realignment request. And that is a far different issue than just excess buildings.

And I think, again, it's important for the record that that be made clear, is that there is nothing that really prohibits the department from going through and -- and eliminating structures that make no sense in terms of their operating overhead.

And with that, Mr. Chairman, I yield back.

FORBES:

Thank you, Mr. Courtney.

Mr. Reyes?

REYES:

Thank you, Mr. Chairman.

Just very quickly, if Congress were to consider another round of BRAC is there any way we can ensure that -- or you can assure Congress that a quicker payback might be provided, given the -- the concern that so many members are -- are expressing to you? And what would be the limiting factors to our ability to get that kind of a quick payback?

ROBYN:

I think every -- I mean, every -- the first four rounds of BRAC paid -- paid off relatively quickly. We do BRAC to save money. The 2005 round is the -- is the outlier.

Just as the 2005 round reflected the needs of the time, 2013 round would reflect the needs of the current time, which are to eliminate excess overhead in order to put those resources back into enhancing other -- other capabilities. So, you know, is there a way to -- you know, there may be a way for -- for Congress to, you know, exclude certain things, but I -- I -- you know, I think that's what we're -- we are focused on trying to get rid of capacity that we don't need so that we can put the resources elsewhere.

REYES:

So you're telling us that for these -- for these two that have been requested there would be a quick...

ROBYN:

Well, I think they're more -- they're likely to look like the first four rounds, because that's the -- that's the environment that we're in. We're in an environment where we need to -- to reduce

-- create and generate savings, reduce excess capacity and the resources that -- that that consumes in order to put those resources into enhancing capabilities.

REYES:

And there would be no difference between international presence versus domestic, or would there?

ROBYN:

A difference in what...

REYES:

In the payback.

ROBYN:

Well, I think with the -- when we close foreign -- you're saying what the -- the payback between the -- I was distinguishing between the 2005 round of domestic closures and the...

REYES:

Well, in terms of the savings, I mean, one of the concerns that you've heard members express has been...

ROBYN:

Right.

REYES:

... there's a BRAC and then there -- it just lingers, and lingers, and lingers, and...

ROBYN:

Right.

REYES:

... for the 2005 we were told it's going to be some time before it even breaks even, and we're not sure...

ROBYN:

Yes. Again, I feel like I'm -- the 2005 round was different than all the other rounds. You know, I think we can debate whether one should use BRAC for -- for transformation. I think the 2005 round did fabulous things, but I think -- I think one can have a debate about is that -- is that a good use -- is that a good use of BRAC? It worked, but I -- I think we got a lot out of it.

Is that what we -- is -- is that what we need to do in -- in 2013 and 2015? No. That is not the -- the agenda is not to do transformation. More jointness, yes, I think, but we're not trying to do the kinds of transformational changes that the Army did, which reflected the needs of the time and the urgency of the war.

REYES:

That's it, Mr. Chairman. Thank you for holding...

FORBES:

Thank you, Mr. Reyes.

I want to thank all of you for your patience, and I'm going to have one last question.

But I wanted to also tell you, Dr. Robyn, we just don't buy any more of this stuff of we're -- we're taking excess resources so we can enhance other capabilities when Secretary Gates came out and announced he was going to shut down the Joint Forces Command in his press conference that day, he said, because this is going to be great. We're going to put this in ship-building; we're going to put this in ship repair. That lasted about four months before all that money was gone, you know, out of there.

And so I think most of us understand here this isn't because we're taking this out and putting it somewhere else. It's going out of the defense budget completely.

The other thing is, as Mr. Courtney pointed out, a lot of things you can do outside of BRAC. You can knock down a lot of these buildings and things...

ROBYN:

Sure. Oh, yes. I didn't mean...

FORBES:

I mean, we're only talking about for BRAC, when you have 300 civilians or more that you're -- you're relocating.

And the final question I'd have for you, because as I heard Mr. Lepore's testimony and -- and, Mr. Lepore, I'd like for you to correct me if I'm wrong on your testimony, but you said basically that when you do BRAC the goals that -- that are set kind of drive the selection criteria, and the selection criteria, with that, will drive the outcome. Correct me on what part of that I was wrong on.

LEPORE:

I think you're close. What I think I said was that the goals help to drive where the department hopes to end up and the selection criteria helps to define how they will get there, is a way to think about...

FORBES:

OK. They work together. Good.

Then, Dr. Robyn, last question I'd have for you: Can you state for this committee the specific goals that the department would have for this round of BRAC so we can at least have some forecast of where you might end up, and how do you think the selection criteria will help you reach those goals?

Brian, is that a fair statement?

LEPORE:

Yes, it is, Mr. Chairman.

FORBES:

OK.

ROBYN:

It would be presumptuous of me to say what the goals for the -- for the round are. I think that needs to be an internal deliberation. I'm giving you a sense of -- that the focus is going to be much more on getting rid of excess capacity than on transformation.

In terms of how the criteria relate, the criteria are in -- in statute. You will see when you get our bill within the week that they're -- they're set out. We preserved the same ones that were used in -- in 2005, and I believe those were put in -- in statute in 2005 in response to congressional desire, and we -- we had a set of criteria and Congress made some changes, and it -- so we -- we have preserved what came out of the -- or, I'm sorry, it was 2001 legislation.

FORBES:

Well, let me just tell all of you, I think you can tell by this subcommittee that they're going to have to have a lot more facts to -- before they're going to bite off on this -- another round of BRAC. And specifically, one thing they're not going to do is pass it so we can find out what's in it, you know, so we're going to need to know those goals and we're going to need to know some of the specifics in doing it.

But I promised all three of you if you had anything else you want to say or anything you want to clarify on any of the questions that came up that you didn't get all the time -- Dr. Robyn, anything else?

ROBYN:

No.

FORBES:

Good. And if you don't mind, if you could get Mr. Reyes...

ROBYN:

Yes. Yes, I will.

FORBES:

... information back.

General, thank you for your service. Anything else that we've left out that you would like to...

BISHOP:

No, Mr. Chairman. Thank you.

FORBES:

And, Mr. Lepore, anything that we have omitted that you feel is appropriate?

LEPORE:

No. And I appreciate the opportunity to be here once again.

FORBES:

Listen, we want to thank you all for your service. Thank you so much for your patience and being here with us.

And, Mr. Reyes, if you have no additional questions, we're adjourned.

CQ Transcriptions, March 8, 2012

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