

MILITARY CONSTRUCTION AUTHORIZATION
FISCAL YEAR 1978

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
MILITARY CONSTRUCTION AND STOCKPILES
OF THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
NINETY-FIFTH CONGRESS
FIRST SESSION
ON
S. 1164
A BILL TO AUTHORIZE CERTAIN CONSTRUCTION AT MIL-
ITARY INSTALLATIONS, AND FOR OTHER PURPOSES

APRIL 5-6, 1977

Printed for the use of the Committee on Armed Services



Senator HART. We also have before the committee H.R. 5502, a fiscal year 1977 supplemental military construction authorization bill, in the amount of \$122 million, passed by the House on April 4—yesterday—which we will examine.

This is a substantial amount of money, just under \$4 billion, \$3½ to \$4 billion. It is not as exotic as some of our expenditures for weapons systems, but I cannot imagine national security forces which could operate either in this country or around the world which did not have adequate basing and adequate facilities. Therefore, I think this is integral to our national security forces and almost anything else we do.

We do want to welcome our first witness, Mr. Perry Fliakas, the Deputy Assistant Secretary of Defense for Installations and Housing.

Mr. Fliakas, would you identify those with you as supporting witnesses and proceed as you desire.

STATEMENT OF PERRY J. FLIAKAS, DEPUTY ASSISTANT SECRETARY OF DEFENSE, INSTALLATIONS AND HOUSING, ACCOMPANIED BY EVAN R. HARRINGTON, DIRECTOR, FACILITIES PROGRAMMING, OFFICE OF DEPUTY ASSISTANT SECRETARY OF DEFENSE, INSTALLATIONS AND HOUSING

Mr. FLIAKAS. Thank you, Mr. Chairman.

I have a witness list that I will submit for the record that identifies the people on my staff and other departments in the Secretary of Defense's Office who are available this morning.

I also, at the outset, Mr. Chairman, would like to apologize for a printer's mistake in collating my statement. I find that page 7 is out of place in the statement. I hope you will not consider that a reflection on how the budget was put together.

I believe it is placed after page 9. With your permission, Mr. Chairman, I would like to highlight and brief this comprehensive statement and then submit it in its entirety for the record.

Mr. Chairman and members of the committee, I am very appreciative of the opportunity to appear before this committee and present the fiscal year 1978 Department of Defense military construction program. The 1978 program we are presenting today has been developed in consonance with the 5-year defense plan and has taken into consideration a great number of diverse contributing factors including the ongoing total force policy, the condition and adequacy of existing facilities throughout our physical plant, overall priorities and special needs generated by new and developing weapons systems and, to the extent permissible, long-range requirements for modernization and replacement of obsolete facilities. The new authorization request totals \$3.576 billion. This does include the budget amendment submitted by the President in February. Actual enactment in 1977 totaled \$3.323 billion or almost \$253 million less than we are requesting for fiscal year 1978.

Now, there are two factors which have contributed substantially toward shaping the total amount of our 1978 request.

First, there has been a concerted initiative to restrain the total amount of new construction at domestic bases pending a comprehensive study of the services basing structures. Offsetting that factor, however, is the inclusion in this year's program of almost \$600 million of

authorization for two ammunition production plants. The total effect of these two entirely diverse actions is to largely cancel each other out. As a result, the total program is roughly comparable to last years.

A comparison of the 1978 proposed program with that requested and enacted for a comparable 12-month period in 1977 is on page 2 of my statement. Although our program has been subject to considerable turbulence, we have made every effort to insure that within the funds available we have met the most essential and priority needs and assured a continuing capability to support the forces and missions of the Military Departments.

Against that general background I would like now to address the program in its total and to some extent highlight the areas within this request which we consider of some special significance and of interest to this committee.

THE EFFECT OF CONSTRUCTION COST INFLATION

Again this year as last we have had to recognize the real continuing effect of inflation both in materials and labor cost. Although these trends have moderated somewhat since last year and, of course, we hope for a further decrease in the current rate, as realistic program managers, we have provided what we believe to be a prudent allowance for cost rises in the industry.

This allowance is at a rate of 8.3 percent per year through calendar year 1977 and reduces to 8 percent per year for any construction which extends beyond that time. Our experience with cost for military construction projects within the past year was excellent. There was considerable competition for our work with the majority of low bids below the projects program amounts.

Similar to last year the experience is a reflection of the depressed state of the construction industry with its continuing rate of high unemployment. For the second consecutive year we experienced a record performance in the award of our military construction program.

By December 31, 1976, almost 93 percent of the 1976 program was executed which far exceeded the performance of prior years. We have over the past 2 years maximized our early awards to assist the economy by reducing unemployment in the construction industry.

ENERGY CONSERVATION

This year we are continuing our departmentwide program to emphasize the facilities energy conservation investment effort albeit at a somewhat reduced funding level. This program is aimed at retrofitting existing facilities as a positive means of conserving all types of energy and reducing utility cost increases to the minimum.

A 7-year program has been identified at an overall cost of \$722 million. In the last 2 years Congress has authorized a total of \$283 million for this very worthwhile program. This year we are requesting an authorization of \$20 million while the 1979 program is being proposed at a level of \$176 million. The disparity in amounts between 1978 and 1979 is the result of project deferrals pending completion of the previously mentioned base structure studies. All projects in this year's program will amortize in 6 years or less.

of an intent to reduce, if not eventually eliminate, our ground presence in Korea or our troops there. In that light could you tell this committee why you have programed more permanent construction there?

Mr. FLIAKAS. Actually the \$28 million requested by the Army for 1978 was proposed prior to the announcement of the various options that the new President was considering. However, we believe that we should not prejudice this request or this proposal until such time as the National Security Council, the President and the Secretary of Defense have decided on the phase out and what the composition and mix of that reduction goal is determined and how it will take place. I do not want to anticipate a decision by the President, but if it is phased over a period of time, we believe that certain of these requirements are still valid. I will call your attention to the fact that a number of them do use the relocatable structures, particularly for our barracks, messing, personnel type facilities, so that we believe that certain ongoing construction will be required. I think we have to be very selective. We will have to watch that very carefully. We have placed a temporary hold on construction, again on a selective basis, that will continue and we will do this throughout the 1977 program as well as the 1978 program.

What I would recommend to the committee is that you do not pre-empt the proposal or the request at this time until we know what the options are and how they will be carried out.

Senator HART. How much do you have here for Korea?

Mr. FLIAKAS. There is about \$30 million, sir. The bulk of it, \$28 million, is for the Army. As far as I know, there are no options with respect or no proposals being advanced for the withdrawal of any Air Force units.

Senator HART. Let us say we give you the entire \$30 million, authorize it and eventually appropriate the funds, and sometime thereafter the Carter administration should make a decision of phased withdrawal, what would be your disposition of those funds then?

Mr. FLIAKAS. Of course, we would selectively proceed at those locations as and for those requirements still considered necessary. We would, of course, report those to your committee.

With respect to the funds that may not be necessary or may not be used, we would not apportion them to the military departments, not provide them. We would have them available for application as we did other savings toward future years' programs.

Senator HART. I think we would like to follow that very carefully. Keep us abreast of what transpires and how it coordinates with the administration policy. I think that will be very helpful to us.

Mr. FLIAKAS. All right, sir.

OVERSEAS CONSTRUCTION

Senator HART. On other overseas bases situations obviously it is changing dramatically in a number of places. You might comment very briefly. I think there are a half dozen areas or more that we are interested in. I would like your comments on two or three of them, perhaps not all of them, and I want to focus on one specifically. Where do we stand now in Spain, Turkey, and Greece in terms of bases?

Mr. FLIAKAS. I perhaps should expand on this for the record. As I understand it, negotiations have been completed with the Spanish Government and the treaty that came out of those negotiations was ratified last year. As you know, the treaty does call for the continuation of the use of certain bases. It also requires the return of the fleet ballistic missile squadron from Rota, Spain. That was, I believe, designated to be prior to 1979.

Senator HART. That will be closed down completely?

Mr. FLIAKAS. No. There will still be certain units at Rota.

Senator HART. Just ballistic missile squadrons?

Mr. FLIAKAS. The Tender that was home ported there to support the ballistic missile submarines will be returned to the United States.

With respect to Turkey, I believe, sir, that based on the ongoing negotiations, that these have been completed by the State Department and that a new agreement has been developed and has been submitted. I believe it is pending congressional approval or ratification. These have been ongoing, of course, since 1975, I believe, when the arms embargo was first imposed. I believe now that these negotiations for the continuation of certain bases have been completed.

Senator HART. You, of course, will await final approval of that by the Congress before you will do anything there?

Mr. FLIAKAS. That is my understanding, yes, sir.

With respect to Greece, once again negotiations have been ongoing for some time. I was not aware of this officially but I read in the papers that the Greek Government unilaterally announced that agreement had been reached on the continuation of a number of the existing bases in Greece. I am not sure where that stands formally.

Senator HART. In all cases of this sort where there are renegotiation situations or the legal status is dubious, what is your general policy? Do you suspend substantial expenditures pending the outcome of that or what do you do?

Mr. FLIAKAS. Yes, sir. Of course, in Spain, for example, we have continued to operate the bases just as in the Philippines we are continuing to operate the bases. They have not been suspended. We have not programed nor do I know of any necessity or requirement to program any new construction. The funds to continue to maintain the presence of our forces are in the budget, not in the military construction budget, but in the defense budget. Excuse me. I stand corrected.

Mr. HARRINGTON. We have approximately \$4.2 million in military construction in 1978. It was put in in implementation of the previously ratified Spanish agreement.

Senator HART. What about a situation like Turkey or Greece where we have some facilities that are deteriorating and negotiations take years to complete? What do we do about that? Do we go in and repair them anyway or what?

Mr. HARRINGTON. The normal repair would be done with O. & M. funds which are available to the commander there. However, we would not initiate any new construction per se until our tenure was firm.

Senator HART. Let me ask you about the Marianas. Do you know of any plans or considerations underway now to establish a base in the Marianas?

Mr. FLIAKAS. No, sir. You may be referring to the contingency plans that had been developed and had certain provisions in those that did envision the leasing of a considerable amount of land. I believe it was about 18,000 acres. But that has not been exercised. There are no funds programed either for construction of facilities or for leasing of facilities. That is just a plan.

Senator HART. Could that be subject to change during the year and, if so, would you come back before this committee?

Mr. FLIAKAS. No, sir, if it is determined that we should proceed with the leasing of that land as provided by the covenant and as approved by the Congress and if it requires the construction of facilities, these would be programed in a subsequent year's military construction request.

Now, we do, of course, have the option, and this, of course, would be reported to the committee, if there was an emergency related to the security of the United States, say, then we would recommend to the Secretary and it would be reported to the Congress that we could use our Department of Defense contingency funds to initiate construction of facilities. But that would be under an emergency and, of course, our procedures do require that that be reported to the committee and that we take no action to proceed until a 7-day waiting period expires after it has been reported. I am just indicating an option. I know of no reason to exercise that.

Senator HART. Mr. Smith.

Mr. SMITH. On Tinian 2 years ago, you testified to Senator Byrd there was a million dollars in planning funds being spent to look at the base on Tinian. Can you tell us if that money has been spent and, if it has, what you have accomplished with that money?

Mr. FLIAKAS. I believe a portion of it has been to master plan and develop the facility requirement on a very austere basis for a possible expansion. I will have to get a better response for the record, Mr. Smith, and provide it as to the status of those funds.

Senator HART. If you would I would appreciate that.

[The information follows:]

The Air Force \$30 million design program approved for fiscal year 1976 was available for the design of all Air Force facilities—including Tinian Island requirements. Therefore, the limited essential design requirements could be funded from the Air Force's overall design budget. In accordance with the terms of the approved Covenant, the U.S. Government has 5½ years after approval of the Constitution of the Northern Marianas to acquire the property by lease agreement. The Constitution has not yet been approved, therefore, no specific design efforts have been initiated. The Air Force does not intend to request any additional design funds in the future for the improvements to the existing harbor and airfield but will accomplish design out of the Air Force overall design program.

DIEGO GARCIA

Senator HART. Let me ask about Diego Garcia in the Indian Ocean, a matter of some controversy in the Congress. Would you provide for us a list of facilities which have been previously approved for Diego Garcia showing authorized amounts, current working estimates and the status of those facilities?

Mr. FLIAKAS. All right, sir. I can provide that. Roughly it amounts to between \$50 million and \$60 million in prior years. That is over

about a 5- or 6-year span, not counting the request for this year. I will provide the details for the record.

[The information follows:]

DIEGO GARCIA MILITARY CONSTRUCTION PROGRAM STATUS

[Dollar amounts in thousands]

Fiscal year: Description	Authorized amount	CWE	Construction status
1971: Naval communications facility.....	\$5,400	\$7,477	
Communications facilities.....	830	1,144	Completed.
Personnel support facilities.....	800	971	Complete April 1977.
Fuel system.....	650	653	Completed.
Airfield.....	650	287	Do.
Waterfront facilities.....	100	0	Request cancelled.
Utilities.....	1,370	2,893	Complete June 1977.
Shipping.....	1,000	1,529	Complete July 1977.
1972: Naval communications facility.....	8,950	10,462	
Personnel support facilities.....	2,146	2,651	Complete September 1977.
Fueling system.....	827	688	Completed.
Airfield facilities.....	2,543	1,340	Do.
Utilities/public works/maintenance facilities.....	2,056	3,691	Complete June 1977.
Shipping.....	1,378	2,112	Complete July 1977.
1973: Dredging.....	6,100	6,100	Completed.
1975: Expansion of facilities.....	14,802	14,802	
POL facilities.....	5,492	4,220	Complete February 1979.
Pier.....	4,000	4,100	Complete September 1978.
Airfield pavement.....	3,500	5,200	Complete October 1978.
Personnel support facilities.....	393	302	Complete April 1977.
Powerplant and utilities.....	1,417	980	Complete February 1979.
1976: Expansion of facilities.....	13,800	13,800	
POL facilities.....	1,500	2,005	Do.
Airfield facilities.....	2,400	4,190	Complete December 1978.
Personnel support facilities.....	6,000	3,555	Do.
Communication facilities.....	200	100	Complete November 1978.
Supply facilities.....	1,500	1,640	Complete December 1978.
Powerplant and supporting utilities.....	2,200	2,310	Complete February 1979.

Mr. FLIAKAS. If I may add, the last request for facilities was in the 1976 program which was for \$13.8 million. There was no request in 1977.

Senator HART. Are there any requests in this?

Mr. FLIAKAS. Yes.

Senator HART. How much is it?

Mr. FLIAKAS. \$7.3 million, Mr. Chairman, and as far as I know this should complete our current facilities program on Diego Garcia.

Senator HART. Do you know what that is for?

Mr. FLIAKAS. Yes. There are a number of facilities. The salient elements are some storage facilities for \$1.1 million, communication facilities for \$1.1 million, and for bachelor enlisted quarters, \$2.5 million. Then there is a variety of other, community and recreation, some public works shops totaling \$7.3 million.

Senator HART. Barracks are to house how many people?

Mr. FLIAKAS. I believe it is 200-man enlisted quarters.

Senator HART. It is my understanding the Carter administration has made this an item of discussion with the Soviets, demilitarizing of the Indian Ocean. In light of that, is it wise, in your judgment, to go forward with these kinds of expenditures?

Mr. FLIAKAS. This will complete the facilities requirements for the maintenance of that area for the mission and for the roles that have been identified by the Navy requiring our presence in the Indian Ocean. Now, I can't anticipate what might happen if a decision is made to reduce that presence. Then, of course, it would affect construction provided that the missions, communications, and waterfront facilities are not needed. This has been agreed upon with the British Government with respect to the use of that island and construction has been ongoing over the last 6 or 7 years. This will round out and complete the agreed missions and roles assigned to the Navy in that area.

I can only say like any other initiative that is taken by the President, when we are aware of the impact, of course, we will react. Right now I can only say that this is required.

Senator HART. And this has the support of the administration?

Mr. FLIAKAS. Yes, sir.

Senator HART. Are there any operational units operating out of Diego Garcia at the present time?

Mr. FLIAKAS. Yes. The fleet, of course, stops there. As far as the permanent mission is concerned, or the permanent party that is stationed there, these are all support type people. There are communications people that I guess could be considered operational.

Senator HART. Aircraft?

Mr. FLIAKAS. Yes. You mean mission aircraft?

Senator HART. Yes.

Mr. FLIAKAS. There are airfield facilities there. As far as I know, there are no operational aircraft that are stationed there.

Senator HART. Do you know of any construction plans for Diego Garcia down the road after this year?

Mr. FLIAKAS. No, sir. This request should complete our known requirements for that area and there are no further requirements in the future to support the current roles and missions.

PANAMA CONSTRUCTION

Senator HART. Along the same line with regard to the Panama Canal, being aware of the negotiations that are going on, is it wise and prudent, do you believe, to continue with the construction there pending the outcome of the negotiations?

Mr. FLIAKAS. Once again, Mr. Chairman, I believe that whatever negotiations or arrangements are made, that our presence will be required and assured at least for the next 20 years, and therefore, yes, I do consider that our requirements are valid.

Senator HART. How much money is in here for Panama?

Mr. HARRINGTON. \$2.8 million.

Mr. FLIAKAS. There is \$2.4 million for ammunition storage area modification and \$400,000 for a dining facility.

Senator HART. Any long-term construction proposed there after this year that you know of?

Mr. FLIAKAS. Not to my knowledge. I believe that our request there would be rather modest and merely to support the forces as we know them today. It is not likely they will be expanded. If anything, they will be contracted. So far as I know, they will be quite modest.

HOUSE SUPPLEMENTAL BILL

Senator HART. I mentioned at the outset that we are interested in the supplemental appropriations that the House passed. I would like to get your reaction to that. The House did favorably consider H.R. 5502 which would add \$122 million in construction projects for fiscal 1977. What is the Department's position on that bill?

Mr. FLIAKAS. The Department of Defense, of course, did not seek or participate in the preparation of the legislation. I did testify at the request of the House Armed Services Committee that it would have a beneficial impact on the affected areas of construction because, I believe, as you know, some \$35 million is for pollution abatement projects, another \$22 million is for our energy conservation projects, for a total of \$57 million, for those two programs.

While we did not seek it and the position of the administration is to support the President's budget as submitted, I did indicate that if enacted we could spend the money effectively this year. That we had projects that were identified by the military Departments as being priority projects that were designed and ready to be awarded and that the overall effect would be to advance these programs.

Senator HART. So you are in the curious position of on the one hand saying you don't want the money, but on the other hand saying you could spend it wisely?

Mr. FLIAKAS. Yes, sir.

Senator HART. I take it that would not be the official position of the administration, would it? The official position of the administration would be that you don't want the money?

Mr. FLIAKAS. The Office of Management and Budget has indicated that our guidance should be to support only those programs that were presented by the President. I have also been advised that I could and should point out the impact of these projects on our programs. I can indicate that with a current backlog, for example, in the family housing area some \$35 million was designated for the maintenance backlog. With a large backlog of deficiencies in maintenance of our family housing I can only say that these funds would be applied against that backlog and would substantially and significantly assist in reducing it. So, it is a question of priorities, a question of how much moneys should be provided to the Department of Defense. So I am in that curious position, yes, sir.

Senator HART. Have you assured yourself and can you assure us that if this money were appropriated that it would be spent at facilities which are, I suppose you could say, hard core, that are not subject to potential cuts?

Mr. FLIAKAS. If the funds are provided, yes, I can assure you that they will be spent at installations that are ongoing and are considered long term. I cannot anticipate the actions by the administration with respect to the apportionment of the funds.

Senator HART. If the Senate appropriated the funds, would we be giving you a blank check or are these funds earmarked?

Mr. FLIAKAS. As I understand it, while it was initiated by the Appropriations Committee, it did require accompanying authorization. So, it would not be a blank check. They would be specified against projects identified by the military Departments.

[In thousands of dollars]

Installation (regular MCP) and project:

Ellsworth AFB, S. Dak.: Communications-electronics shop----- \$251

Project provides an addition to the existing facility to allow specialized maintenance to be performed in a more environmentally regulated condition.

[In thousands of dollars]

Installation (regular MCP) and project:

Moody AFB, Ga.; Add to aircraft parking apron----- \$1,887

This project will provide an additional 75,000 square yards of parking apron to accommodate the increased number and size of tactical aircraft to be assigned. The existing apron is not of sufficient size to handle the new aircraft arriving at Moody.

[In thousands of dollars]

Installation (regular MCP) and project:

Rickenbacker AFB, Ohio; AICUZ----- \$678

This project is acquisition of protective zones that must be established adjacent to the air installation to prevent encroachment by incompatible land uses into hazardous aircraft accident areas.

[In thousands of dollars]

Installation (regular MCP) and project:

Pease AFB, N.H.; AICUZ----- \$1,404

This project is acquisition of protective zones that must be established adjacent to the air installation to prevent encroachment by incompatible land uses into hazardous aircraft accident areas.

[In thousands of dollars]

Installation (regular MCP) and project:

Moody AFB, Ga.; Small aircraft maintenance dock----- \$1,928

A maintenance dock of 47,170 square feet is needed to provide covered space for maintenance of aircraft. No small dock exists at Moody Air Force Base now. Maintenance is accomplished in overcrowded hangar or outside on the parking apron.

Senator HART. General Gilbert, Mr. Rietman, Colonel Auld, we appreciate your testimony. Any information you can provide us in response to questions we will provide to you for the record we will also appreciate.

General GILBERT. Thank you, sir.

Senator HART. Thank you very much. The hearing is recessed.

[Whereupon, at 3:20 p.m., the subcommittee recessed to reconvene at 10 a.m., April 6, 1977.]

MILITARY CONSTRUCTION AUTHORIZATION FISCAL YEAR 1978

WEDNESDAY, APRIL 6, 1977

U.S. SENATE,
SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES
OF THE COMMITTEE ON ARMED SERVICES,
Washington, D.C.

DEPARTMENT OF THE NAVY

The subcommittee met at 10 a.m., pursuant to recess in room 212, Russell Senate Office Building, Senator Gary Hart (chairman), presiding.

Present: Senators Hart, Byrd, and Nunn.

Also present: William L. Ball III; Edward B. Kenney, James C. Smith, professional staff members; Jeanie Killgore, clerical assistant; Christopher Lehman, assistant to Senator Byrd; and Bill Lind, assistant to Senator Hart.

Senator HART. The hearing will come to order.

This is the third and there will be a fourth session on military construction. We have heard from the representatives of the Department of Defense and the Air Force. This morning we will hear from representatives of the Navy and this afternoon if all goes well, the Army.

We have a prepared statement from Rear Admiral Marschall who is Commander of the Naval Facilities Engineering Command.

I welcome you, Admiral. We are glad to have you with us.

Admiral MARSCHALL. Thank you.

Senator HART. If you will introduce for the record those who are accompanying you and proceed as you wish with your statement, either delivering it verbatim or summarizing it, then we will get into some questions.

STATEMENT OF REAR ADM. A. R. MARSCHALL, CEC, USN, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND; ACCOMPANIED BY BRIG. GEN. G. L. BARTLETT, DIRECTOR, FACILITIES AND SERVICES DIVISION, HEADQUARTERS, U.S. MARINE CORPS; REAR ADM. J. C. METZEL, USN, TRIDENT PROJECT MANAGER; M. J. MOYNIHAN, NAVFACENGCOM; A. E. SAMUEL, HEADQUARTERS, U.S. MARINE CORPS; COMDR. J. R. IVES, CEC, USN, NAVFAC ENGCOM; R. J. MURPHY, NAVFACENGCOM; LT. COMDR. B. J. O'CONNELL, CEC, USN, NAVFACENGCOM

Admiral MARSCHALL. Thank you very much, sir.

It is a privilege to have the opportunity to review again the Navy's military construction authorization request.

Senator HART. You are studying Kings Bay along with four other sites to decide where that squadron will be but your preference is Kings Bay?

Admiral MARSCHALL. That is right.

Senator HART. You don't expect a site decision until some time around early 1978?

Admiral MARSCHALL. Mid-January 1978, we estimate, yes, sir.

Senator HART. Despite the fact that you have made no final site decision you are proceeding with the design of facilities and requesting from us \$20 million in construction authority to begin work at Kings Bay?

Admiral MARSCHALL. Yes, sir.

Senator HART. What will happen if the Congress denies those funds?

Admiral MARSCHALL. First of all, I think that if the Congress denies the funds we are going to be hard put to find a place to put this submarine squadron. We could possibly use Cheatham Annex in a pinch. Again that is not a desirable alternative. It involves certain waivers on explosive safety quantity distances. We still would have to find a long term solution because we feel Cheatham Annex is not the ultimate location for our submarines.

Senator HART. I think we will want to keep in touch with you throughout the year on this. This not only involves some significant funds but I think very important site decisions. We will appreciate your cooperation in keeping in touch with us.

Admiral MARSCHALL. We enjoy close communications with Mr. Smith of your staff and we find them very pleasant. We will certainly keep the committee informed, Mr. Chairman.

DIEGO GARCIA

Senator HART. We can't guarantee that it will always be pleasant but we will encourage you to continue it nevertheless.

Admiral, let me shift to Diego Garcia. Could you provide for us a list of all the facilities authorized for Diego Garcia to this date showing the program amounts and current working estimates and construction status? We would appreciate that.

Admiral MARSCHALL. Yes, sir. We will be happy to.

[The information follows:]

DIEGO GARCIA MILITARY CONSTRUCTION PROGRAM AUTHORIZATION AND APPROPRIATION SUMMARY

[In thousands of dollars]

Project title	Authorized	Funded	CWE
Fiscal year:			
1970..... Naval facility (1st increment).....	9,556	0	
1971..... Naval communications facility (1st increment).....	0	5,400	
1972..... Naval communications facility (2d increment).....	4,794	8,950	
Subtotal.....	14,350	14,350	17,939
1973..... Dredging.....	6,100	6,100	6,100
1975..... Expansion of facility (1st increment).....	14,802	(2)	14,802
1976..... Expansion of facility.....	13,800	13,800	13,800
Subtotal.....	34,702	19,900	34,702
Total.....	49,052	34,250	52,641

¹ To accommodate CWE, fiscal year 1970 authorization has been escalated 20 percent and fiscal year 1972 authorization has been escalated 35 percent. Both escalations utilized the energy related escalation flexibility of the fiscal year 1975 Military Construction Act.

DIEGO GARCIA MILITARY CONSTRUCTION PROGRAM EXECUTION STATUS

[In thousands of dollars]

Fiscal year and description	Programed amount	CWE	Construction status
1971—Naval communications facility (1st increment).....	5,400	7,477	
Communications facilities.....	830	1,144	Completed.
Personnel support facilities.....	800	971	Complete April 1977.
Fuel system.....	650	653	Completed.
Airfield.....	650	287	Do.
Waterfront facilities.....	100	0	Request canceled.
Utilities.....	1,370	2,893	Complete June 1977.
Shipping.....	1,000	1,529	Complete July 1977.
1972—Naval communications facility (2d increment).....	8,950	10,462	
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Personnel support facilities.....	6,000	3,555	Do.
Communication facilities.....	200	100	Complete November 1978.
Supply facilities.....	1,500	1,640	Do.
Powerplant and supporting utilities.....	2,200	2,310	Complete May 1979.

Senator HART. Can you summarize for us all the costs from all sources and programs for Diego Garcia?

Admiral MARSCHALL. Yes, sir, I have a summary. Through the fiscal year 1976 program, we projected Seabee costs in non-MILCON appropriations of \$97,853,000 and MILCON costs of \$52,641,000. Now added to that figure would be construction-related O. & M., N costs of \$1,047,000 and OPN costs of \$2,475,000. The grand total base development cost in all appropriations is \$154,016,000.

Senator HART. That was for all facilities?

Admiral MARSCHALL. All through the fiscal year program, yes, sir.

Senator HART. Have your plans for Diego Garcia changed since last year in any way?

Admiral MARSCHALL. No change in the basic mission, Mr. Chairman. Things have changed around us. For example, we lost the facilities at Utapao, Thailand. We have experienced quite a bit of difficulty with operating and maintaining equipment and facilities. The climate is extremely corrosive and we just need more people to maintain the facilities there.

This results in a planned manning level increase from 600 to 800 people. Our MILCON request was adjusted to add a BEQ, but we remain within the \$7.3 million total testified in past years.

Senator HART. If you could provide any details for the record on changes in your request compared to the fiscal year 1976 request, we would appreciate that.

Admiral MARSCHALL. Yes, sir.

[The information follows:]

There are two basic changes in the fiscal year 1978 request: a 172-man BEQ has been added to support the planned manning level, and a Satellite Communication Facility has been added to meet an operational requirement which developed subsequent to fiscal year 1976 hearings. The other operational requirement in the fiscal year 1978 request is for airfield facilities, which were identified in fiscal year 1976 hearings. Changes in the other facilities were made to accommodate the BEQ and Satellite Communication Facility within the \$7.3 million total testified to previously.

A comparison of the current request with the program as testified to during fiscal year 1976 hearings is contained in the following table:

FISCAL YEAR 1978 DIEGO GARCIA MILITARY CONSTRUCTION PROGRAM

[In thousands of dollars]

Facilities	Identified in fiscal year 1976 hearings	Fiscal year 1978 request
Recreational facilities	2,200	195
Morale facilities	0	1,900
Supply/storage facilities	1,300	1,135
Land operational facilities/fire stations	1,000	553
Communication facilities	0	1,080
Airfield facilities	800	760
Maintenance/public works shops	2,000	140
Bachelor enlisted quarters	0	2,540
Total	7,300	7,300

¹ Included in "recreational facilities" in fiscal year 1976.

² Included replacement of a general warehouse which is included in "storage facilities" in the fiscal year 1978 request.

Senator HART. To your knowledge are there P-3 aircraft operating out of Diego Garcia on a regular basis?

Admiral MARSHALL. Yes, sir, I would say at the present time we have one or two P-3 aircraft at Diego most times.

Senator HART. Where do they originate?

Admiral MARSHALL. The planes are from a squadron which is based at Subic Bay in the Philippines.

Senator HART. Do they use any other field in the ocean area?

Admiral MARSHALL. Yes, sir, I am sure they do. I would like to provide those fields for the record.

Senator HART. We would appreciate it.

[The information follows:]

The U.S. Navy neither operates nor maintains any airfields in the littoral countries of the Indian Ocean. We do rely on a number of non-U.S. airfields in the littoral countries to provide refueling and crew rest in conjunction with P-3 operations. These are located at:

- Bandar Abbas, Iran.
- Karachi, Pakistan.
- Masirah, Oman.
- Djibouti, French Territory of Afars and Issas.
- Make, Seychelles.
- Nairobi and Mombasa, Kenya.
- Cocos Island, Australia.

Senator HART. There have been indications in the press from the President that the whole question of militarization of the Indian Ocean is an item that this administration wishes to discuss with the Soviets.

In light of that what is the impact on your program for Diego Garcia, your short-term planning? What impact does that have on your plans for the next fiscal year or the year after?

Admiral MARSHALL. First of all, Mr. Chairman, the Defense Department is in constant communication with the State Department regarding anything that goes on in this area. It was as a result of the breakfast meeting between Secretary Vance and Secretary Brown that we were permitted to include in the current fiscal year's program the BEQ which we request. This agreement is on the basis that if U.S. policy changes, we change with it. At the present time we have completed the basic requirement for the austere communications facility. We are currently constructing facilities which would provide what we describe as a major filling station for the fleet in the Indian Ocean, not a real base at all.

Should national policy indicate that this construction is not required, naturally we would have to stop.

Senator HART. As to your understanding that the filling station is in anticipation of increased ship-days in the Indian Ocean or not or to maintain our present level?

Admiral MARSHALL. To maintain the present level.

ENERGY CONSERVATION

Senator HART. I would like to shift gears once again if I may and move into the area of energy conservation which is an area that this committee is concerned about with regard to all the services. Could you provide for us a list of the unfunded energy conservation projects which the Navy has in order of priority not to exceed \$50 million for so-called hard core installations and are far enough along in design to put under contract soon after the next fiscal year begins?

Admiral MARSHALL. I think that we would be hard put to find \$50 million well along in design, but we certainly could give you our list, which amounts to about \$30 million. I am convinced that these projects are valuable and necessary for this country.

[Additional information follows:]

ENERGY PROJECTS

The projects in the following listing are considered solid candidates for accelerated programming.

The first section of the listing consists of projects deferred from fiscal year 1978 which are now included in the fiscal year 1977 Supplemental passed by the House (H.R. 5502). Designs for these projects are either completed or well along so that all projects in this section could be awarded prior to 1 October 1977.

The second section of the list consists of the balance of the projects deferred from fiscal year 1978. Design of these projects is well underway and they could be awarded early in fiscal year 1978.

The final section consists of projects selected from fiscal year 1979. Although with minor exception these are not currently under design, the projects are small, relatively straight forward and could be designed in time for award by mid-fiscal year 1978, if designs were started as late as this summer.

Section 1. Projects deferred from fiscal year 1978 and included in fiscal year 1977 Supplemental (H.R. 5502):