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DEPARTMENT OF DEFENSE MANAGEMENT OF HISTORIC AND HISTORIC-ELIGIBLE FACILITIES

HEARING

BEFORE THE

READINESS SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

HEARING HELD
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DEPARTMENT OF DEFENSE MANAGEMENT OF HISTORIC AND HISTORIC-ELIGIBLE FACILITIES

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
READINESS SUBCOMMITTEE,
Washington, DC, Wednesday, March 8, 2006.

The subcommittee met, pursuant to call, at 2:01 p.m., in room 2118, Rayburn House Office Building, Hon. Joel Hefley (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. JOEL HEFLEY, A REPRESENTATIVE FROM COLORADO, CHAIRMAN, READINESS SUBCOMMITTEE

Mr. HEFLEY. The committee, such as it is, will come to order.

Today, the Readiness Subcommittee meets to hear testimony from the Department of Defense (DOD) on the management of historic facilities.

Historic property management is a challenging task for the Department. Not only is DOD responsible for managing tens of thousands of historic properties, ranging from hangars to houses and barracks to bunkers, but their properties are often greatly appreciated by local historians.

While the Department has a responsibility to identify and preserve these historic facilities under the National Historic Preservation Act of 1966, for many properties the price of doing so is becoming a difficult one to bear.

Over the past year, I have personally walked through the historic homes of the Army chief of staff, the Air Force chief of staff, the chief of naval operations and the superintendent of West Point. I have seen the tremendous amount of work that needs to go into these facilities to repair and upgrade them to modern standards. And in many cases, I cannot imagine the day that Congress will provide the amount of money necessary to fund all of these necessary repairs.

For example, last year, the Army requested authority to spend more than $1 million to repair the roof at the superintendent's home at West Point, New York. According to the Army, this home may require an additional $6 million in repairs, even after the roof structures are fixes.

Also, last year, the Navy requested authority to spend more than $300,000 to study a mold problem at an historic house at the Navy Yard in Washington, D.C., but according to the Navy, complete repairs to this unit are likely to cost between $2.6 million and $5.2 million.

And most recently, the Navy submitted to spend over $5 million for historic remediation at Naval Air Station Pensacola, Florida, in order to meet the terms of a negotiated settlement between the State Historic Preservation Office (SHPO), the Navy and the Advisory Council on Historic Preservation.

While preserving our nation's history is important, the Federal Government does not have unlimited resources, so it is essential that we strike a balance between historic interests, common sense and fiscal reason.

As much as we might want to keep and repair certain historic houses, our nation simply cannot afford to spend millions of dollars on any one home. We must find other ways to fund these needs, reduce costs or transfer the asset to someone who can afford it.

I spend a large portion of my time in Congress working on DOD's facility budgets. I am well aware of the Department's annual failure to fully fund and execute sustainment at base operations budget. I have seen the leaking barracks, the substandard child care development centers and failing family housing units that result fro underfunding.

Readiness budgets, alike, are under extraordinary pressures. Training, body armor, weapons, vehicles and daily operations all cost great amounts of money. Failure to fund these requirements costs readiness, a price that can be paid with the lives of our service members.

So it is in this context that we must consider the relative merits of spending millions of dollars to repair any single housing unit.

Unfortunately, there are no simple solutions. We cannot and should not tear every expensive historic structure. We cannot simply give every historic facility away without compromising the security of our installations, and we cannot afford the massive sums necessary to support all the historic structures.

In my opinion, the solution is likely a combination of the following: First, DOD should take an aggressive a more aggressive approach of preservation for those facilities that are truly historic and demolition of those that are not; second, DOD and Congress must do some thinking outside of the box to find ways to reduce costs associated with preservation; and, third, DOD must more frequently employ adaptive reuse, enhanced use leasing and other authorities to maximize the value of any given historic structure.

I hope that our witnesses will take this opportunity to have a frank discussion with the subcommittee about these issues. I hope that they will tell us about the true nature of the challenge, the roadblocks to overcoming these challenges and share any ideas they may have for more effective historic property management at the Department of Defense.

This is not a new deal. Mr. Grone and I, back in 1995, took over the Military Construction Committee, and we realized what a deplorable status our family housing was at many of the bases, and we set about to develop what is now the Privatization Program, which has done, and is still doing, a tremendous amount toward getting our service members in decent housing.

But one of the things that always bothered us then, and now, at least me, and I think Phil would agree, probably, is that while we were clawing out with our fingernails trying to get the money for

family housing so we would have adequate housing for our young soldiers, we were also having to deal with these horribly expensive historic properties.

And I am an historic preservationists. I like to preserve history, and I often cite Warren Air Force Base as an example of how you can take historic structures and use it for modern purposes. It was a cavalry post and now is a missile base, beautifully done. There are others that we could cite, but as I walk through some of these deteriorating structured, I am just dismayed at what we ought to be doing with them.

Someone asked me a while ago at lunch that mentioned that we were having this hearing and they said, "Are you really going to jump on them?" And I said, "No, we are not going to jump on them. We want to sit down with them and decide together what ought to be done to solve this problem." And it is not an endless source of money.

Let me refer now and turn the microphone over to Solomon Ortiz who has, during most of this time, been with me in this process, as we have tried to struggle with this. And, obviously, we have not come up with the answer yet, and we hope our witnesses will.

Solomon, I turn it over to you.

STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, RANKING MEMBER, READINESS SUBCOMMITTEE

Mr. ORTIZ. Thank you, Mr. Chairman. I join you in welcoming our distinguished witnesses, and I look forward to hearing their testimony on this very important issue.

Historic facilities are a difficult issue for this committee and the DOD to tackle. Our country may not be old by many standards, but we have a storied history in which our military has played a very, very vital role. It is impossible to separate many of the significant events in our national history from the military or its facilities. Locations like West Point, Pearl Harbor, Hill Air Force Base and Quantico are some representatives of the rich history.

The culture of the military and its connections to the past makes it especially difficult to solve some of the problems that will be presented by our witnesses today.

Historic buildings can be expensive to maintain and are often not easily converted for modern purposes. In my district, there are Navy aircraft hangars that required very expensive renovations because of the historic status. This presented a significant financial and time problems for the installations as it attempted to balance its historic preservation duties against its mission in a constrained facilities maintenance budget.

I recognize the upkeep and operation of historic structures is a strain for the Department of Defense. The services did not ask to be saddled with old buildings, leaking roofs and mold in the basements, but it is their slice of American history, and they are currently the stewards of that history.

I believe that a careful balance must be struck between preservation and progress. We must seek innovative solutions that will serve our past but allow us to move forward into the future.

Mr. Chairman, the military's mission is to defend our nation. This is their paramount task. But they also must balance other interests when meeting this mission. They must be good stewards of the environment, the employees and in this case the nation's history. I look forward to hearing the testimony of our witnesses and their thoughts on how we can continue to honor our past and provide for the national defense. And, you know, my good friend is going to abandoned me. He said he is thinking about retirement. I hope he changes his mind so we can find a solution to this problem.

Mr. HEFLEY. Good. And let's hope it will not take that long, but I may have to get back in the race, Solomon, if we do not get this solved.

Mr. ORTIZ. I hope so.

Mr. HEFLEY. But it is something that, as both of us have stated, that we have all been working on a long time, and we really do need to find a solution.

And I do not know anybody that has devoted himself to looking at this more than you have, Mr. Grone. Of course, you did not have such a long and fancy title when you started looking at this, and I want you to know, this committee is impressed.

And so we will turn the microphone over to you, and then we will kind of go down the line there with your thoughts and hopefully with your answers to the problem.

STATEMENT OF HON. PHILIP W. GRONE, DEPUTY UNDER SECRETARY FOR INSTALLATIONS AND ENVIRONMENT, OFFICE OF THE SECRETARY OF DEFENSE

Secretary GRONE. Well, thank you, Mr. Chairman, Mr. Ortiz, members of the subcommittee. It is, indeed, a pleasure to be back before the Subcommittee on Readiness to discuss matters of general management practice for the Department of Defense.

And this afternoon, in particular, I am pleased to be here to discuss our management of historic properties in the built environment as well as other cultural resources that are managed by the Department of Defense.

And I appear here with a multiplicity of capacities. I am the Deputy Undersecretary of Defense for Installations and Environment. I am the senior policy official for Federal Preservation in the Department and the Secretary's representative to the Advisory Council on Historic Preservation as well as the senior real property officer of the Department of Defense.

And, in many ways, what we are doing is unifying our treatment, unifying our policy approaches within the context of the inventory in a comprehensive asset management strategy to provide for some of the solutions or at least a path forward on some of the solutions that both the chairman and the ranking member spoke of the need to secure.

The Department currently manages nearly 507,000 buildings and structures with a plant replacement value of over $650 billion and more than 46,000 square miles of real estate. And as part of that inventory, DOD has management responsibility for 75 national historic landmarks, as well as nearly 600 historic entries listed on the National Register of Historic Places, which encompass more than

19,000 individual historic properties—buildings, structures, objects and sites—located on over 200 military installations.

And within the inventory itself, the Department currently manages nearly 345,000 buildings. The National Historic Preservation Act (NHPA) requires us to evaluate properties when they reach 50 years of age to determine if they are eligible for the National Register of Historic Places. Currently, about 32 percent of DOD's buildings are older than 50 years, and based upon current inventory forecasts that do not yet take into account the effects of Base Realignment and Closure (BRAC), that percentage will increase rapidly over the next 20 years.

Ten years from now, the inventory could have over 55 percent of our inventory older than 50 years, and we will need to evaluate each of those buildings to determine their eligibility for the register and therefore whether they are subject to the requirements of the National Historic Preservation Act. And in 20 years, that percentage could grow to nearly two-thirds.

Our efforts, however, are focused on the development of a comprehensive program that enables us to manage these resources efficiently and effectively.

Executive Order 13327, concerning Federal real property asset management, requires all Federal agencies to identify and categorize all Federal real property. In addition, Executive Order 13287, concerning Preserve America, requires all Federal agencies to improve their accountability of their historic property assets. And working in concert, these executive orders present a unique opportunity to integrate how the treatment and management of historic properties into the broader real property asset management process of the Department, frankly, as assets that must meet the day-to-day mission needs of all Federal agencies, to include the Department of Defense.

And to speak frankly to a couple of the points that the chairman and ranking member have made, there are three items I would like to just mention very briefly. One is the question of data, what are we doing to understand what we own, where it is and what its condition is.

As part of the Business Management Modernization Program for which this subcommittee has jurisdictional oversight, we are working to provide that kind of data that GAO has previously and rightly criticized us for lacking in our inventory control processes. And as we are planning historic status, worked out in concert with the Advisory Council on Historic Preservation, for purposes of the broader Federal real property inventory reporting requirements, has been adequately defined as part of our Federal responsibility, the interagency responsibility, as well as those internal to the Department.

As of today, our plan would have the Army and Washington Headquarter Services reporting historic status, comprehensively with the fiscal year 2005 inventory report, per the guidance of the Federal Real Property Council. The Air Force and the Navy will be submitting those revised inventory reports with the fiscal year 2006 inventory submission. So we are making progress significantly on the question of raw data.

Second, to the question of program approaches and asset management planning, the assets that the chairman, in particular, spoke about are important assets. They are critical assets, and we can talk about those particular projects in detail as our discussion today evolves.

We often think, and many often think, of the National Historic Preservation Act in the context of its 106 and the consultation process around singular and specific assets; in many cases, the assets that the chairman mentioned. That is important in and of itself and provides a process that is critically important.

But the National Historic Preservation Act also provides for alternative processes that have allowed us the latitude, in working with the interagency, working with external stakeholders, state historic preservation officers, tribes, as well as the Advisory Council on Historic Preservation, to design a process that utilizes full programmatic approaches.

The Program Comment, fully authorized under the 1966 act, utilized for the first time in the context of Capehart-Wherry housing for the Department of the Army. And building on that approach with the programs of the Navy and Marine Corps and the United States Air Force, we now have 82,000 units of Capehart-Wherry era housing that are subject to the programmatic agreement with the Advisory Council on Historic Preservation.

That process, that approach, streamlines our compliance costs. We estimate that we will save $80 million to $90 million in compliance costs through the utilization of that one programmatic treatment.

Now, we are building on that for the future with programmatic approaches to take on the question of post-World War II era barracks and ammunition storage facilities. The Navy is also looking to a programmatic approach to deal with the question of Navy ships.

So we are using the act flexibly, creatively in ways that are authorized by the statute but with a new business approach and a new business model to try to provide treatment for, appropriate documentation of but not necessarily the direct preservation of each unit of a given class of housing. And that is a critically important balancing act that we are effectively utilizing.

For our overarching business practices, the chairman spoke about the question of sustainment, the question of base operating support, the question of our facilities recapitalization strategy. The President's budget request provides for 90 percent of the need to sustain our facilities. Last year, we improved our execution of facilities sustainment significantly, and we are looking with controls in our financial systems to improve that execution every year.

Critically important in the development of our sustainment and recapitalization model are that we are continuing to improve our private sector benchmarks, to improve the benchmarks that we draw from the public sector, to ensure that as we build a program and a budget that we have an adequate understanding of the cost of maintaining our facilities.

And as the members know, it is a significant and sizeable hole which we have dug ourselves over many, many years. Adequate

sustainment is the foundation of our broader facilities strategy in which historic properties are also a part.

And one of the reasons that a number of reports have demonstrated that the cost of historic assets and the maintenance of them are so high is because they have lacked adequate facilities, they would call it maintenance, we would call it sustainment, over many years. And that once those assets are normalized for adequate sustainment, once they are normalized in relation to size and put on a square footage basis, the cost to sustain those assets over time is roughly equivalent, if only marginally more expensive, for an historic asset than it is for a non-historic asset. All the data, all the private sector data demonstrate that.

The question is, will we undertake the business approaches that the chairman spoke about—enhanced use leasing, furthering that as part of the area within the Department's management responsibility? Will we forcefully move out on further adaptive reuse? We are all committed to looking at new approaches in both the enhanced use lease area and in adaptive reuse to provide ourselves with a solid foundation for the future.

In addition, we are privatizing a good number of our housing assets through the military housing privatization initiative with appropriate treatment for historic character, landscapes, viewscapes in a way that is consistent with what state historic preservation officers have consulted with us upon.

So we are building a variety of tools in our toolkit to deal with the underlying problems in historic properties. We will not turn this problem around tomorrow, but I believe that we, as a department, have begun to put ourselves on sound management footing, looking ahead to the future to be able to treat these assets with the full mission capability that they deserve.

The key is appropriate asset management at the end of the day, while recognizing our responsibility for cultural resource preservation in the context of the mission needs of the Department of Defense. And, again, we believe that the policy approach that we have taken, the management approach that we have taken is leading us down that path.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Grone can be found in the Appendix on page 29.]

Mr. HEFLEY. Thank you, Mr. Grone.

And now representing the Army, Mr. Bill Armbruster.

STATEMENT OF HON. WILLIAM A. ARMBRUSTER, DEPUTY ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS & ENVIRONMENT, PRIVATIZATION AND PARTNERSHIPS, DEPARTMENT OF THE ARMY

Secretary ARMBRUSTER. Mr. Chairman, members of the subcommittee, it is a pleasure for me to be here today to represent the Army and to discuss the Army's historic properties program.

The Army is a responsible steward of our historic legacy and the cultural resources that have been entrusted to us. As the oldest of the defense services, the Army has strong ties to its history and the places that have helped to shape this country's destiny.

Of our U.S. inventory of over 153,000 structures and buildings, 41 percent currently are over 50 years old and are subject to compliance of the NHPA. And in the next 20 years, 68 percent of our buildings will be over 50 years and require NHPA compliance.

Well, this large and growing inventory of historic properties obviously poses a challenge and has cost implications that we must address, but there continue to be questions regarding the high cost of renovating and maintaining historic properties.

And as Mr. Grone has indicated, evaluations and studies have shown that when reviewed over the per square foot or the life cycle of this particular structure, that the costs are approximately the same as for non-historic buildings and often the initial costs for materials used in historic buildings are high, but those materials last longer and they result in a life cycle cost savings.

We in the Army continue to seek innovative solutions to address the challenges of limited funding, underutilized space and compliance requirements. There are three options for us in managing our historic properties. We can use and maintain them, we can privatize them or we can demolish them.

The Army chooses to use and maintain most of our historic properties, and in concert with the Advisory Council on Historic Preservation, we have established several initiatives to streamline the project management and consultation processes and reduce costs.

Mr. Grone has referred to most of these, but, of course, one of our most important and effective NHPA compliance tools is to address our growing inventory through the Program Comment. And in conjunction with the advisory council, the Army completed a Program Comment for Cold War era Capehart-Wherry housing, as Mr. Grone had mentioned. And this satisfied the NHPA compliance requirements for nearly 20,000 Army buildings and has proven especially beneficial for family housing privatization projects under our residential communities initiative.

Additional Program Comments are in the final stage of coordination, as Mr. Grone indicated—World War II, Cold War era barracks, ammo storage facilities and ammo plants as well. These Program Comments will satisfy the NHPA compliance requirements for approximately 35,000 Army buildings.

Now, the Army has also initiated something we call the Army alternate procedures, and this is a unique NHPA compliance approach that streamlines the process and allows installations to better manage compliance requirements. These alternate procedures are based on consultation and agreement among key stakeholders to create a five-year NHPA compliance plan.

These procedures eliminate the need for consulting on individual projects and allow installations to proceed in accordance with agreed standards. We have just learned that our first pilot effort under the alternate procedures process has been approved at Fort Sam Houston in Texas, and this was approved by the advisory council last week.

We expect that Fort Benning, Georgia will follow shortly as a second pilot effort, and we have about seven additional installations in the queue to implement this program.

The Army is also pursuing enhanced use leasing of historic properties to the private sector. At Fort Sam Houston in Texas, the

Army leased to a private developer three historic buildings, containing approximately a half million square feet of space. The resulting actions preserved the buildings and eliminated the Army's responsibility to rehabilitate and maintain them. And we are pursing another enhanced use leasing opportunity for the William Beaumont Hospital Historic District at Fort Bliss, Texas.

There are 278 historic buildings identified as important by the SHPO in Texas that were competitively offered to the private sector for restoration and utilization. Now, the selected bidder and the Army are currently negotiating a business and lease plan that we hope will lead to the execution of a lease.

The Army is also taking advantage of the private sector by including these properties in our residential communities initiative, or RCI. And you mentioned that, Mr. Chairman. The Army is very proud of that program. We have achieved phenomenal success with RCI, and, to date, we have privatized 64,000 homes at 27 installations. And included in this number are over 2,500 historic units.

And, finally, I want to tell you about a program the Army has initiated, which we call the Army Community Heritage Partnerships Program. And this initiative is intended to strengthen the economic, historic and social ties between Army installations and the adjacent communities. The program, which is now extended to seven communities, supports the President's executive order, Preserve America, and it partners with the National Trust Main Street Center.

In concluding my comments, Mr. Chairman, the Army has a wealth of historic properties that support our mission requirements. We are proud of our leadership role. It balances stewardship with responsible management of historic property.

We appreciate your continued support for our initiatives, and I look forward to discussing this topic further with members of the subcommittee.

Thank you very much, sir.

[The prepared statement of Secretary Armbruster can be found in the Appendix on page 45.]

Mr. HEFLEY. Thank you, Mr. Armbruster.

And now representing the Navy, Rear Admiral Wayne Shear.

Mr. Shear.

STATEMENT OF REAR ADM. WAYNE G. SHEAR, COMMANDER OF U.S. NAVAL INSTALLATIONS, DIRECTOR, ASHORE READINESS DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS

Admiral SHEAR. Good morning, Mr. Chairman, members. I am the director of ashore readiness in the Office of Chief of Naval Operations and really appreciate the opportunity to speak today about the Navy's program for complying with the National Historic Preservation Act.

Historic buildings, clearly, just as in the Army, are a valuable part of our portfolio. They remind us of the people and events of our history, and they are important to our veterans, our retirees and our communities and certainly the people that work on our installations.

As has been noted previously, the Navy, as well as the other services, have been able to strike a balance between mission re-

quirements and rehabilitation of historic buildings in a way that supports our mission and effectively uses those assets and strikes a solid balance. The Navy Yard right here is an excellent example of this on a very large scale.

Other situations, and you have noted a couple, are more challenging. Some historic properties are easily adapted to changing requirements. Other buildings, especially temporary structures or specialized structures, may be much harder to adapt.

In some places, the mission of the installations has changed over the years. You noted the national historic landmark at the Naval Air Station Pensacola. It includes properties from the 19th century Pensacola Navy Yard, seaplane facilities associated with the first days of naval aviation early in the 20th century, and the district is located on the waterfront, as you would expect navy yard and seaplane facilities to be. However, the mission focus of the installation has shifted away from the waterfront years ago.

The national historic landmark district bore the full force of Hurricane Ivan in the fall of 2004, as you well know. Now, the naval air station mission is no longer focused on the waterfront. We had to think very carefully with the help of Congress about how to balance our risk for future storms with the preservation of that historic resource and continuing the mission effectively in Pensacola.

Historic property management offers opportunities as well as challenges, as we have seen, and we appreciate the leadership of the Department of Defense in exploring new ways to succeed. We have been able to partner with other services and organizations to streamline our compliance actions, where appropriate to find continued use for historic buildings and to ensure our real property inventories accurately reflect historic buildings.

We look forward to answering your questions and working with you on this very important issue. Thanks for the opportunity to speak today.

[The prepared statement of Admiral Shear can be found in the Appendix on page 56.]

Mr. HEFLEY. Thank you, Admiral.

And now representing the Marine Corps is Brigadier General James Flock.

General Flock.

STATEMENT OF BRIG. GEN. JAMES F. FLOCK, ASSISTANT DEPUTY COMMANDANT FOR INSTALLATIONS AND LOGISTICS, HEADQUARTERS, U.S. MARINE CORPS

General FLOCK. Good afternoon, Mr. Chairman and members of the committee. I am the assistant deputy commandant for installations and logistics, Headquarters U.S. Marine Corps. I appreciate this opportunity to appear before you today, and with your approval, I will submit my full statement for the record and give you a brief summary of that statement.

I am particularly pleased that you have chosen to focus on the management of historic buildings by the military services. These buildings remind us of the sacrifices and accomplishments of those that have gone before us. In short, they inspire us to continue to strive to be the best and serve as touchstones that bind all Americans to a common heritage.

We are proud to be the stewards of these resources; however, they pose a management challenge.

Although we are a small military service in terms of the numbers of installations we manage, these installations support about 7,000 buildings that are over 50 years old. Of these, 347 buildings are currently listed on the National Register of Historic Places, including 6 general officer quarters. An additional 398 buildings are eligible for listing on the national register.

Our inventory of historic eligible buildings has the potential to grow to over 14,000 buildings in the next 10 years. We have demolished some historic family housing buildings and are developing plans to demolish more. Ultimately, about 4,000 family housing dwellings will be replaced with new construction through a variety of means, including public and private ventures.

In 1994, we implemented a long-term plan to properly care for our historic general officer quarters with limited disruption to the occupants and minimal financial impact on the remainder of the family housing program. We successfully completed this program in 2002.

In conclusion, Mr. Chairman, I would like to thank the committee for its interest and support in our management of historic buildings. We take our stewardship of these resources very seriously. Many of these resources are national icons, and we view their protection as a moral imperative.

Mr. Chairman, this concludes my statement. I will be pleased to answer any questions you may have.

[The prepared statement of General Flock can be found in the Appendix on page 68.]

Mr. HEFLEY. Thank you, General Flock.

And, Mr. Kuhn, Deputy Assistant Secretary of the United States Air Force Installations, would you please present to the committee.

STATEMENT OF HON. FRED W. KUHN, DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS, DEPARTMENT OF THE AIR FORCE

Secretary KUHN. Thank you, sir.

Mr. Chairman, Mr. Ortiz, members of the subcommittee, it is indeed a pleasure to be with you today to talk about this subject.

The Air Force well recognizes that there is a balance between preserving the nation's history, which has been entrusted to us at our installations, and the costs associated with maintaining those buildings.

Rather than go into great detail and perhaps be repetitive of my colleagues to my right, because we do share the same issues, I would like to highlight four areas that the Air Force is at least attempting to focus on as we deal with this problem.

One, as Mr. Grone said, the programmatic comment process associated with Wherry housing I think is a very significant process; adaptive reuse, which we have or about to use, both in housing and in non-housing buildings associated with the Historic Preservation Act; housing privatization itself, our housing privatizations are whole-based, everything is included, including the historics, and we are trying to work our way through some mechanisms that will

allow the historic nature of a house to perhaps be a tax incentive to the successful offeror.

And, finally, we think that if we could develop, and are developing now, a real property asset management system that will allow us to drill down into the costs of any building, both its historic nature and its non-historic nature, I think we would be able to have a much better grasp on the problem.

With that, I would like to yield any remaining time I have to you, Mr. Chairman, for the discussion period.

Thank you.

[The prepared statement of Secretary Kuhn can be found in the Appendix on page 78.]

Mr. HEFLEY. Well, thank you very much, all of you.

I think I will defer my questions until later and turn it over to Mr. Solomon if you have questions.

Mr. ORTIZ. Thank you, Mr. Chairman.

You know, it appears that each service is managing their historic facilities in a decentralized fashion. Individual installations are forced to negotiate directly with the state historic preservation offices and on the local level, and I have seen that in my state and my community.

This decentralized management fails to establish a uniform standard for maintaining historic facilities and fails to assist the local installations when extreme local requirements are placed upon a base.

Do you feel that the Department will benefit from a more centralized management of historic facilities? Anyone that would like to answer.

Secretary KUHN. At least, I think my Air Force view is going to be that I think that negotiating and dealing with these issues at the installation level is the place we need to start. Historic preservation is one of the many consultative processes we engage in at the installation level with both the state and the Federal regulators, be they environmental, historic preservation, et cetera.

I think that that process has worked for us. If there have been abuses, they have never come to my attention. Could they always be better? I am sure, but I think we have attempted and are pretty much striking the balance between historic preservation and costs. And I think the more we deal with that person at the installation level face to face, it seems to have been working for the United States Air Force.

Secretary ARMBRUSTER. I might just add——

Mr. ORTIZ. Thank you. Go ahead.

Secretary ARMBRUSTER [continuing]. For the Army, I would echo what Mr. Kuhn was saying. We work very closely with the SHPOs and have found in most cases the SHPOs to be very cooperative and it has been a good relationship.

We have provided guidance to our installations just in the last couple of years to ensure that they know the process and they are working very closely again with the state officials as well as with our headquarters efforts and with OSD. We work very closely with Mr. Grone's office and with the ACHP as well.

So I think we have got the procedures in place, and we have strengthened the hand of our garrison commanders in terms of how they deal in a responsible way with their historic properties.

Mr. ORTIZ. Thank you.

Secretary GRONE. Mr. Ortiz, if—I am sorry, Admiral, do you want to carry forward? We will do the services first.

Admiral SHEAR. If I could make one comment. In the last two years, the Navy has organized with the commander of Navy Installations Command, and that has really helped us make a focus on this and many other areas from a portfolio standpoint across the entire Department of the Navy. So we have a cultural resources expert, we can make decisions looking across the whole Navy now that we could not really do as effectively a couple years ago. So I think we have gotten better in that regard.

Secretary GRONE. Mr. Ortiz, from an Office of the Secretary of Defense (OSD) level perspective, certainly, the services execute programs. Much of that negotiation, as was mentioned, occurs at the local level, and as issues need to be resolved, they move up through the varying service management structures for installations.

But what we are trying to provide at the defense-wide level—and on page 10 of my prepared remarks there is an enumeration of some of the most recent projects and programmatic development that we have been working on on a joint basis to ensure consistency of treatment.

So whether it is providing a sustainability guide, as we have previously for historic properties, working on now what we are working on, a handbook for contracting in the cultural resource compliance area at DOD installations, we are developing individual tools.

In some cases, they will be guidance, and in some cases, they will be guides or checklists or very technical manuals to give installation commanders and people who execute our installation programs, at whatever level in the process they need to be executed, have consistency of treatment, consistency of guidance so that as they enter into a consultative process at the local, state or Federal level, that there is a solid foundation on which they can have that consultation.

So in my mind, one of the important management approaches that we have tried to take is to try to provide that unitary set of guidance and structure to how to treat the asset so that in the field people have some surety about how to proceed.

Mr. ORTIZ. How do you, when you do it at the local level—and maybe this is the way to do it—how do you budget? I mean, how do you set priorities as to which facility should get the money? I mean, how do you work that?

When you make a request—let's say we have 10 states that have 10 old facilities. How do you set priorities so that you get enough funding to take care of that one or two, three facilities?

Secretary ARMBRUSTER. Well, the Army, through its installations management agency, we work very closely with each installation, submitting their budget requirements and requests based on their installation and facilities requirements. And those come forward as military construction (MILCON) requests. And do we make a distinction between the historic properties? Again, depending on mis-

sion need and requirements, that is how we are going to prioritize them.

So we recognize in many cases, again, the initial cost for some of our historic properties are going to be higher, but, as we was commented on earlier, we feel like if we are successful in sustaining these facilities, that over the long haul those costs will be no more than they would be for a newer construction building.

But we have a very good program for sustainment and, again, identifying our mission needs and requirements. And, of course, with the new restationing requirements and modularity that the Army is facing, we have had to prioritize a number of those as well. But we do not shortchange it in terms of whether they are historic or not, but just on what the mission requirements might be.

Mr. ORTIZ. No more questions.

Mr. HEFLEY. Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman. Gentlemen, welcome. Secretary Grone, welcome back.

Secretary GRONE. Thank you, sir.

Mr. MCHUGH. Good to see you again. Just by way of comment, I was somewhat surprised to hear the service representatives strike such an optimistic tone with respect to dealing with the various SHPOs on a state-by-state basis. That is certainly good news.

I know in New York state we have had some challenges out at West Point with regard to the superintendent's home that is going to cost about $7 million. I do not want all of that against the State Historic Preservation Office, but, clearly, they have a significant role to play.

Admiral, you commented at how you are making progress. You had a lot of problems down at Pensacola. It took you a year, I believe, to get through that negotiation.

So I guess that is a long, around-the-dock way of saying to Secretary Grone, I am pleased you are trying to work to try to establish some reasonable parameter within which everybody's interests can be best served, because this is an enormous problem. I am stating the obvious.

I saw some data here. I have never seen these numbers, although I was pretty well aware of the initiative. GAO, 73,600 properties within the Department will turn 50 years of age by 2011, and I guess that is one of the prime determinants.

How many properties—and if you gave this testimony earlier, gentlemen, I apologize, I arrived a little late—but how many properties—let's do it by department-wide—can you assess per year? You get to 2011, you are sitting there with over 73,000 properties that need to be assessed. How many are you going to knock off of here?

Secretary GRONE. Well, Mr. McHugh, those numbers also include individual to military family housing units. So if there were 3,000 Capehart-Wherry housings at an installations, there would be 3,000 items on that checklist that you were speaking about.

One of the items that we discussed earlier was this question of programmatic treatment. And for individual assets, particularly crown jewel or other significant assets, those individual eaches are of significant consequence.

But when we were talking about whole classes of assets, Capehart-Wherry era housing, hammerhead barracks, ammunition storage bunkers and the like, what we are trying to do in consultation with the Advisory Council of Historic Preservation and the interagency process and in close consultation and coordination with the National Conference of State Historic Preservation Officers, is to develop an approach that allows us to get beyond individual consultation on each one of those assets to a programmatic treatment that allows us to document the significance of the assets as a class of assets and that provides some surety and streamlining in the consultative process.

And that allows us to do those assessments far more quickly, to get on with programmatic approaches and the modernization of some of those assets far more quickly than would otherwise be the case.

Mr. MCHUGH. And I appreciate that, and that goes back, I think, to my earlier compliment, intended to be a compliment, that that needs to be done. But let's set those aside. On those areas where you have to go in and do a parcel-by-parcel evaluation, are you aware of how many you can, on average, handle a year?

Secretary GRONE. I would have to check for the record on how many we might do in a year. I have not looked at the question in quite that way.

Mr. MCHUGH. That is an answer, and I appreciate that.

In our background materials, and this did not come directly from your comments but I suspect it is consistent, stating the obvious, it talks about the total, how many properties are out there to be assessed. It says, the totals change regularly as historic properties are removed from the inventory, period. Assuming it is not a categorical removal on an evaluation, how do you remove a property that is deemed historic, say a Cold War era property, and take it off? Do you know the process for that?

It just does not seem to me if you have got a property, in my experience, that is deemed historic you are going to get it off, short of somebody blowing it up in the middle of the night.

Secretary GRONE. Well, I mean, if we are talking about—it depends on what we mean by historic in this context. Is it eligible, is it listed, is it a national historic landmark? The process will vary slightly for each of those. But at the highest level of sensitivity, those items that are on the register, only the keeper of the register at the Department of Interior has the authority to delist, and there is a standard process for exercising that.

We have other classes of assets that may be 50 years old but for which there is no historic value, an off warehouse or something like that. And through our demolition programs and the identification of that at the service level, if they execute their programs, we can effectively do that.

Just a few years ago, in 1998, you recall there was a demolition program established for the Department. And, ultimately, over a 6-year period we took down, outside the BRAC process, 86 million square feet of property. Some of that was—I do not know what the percentage of it might have been—but there was no question some of it was older World War II wood structures. With appropriate consultation, we were able to move out on an effective demolition

program. And based on a renewed survey, which we started in 2004, the services have identified an additional 50 million square feet, again, not necessarily related to the BRAC process, of unneeded facilities that we intend to move out on to dispose of by the year 2013.

So through our organic facility asset management process, and this is why the question of data is so important, and getting our inventory controls correct and understanding the condition of an asset in relation to its age, in relation to the mission need, that then provides a solid foundation for us to engage in consultation if necessary, and then if deemed not historic, not worthy of being preserved for which there is no adaptive reuse ability, then we can move out to remove those structures from the inventory. And that is the framework within which we try to manage the program.

Mr. MCHUGH. Thank you, Mr. Chairman. I see my time has expired. I did have another question, but maybe I could submit that for the record.

Thank you, Mr. Chairman.

Thank you, gentleman.

Mr. HEFLEY. Thank you, Mr. McHugh.

Mr. Snyder.

Dr. SNYDER. Mr. Chairman, let me—Mr. McHugh, let me yield to you, like, two minutes or something so you can ask your final question.

Mr. MCHUGH. I appreciate that. Thank the gentleman from Arkansas. I will be very brief. I take it by your answer—and I will direct this to Secretary Grone—given the process, the categorization initiative you have underway there, you are not at this time contemplating a request for any program legislation to amend the procedures under the National Historic Preservation Act.

Secretary GRONE. I am not.

Mr. MCHUGH. Okay. Thank you.

Thank you. Thank the gentleman.

Dr. SNYDER. Sure. General Flock, I appreciate you gentlemen being here today. This has kind of opened up a whole world for me I had not really thought much about, but I wanted to ask a question on your written statement, General Flock.

I did not understand the last two or three sentences that begin at the end of page seven of your written statement: "There is no question that maintenance of historic buildings on a structural basis appear to be more costly than buildings that are not historic. However, it appears that the life cycle costs of historic buildings is similar to non-historic structures." I think it is the jargon for me. I do not understand those last two sentences.

General FLOCK. Well, Mr. Snyder, the thought there was when you take a look at the life-cycle costs of these buildings or when you take a look at the cost of maintaining another type of building that may not have historic significance, anecdotally, the difference in cost may not be there.

Dr. SNYDER. I do not understand the first phrase of it that talks about maintenance on a structural basis does appear to be more costly. What does the phrase, "structural basis," mean?

General FLOCK. Sir, the structural basis, we are talking about the foundation, we are talking about the supports, the wall supports, but for the record, we will submit a more detailed response.

[The information referred to can be found in the Appendix on page 89.]

Dr. SNYDER. Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Jones.

Mr. JONES. Chairman, thank you very much, and I will be brief with my questions.

I am like, I think, Mr. Snyder said, with all the issues dealing with our military and sometimes we forget some of the important things like the historical properties that you have been talking about today, so this has really been very helpful.

I guess, and probably it is in the testimony from Secretary Grone, but I did not read the testimony, I just got here, in the budget—well, how much in the budget, what percent of the budget is allocated for these properties that are 50 years old and also those that have been designated as historical? Can you give me in the billions or the millions? I am trying to get a feel for it, and maybe, again, if I had read the testimony, it is in there, but I just have not read it yet.

Secretary GRONE. Mr. Jones, I do not know that—well, we do not budget that way for sustainment and recapitalization of assets that are of a certain age. We have a programming and budget process to develop the resource requirements that are necessary for the sustainment and recapitalization of the entire asset base.

But in order to get at precisely those questions under the Federal Real Property Council's mandates for the development of revised data to understand the cost of ownership, we are developing systems that will allow us to report costs at the constructed asset level. We do not have that data with great precision across the Department today, very few agencies do.

But one of the things that we are doing under the context of the President's executive order on real property is to define a system and data reporting requirements that allow us to speak to the cost of ownership at the constructed asset level so that we are better able to address the question that you have raised. And that, frankly, will give us better information to be able to make judgments about adaptive reuse or disposal or privatization or whatever the preferred method of coping with that asset might be.

Mr. JONES. General Flock, of the 7,000 homes that I believe you said, if I heard it correctly, that are—I guess, 7,000 homes that are 50 years and older, being that I have Camp Lejeune and Cherry Point down in my district, where are the majority of these homes—and I know Camp Pendleton but where would the majority of those homes be that—which base seems to have the largest number?

General FLOCK. Mr. Jones, the majority of our homes are going to be at Camp Pendleton and at Camp Lejeune, but for the record, I will provide you with a detailed list of exactly what bases those homes are at.

[The information referred to can be found in the Appendix on page 89.]

Mr. JONES. Well, yesterday, I had a relic of the Marine Corps to visit my office, the assassin, General Fred McCorkle.

General FLOCK. I know him well, sir. I have worked with that gentleman.

Mr. JONES. That was quite a thrill for my staff, because they have never met him, but we really enjoyed the visit.

Let me ask Secretary Armbruster, are you familiar with the civil war cannon that was used during the civil war down at Fort Fisher in Wilmington, North Carolina?

Secretary ARMBRUSTER. No, sir, I am not.

Mr. JONES. Well, it is probably not fair to do this, but I might just drop you a note. This has been an ongoing issue. Somewhere along the way I think it was sent back—excuse me, it was used during the civil war down at Fort Fisher and it was on loan to West Point and now it is on loan back to Fort Fisher, and I have got a feeling that the state of North Carolina, which I am from North Carolina, obviously, is going to be involved in that.

But we were somewhat working with Congressman McIntyre along the way. But I might just drop you a note and ask you for a current status on that issue in the months ahead.

Secretary ARMBRUSTER. Be glad to follow up on that, sir.

Mr. JONES. Thank you.

And, Admiral, I would like to—this is a little bit off course, Mr. Chairman, but I think I have got two more minutes. You have talked about the museum down at Pensacola, and this has nothing to do with housing at all, but I hope maybe if I get reelected, I am going to probably bring this up next year.

We got involved last year with a fellow from Minnesota who went down to my district and recovered a Brewster Corsair out of the swamps of Craven County and the pilot had ejected—or not ejected, but parachuted and was killed, a Marine pilot, back in 1944.

And we ended up talking with Secretary England. This man was being sued by the Federal Government because he recovered the property, he was going to rebuild it and in the process of rebuilding it, stripping it and everything, it will be original, as close as it can be, when he finishes.

This has not to do with housing, but I wanted to bring this up quickly. I do not understand the military's position when there is a property that is part of the history of this country and the military is not going to recover the property and they are not going to rebuild it and they are not going to do those kind of things.

And this gentleman—real quickly, Mr. Chairman—this gentleman actually called the museum down at Pensacola, told them what he had done, that he was going to rebuild the plane, it would take him six, seven years to do it, and at that time he wanted to donate the Corsair that could fly back to the museum, and the only thing he wanted was that he would have another Corsair to recover and rebuild.

The first gentleman he spoke to at the museum said, "This is a great idea. There should be no problem." And then the superintendent of the museum heard about it and he said, "That is our property," so they ended up suing him. It all worked itself out after a year and a half, thanks to Secretary England and Mr. Mora, the lawyer with the Navy.

But I guess what I wanted to bring that up, Mr. Chairman, I think that some of these properties, the body has been removed

years ago, and some of these properties that are out there sitting, rotting that could be part of the aviation or naval history of this country, I hope next year—and I am sorry you will not be back, by the way—but I hope that next year that maybe this committee, in addition to what we are talking about today, will look into how we can protect and preserve the military history of this country. So I have rambled enough. Thank you for your time and your answers. Thank you.

Mr. HEFLEY. Mr. Jones, could I cosponsor that anyway, because I think you——

Mr. JONES. Absolutely. Yes, sir.

Mr. HEFLEY. I think you have a great idea, and I hope you will pursue that.

Mr. JONES. Thank you, sir. Thank you.

Mr. HEFLEY. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman. Mr. Grone, this is just an opportune moment to ask you a question non-related to today's subject but I hope within your jurisdiction.

As you know, late August the hurricane hit the Mississippi Gulf coast. I feel very confident that our Navy construction battalion has been adequately—that the plan is there to rebuild that installation. I feel very good about Keesler Air Force Base.

I have great troubles when it comes to the Armed Forces Retirement Naval Home. It is my understanding from walking the building that almost nothing has been done to that installation since the storm. In fact, the staff has been let go in spite of the fact that Congress has allocated about $60 million toward that project.

Now, that home, although it is fairly new, is the latest of a historical commitment to our nation's veterans. The citizens have spent about $45 million to build that facility. And just last week a commission, I presume, put together by Secretary Rumsfeld, has been coming back with some numbers. I think the low number was, like, $90 million and a high end of $590 million to fix or replace it.

What is going on? And I would remind you, Mr. Grone, that you did not say it, I did not say it, but no one less than the President of the United States stood on the gymnasium floor at St. Stanislaus High School in Bay St. Louis and said, quote, he was going to repair every Federal installation on the Mississippi Gulf coast.

That is a Federal installation, and so what is happening? What is the game plan? Because no one has articulated it on behalf of the Administration what we are going to do to fix that facility.

Secretary GRONE. Well, Mr. Taylor, I, frankly, became aware of your concern on the question this afternoon. The armed forces retirement homes are not within my direct policy jurisdiction. They are generally managed from a policy perspective by the undersecretary of defense for personnel and readiness, but I understand the concern and the concern that you have expressed here today.

I will go back and look into the question, and we will come back to you with an answer as quickly as we are able, because it is an important question and one you have raised some justified concern with, and we should get you an appropriate answer.

[The information referred to can be found in the Appendix on page 89.]

Mr. TAYLOR. Okay. Can you give me a timeline when I can expect an answer? Because, quite frankly, given the immediate needs of the citizens, this was kind of put on the backburner. But now that things are starting to get stabilized, it is a concern, it is a Federal installation, we have sunk a lot of money into it, and, quite frankly, it is a commitment to those guys who have been since picked up, transported to D.C. who would like to be returned to the Mississippi Gulf coast.

Second thing is—I am searching for a little help on this—I know that somewhere in the naval inventory, the USS Constitution is still carried on the books. One of the downsides of the storm was that hundreds of ancient oak trees, live oaks, were destroyed. The only good that could possibly come of that is if someone, if you could put us in touch with someone in the Navy who would be looking for that lumber since it is undoubtedly some of the best oak lumber you are ever going to find.

If we could be put in touch with the folks responsible for the USS Constitution so that it just does not go to a landfill, that hopefully that if there is a use for it on the ship, that they could come down, survey it before this stuff is hauled off and either just shredded or burned.

Admiral SHEAR. Sir, I understand that we did some of that after Hurricane Hugo, so I would imagine we could do the same thing.

Mr. TAYLOR. Again, I will hopefully just pass the information on, and I hope you get it in the hands of the right people. Secretary Grone, again, please place a priority on the naval home.

Secretary GRONE. Yes, sir. I will go back and whatever I know this afternoon I will give you a call back and tell you what I know.

Mr. TAYLOR. Thank you very much.

Thank you, Mr. Chairman.

Mr. HEFLEY. Mr. Abercrombie.

Mr. ABERCROMBIE. Thank you, Mr. Chairman. Secretary Grone, what a pleasure to be able to say that to you. And I do not know, Mr. Chairman, whether it has already been said for purposes of the record, but it is difficult for me to call you, Mr. Secretary, Phil because of my personal affection for you and my high regard for the work you did while you were working with this committee and most particularly with Mr. Hefley.

Secretary GRONE. Thank you, sir.

Mr. ABERCROMBIE. You have, Mr. Chairman, I will say a record of staff and members meeting the needs and the requests of the membership on behalf of the people of this country that will be the envy of any member serving on this committee and I can tell you of any member that has ever served in this body. You will rank in the very top row, as far as this member is concerned and as far as every other member that I know of as well.

And as I said, that is setting you up, of course, Mr. Secretary, because of your previous record of competence, right? I particularly am pleased with the testimony or the report. I just want to differentiate a couple of things.

Separating housing from homes. I understand the whole question of maintenance and all that, and, as you well know, the military housing project, of which you, again, can be justly proud of the leg-

islation which came from this committee and is now manifesting itself, I differentiate between historic homes and housing.

In some respects, I could call the housing where the Army is concerned at Schofield Barracks, that was housing, the barracks there. And I think we worked that with the whole barracks renewal in almost a perfect way. We took barracks that—as I just the other day saw, "From Here to Eternity," again, the film, the barracks, as shown in that picture more than a half century old, were the way they were right virtually from the beginning until we did the whole barracks renewal.

Now, we showed respect for the quadrangle, at Quadrangle D where the planes came in. All that facade and the grounds have been preserved, respectfully and truthfully. And at the same time then, the barracks have been, not restored, but renewed in a way that meets the most modern standards with regard to county codes, earthquakes, et cetera.

So I do not have any problem with changing the definitions if you agree that there is a difference between historic homes, such as we have at Pearl Harbor, which may cost a good deal of money to restore and preserve and utilize, as opposed to housing, per se. If you agree.

In reading your testimony, I take it that you were able to make that differentiation under the President's wording of existing legislation. Is that a correct statement?

Secretary GRONE. I believe that is a correct statement.

Mr. ABERCROMBIE. Okay. That said then, I am interested then in historic buildings versus merely old buildings, i.e., in my definition, historic only in the sense they are still standing. And that is where I think we may have a problem, and I am going to cite Fort Island. You cite yourself in the testimony that Fort Island has a particular emotional pull and historic value because of December 7.

But I tell you, not everything that is standing there is historic, and we have had some real problems there right now. They are just old. Old hangars are not historic. They are just old and still standing. Shops and so on, we need to get rid of it, and I need to figure out how to get that done.

Because if somebody is simply claiming they are historic, architecturally, they have no distinction; aesthetically, they are, at best, an eyesore; environmentally, they are a menace, they have no practical value at all, none, zero, not even to do another film such as was done out there at Pearl Harbor.

So I say Scoffield barracks versus Fort Island. I do not want to get trapped. I know that there is an agreement there—oh, hell, what is it called?

Mr. HEFLEY. Your time is almost up, Mr. Abercrombie. You had better ask a question.

Mr. ABERCROMBIE. Well, the question has to do with this agreement that is cited in here—I forget the name of it—about historic preservation. I have got really severe problems with that, because I think that we are putting the Fort Island legislation, which, again, you are very familiar with, in jeopardy, because we are expecting either those who are trying to put the air museum together, that kind of thing, or the developer that is working with the Navy out there to get into expenditures that are totally unwar-

ranted, and there will be no practical or historic value to preserving a lot of these buildings.

So I hope we are not stuck on some kind of an agreement which maybe avoided lawsuits from fanatics but I do not think contributes anything in the way of historic preservation; in fact, undermines and undercuts the ability of those of us who do care about it.

Secretary GRONE. Mr. Abercrombie, I thank you for you earlier remarks, and I will try not to disappoint in the answer to your question.

When I last looked at the Fort Island question, and it was sometime ago, and I am happy to go back at it look at it again, I was reasonably satisfied by the Navy, as we looked at that question, that process of the agreements would not have deleterious effect or significantly negative effect on the ability to proceed with the Fort Island development. If there are other issues that have arisen since then——

Mr. ABERCROMBIE. Well, I will tell you what, since I used so much time——

Secretary GRONE [continuing]. I would be happy to look at it.

Mr. ABERCROMBIE. Okay. Why don't we leave it at that, Mr. Chairman.

If you would be willing to sit down, just take another look——

Secretary GRONE. Absolutely.

Mr. ABERCROMBIE [continuing]. Particularly with some of the things that I think might be able to happen at Fort Island that will benefit the Navy and the national security interests, I would be appreciative. I think it would be useful and helpful all the way around. Thank you so much.

Secretary GRONE. Thank you, sir.

Mr. ABERCROMBIE. Thank you, Mr. Chairman.

Mr. HEFLEY. Thank you, Mr. Abercrombie. Thank you for your kind words as well. Gentlemen, I deferred my questions. We have got a series of votes coming up, and I do not want to keep you through that series, so we may submit to you some questions to come back to us in writing.

But let me just ask this. As I mentioned earlier, the superintendent's house, it sounds to me, first of all, like you have, kind of, a handle on the routine historical thing. You have got a process to deal with that.

But the exceptional ones, and let me refer back again to the superintendent's house at West Point, $1 million to repair the roof. Now, most Americans do not live in a $1 million home. And $6 million in additional repairs, probably, and an extremely small percentage of the American public live in a $7 million home.

You look at the—I think it was $3 million a few years ago when we looked at the superintendent's house at the Navy Academy, and at the Air Force Academy, I do not know how much that is going to be. They are talking about a lot of that. And down at the Navy yard, they are talking about $300,000 just to study a mold problem; not doing anything about it, just to study the mold problem. And then they are talking maybe as much as $5 million to do some kind of remediation.

And so I guess what I am asking is, have you considered two things? One is taking these kind of properties and changing their use. Do not make them a home. Up at West Point, the superintendent has great affection for that home, and I understand why. It is right there in the middle of things, and it has a history, and great people have lived there and all that kind of thing.

But in talking with the cadets that I got to talk to while I was there and talking with the graduates that I have had an opportunity to talk to, most of them told me they were never in that home, they do not have any particular tie to it.

And so could that home could be made an alumni house or could it be made something for entertainment or something, which would not require, perhaps, the kind of renovation necessary for a place that is going to be a home?

Certainly, down at the Navy yard the home we talked about, if you made it something else other than a home, it would not require that kind of expense.

So same thing at the Air Force Academy. I mean, the Air Force Academy—at least at West Point, it is right there in the middle of things. At the Air Force Academy, it is a lovely home, old ranch house that has been added on to and so forth, but it is back in the trees. I wonder if many cadets ever even see the thing. But it is so nice, it is a wonderful home.

And, second, have you thought about changing the law to the extent that we could have alumni associations and so forth come in and do the funding for these kind of homes?

Secretary GRONE. Mr. Chairman, I will be brief and then I will yield to my colleagues for whatever comments they care to make about specific projects.

I do believe it is important for us to keep our options open with regard to end use of any asset. And we have done adaptive reuse on some general officer and flag officer quarters over the years. Whether we would in those cases or not, I think is still subject to study as a class. I do not want to comment about them all specifically. So, yes, I mean, I think adaptive reuse is clearly an issue.

The underlying problem, however, on at least two of those three cases that you mentioned are we are frankly digging ourselves out of a hole that, in large measure, we created for ourselves.

And in the context of the United States Military Academy, the life cycle, as I understand it, cost-to-benefit ratio of what is being requested in relation to how old the existing roof truly is, I think, is something that is worth looking at, that the total dollar amount at any one time is, yes, it is a large bumper sticker, it is a large number, but the fact of the matter is that we have not adequately sustained those assets over time.

And I think a number of us are probably institutionally have a role to play, for example, in the Tingey House question. We had an opportunity to fully recapitalize the asset, the air conditioning and all those systems. Folks looked at the bill, decided it was too big. We did not do the HVAC system. Three, four years later, what do we have? A large mold problem. So we are going to pay for it twice.

So the fundamental challenge is to get all of these assets into a program of adequate sustainability over time while leaving our options open on the adaptive reuse question, as you mentioned.

Secretary ARMBRUSTER. I might just comment on your question. I share your concern, the Army does, in terms of the enormous cost figure that was associated with that.

Several things. Yes, we are looking at alternative uses for that. That is an option for us up there. But immediate concern is a safety issue with respect to the roof, and I am told that West Point is submitting another work request for the roof and its support, and that is coming up to the Army, and I am told the estimated cost for that is somewhere around $500,000. So we do need to address that, and we will be coming back to you for that particular need.

But also engaging with the graduates at West Point, the Congress has given us the authority to work in terms of private donations and the Association of Graduates that we believe are going to step up and provide and assist in that regard.

So we have got a number of things working there. But the last major renovation on the Soups House was back in 1961 to 1964. We have not been very good in terms of maintaining that over the sustainment piece. We have just got to do better on that.

So we are looking at a number of options, but you are absolutely right, that $7 million figure was indeed sobering and staggering. We just simply have to do something other than accommodate to that figure. So we are working a number of options.

Mr. HEFLEY. When you do these things, would you also look at the possibility of building a new Soups House and using this for something else? And any of these kind of buildings such as this. In this particular case, I do not think, no matter what we put into it, it is going to be a modern home for families to be raised in and things like that, because it is just a wonderful old building, it really is. I do not want to lose it, but——

Secretary ARMBRUSTER. The historic part, of course, is the original hospitality rooms that go back to the early part of the 19th century. And it has been added on to, so you have got over 16,000 square feet up there now that—you know, whether all of that needs to survive is a question as well.

Mr. HEFLEY. Well, thank you very much. I have got to get to the vote, but thank all of you, and we will submit some questions for the record. And work with us on this, because we want to work with you. We want to solve this problem in some way that will not take away from housing that our young soldiers need, soldiers and sailors and Marines, but at the same time preserve some of these things that really need to be preserved.

And I am not suggesting we bulldoze any of the things I have mentioned, but, golly, we have got to bring the cost under control. And you are doing a good job of it. You came down $500,000 on the roof just today. I appreciate that. The subcommittee stands adjourned.

[Whereupon, at 3:22 p.m., the subcommittee was adjourned.]

A P P E N D I X

MARCH 8, 2006

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 8, 2006

HOLD UNTIL RELEASED
BY THE COMMITTEE

STATEMENT OF

MR. PHILIP W. GRONE
DEPUTY UNDER SECRETARY OF DEFENSE
(INSTALLATIONS AND ENVIRONMENT)

BEFORE THE

READINESS SUBCOMMITTEE

OF THE

HOUSE ARMED SERVICES COMMITTEE

March 8, 2006

Chairman Hefley, Mr. Ortiz, and distinguished members of the Subcommittee, I appreciate the opportunity to appear before you to discuss the Department of Defense's program to manage historic properties.

The Portfolio

The Department currently manages nearly 507,000 buildings and structures with a plant replacement value of over $650 billion, and more than 46,000 square miles of real estate. As part of that inventory, DoD has management responsibility for 75 National Historic Landmarks as well as nearly 600 historic entries listed on the National Register of Historic Places which encompass more than 19,000 individual historic properties (including buildings, structures, objects, and sites) located on over 200 military installations

Within the inventory, the Department currently manages 344,950 buildings. The National Historic Preservation Act requires us to evaluate properties when they reach 50 years to determine if they are eligible for the National Register of Historic Places. Currently, about 32 percent of DoD's buildings are older than 50 years. Based upon current inventory forecasts, that percentage will increase rapidly over the next 20 years. Ten years from now, over 55 percent of our inventory will be older than 50 years and we will need to evaluate each building to determine eligibility for the National Register and, therefore, subject to the requirements of the National Historic Preservation Act. In 20 years, it may grow to over 65 percent. Our efforts are focused on the development of a comprehensive program that enables us to manage these resources efficiently and effectively.

Executive Order 13327, *Federal Real Property Asset Management,* requires all Federal agencies to identify and categorize all real property. In addition, Executive Order 13287, *Preserve America*, requires all Federal agencies to improve their accountability of their historic

properties. Working in concert, these Executive Orders present a unique opportunity to integrate how we, the Federal Government, treat/manage historic properties into the real property management process – as assets meeting the day-to-day needs of agencies.

On February 16, 2006, the Chairman of the Advisory Council on Historic Preservation (ACHP) submitted a report to the President on the state of the Federal Government's historic properties and their contribution to local economic development. This is the first triennial report to the President required by Executive Order 13287. The ACHP reported that Federal agencies, including the Department of Defense, have made considerable strides in meeting their Federal stewardship responsibilities in recent years. The report clearly states that the Council does not conclude that additional funding or property disposal would alleviate all of an agency's management challenges related to historic property stewardship. Instead, the report suggests that concurrent with efforts to improve the asset and Federal property management systems, the Federal Government needs to develop an ethic that considers the preservation and use of agency historic properties from the broader public benefit perspective. By integrating the visibility of historic properties into the total real property inventory, each agency is better able to assess the contribution of the historic properties to mission needs, as well as assess the condition of those properties.

In response to the Federal Real Property Asset Management Executive Order, the Federal Real Property Council (FRPC) established 23 mandatory data elements for the Real Property Inventory. One data element is "Historical Status." The real property inventory and historic preservation experts worked together to develop the definition of this data element. By applying this standard data set, the Department will meet the needs of both Executive Orders. DoD will

be fully compliant with the FRPC requirements for Historical Status at the end of Fiscal Year 2006.

Other mandatory data elements that will help Federal agencies assess historic properties, include utilization (only required for offices, hospitals, warehouses, laboratories and housing), condition index, mission dependency, and replacement value. Building on the FRPC's guidance, the Department's goal is to maintain complete, current information on which of our properties are known to be historic, why they are historic, where they are located, and how they are used. This information will enable us to make informed, timely, and effective management decisions. DoD management of this large inventory requires a balance between efficient, mission-supporting use and long-term stewardship of historic properties for the public benefit.

Asset Management

For the past several years, the Department of Defense has been vigorous in its pro-active efforts in managing its facilities and infrastructure. DoD's infrastructure investment strategy rigorously utilizes key metrics to provide the quality facilities that directly support mission and readiness. To that end, DoD developed advanced business processes that align more closely to warfighter mission area requirements. The rigor provided by these practices in planning, managing, and maintaining DoD installations improves overall efficiency while improving investment decision-making. Along with continued improvement in business practices and a focus on environmental sustainability, the Department is improving the quality of military installations.

Cultural Resources Policy

Working within a broad strategic framework, the Department has a vision for the future of our historic properties:

- DoD cultural resources are assets, representing the full scope of U.S. military history, that connect military personnel and civilians with their proud history and traditions.
- The Department will continue to promote and interpret the resources under its care, both to inspire our personnel and to encourage and maintain the American public's support for its military.
- DoD's historic properties are mission supporting assets with potential for continued use and adaptive reuse. The Department will continue to maintain historic properties as appropriate for their mission use.

Early planning is key to successful management. It is important that the Military Services ensure that installation commanders and their staff have the appropriate information about historic properties early in the planning process to make informed decisions and consult with all interested stakeholders. Each installation with historic properties must have an Integrated Cultural Resource Management Plan (ICRMP). At the end of Fiscal Year 2005, out of 353 installations required to have ICRMPs, 239 (or 68 percent) had complete plans. These plans not only identify the inventory of assets (historic buildings and structures, traditional cultural places, archeological sites) but also include the actions needed to manage and maintain those assets.

Efficiencies

The build up to support mission needs for World War II and the substantial increase in construction after the war present great challenges for historic preservation today. How should we treat large numbers of assets built across the country to the exact same standards? How do we ensure we are capturing the historic significance of that time in the history of the United States?

Working with the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation Officers, and the National Trust for Historic Preservation, the Department developed a programmatic approach to deal with the 82,000 military family housing units from the Capehart-Wherry era from 1949 to 1962 (Army, 20,000 units; Navy, 24,000 units; and Air Force, 38,000 units). This programmatic approach, called a Program Comment, enabled the Military Departments to address the requirements to comply with the National Historic Preservation Act for all of these housing units through one process. This was the first Program Comment ever issued by the Advisory Council on Historic Preservation. We estimate that the Military Departments avoided almost $82 million in compliance costs:

Building on this success, the Department is pursuing similar efforts for:

- 4,524 Cold War Era (1946-1974) Unaccompanied Personnel Housing (UPH) buildings (barracks)
- 29,162 World War II (WWII) and Cold War Era (1939-1974) ammunition storage facilities

The Department is pursuing other management efficiencies, including the Army Alternative Procedures approved by the Advisory Council on Historic Preservation and individual installation programmatic agreements with State Historic Preservation Officers (SHPOs).

Costs to Renovate and Maintain Historic Properties

Many organizations, including the Department of Defense, have studied the cost of maintaining Historic Properties. These studies continue to reinforce the conclusion that on a per square foot basis, the costs of maintaining Historic Properties are frequently comparable to the costs of maintaining non-Historic Properties.

In 1997, all three Military Departments submitted reports to Congress on the costs to maintain historic family housing. All three reports came to the same conclusions: where costs to maintain historic family housing are higher, the difference is often due to the size of the units and the lack of investment in maintenance. These reports also concluded that a significant cost driver is the presence of hazardous materials, such as asbestos and lead-based paint. However, it is important to note that the presence of these hazardous materials is not exclusive to historic buildings and, therefore, is not because the building is historic. In addition, remediation of these hazardous materials is a one-time cost. It is also important to note that, in general, historic family housing units are larger because they were constructed in a different era without size restrictions and were designed to accommodate larger families and live-in domestic help.

In 1999, the General Service Administration (GSA) examined economic data on buildings in its inventory. GSA found that operating costs for the historic buildings in the study averaged 10 percent less per rentable square foot than non-historic properties, with utility costs 27 percent less. A building's operating cost increases with more recent construction dates, with the highest costs coming from buildings constructed in the 1970s. GSA found that non-historic buildings of less than 25,000 rentable square feet had the highest operating costs. When comparing operating costs (consisting of cleaning, maintenance, and utility expenses), GSA found that overall operating costs per rentable square foot for historic buildings were 10 percent less than for non-historic buildings. Cleaning costs were 9 percent less, maintenance costs were 10 percent less, and utility costs were 27 percent less.

In addition, the GSA study showed that most historic buildings have lower utility costs than buildings built in the 1970s. Most historic buildings in the GSA study sample have thick, solid walls, resulting in greater thermal mass. Normally, a large thermal mass improves

insulation, thus requiring less energy for heating and cooling. Lighting is another area where GSA's older buildings save money and energy. Those designed before the widespread use of electric lights feature transoms, high ceilings, and large windows for natural lighting. GSA learned that retaining these features, rather than covering or blocking them, can reduce the energy used for lighting.

In a 2001 Report to Congress, *The Cost of Maintaining Historic Family Housing*, the Department came to the same conclusions as the 1997 reports from the Military Departments. The two primary causes for the higher costs of maintaining historic family housing are the size of the units and the presence of hazardous materials. The conclusions in the report state:

- Historic family housing constructed before 1950 represents a better value to the military than family housing constructed afterwards due to overall workmanship and quality of construction materials.
- Past maintenance practices carried out on historic family housing have often contributed to deterioration of building systems and diminished the ability of quarters to meet mission needs.
- The cost of maintaining historic family housing is effectively equal per square foot to the cost of maintaining non-historic family housing.
- The costs of improving historic family housing units to meet current livability and operational standards averages 3 percent to 16 percent less than comparable new construction.

As stated in this 2001 Report, the costs for major improvements, such as kitchen and bath upgrades, are triggered by changes in style and user needs, not the historic aspects of the building. Other improvements, such as re-wiring, mechanical system upgrade, and roof repair,

generally are a direct result of the age of the property. Newer, non-historic housing units will be subject to the same major repair requirements as they age, and as systems reach the end of their usable life.

The 2001 GAO report, *Military Services Lack Reliable Data on Historic Properties* (GAO-01-437), also found (p. 10) that day-to-day maintenance for Historic Properties is similar to non-Historic Properties, and that maintenance funding decisions were based on building mission and condition, not on historic status.

Individual historic building systems may have a lifespan that makes a higher initial investment cost-effective over the life cycle of the system. *Historic Preservation Project Planning and Estimating* (2000), published by R.S. Means, an industry leader in construction planning and estimating, provides the following approximate useful lives for selected building systems (p. 543).

Component	Approximate Useful Life
Slate shingles	50-75 years
Composition/built-up roofing or fiberglass shingles	14-20 years
Copper gutters	40 years
Aluminum gutters/downspouts	20 years
Quarry floor tile	30 years
Vinyl sheet tile	18 years
Ceramic tile	15 years
Carpeting	8 years
Ceramic tile wall coverings	30 years
Vinyl wallpaper	7 years
Repointing masonry (cement or lime)	50-100 years

Actual cost analyses vary with individual circumstances, but sound life cycle management would seem to dictate that retention or replacement-in-kind of high-quality historic features be at least considered for long-lived property.

The Office of the Secretary of Defense is investing in developing tools to assist the Military Departments with managing and maintaining Historic Properties. Between Fiscal Years 2000 and 2006, OSD has invested $1.6 million in these tools. In Fiscal Year 2006, projects include:

- Cultural Resource Protection and Valuation Tool Development
- Handbook for Contracting Cultural Resource Compliance Projects for DoD Installations
- Procurement Guidelines for Reusing Historic Building Materials
- Section 106 Standard Treatments as Program Alternatives

Previous projects include:

- National Register Bulletin for Historic Military Installation Districts
- Blast Testing of Historically Appropriate Blast Resistant Windows
- Sustainability Guide for Historic Properties
- Anti-Terrorism Measures for Historic Properties
- Historic Context Study and Stewardship of Historic Military Family Housing in Hawaii

The most effective means of reducing costs associated with managing Historic Properties is to adapt them through renovation to modern mission uses, where appropriate, and then maintain them. One example of renovation of a historic property that I see every day is the Pentagon.

The Pentagon is a National Historic Landmark, so designated for its association with a long line of historic events, a number of historically important uniformed and civilian leaders, its architecture and the circumstances of its construction from 1941-43. As the committee knows, the building was not renovated for the next fifty years, and is now undergoing an extensive renovation project. The vast majority of Pentagon renovation costs are going toward restoring and improving the building's capability to perform its mission deep into the twenty-first century, not towards historic preservation. The management of historic preservation considerations at the Pentagon provides a good model for how we would like it to work everywhere.

Buildings are not considered historic just because they are old. They are considered historic if they meet the National Register of Historic Places criteria of historical significance found at 36 CFR Part 60. The eligibility evaluation should also include an analysis of the "character-defining features" of the building – what physical elements of the building contribute to its historical significance.

The evaluation then considers the "historical integrity" of the property – whether enough of the character-defining features remain in good enough condition to convey the building's significance. If there are no remaining character-defining features from a building's period of significance, or if the features have been so altered that they no longer convey the building's significance, the building typically does not meet the criteria.

Identifying these character-defining features is an essential part of historic building management, since consultation and technical conservation measures should concentrate on what makes the building historic and not on other features. Agency and consulting party resources spent here on rigorous application of the criteria and analysis of contributing features pay off

later by allowing all concerned to focus their attention on only those issues that may affect historic integrity.

At the Pentagon, the Department and its consulting parties, including the Virginia State Historic Preservation Officer, identified five character-defining characteristics:

- The building's five outer facades
- The Center Courtyard and surrounding facades
- The terrace fronting the Mall Entrance
- The terrace fronting the River Entrance
- The building's distinctive five-sided shape

Once these characteristics were identified, the Department and the renovation contractors could develop plans to ensure that neither the final design nor the actual construction process would affect them, and the renovation could proceed.

Housing Revitalization

At the outset of this Administration, the President and Secretary Rumsfeld identified elimination of inadequate family housing and revitalizing housing, largely through privatization, as a central priority for the Department. The Department established an aggressive target of 2007 to meet that goal. Through the expanded use of the privatization authorities granted under the FY 1996 Military Housing Privatization Initiative, the Department has achieved the elimination of inadequate housing at U. S. based installations where those authorities apply.

The Department has skillfully used privatization to more quickly eliminate inadequate housing and to provide additional housing where shortfalls existed. Prudent business practice requires the private sector to be committed to each project with a significant financial investment in the project's ultimate success. By the end of FY 2006, we will have privatized 153,000

housing units. The overall goal is to privatize 89 percent of the domestic housing inventory or about 195,000 housing units by the end of FY 2010.

The Military Departments are privatizing General and Flag Officers Quarters (GFOQs) as well, with minor exceptions:

- Department of the Army – 221 GFOQs, 162 of which are either listed or eligible for the National Register of Historic Places
- Department of the Navy – 163 GFOQs, 108 of which are either listed or eligible for the National Register of Historic Places
- Department of the Air Force – 271 GFOQs, 135 of which are either listed or eligible for the National Register of Historic Places

Many of these housing units are historic. The State Historic Preservations Officers are successfully working with the Military Departments and private companies to meet the needs to provide quality housing and meet requirements of the National Historic Preservation Act.

Base Realignment and Closure 2005

The 2005 Base Realignment and Closure (BRAC) process was designed to rationalize the Department's base infrastructure within the United States in support of the Department's long-term strategic capabilities. The Secretary of Defense transmitted his recommended closures and realignments to the 2005 Defense Base Closure and Realignment Commission and to the Congress on May 13, 2005, and published them in the Federal Register on May 16, 2005, pursuant to Public Law 101-510, as amended. The BRAC Commission's resulting recommendations will affect over 800 locations through 25 major closures, 24 major realignments, and 765 lesser actions. On November 9, 2005, the Department became legally obligated to close and realign all installations so recommended in the Commission's report to the

President because the President accepted those recommendations and the congressional review period lapsed without enacting a resolution of disapproval.

The Department has begun implementing the recommendations and must complete this effort within six years of the President's approval. There are two National Historic Landmarks on the Major Closure List:

- Fort Monroe, VA
- Medical Museum Collection at Walter Reed Medical Center, DC (major realignment, the collection is not moving)

In addition there are several significant Historic Properties at the Major Closures:

- 12 Historic Districts
    - Galena Forward Operating Location, Alaska
    - Broadway Complex, San Diego, California (3)
    - Walter Reed Medical Center, DC (Major Realignment)
    - Fort Gillem, Georgia
    - Fort McPherson, Georgia
    - Selfridge Army Activity, Michigan
    - Fort Monmouth, New Jersey
    - Brooks City Base, Texas
    - Fort Monroe, Virginia (2)
- 482 Historic Buildings – Contributing Elements of Historic Districts
- 76 Historic Buildings listed/eligible individually

On February 28, 2006, the Department published the Final Rule on Revitalizing Base Closure Communities and Addressing Impacts of Realignment. This Final Rule amended the

regulations governing the disposal of property at installations being closed and realigned and how to address the impacts of realignment at receiving installations. This Final Rule contains amendments to address changes in the laws governing Base Closure and Realignment (BRAC) made since the current regulations were promulgated.

The Final Rule conforms with the base closure laws and to other applicable statutes and regulations such as those of the General Services Administration (GSA). Unlike the current regulation which it would replace, the rule does not give any particular preference to one form of disposal over another. It conforms to the base closure laws in its order of actions; i.e., screening with the DoD Components and the U.S. Coast Guard and with other Federal agencies, followed by disposal actions heavily influenced by the local redevelopment plan.

Historic preservation is specifically addressed in section 174.18, which addresses the transfer, lease, or sale of National Register-eligible historic property to a non-Federal entity. The Final Rule clarifies that the Military Departments may address potential "adverse effects" resulting from transfer out of Federal ownership or control through the imposition of legally enforceable restrictions or conditions. These restrictions or conditions typically are a real property interest in the form of a restrictive covenant or preservation easement in any deed or lease. The Final Rule encourages the Military Departments to first consider whether the historic character of the property can be protected effectively through planning and zoning actions undertaken by the State or local government. The Final Rule does not prescribe a specific approach. Rather, it identifies the potential options for meeting the requirements of the National Historic Preservation Act.

The Department will be issuing the Base Redevelopment and Realignment Manual (BRRM) shortly. As a subordinate document to the Final Rule, the Department could not issue

the BRRM in final form until after the Final Rule was published in the Federal Register. The sections in the BRRM addressing historic properties do not prescribe a specific process or a specific outcome. Rather, the BRRM provide tools for the Military Departments and the communities to move through the closure process quickly and efficiently.

CONCLUSION

In closing, Mr. Chairman, I sincerely thank you for this opportunity to highlight the Department's successes and outline our plans for the future. I appreciate your continued support of our installations and environment portfolio, and I look forward to working with you as we transform our plans into actions.

RECORD VERSION

STATEMENT BY

MR. WILLIAM (BILL) A. ARMBRUSTER
DEPUTY ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS & ENVIRONMENT
Privatization and Partnerships
DEPARTMENT OF THE ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON READINESS
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 109TH CONGRESS

HEARING ON HISTORIC PROPERTIES

8 MARCH 2006

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

STATEMENT BY
MR. WILLIAM A. (BILL) ARMBRUSTER
DEPUTY ASSISTANT SECRETARY OF THE ARMY
INSTALLATIONS AND ENVIRONMENT
Privatization and Partnerships

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss historic properties and the Army's program to manage these resources.

The Army is a responsible steward of our historic properties and cultural resources entrusted to us. We have initiated the following steps to improve our program:

- Improve inventory data on historic properties
- Streamline the consultation process required by the National Historic Preservation Act
- Pursue programmatic solutions to comprehensively manage the growing inventory of aging buildings
- Establish innovative initiatives for industry to invest in Army historic properties, and
- Explore historic properties privatization efforts.

As the oldest of the Defense services, the Army has strong ties to its history and the places that help to shape this country's destiny. From the U.S. Military Academy at West Point to our early coastal batteries like Fort Monroe, Virginia and the Presidio of Monterey, California, the historic legacy of the Army has provided protection for our growing nation. As the country expanded westward, protective encampments like Fort Leavenworth, Kansas, Fort Sill, Oklahoma, and Fort Huachuca, Arizona,

provided security for the early settlers and pioneers. These and other installations have left this country with a generous legacy that continues to support Soldiers, adapting to meet mission needs on every level -- from motor pools, to barracks, to hospitals, to administration buildings to family housing -- these buildings link our past to our future. The Army's historic properties are often the symbol of the Army to the American public. These are places everyone can visit to experience a part of Army history. However, our historic properties pose challenges and have cost implications that we must acknowledge and address through non-traditional solutions that allow us to retain the Army's legacy.

THE SCENARIO

Historic properties are defined in the National Historic Preservation Act of 1966 (NHPA) as those that are listed on or are eligible for listing on the National Register of Historic Places. Of the Army's inventory of 153,023 buildings and structures in the U.S., more than 1/3 are over 50 years old and are potentially subject to full compliance with the NHPA. The Army currently estimates over 19,000 of these properties are historic. In the next 20 years, roughly 40,000 additional properties will turn 50 and require evaluation. Historic Properties represent a significant percentage of the total Army inventory, are highly visible to the nation, and require special consideration.

The Army collects data on historic properties through its real property information database and environmental reporting.

Historic buildings are identified as:

National Historic Landmark – Individual
National Historic Landmark – Contributing to a District
National Register Listed – Individual
National Register Listed – Contributing to a District
National Register Eligible – Individual
National Register Eligible – Contributing to a District
Not Evaluated - Determined Not Eligible

Historic properties, as well as those that are 45 years old, are flagged in the system to assist installations in daily maintenance actions as well as to assist headquarters in Army wide planning. The Army identifies and tracks historic properties in compliance with the consultation requirements of the National Historic Preservation Act (NHPA). Section 106 of NHPA and its implementing regulations, 36 CFR 800 Protection of Historic Properties, require agencies to seek the input of the State Historic Preservation Officer, interested parties and, in some cases, the federal Advisory Council on Historic Preservation, on the agency plan for the buildings. The NHPA requires consultation for all historic properties and actions that may impact historic properties, such as new construction in historic districts. It does not mandate preservation, but requires adherence to the procedures for considering actions through consultation. The Army also addresses historic properties in documents to fulfill the requirements of the National Environmental Policy Act (NEPA). Compliance with both NHPA and NEPA can be complex, costly, and time consuming.

Costs associated with the compliance process include: identifying and evaluating buildings to determine if they are historic; staff time to prepare documents necessary to complete the consultation process; and any mitigating actions to document the property prior to significant negative effects, such as major renovation or demolition.

Cost of Historic Facilities

While historic building projects are perceived to have a high cost, evaluations have shown that when reviewed on a per square-foot and life cycle cost basis, the costs are nearly the same as for non-historic buildings. Often, initial costs for materials used in historic buildings are high, but the materials last longer, resulting in life-cycle cost savings. For example, a slate roof typically has a life span of 50-75 years. During this time, an asphalt roof with a 20-year life span would be replaced up to 4 times.

Renovations of historic buildings also include costs to modernize outdated building systems such as electrical, mechanical, plumbing, heating / air conditioning systems and remediation of asbestos and lead base paint. These are typical costs for any building renovation and are not related to preservation of historic features.

Another challenge with the high cost of restoring Army historic buildings is the availability of sustainment funding. The lack of sustainment funding has resulted in a backlog of maintenance and repair requirements. The inability to maintain and repair the inventory eventually results in more expensive restoration and modernization projects.

Recently, the Army committed to fund 90% of all sustainment requirements and this should result in less deterioration of the Army's inventory of historic properties and more reasonable restoration and modernization costs. The Army is managing a growing inventory of historic buildings and as previously stated, not all costs associated with maintaining these facilities are due to their historic nature.

PROGRAMMATIC APPROACHES / SOLUTIONS

The Army is looking at innovative solutions to address the challenges of limited funding, underutilized space, and compliance requirements. Three options for managing our historic properties include: (1) use and maintain; (2) privatize or find another user and develop a lease / maintenance agreement; or (3) demolish. The Army, in concert with the Advisory Council on Historic Preservation and other Historic Preservation organizations, has established several successful programs to streamline processes and reduce costs.

ARMY ALTERNATE PROCEDURES

The Army has initiated a unique partnership approach within the Department of Defense to streamline the process and better manage compliance requirements of NHPA and 36 CFR 800. This partnership approach resulted in the Army Alternate Procedures, which are based on consultation and agreement among key stakeholders on a five-year installation plan. This initiative minimizes the need for consulting on single projects and allows for pre-approval of projects that follow agreed upon standard procedures. Preparation of the Army Alternative Procedures

required considerable coordination with the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation Officers, Native American tribes, the National Trust for Historic Preservation and members of the public. We are nearing completion of the coordination and consultation process for Army Alternative Procedures at our first two pilot installations – Fort Benning, Georgia, and Fort Sam Houston, Texas. The next four installations to begin the Alternative Procedures coordination process are Fort Sill, Oklahoma; Fort Hood, Texas; and the US Army Garrisons in Alaska and Hawaii. This is truly a good news story. The Center for Army Analysis estimates that this approach will reduce future Army liabilities by $1.5 to $4.2 million per year.

NATIONWIDE PROGRAMMATIC AGREEMENT

The Army / Advisory Council on Historic Preservation also developed an excellent solution for World War II buildings. In 1983, Congress directed the demolition of World War II wooden construction or temporary buildings. While demolition makes sound financial sense in some situations and is permitted by the National Historic Preservation Act, it must be weighed against public concern for the loss of historic resources. To meet the compliance requirements, the Army entered into a Nationwide Programmatic Agreement. The agreement recognized the contributions of this category of construction to history, recorded original construction, preserved sample buildings at Fort McCoy, Wisconsin, and allows the demolition of remaining World War II wooden construction or temporary buildings without further consultation. This effort allows the Army to redirect scarce resources to the remaining historic properties.

PROGRAM COMMENT

The Army and the Advisory Council on Historic Preservation initiated another streamlined approach and process referred to as a Program Comment for Cold War era Capehart and Wherry housing. This Program Comment satisfied the NHPA compliance requirements for nearly 20,000 Army buildings. The Army can renovate, alter, or demolish individual buildings without further consultation with the State Historic Preservation Officers. Our ability to make faster decisions on Capehart and Wherry housing units has proven especially beneficial for family housing privatization projects under the Residential Communities Initiative.

The Army and the other Services have evaluated existing inventories to find other common groups of properties that should be addressed in a similar manner. Additional Program Comments have been prepared and are in the final stage of the coordination process within the Department of Defense. They will cover historic properties of all Services in the following categories: Cold War Era Unaccompanied Personnel Housing, WWII and Cold War Era Ammunition Storage Facilities, and WWII and Cold War Era Army Ammunition Plants. These Program Comments will satisfy the NHPA compliance requirements for 35,000 Army buildings / structures.

Leasing

In most cases, the Army utilizes historic buildings to meet mission requirements. Historic facilities are maintained, repaired and renovated as needed with the funds available. Traditional funding mechanisms are in place to repair and rehabilitate historic facilities. When the land is not

excess to the Army's needs or requirements, the buildings are evaluated for offsite removal, for demolition or for adaptive reuse and retention as a requirement of NHPA. If adaptive reuse is feasible, the Army will pursue out-leasing, under Title 10 United States Code, Section 2667, to obtain major rehabilitation and maintenance of the historic properties.

At Fort Sam Houston, Texas, the Army utilized the above cited authority to lease three historic buildings. Under NHPA the Army had the responsibility to maintain or find adaptive reuse for these properties containing approximately a half-million square feet of space. A private developer was selected through a competitive leasing process. The Army and the selected developer agreed to a business and leasing plan to rehabilitate and utilize these buildings. The resulting actions preserved the historic buildings, eliminated the installation's rehabilitation and operations and maintenance costs, and allowed the Army to receive a share of the lease proceeds after the investment and management expenses were recovered. The out-leasing of non-excess available facilities at Fort Sam Houston was the Army's first effort using the authority of 10 USC 2667. The Army has since been exploring the use of this authority at other installations with historic properties.

The Army is pursuing another leasing opportunity for the William Beaumont Hospital Historic District at Fort Bliss, Texas. There are 27 historic buildings identified as important by the State Historic Preservation Officer that were competitively offered to the private sector for restoration and utilization. The selected bidder and the Army are currently negotiating a business and lease plan that will hopefully lead to the execution of a lease.

Family Housing Privatization

The Army is taking advantage of private sector expertise to manage historic housing by including these properties in our family housing privatization projects. To date, the Army's Residential Communities Initiative (RCI) has privatized 64,000 homes at 27 installations toward the goal of 82,500 homes at 43 installations. Of the 221 Army General Flag Officers Quarters (GFOQs), 162 are historic. There are 115 GFOQs included in the Army's family housing privatization program and 80 are historic.

Privatization under the RCI program requires compliance with the National Historic Preservation Act. Army installations prepare Historic Property Programmatic Agreements; consult with the State Historic Preservation Officer and the Advisory Council on Historic Preservation to outline historic property development and management plans. The Army's RCI privatization partners improve, maintain, and sustain historic homes in compliance with the agreements.

ARMY- COMMUNITY HERITAGE PARTNERSHIPS

The Army has developed the Army-Community Heritage Partnerships program to strengthen community ties (economic, historic, and social) between Army installations and neighboring historic commercial districts. The Army Community Heritage Partnership program provides technical assistance and training in preservation-based economic development strategies to communities that have, as their mission, historic

commercial district revitalization. This program supports the goals of Presidential Executive Order 13287, Preserve America, signed in March 2003. Key points of the Executive Order are:

- to seek partnerships with local governments and the private sector to make more efficient and informed use of their resources for economic development and other recognized public benefits, and
- to better combine historic preservation and nature tourism to assist in the development of local and regional programs using historic resources that are significant features of many State / local economies.

The National Trust Main Street Center is the Army's partner in this effort because of their expertise in working with downtown historic business districts. They will assist communities to improve the economic vitality in their marketplace and look for ways to leverage heritage and eco-tourism for further business development.

SUMMARY

The Army has a wealth of historic properties that support our mission requirements. We are developing new management approaches that balance our stewardship responsibilities for our existing and growing inventory with recognition of the limited funds available for maintenance, repair and renovation of all properties. We appreciate your continued support for our initiatives.

Mr. Chairman, this concludes my statement. Thank you.

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

REAR ADMIRAL GREG SHEAR

DIRECTOR, ASHORE READINESS DIVISION

OFFICE OF CHIEF OF NAVAL OPERATIONS

BEFORE THE

SUBCOMMITTEE ON READINESS

OF THE HOUSE ARMED SERVICES COMMITTEE

March 8, 2006

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE

United States Navy Biography

Rear Admiral Wayne G. Shear, Jr.
Director, Ashore Readiness Division (N46)
Staff of the Chief of Naval Operations

Rear Admiral Wayne "Greg" Shear Jr., became the Deputy Director, Ashore Readiness Division, in September 2004. Before reporting to his current assignment, he served as Deputy Commander for Operations, Naval Facilities Engineering Command.

Rear Adm. Shear graduated from the United States Naval Academy in 1979 with a degree in Naval Architecture and was commissioned an Ensign in the Civil Engineer Corps. In 1984 he received a Master of Science in Civil Engineering from the University of Colorado. He also holds a Master of Arts in National Security and Strategic Studies from the Naval War College.

Rear Adm. Shear's first assignment was to the Public Works Department, Naval Weapons Station Yorktown, Va. He then served as Public Works Officer, Naval Hospital Beaufort, S.C. . After graduate school in Colorado he was assigned as Aide to the Commander, Naval Facilities Engineering Command. In 1985 Rear Adm. Shear joined Naval Mobile Construction Battalion Five where he served as Officer in Charge, Detail Subic Bay, Philippines, Charlie Company Commander and Air Detachment Officer in Charge in Roosevelt Roads, Puerto Rico. While in Puerto Rico he redeployed as Officer in Charge of detachments to Puerto Cortes, Honduras, and Port-au-Prince, Haiti.

Rear Adm. Shear then served at the Civil Engineer Corps Officer School as an instructor in the Facilities Management Division. In 1989 he was assigned as Resident Officer in Charge of Construction, Puerto Rico Area. In 1993 he graduated with distinction from the College of Naval Command and Staff in Newport, R.I., and was assigned to U.S. Strategic Command at Offutt Air Force Base, Neb., as Chief, Engineering Branch. Rear Adm. Shear commanded Naval Mobile Construction Battalion One from 1996-1998. NMCB One received the Atlantic Fleet "Best of Type" and the Peltier Award in FY-97.

Rear Adm. Shear subsequently served as the Executive Officer at Naval Facilities Engineering Command, Southern Division in Charleston, S.C., and the Commander, 30th Naval Construction Regiment, Pearl Harbor, Hawaii and Vice Commander, Third Naval Construction Brigade. While with the Seabees, Rear Adm. Shear served on a temporary assignment as Commander, U.S. Support Group, East Timor, reporting to U.S. Pacific Command.

Rear Adm. Shear is a Seabee Warfare Officer, a registered professional engineer in the Commonwealth of Virginia, a member of the Navy Acquisition Professional Community, and a member of the Society of American Military Engineers. His personal decorations include the Legion of Merit, two Defense Meritorious Service Medals, three Meritorious Service Medals, two Navy Commendation Medals, the Navy Achievement Medal and various unit awards.

Good morning, Mister Chairman and members of the Committee. I am Rear Admiral Greg Shear, Director, Ashore Readiness Division, Office of Chief of Naval Operations. I appreciate the opportunity to speak with you today concerning the Navy's responsibilities under the National Historic Preservation Act

The clear objective of the Navy's historic preservation program is to balance the Navy's current and future mission needs and our stewardship responsibility to the American taxpayer with our desires to preserve Navy heritage for future generations. We take great pride in our heritage, and the many historic buildings on our installations serve as reminders of the long and distinguished course we have charted. In this area the Naval Academy, the National Naval Medical Center and the Washington Navy Yard are replete with historic structures that are in active use today. The refracting telescope with which the moons of Mars were discovered in 1877 is still used for astronomical observations from its fully functional 1890s-era dome at the Naval Observatory. Our historic properties provide today's Sailors, their families, and our Navy civilians with a direct connection to their predecessors. These properties are also important to Navy retirees and veterans, and to citizens living near our installations.

Most of our historic properties are in full mission use, and symbolize the Navy for American citizens and people around the world. The Naval Academy campus, the main tower of the National Naval Medical Center at Bethesda, and USS *Constitution* each represent the Navy in their own way. The oldest dry-dock in the western hemisphere still faithfully performs its work at the Norfolk Naval Shipyard. Our installations are filled with examples of historic preservation supporting and reinforcing the mission of a facility.

We take very seriously our statutory obligations regarding historic properties. We work with OSD, the other Services, and other agencies such as The Advisory Council on Historic Preservation and State Historic Preservation Officers, and interested members of the public, to develop effective and efficient ways to balance our stewardship and fiscal responsibilities as part of our Shore Installation Management program.

The National Historic Preservation Act requires federal agencies, including Navy, to take into account the effect of their undertakings on properties on or eligible for the National Register of Historic Places (NR), and to give the Advisory Council on Historic Preservation (ACHP) a chance to comment on those undertakings. The NHPA does not mandate preservation, and Navy's mission is still the most important part of the facilities management equation, however, I will discuss a few examples that illustrate how we have enhanced both the Navy's mission and the Navy's history.

CASE STUDIES

Each case involves a National Historic Landmark (NHL) district, the most significant and extensive kind of resource type recognized by the Secretary of the Interior. Each contains properties that are important to the Navy and to the nation, and each has recently been the subject of consultation with SHPOs and other parties.

WASHINGTON NAVY YARD. The first example is the Washington Navy Yard (WNY), a few blocks from here on the banks of the Anacostia River. WNY was established in 1799 as one of the original navy yards, and was burned in 1814 when the British attacked Washington. WNY's location relatively far from the ocean led the early nineteenth century Navy to shift its mission from ship construction and repair to ordnance development and manufacture. From then until the beginning of the 1960s, WNY was

the major manufacturing center for shipboard guns. WNY has four NR-listed properties and an NHL district that reflect both the early shipyard period and the more recent industrial period.

WNY was identified as a prior BRAC receiver site for such commands as the Judge Advocate General's Corps Headquarters, the Naval Facilities Engineering Command Headquarters, and the Naval Sea Systems Command Headquarters. Unbuilt land was rare, and there were significant environmental issues dating from WNY's industrial past. Fortunately, most of the industrial buildings at WNY were high-bay types ideally suited for reuse by gutting the original building and constructing new office spaces within the historic façade. In this particular case, the cost of renovating buildings was competitive with the alternative: demolition, environmental remediation, performing new foundation work in 150-year-old fill soil, and new construction. Consultation on the plan required effort on all sides, particularly since consultation in the District of Columbia involves other agencies and statutory authorities besides NHPA. In the end a revitalized and repopulated historic district was recognized as the best outcome for both mission and preservation.

WNY is now a showplace for adaptive use of historic properties, including "green" renovations that reduce energy consumption. Quality of service for WNY tenants has improved dramatically over the last fifteen years, and the yard has served as the catalyst for a redevelopment of the M Street corridor that still continues. Mr. Chairman, I invite you and the committee to come down to WNY to see what can be accomplished with historic buildings.

PEARL HARBOR. The next example I would like to discuss is Pearl Harbor. Pearl Harbor is, of course, one of the few World War II battlefields in the fifty States, and one with particular resonance for the Navy. Still and movie images of the December 7th attack are still frequently seen in books and on television, making the base landscape seem almost familiar to first-time visitors. Strafing marks on concrete provide a hint of the violence of the attack. The presence of the sunken battleship *Arizona* and target ship *Utah*, tombs for over a thousand Sailors, serves as a continuing reminder of the cost of war and eventual victory.

The National Historic Landmark district at Pearl Harbor focuses on the attack, but also includes properties that represent such events as the Navy's first shore establishment and the first military air facilities in Hawaii. Pearl Harbor is also, however, an active naval base that supports today's fleet, its Sailors and their families, and its civilian employees. The World War II Navy for which the NHL district represents the infrastructure footprint was vastly different from the modern Navy and its needs.

For instance, there were many, many more Navy ships during World War II, but today's ships are on average larger and far more complex, with implications for such diverse factors as pier weight limits, shore power and other utilities, and in-port training systems. Modern Sailors and their families have much different expectations for housing and family support services than their World War II counterparts – most of whom left their families at home for the duration – and housing quality can be a significant factor in each Sailor's decision to re-enlist or not. The Navy also does shipbuilding and repair much differently today than during World War II, when the Pearl Harbor Naval Shipyard was providing major combat and voyage repair services to history's greatest naval force

engaged in history's greatest naval war on the other side of the Pacific. Yet much of the historic district represent's Pearl Harbor's 1940s "high-water mark," and much of it is excess or ill suited to modern needs in its current condition.

The Navy knows well that the American public cares very much about Pearl Harbor. Historic properties such as the Ford Island Dispensary, the Lockwood Hall transient quarters, and the Shipyard Administration Building have been renovated and are in mission-supporting use. Maintenance costs for these renovated buildings, as with most renovated historic buildings, are comparable to maintenance costs for non-historic properties.

In consultation with the ACHP, the Hawaii SHPO, the National Trust for Historic Preservation, and other consulting parties, Navy has developed a detailed Integrated Cultural Resources Management Plan (ICRMP) and associated Programmatic Agreement (PA) that streamlines compliance on a broad category of facilities management actions. The PA we developed to manage historic preservation compliance for the Ford Island redevelopment has worked well, and may serve as a model for similar open-ended development or design actions. We are also fortunate to have had some technically outstanding adaptive use projects, such as the new Navy Lodge on Ford Island. We will continue to work with these consulting parties as we balance Pearl Harbor's historical significance with the mission requirements required to support the twenty-first century Navy.

NAS PENSACOLA. My third example is the Naval Air Station (NAS) at Pensacola, Florida. This facility had its birth in the early nineteenth century as the Pensacola Navy Yard. It was also the scene in the early twentieth century of some of the

Navy's first experiments with aviation, and continues to be where the Navy trains its aviators. The NHL district is located on the waterfront at the site of the original Pensacola Navy Yard, and includes facilities from the Navy Yard and from World War I-era seaplane operations.

However, by the middle of the twentieth century the focus of the base had shifted inland. The installation had not served as a navy yard since the nineteenth century, and the end of the Navy's seaplane programs in the mid twentieth century meant that there was no longer any aviation-related mission for the former seaplane facilities. Even before World War II, most naval aviators were being trained for aircraft carrier or land-based aircraft operations at facilities away from the NHL district. The long decrease from the base's World War II peak student load also meant that by the end of the twentieth century there were several hundred thousand square feet of excess building capacity at NAS Pensacola.

Hurricane Ivan brought these conditions to national attention by striking the NHL district with its full force in September 2004. Hundred-knot winds and significant storm surge flooding struck the district, the most exposed part of the station, and added to the widespread serious damage inflicted throughout the base and the Florida Gulf coast. The Congress passed a supplemental appropriation to restore DOD facilities in the affected area, with a fund expiration date of 30 September 2005.

Among Navy's goals for NAS Pensacola were to restore base operations, ensure that base functions were appropriately located with respect to their supported tenants or activities, and reduce the risk of damage in the inevitable future storms. These precepts

appeared to reduce the possibility of mission-supporting activities in much of the NHL district, leaving us with difficult decisions to make about the damaged buildings there.

We were very fortunate that the consulting parties in this case recognized the magnitude of the problem and the severe time limitations we were operating under – especially the Florida SHPO's office, which was also dealing with the implications of three other 2004 hurricanes. NHPA compliance regarding repairs to historic properties was managed by an existing PA, and in fact a number of National Register-eligible properties outside the NHL district are being returned to full service. We expect that ongoing maintenance costs for those buildings after repair and renovation will be comparable to maintenance costs for non-historic buildings.

After extensive consultation, a Memorandum of Agreement signed in March 2005 provided for the demolition of a number of properties, including properties in the NHL district, but the Navy agreed to conduct a more extensive analysis of the sixteen most significant NHL district properties being considered for demolition.

That analysis was performed during the spring and early summer of 2005, and as a result of the analysis, public input and extensive further consultation, the Secretary of the Navy decided to retain nine of the sixteen buildings, although not all in their original functions. The Navy has now requested funds to make the area safe and suitable for continued use, and to provide some historical interpretation once the buildings are removed.

NAVY INITIATIVES.

The preceding examples have highlighted how we balance mission with historic preservation. From a practical and fiduciary perspective, the best opportunity to retain a historic building is to keep it in current mission use, appropriately renovated and maintained. The following cultural resources initiatives help us to manage historic properties as part of our overall asset management program.

The Navy has incorporated historic property data elements in its real property inventory system, the internet-based Naval Facilities Asset Data Store (iNFADS). Populating the data elements is a long-term process requiring the location and data entry of NR eligibility determinations, in some cases dating back decades. We intend to make this location and data entry function a required deliverable of all new and revised ICRMPs, and so should have the backlog completed over the next five years as a full cycle of ICRMP revision occurs.

We are also exploring the incorporation of cultural resources data into Navy geographic information systems (GIS), where available. An early example of GIS-based historic property management at Pearl Harbor has demonstrated the value of having historic property information available to planners, managers and operators on the common installation GIS. GIS is also a much more satisfactory way to represent certain historic resources such as archaeological sites than traditional real property relational databases.

ICRMPS. Good ICRMPs remain the key way to gather information about an installation's historic inventory, assess potential use/reuse candidates and provide an interface with facilities planners. Navy is revising its ICRMP guidelines to improve ICRMP function and incorporate new requirements such as iNFADS updates.

Programmatic alternatives. The regulations implementing NHPA provide several alternatives to case-by-case consultation. PAs have long been used for complex projects, projects involving more than one state, or routine base activities. Navy presently has PAs in effect for its historic properties in Hawaii, Hampton Roads, and the San Diego metro area. We would like to develop more.

"Program comments" are a relatively new tool that allows agencies to propose programs that address particular preservation categories, which ACHP comments on following consultation with interested parties. Navy followed Army's lead in requesting a program comment for Capehart-Wherry era family housing (1949-1962), which in exchange for a centrally-managed documentation effort removed this category of property from case by case consultation and treatment. The services are nearing completion of program comments on unaccompanied personnel housing and on ammunition bunkers. Navy is also developing a program comment for ships. We look forward to working with OSD, our sister services, ACHP and other consulting parties to develop similar approaches for other categories of historic property.

CONCLUSION

The Navy will remain committed to remembering and honoring its heritage. We are also committed to full compliance with our statutory obligations regarding historic properties. We will continue to work with OSD, the other services, and other appropriate agencies and organizations to find more effective and efficient ways to balance our stewardship and fiscal responsibilities as part of our comprehensive asset management program.

This concludes my statement. I welcome your questions and look forward to working with your committee on this important issue.

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ARMED SERVICES COMMITTEE

STATEMENT OF

BGEN JAMES F. FLOCK

ASSISTANT DEPUTY COMMANDANT

INSTALLATIONS AND LOGISTICS, HEADQUARTERS, U.S. MARINE CORPS

BEFORE THE SUBCOMMITTEE ON READINESS

OF THE HOUSE ARMED SERVICES COMMITTEE

ON

HISTORIC PROPERTIES

8 MARCH 2006

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

Brigadier General
James F. Flock
Headquarters Marine Corps
Assistant Deputy Commandant
Installations and Logistics (Facilities)

Brigadier General Flock currently serves as the ADC I&L (LF).

Brigadier General Flock graduated from the University of Wisconsin with a Bachelor of Science degree in Mechanical Engineering. He is also a graduate of the Naval War College and holds a Master of Arts degree in National Security and Strategic Studies.

Brigadier General Flock was commissioned in the Marine Corps through the Platoon Leaders Class program in 1975. He attended The Basic School and subsequently completed flight training in 1977 at Naval Air Station Kingsville, Texas.

Brigadier General Flock has aviation experience in the F-4 Phantom and the FA-18 Hornet aircraft. His operational assignments include a tour with Marine Fighter Attack Squadron (VMFA) 312, two tours with VMFA-531, and three tours with VMFA-323. He served as a flight instructor with both Strike Fighter Squadron 125 and Marine Fighter Attack Training Squadron 101. In addition, he served as the Air Naval Gunfire Liaison Officer, Headquarters Battalion, 1st Marine Division. As a field grade officer, he commanded VMFA-323 and Marine Aircraft Group 12. As a General Officer, he served as the Deputy Commander for Marine Forces Reserve, as the Assistant Wing Commander for 2d Marine Aircraft Wing, and as the Commanding General, Marine Corps Base Camp S.D. Butler.

Brigadier General Flock's operational experience includes two deployments aboard USS CORAL SEA (79-80/85-86); the Unit Deployment Program (90-91); and a deployment aboard USS CONTELLATION (94-95). His principle staff assignments include Strike/Fighter Requirements Officer and TACAIR Plans Officer, Headquarters U.S. Marine Corps (HQMC); NATO/Partnership for Peace Exercise Branch Head, J-7, U.S. Atlantic Command; and Branch Head, Aviation Plans, Programs, and Budget, HQMC. Resident service schools and courses include the U.S. Navy Fighter Weapons School; Forward Air Control School; U.S. Marine Corps Weapons and Tactics Instructor Course; and the Naval War College.

Brigadier General Flock's personal awards include the Defense Superior Service Medal, two awards of the Legion of Merit, Defense Meritorious Service Medal, two awards of the Meritorious Service Medal, Air Medal with Strike/Flight Numeral 1, and the Navy Commendation Medal. He has logged over 4900 hours in tactical jet aircraft.

Chairman Hefley, Congressman Ortiz, distinguished members of the Subcommittee, it is my pleasure to appear before you today. I am Brigadier General James Flock, Assistant Deputy Commandant for Installations and Logistics, Headquarters, U.S. Marine Corps. I appreciate this opportunity to appear before you today. I am particularly pleased that you have chosen to focus on the management of historic buildings by the military services. The Marine Corps has a moral responsibility to care for the historic buildings entrusted to it by the American people. Many of these buildings are national icons. To Marines, many of these structures are tangible reminders of our past. They provide an anchor to today's Marine by reminding us of the sacrifices and accomplishments of those that have gone before us. In short, they inspire us to continue to strive to be the best. To many Americans, these structures represent some of the noble ideals upon which our republic was founded: honor, courage and commitment. They are touchstones that bind all Americans to a common heritage. We are proud to be the stewards of these resources. However, they pose a management challenge.

Though we are a small military service in terms of the number of installations we manage, these installations support about 7,400 buildings over 50 years old. Of these, 347 are listed on the National Register of Historic Places, including 7 buildings containing 7 units of family housing. Another 398 are eligible for listing on the National Register of Historic Places, including 85 buildings containing 85 units of family housing. We currently have a total of 6 general officer quarters listed on the National Register and 3 eligible for listing on the National Register. Four of the listed general officer quarters are at our Marine Barracks at 8th & I – including the Home of the Commandants. The Marine Corps has privatized 10 historic general officer housing units at Marine Corps Base Quantico and one historic general officer housing

unit at Marine Corps Recruit Depot San Diego via our Public Private Venture program for family housing. Our housing provider partners, with concurrence from State Historic Preservation Offices, have demolished and replaced 5 of these units and renovated 3 of these units. Renovation of one more unit is underway, demolition and replacement of another unit is planned. Agreements between the housing providers, military installations and State Historic Preservation Offices governing the maintenance of retained historic houses were executed to ensure maintenance of the historic fabric of retained historic structures. While privatization of these houses occurred recently, we believe the safeguards we created with our partners are sufficient to ensure continuation of their historic integrity. The remaining five historic flag quarters still owned by the Marine Corps are at our Marine Corps Bases Camp Pendleton and Hawaii, Marine Corps Air Station Cherry Point, and Marine Corps Recruit Depot Parris Island. Efforts are underway to privatize three of these units; another unit is being studied for adaptive reuse for non-family housing purposes.

About 7,150 of our buildings will turn 50 years old during the next 10 years. We are developing plans to demolish many of these buildings and replace them with new construction through a variety of means, including public/private ventures. For example, our family housing demolition/replacement program, which we have begun, will ultimately result in the demolition and replacement of most of the 11,500 family housing units constructed during the Wherry and Capehart era that were to reach 50 years of age between 2001 and 2012. Less than 400 of these units will remain as government-owned housing and about 3,700 units will remain as retained privatized housing; the rest are being replaced with new housing or being demolished as excess to our needs. As we continue to develop our plans for facility modernization, we will consider

whether structures to be renovated or demolished may possess historic significance or unique architectural features which may make them eligible for listing on the National Register, and consult on them as required by law. We do not believe that many will be eligible.

Pursuant to the Base Closure and Realignment Act, the Marine Corps closed and is disposing Marine Corps Air Stations Tustin and El Toro. Both installations had structures that were on the National Register, or were determined eligible for listing on the National Register. Agreements with the California State Historic Preservation Office governing these resources were executed. Local Reuse Authorities were initially retaining two historic hangars at Tustin; the hangars were constructed in the 1920's to support lighter-than-air ship operations. Transfer of one hangar to Orange County is being pursued. Orange County recently obtained concurrence from the California State Historic Preservation Office to remove the historic status from the structure. Orange County is weighing its reuse options and it is unclear what the final disposition of the structure will be. The second hangar has been transferred to the City of Tustin and is now part of a City park. All other historic structures have been, or are in the process of being demolished. The negotiation process between the State, Local Reuse Authorities and Marine Corps was lengthy, but the end result was beneficial for all.

The U.S. General Accounting Office examined our data on historic structures in April 2001. They noted that Marine Corps historic building inventory data were inconsistent and they provided recommendations to correct the situation. The Marine Corps concurred in this finding and began to revise our inventory procedures. In partnership with the Navy, the Marine Corps reviewed property records for all its structures and incorporated historic resources information.

This review is complete and information presented in this testimony is based on our inventory data.

Some of our buildings that have been placed on the National Register, or have been determined eligible for listing, have been demolished as they could not be rehabilitated to meet today's requirements. For instance, 58 of the family housing dwellings of the 210 buildings that were on the National Register at our base at Quantico will be demolished or relocated to other sites in order for suitable replacement housing to be built. These houses, which were erected in the early 1950's, represented the largest concentration of Lustron housing in America. Lustron houses are prefabricated structures consisting of enameled steel plates over steel framing. Essentially these houses were erected on concrete pads by bolting together their parts. By the very nature of their construction, these 900 square feet two-bedroom, one-bathroom houses cannot be modified without destroying their structural integrity. The only way to provide suitable housing is to demolish these structures and build new on their sites. As these structures were on the National Register, we consulted with the Virginia State Historic Preservation Office and with the President's Advisory Council on Historic Preservation. The Marine Corps, as a result of this consultation, prepared documentation that meets archival standards that described the structures and their place in the infrastructure of the base. We also agreed to make the structures available to anyone that wanted them for relocation to other sites. These units are currently being offered for free to those individuals able to cover the cost of dismantling and relocating the homes. This offer will not delay or increase costs of the housing replacement privatization project. As we continue to modernize our infrastructure, we will continue to evaluate whether historic structures can be adaptively reused or whether they need to be

demolished. As the custodian of these national assets, we will endeavor to adaptively reuse historic structures when we can. However, as the example at Quantico illustrates, we may not be able to do so and, after consultation with a State Historic Preservation Office, may have to demolish historic structures in order to pursue necessary facilities modernization.

Maintenance needs for old buildings are similar regardless of their historic status. The need to repair utilities, roofing and windows does not change just because a building is historic. Due to funding constraints, decisions on building restoration are often driven by a building's use and condition, rather than its historic status. Until recent years, we have not had an effective method of estimating Sustainment costs for our facilities. We are now funded at 93 percent of the Sustainment requirement of our buildings, which allows us to hold them in their current condition. Unfortunately, these buildings are old enough to have been maintained in years when funding was scarce. Maintenance items, such as roof inspection and repair that should have protected a building as preventive maintenance, frequently were deferred. In many cases this resulted in older facilities being in a lower state of repair. Clearly past funding decisions have had detrimental impacts on some of our most treasured buildings. To correct this situation with regard to historic general officer quarters, we implemented a Modernization, Repair, and Improvement Program.

In 1994 the Marine Corps conducted detailed surveys of seven of its historic General Officer quarters to identify major deficiencies in the buildings. We developed a long-term plan to repair these facilities with limited disruption to the occupants and minimal financial impact on the remainder of the family housing program. Work under our modernization plan began in

1996 with revitalization of the Commanding General's quarters at Marine Corps Recruit Depot Parris Island. We have now renovated five of the units through the traditional military construction process, another home will be renovated as part of a privatization project, and the last one is under study for adaptive reuse for non-family housing use. Completion of our modernization program has ensured that our retained historic general officer quarters will be structurally and mechanically sound.

Though we do not track maintenance costs for historic structures, except for general officer quarters, we have anecdotal evidence that maintenance costs of historic buildings on a per-structure basis are greater than old buildings that are not historic. This is especially true with general officer quarters when compared to other family housing dwellings. The difference can be attributed to size. Large buildings with unique architectural features tend to have more historic significance than comparable old buildings that are smaller and do not have unique features. In particular, the size of our historic general officer quarters contributes significantly to the large difference in per-structure maintenance cost. The average size of our historic general officer quarters is almost 7,200 square feet. The average size of our non-historic general officer quarters is less than 2,900 square feet.

Some of our very old buildings also have unique architectural features that appear to result in increased maintenance costs. For example, some of our general officer quarters have slate roofs and copper flashing. A slate roof will last about 100 years as compared to an asphalt shingle roof that will last about 20 years. Of the two, clearly a slate roof is more expensive to install and maintain in the year of procurement. However, when compared to an asphalt shingle

roof, the life-cycle costs are similar or less. For buildings we intend to keep, the ability to use the materials with the lowest life-cycle cost clearly makes financial sense.

Like all the military services, we too have a backlog of maintenance requirements for all our buildings, new and old. We are working hard to reduce this backlog. While we have implemented methods of programming adequate funding for facilities Sustainment, which keeps our facilities from getting worse, our requirements continue to outstrip our funding related to restoration and modernization, which would return these facilities to a desired condition. We continue to pursue new and innovative approaches to lessen the burden these structures place on our limited resources.

In partnership with State Historic Preservation Officers, we are developing programmatic agreements that will govern our future treatment of historic properties. We are also preparing Integrated Cultural Resources Management Plans at our installations so that we may better manage the historic resources entrusted to us. These plans outline installation requirements to manage historic resources and provide a framework for an installation and State Historic Preservation Officer to work toward mutual historic preservation goals.

In conclusion, Mr. Chairman, I would like to thank the Committee for its interest and support in our management of historic buildings. We take our stewardship of these resources very seriously. Many of these resources are National icons. We view their protection as a moral imperative. There is no question that maintenance of historic buildings on a structural basis

appears to be more costly than buildings that are not historic. However, it appears that the life-cycle cost of historic buildings is similar to non-historic structures.

Mr. Chairman, this concludes my statement. I will be pleased to answer any questions you may have.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: HISTORIC PRESERVATION

STATEMENT OF: MR. FRED KUHN
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
FOR INSTALLATIONS

March 8, 2006

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

BIOGRAPHY

UNITED STATES AIR FORCE

FREDOLIN W. KUHN

Fredolin W. Kuhn, a member of the Senior Executive Service, is Deputy Assistant Secretary of the Air Force for Installations, Washington, D.C. He is responsible for the management, policy and oversight of the $6 billion annual Air Force installation and facility programs. These include facility management, base closures, military construction, family housing, acquisition, maintenance, operation, repair and disposal of real property.

Mr. Kuhn entered the Air Force as a Judge Advocate in April 1968. Among his many assignments, he served as Staff Judge Advocate at the wing and numbered Air Force levels. He managed two divisions and served as Director of Civil Law while assigned to the Office of the Judge Advocate General at Air Force headquarters in Washington, D.C. Mr. Kuhn commanded the Air Force Legal Services Agency prior to retiring from active duty in 1992. His professional military education includes Squadron Officer School, Air Command and Staff College, Armed Forces Staff College, Air War College and the Industrial College of the Armed Forces.

EDUCATION
1964 Bachelor of arts degree in finance, University of Notre Dame
1967 Juris doctor degree, Georgetown Law Center

CAREER CHRONOLOGY
1. 1968 - 1970, Assistant Staff Judge Advocate, 12th Flying Training Wing, Randolph Air Force Base, Texas
2. 1970 - 1974, Judge Advocate, Military Justice Division, and Counsel, Government Appellate Division, Office of the Judge Advocate General, Washington, D.C.
3. 1974 - 1978, Chief of Military Justice and Executive to the Staff Judge Advocate, Headquarters Pacific Air Forces, Hickam Air Force Base, Hawaii
4. 1978 - 1980, Staff Judge Advocate, Luke Air Force Base, Ariz.
5. 1980 - 1983, Staff Judge Advocate, Air Force Regional Engineer-MX, Norton Air Force Base, Calif.
6. 1983 - 1985, Staff Judge Advocate, 18th Combat Support Group, Kadena Air Base, Japan
7. 1985 - 1987, Staff Judge Advocate, 13th Air Force, Clark Air Base, Philippines
8. 1987 - 1989, Chief, Defense Services Division, Office of the Judge Advocate General, Headquarters U.S. Air Force, Washington, D.C.
9. 1989 - 1990, Chief, Environmental Law Division, Office of the Judge Advocate General, Headquarters U.S. Air Force, Washington, D.C.
10. 1990 - 1991, Director of Civil Law, Office of the Judge Advocate General, Headquarters U.S. Air Force, Washington, D.C.
11. 1991 - 1992, Commander, Air Force Legal Services Agency, Washington, D.C.
12. 1992 - 2000, Deputy General Counsel, Office of the Air Force General Counsel, Washington, D.C.

13. 2000 - 2001, Principal Deputy Assistant Secretary of the Air Force for Manpower, Reserve Affairs, Installations and Environment, Headquarters U.S. Air Force, Washington, D.C.
14. 2001 - 2002, Principal Deputy Assistant Secretary of the Air Force for Installations, Environment and Logistics, Headquarters U.S. Air Force, Washington, D.C.
15. 2002 present, Deputy Assistant Secretary of the Air Force for Installations, Washington, D.C.

AWARDS AND HONORS
Legion of Merit with oak leaf cluster
Meritorious Service Medal with four oak leaf clusters
Stuart M. Reichart Award for Air Force's outstanding senior attorney
2000 Presidential Meritorious Executive Rank Award
2001 Exceptional Civilian Service Medal

BAR ADMISSIONS
U.S. District Court for the District of Columbia

(Current as of March 2002)

Mr. Chairman and members of the committee, good morning. I appreciate the opportunity to appear before you to discuss the Air Force's experience with managing its historic properties through its cultural resources conservation program. As you know the Fiscal Year 2007 President's Budget proposal was released last month. Much of my testimony will be based on expectations from that proposal. I ask that you consider my comments in that light.

The Air Force owns over 4,500 properties (actual 4,548), which we consider to be historic in nature. Of those properties, almost 30% (1,283) are formally listed on the National Register of Historic Places and a little over 70% (3,265) are eligible for listing on the National Register. Whether a property is "listed" or "eligible" for listing is a matter of semantics since we treat all of these properties the same.

Over the next 2 years the Air Force will divest itself of over 2,000 historic homes, or over one-half our total historic property inventory, through housing privatization. When an installation is selected for housing privatization, all homes, historic and non-historic, will be privatized. The property owner is subject to provisions in an agreement that requires consultation on adverse impacts to historic properties. Air Force installations with historic privatized housing that have been awarded to date include Patrick, Offutt, Hill, Elmendorf and Scott Air Force Bases. Property owners at privatized bases work closely with base officials and State Historic Preservation Officers.

The Air Force takes seriously its responsibilities for the management of its historic properties under the National Historic Preservation Act. In addition, there are 15 various laws, executive orders, DoD and Air Force regulations associated with cultural resources management. President Bush signed Executive Order 13287, "Preserve America," in March of 2003. This Executive order directs Federal agencies to increase their knowledge of historic resources in their

care and to enhance the management of these assets. We are doing just that. Our historic properties contribute a deep sense of place and heritage to Air Force people as well as to the general public. The importance of our historic properties, their management, maintenance, and repair is carefully factored into the Air Force's larger goal of successful execution of mission requirements, productivity, quality of life and retention. With nearly 100,000 total buildings in the Air Force inventory, we ensure maintenance and repair funds are used wisely and most effectively.

Contrary to popular belief, when facilities reach 50 years of age, they are not automatically designated as historic. There are procedures in place to review and document structures that have eligibility potential. Requirements associated with the management of historic properties include the inventory of buildings and their evaluation for eligibility to the National Register, the preparation of installation integrated cultural resources management plans, and mitigation costs that may be associated with the disposal of a historic property. Once determined eligible for listing, the preparation of a nomination package is an additional requirement.

Like our fellow Services, we value our historic properties for the significance they represent. The significance varies ... from the proud, albeit relatively recent history of the Cape Canaveral Historic District, where America's manned space program began, to the inspiring architecture of the Cadet Chapel at the Air Force Academy, to Huffman Prairie Flying Field in Fairborn, OH, which served as a testing ground for the Wright Brothers over 100 years ago.

When General Robbins testified before the HAC-MILCON subcommittee in 2001, he stated that overall maintenance costs of our historic buildings are proportionate to that of other

buildings in our inventory. We continue to believe this is true with regards to the total inventory.

To manage the Air Force's historic properties, we develop and implement installation Integrated Cultural Resources Management Plans that serve as our primary management tool for cultural resources. These management plans include inventories of all historic properties and an overall strategy for how the properties will be maintained in accordance with the National Historic Preservation Act. Additionally, programmatic agreements or memorandums of agreements with State Historic Preservation Officers allow for pre-coordinated approaches to maintenance and facility modifications for historic properties to streamline the consultation requirement.

One of the most sweeping changes in our ability to manage our historic inventory is on the horizon. The Air Force initiated changes to how we track operations and maintenance costs against our real property inventory. These changes, which will be in place by the fall of this year, will enable us to categorize our historic facilities, both listed and eligible, into numerous historic classifications. This will allow us to better track, understand and manage the resources invested into these facilities.

The Air Force has not and does not plan to allocate Real Property Maintenance funds specifically for maintenance of historic facilities. The current Real Property Maintenance budget supports all facilities without regard for age or historical designation. We develop our budget for sustainment and life cycle repair using DOD's Facility Sustainment Model. Within this model, historic properties do not carry a special or distinct designation. In other words, a historic facility used to house administrative functions has the same code as a similar non-historic

facility. Under this model, historic facilities "earn" the same sustainment funding (on a square footage basis) as a non-historic facility.

As I alluded to earlier in my testimony, one area where we expect our management of historic facilities to change significantly over the next couple of years is historic housing. The Air Force currently owns over 2,000 "listed" or "eligible" homes. By the end of fiscal year 2007, the Air Force will privatize most of these, with only Mountain Home AFB still having housing "eligible" for listing on the Registry remaining within our control. Of note, this includes privatizing all 135 of our historic General Officer quarters. This divestiture of historic housing is both welcome and necessary, as private contractors are able to bring quality housing to our Airmen more quickly than we could in the government.

Divesting historic properties isn't a new concept. The disposal or transfer of historic properties has often been the best approach from both operational and fiscal perspectives. In our privatization contracts we ensure National Historic Preservation compliance is mandatory for the new property owners. Following the consultation requirements of Section 106 of the National Historic Preservation Act, we have already successfully disposed or transferred ownership of a number of historic properties over the years, including transfer of the Delta 01/Delta 09 Minuteman II Missile complex at Ellsworth AFB, SD, to the National Park Service to form the Minuteman Missile National Historic Site; the transfer of a Titan II Launch facility near Davis-Monthan AFB, Arizona, to a non-profit organization to maintain as a museum; the transfer of ownership of a historic hangar at McConnell AFB, KS, to the City of Wichita; and the transfer of ownership of a historic Red Cross building at F. E. Warren AFB for relocation off the base.

We will continue to enhance our historic preservation procedures and guidance with the assistance of the National Trust for Historic Preservation, and also continue to strengthen our

already strong partnerships with the State Historic Preservation Offices. A recent example of how we are streamlining the consultation process is through the use of an Air Force wide programmatic agreement we've established regarding Capehart-Wherry, era housing. Under the agreement, we are considering them "eligible per Program Comment" until we perform detailed recordation on representative units. After this is complete, we will have fulfilled our obligations under the National Historic Preservation Act and subsequently may proceed with planned privatization efforts or other management actions. This is an example of how we both honor our historic roots and provide quality housing for our service members and their families. In summary, I'm proud to report the Air Force successes with regards to historic preservation and I'm optimistic that our efforts will improve future management of our historic facilities inventory. We do not believe the cost of maintenance of historic properties is disproportionate to that of comparable non-historic properties and are confident that our automated real property inventory system will assist in quantifying that original assessment. The Air Force's goal -- to maintain real-property inventory and cost tracking mechanism associated with historic properties -- will be realized with the addition of the coding required by the Federal Real Property Council and the Office of the Secretary of Defense. Population of the core data elements will be completed in August 06 for end-of-year reports. In FY07, the AF will have all data and calculations in our automated system to allow for an analysis of the costs to maintain historic and non-historic properties based on square footage and other criteria. The AF will be fully compliant with requirements for the full range of historic data in its inventory by the end of FY06. Looking to the future, we are cooperating with the Defense Department and the other Services to ensure fiscally prudent and technically sound management of our historic properties. Mr. Chairman, this concludes my statement. Thank you.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

MARCH 8, 2006

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. I do not understand the first phrase of it that talks about maintenance on a structural basis does appear to be more costly. What does the phrase, "structural basis," mean?

General FLOCK. "Structural basis" refers to architectural features of buildings, such as foundations, walls and roofs. Some of our very old buildings have unique architectural features that appear to result in increased maintenance costs. For example, some of our general officer quarters have slate roofs. A slate roof will last about 100 years as compared to an asphalt shingle roof (the kind of roofing material sold at home center stores like Home Deport and Lowes) that will last about 20 years. Of the two, a slate roof is more expensive to install. However, when compared to an asphalt shingle roof, the life-cycle costs are similar or less as it would be necessary to replace the slate roof once in 100 years whereas it would be necessary to replace the asphalt shingle roof 5 times in 100 years. For buildings we intend to keep, the ability to use the materials with the lowest life-cycle cost clearly makes financial sense.

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. The Armed Forces Retirement Naval Home is a federal installation, and so what is happening? What is the game plan? Because no one has articulated it on behalf of the Administration what we are going to do to fix that facility.

Secretary GRONE. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. JONES

Mr. JONES. General Flock, of the 7,000 homes that I believe you said, if I heard it correctly, that are—I guess, 7,000 homes that are 50 years and older, being that I have Camp Lejeune and Cherry Point down in my district, where are the majority of these homes—and I know Camp Pendleton but where would the majority of those homes be that—which base seems to have the largest number?

General FLOCK. Currently, the Marine Corps has about 7,400 buildings that are over 50 years old. Of these, about 90 are family housing buildings that are mostly located at Marine Corps Air Station Cherry Point (49 buildings) and Marine Corps Base Hawaii (31 buildings). In ten years, an additional 7,150 buildings will turn 50 years old. Of these, about 1,200 are family housing buildings; about 50% are located at Cherry Point and 30 percent at Hawaii. The majority of these family housing buildings at these two locations will be demolished and replaced as a result of privatization efforts planned for the next two years.