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UNTIL RELEASED BY THE  
HOUSE APPROPRIATIONS COMMITTEE  
(MILCON)

**STATEMENT OF**  
**ADMIRAL GARY ROUGHEAD**  
**CHIEF OF NAVAL OPERATIONS**  
**BEFORE THE**  
**SUBCOMMITTEE ON MILITARY CONSTRUCTION,**  
**VETERANS AFFAIRS, AND RELATED AGENCIES**  
**OF THE**  
**HOUSE APPROPRIATIONS COMMITTEE**

**6 May 2009**

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## Admiral Gary Roughead

Admiral Roughead is a 1973 graduate of the United States Naval Academy.

Among his six operational commands, Roughead was the first officer to command both classes of Aegis ships, having commanded USS *Barry* and USS *Port Royal*.

As a Flag officer, Roughead commanded Cruiser Destroyer Group 2, the *George Washington* Battle Group; and U.S. Second Fleet/NATO Striking Fleet Atlantic and Naval Forces North Fleet East.

Ashore, he served as commandant, United States Naval Academy, the Department of the Navy's Chief of Legislative Affairs, and as deputy commander, U.S. Pacific Command.

Roughead is one of only two officers to have commanded the Fleets in the Pacific and Atlantic, commanding the U.S. Pacific Fleet and Joint Task Force 519, as well as Commander, U.S. Fleet Forces, where he was responsible for ensuring Navy forces were trained, ready, equipped and prepared to operate around the world, where and when needed.

Roughead's awards include the Defense Distinguished Service Medal, Navy Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Meritorious Service Medal, Navy Commendation Medal, Navy Achievement Medal, and various unit and service awards.

Roughead became the 29th Chief of Naval Operations on 29 September 2007.

*Updated: 9 March 2009*



Chairman Edwards, Representative Wamp, and distinguished members of the committee, it is again my distinct honor to appear before you representing the dedicated men and women, Sailors and civilians, of our Navy. I appreciate the opportunity to testify about our Navy's shore infrastructure and its essential role in carrying out our Navy's mission.

Our shore infrastructure enables our operational and combat readiness and is essential to the quality of life of our Sailors, Navy civilians, and their families. For years, increased operational demand, rising manpower costs, and an aging Fleet have led our Navy to underfund shore readiness and, instead, invest in our people, afloat readiness, and future force structure. As a result, maintenance requirements and the cost of ownership for our shore infrastructure have increased. Our future shore readiness, particularly the recapitalization of our facilities infrastructure, is at risk.

Our Navy developed a Shore Infrastructure Investment Strategy to address the decline in our shore infrastructure. A key element of our broader Navy Strategic Plan, the strategy is a top-down, data-driven, and capabilities-based capital investment plan that links our shore investments to Navy and Joint warfighting requirements and improved quality of life for our people. The strategy enables us to target our shore investments where they will have the greatest impact to our strategic and operational objectives and to our Sailors' effectiveness.

Commander, Navy Installations Command (CNIC) leads the implementation of this strategy across the Navy to ensure MILCON and major repair projects address our highest Navy needs. We are applying analytically rigorous tools to refine and reduce facility sustainment and installation security requirements. As my shore integrator, CNIC is leveraging and coordinating resources across the Navy to enable reduced shore operating costs and to maximize support to the Fleet, warfighter, and family. Despite the challenges of a resource constrained environment, and with your steady support, we have made tangible progress in the housing conditions for our Sailors and their families, and were able to fund several critical projects through the American Recovery and Reinvestment Act of 2009 (Recovery Act).

I appreciate greatly your enthusiastic support and confidence in the Navy through the inclusion of Navy projects in the Recovery Act. Through the Recovery Act, you provided the Navy \$280M in MILCON, \$712M in Operations & Maintenance (O&M), \$75M in Energy Research, Development, Test and Evaluation and \$29M in the Secretary of Defense's Energy Conservation Investment Program (ECIP) funding. MILCON funding will address some of our most pressing needs for Child Development Centers, barracks, and energy improvements. Similarly, O&M funding will support projects with the greatest impact on mission requirements and quality of life. Recovery Act funding will build new Bachelor Housing at Naval Air Station North Island and Child Care Centers at Naval Support Activity Mid-South, Naval Station Mayport, Naval Air Station Lemoore, and Naval Bases Point Loma and Coronado. It will provide for major repairs for dry docks at Naval Base Kitsap, Navy Operational Support Center Facilities in El Paso, TX and Bronx, NY, and barracks, airfields and utility infrastructure at several Navy shore activities. Finally, the Recovery Act will enable us to focus on energy-related projects and facility improvements to increase energy conservation and improve facility efficiency, including developing alternative and

renewable energy sources, such as advanced photovoltaic systems in Hampton Roads. All of our Recovery Act projects meet Congress' intent to create jobs in the local economy and address critical requirements. All of these projects are being quickly and prudently executed to inject capital into local communities while improving mission readiness and quality of work and life for our Sailors and families.

As we address the needs of our shore infrastructure, our guiding principles remain to:

- Target our limited resources to the most critical requirements, focusing on our Fleet and family readiness and quality of life
- Aggressively identify opportunities to eliminate excess shore infrastructure capacity to reduce the Navy's carrying costs
- Ensure consistent quality of service standards across all of our installations
- Strive to sustain our facilities to achieve their designed service life and the lowest life-cycle cost
- Continue to refine, strengthen, align, and integrate our shore planning capabilities and processes to ensure optimized results

### **MILCON Program**

Our Navy shore infrastructure is a critical enabler of our operational capabilities. From our bases, we attract, recruit, train, and equip the world's finest Sailors. It is where we develop and maintain the weapons, technologies, and platforms and from where we deploy to provide presence and respond to crises around the world. Our shore infrastructure must be ready and fully capable to support our warfighters' missions and their quality of life. Manpower and shore support costs must be considered in each of our major acquisition and modernization programs.

As in past years, the Navy will continue to execute large MILCON projects that are critical to our current and future readiness. I request your support and assistance to sustain our full funding of these requirements to enable us to properly recapitalize Navy infrastructure and to support the Fleet. Full funding provides the most capable baseline from which to successfully and efficiently execute these critical, major projects.

In FY 2010, the Department will start preparations to make Mayport capable of hosting a nuclear-powered aircraft carrier. This alternative port will provide a safe haven for an aircraft carrier at sea if a man made or natural disaster closes the Norfolk Naval Base or the surrounding sea approaches. The Department intends to dredge the channel at Mayport to allow nuclear-powered aircraft carriers to dock at Mayport in an emergency or other contingency. I will support fully the Quadrennial Defense Review (QDR) for assessing the need to make Naval Station Mayport a CVN homeport.

## **Infrastructure Reduction and BRAC Program**

The Base Realignment and Closure (BRAC) legislation accelerates and helps us align our infrastructure with the defense strategy, increase joint opportunities, and reduce excess infrastructure.

To date, 85 of 118 planned BRAC construction projects have been awarded, totaling nearly \$1.4B. We are on schedule to complete the statutory BRAC 2005 milestones by September 2011.

Previous BRACs have reduced much of our excess infrastructure and our sale of excess BRAC property resulted in more than \$1.1B in Land Sales Revenues, which we have reinvested in environmental clean up, caretaker, and early property transfers that benefit both our Navy and the local communities.

When complete, BRAC 2005 will account for approximately \$900M in annual recurring savings, starting FY 2012. With DoD and the other Services, we have developed joint basing guidance that focuses on common levels of service and support. We recently co-signed the Memoranda of Agreement for Joint Expeditionary Base Little Creek/Fort Story and Joint Region Marianas. The resources and real property will be fully aligned on 1 October of this year.

BRAC alone cannot achieve all of the infrastructure reductions necessary to optimize our limited resources. We are evaluating our shore inventory with the following objectives:

- Integrate all Navy's shore infrastructure requirements
- Identify excess infrastructure for elimination
- Identify under-utilized facilities for consolidation
- Identify and implement innovative changes to our operational and business practice to reduce our facility requirement costs

Through these efforts, we have identified 40 million square feet of infrastructure for potential elimination.

## **Housing Program**

I am very pleased with the progress our Navy has made in our housing program. Our success would not be possible without your strong and continuous support. We maintain our commitment to improving living conditions and providing safe, affordable, and comfortable housing for our Sailors and their families. High-quality and affordable housing is essential for Navy families because of the time our Sailors are deployed from home. It impacts significantly our individual and mission readiness and retention. We continue to pursue a three-part housing strategy:

1. Reliance on the Private Sector: We make every effort to house our Sailors in the local community first. Proper resourcing of our Basic Allowance for Housing (BAH) ensures our Sailors have the opportunity to buy or rent homes in the communities from where we operate and live.

2. Public/Private Ventures (PPV): With your support, and the bachelor housing PPV pilot authority provided by Congress, we have expanded our most successful PPV family housing model to begin to address our critical bachelor housing needs. We have executed two unaccompanied PPV projects in San Diego and Hampton Roads, resulting in improved housing for up to 3,280 Sailors. We are pursuing a legislative proposal to extend the bachelor housing PPV authority from 30 September 2009 to 30 September 2011 to execute our third bachelor housing PPV pilot. We will determine our third pilot location after we analyze the business case analyses at Hampton Roads, San Diego, and Mayport. As you directed, we are implementing the new privatization reporting requirements this year.

3. MILCON: Since private sector housing and PPV do not address all of our housing requirements, we continue to require construction funding for overseas family and bachelor housing, and select United States locations where PPV is not feasible. The Navy has four MILCON bachelor housing projects targeted for completion in 2009, resulting in almost 1,000 additional spaces. Additionally, numerous OCONUS family housing projects have been recently awarded.

### **Family Housing**

Using a combination of increased recapitalization funding and PPV authorities, the Navy achieved the Secretary of Defense's goal to program funding to address all inadequate military family housing units by FY 2007. In FY 2002, the Navy identified over 22,000 inadequate units in our inventory. We continue to make good progress towards meeting our goal to complete replacement or improvement of all inadequate units by the end of 2011.

With the majority of our United States housing privatized, our family housing construction, improvements, planning, and design remains focused on the approximately 7,800 housing units at our overseas locations.

Our portfolio management program collects and analyzes financial, occupancy, construction, and resident satisfaction data to ensure our PPV projects are optimized and performing as required and the services provided meet expectations. We regularly host PPV focus groups to assess the quality of privatized housing and housing services delivered to Navy families and make changes in Navy policies and procedures as required. We continue to receive very positive feedback from our Navy families. In 2008, we implemented an expanded monitoring program at the deckplate level for our projects to meet required Congressional reporting. This enhanced oversight of our PPV partners will ensure Navy Sailors and their families continue to benefit from quality housing and services.

## **Bachelor Housing**

Last summer, I directed my installation commanders to inspect every Navy barracks and to personally identify unacceptable living conditions. Through this room-by-room review, we identified that over 42 percent of our bachelor housing is in “substandard condition” principally due to the age of the facilities. Significant, sustained investment will be required to recapitalize them.

I remain committed to our Homeport Ashore initiative, which provides improved quality of life for our junior Sailors on sea duty (E1 through E4 with less than four years of service). We continue to work towards providing housing ashore for these Sailors. Last year, I told you that we had 9,000 junior sea duty Sailors without ashore accommodations and that we would reduce that number to 2,100 by the end of 2010. After conducting more detailed analysis of our infrastructure and resources, we will be unable to meet our 2010 goal. At the end of 2009, we will have reduced the number of junior Sailors living on board ships to approximately 5,000 Sailors in San Diego, Coronado, Norfolk, Mayport, Yokosuka, Everett, and Sasebo. It is my personal priority to ensure that we provide housing ashore for all our junior sea duty Sailors by 2016 at the Interim Assignment Policy standard (55 square feet of space per person). Our long term goal is to achieve the OSD private sleeping room standard (90 square feet per person).

Additionally, I have directed the development of a sustainment plan to reverse the deteriorating conditions of our barracks which are in the most critical state of decline. These actions will require significant targeted investments to ensure we provide adequate housing for our single Sailors.

I am extremely proud to report that this Spring we cut the ribbon on the Navy’s unaccompanied housing privatization project site, Pacific Beacon, in San Diego. Pacific Beacon includes 258 conveyed units targeted for unaccompanied E1-E4 sea duty Sailors and 941 newly constructed dual master suite units targeted for unaccompanied E4-E6 Sailors. Each unit includes private bedrooms with walk-in closets, bathrooms, and study nooks. The suites also include a shared common living room and kitchen with full-size refrigerators, ranges, dishwashers, and washer/dryers. Additionally, the facilities include a swimming pool, state of the art fitness center, outdoor theater, classrooms, and a WIFI café. These quarters are impressive and the best enlisted bachelor quarters I have seen in my Navy career.

Our second unaccompanied housing privatization project is at Hampton Roads, Virginia. This agreement was signed in December 2007 and included the conveyance of 723 units in seven buildings on Naval Station and Naval Support Activity Norfolk and the construction of 1,190 dual master suite units. These suites include private bedrooms with walk-in closets, bathrooms, a shared common living room and kitchen with full-size refrigerators, ranges, dishwashers, and washer/dryers. The first of three construction sites was opened November 2008 and the remaining units are scheduled to be complete by 2010.

## **Family Readiness & Quality of Life**

Family readiness and quality of life are critical components of our warfighting readiness. When our Sailors know their families are taken care of at home, they can better focus on the mission and their demanding duties. Our Fleet and Family Support Centers (FFSC) are where Sailors and families can go to for information, counseling, and assistance. FFSCs offer free programs on financial planning, deployment and mobilization support, parenting skills, Sexual Assault Victim Intervention (SAVI), and spouse employment. Our Navy also has active ombudsmen that liaison between the Sailor's command and his or her family. Additionally, we are reaching out to active duty and Reserve Navy families in remote or isolated locations through off-base sites and by leveraging new communication technology.

Our Navy Child and Youth Programs support our families by providing high-quality educational and recreational programs for our Navy children. Our Navy is leveraging MILCON funding, commercial contracts, and military-certified in-home care expansion to increase child care spaces by 7,000 and meet our goal of placing children under care within three months of their request. We are currently meeting 72 percent of potential need within three to six months of the request for care, although wait times are longer in Fleet concentration areas. In addition to increasing child care spaces, we are also adding 25,000 additional hours of respite child care and youth services for families of deployed Sailors. Our child care and youth programs are a valuable resource for our Sailors and their families.

## **Conclusion**

Through your strong and sustained support, we are, without question, the world's finest Navy. The dedication of our Sailors and Navy civilians is inspiring and it is my honor to represent them. Military Construction and quality of life programs are essential to our Navy. Through our disciplined implementation of our Shore Investment Strategy, we will target our investments to our most critical shore needs.

Again, I am most grateful for your continued support and I look forward to working with you to ensure our Navy's readiness and the quality of life of our dedicated Navy men and women and their families.