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ON READINESS

**STATEMENT OF**

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Chairman Forbes, Representative Bordallo, and members of the Subcommittee, I am pleased to appear before you today to discuss the Department's efforts to plan and execute the Guam military realignment. Over the last four years, the Department of the Navy has worked closely with stakeholders from the Government of Japan, Government of Guam, and federal agencies to plan the realignment, which is the most significant peacetime force posture change since post-World War II.

The Marine Corps relocation, along with other DOD efforts to realign forces and capabilities to Guam, represents a unique opportunity to strategically realign the U.S. force posture in the Pacific for the next 50 years. This is a major effort and one we must get right. The Department of Defense recognizes Congress' concerns regarding execution of the Guam military realignment and is taking steps necessary to resolve critical issues that will allow the program to move forward.

## **BACKGROUND**

Under the October 2005 agreement, "U.S.-Japan Alliance: Transformation and Realignment for the Future" (ATARA), the U.S. Government and Government of Japan agreed to realign U.S. and Japanese forces throughout the Pacific. As part of this realignment effort, the U.S. Government and Government of Japan agreed to relocate approximately 8,000 Marines and associated dependents from Okinawa, Japan to the U.S. territory of Guam.

The relocation of approximately 8,000 Marines and their dependents to Guam both reduces frictions on Okinawa and strengthens U.S. force posture in the western Pacific in order to best support our alliance and regional strategies. Guam's location, the expanding presence of other U.S. forces there, and the fact that it is a U.S. territory make Guam uniquely suited to supporting this relocation.

The Realignment Roadmap keeps approximately 10,000 Marines in Okinawa, consisting of Marine Air-Ground Task Force elements, such as a Marine Expeditionary Unit and other ground, aviation, and combat service support units, as well as a base support capability.

The Realignment Roadmap also outlines the Government of Japan's financial contributions to the Guam military realignment. The Government of Japan has committed to contributing a total of \$6.09 billion, with \$2.8 billion in direct cash contributions and \$3.29 billion in the form of financial instruments, which will fund family housing and utilities infrastructure on Guam.

## **PARTNERSHIP WITH THE GOVERNMENT OF GUAM**

The Guam community has been a gracious host to military personnel and families for decades. As we ask the people of Guam to now host a new Marine Corps base, the Department recognizes that close partnership with the Government and people of Guam is essential so that a long-term, positive relationship is fostered. The effort to relocate thousands of Marines and their family members is complex and though there remain

issues which separate the Department and the Government of Guam, we are committed to working together to address issues such as cultural preservation, land use, and lessening the impacts on the community.

As such, the Department has outlined four pillars that will guide the approach to the coordinated effort to execute the military realignment. By committing to these four pillars, the Department is demonstrating its willingness to listen and respond to the concerns of the people of Guam.

First, the Department recognizes the added strain that the relocating Marines and their family members will place on Guam's infrastructure and is committed to the pursuit of "One Guam". Improvements to quality of life on Guam will result from direct investments in projects to improve and upgrade civilian infrastructure. These projects include those which are directly related to the military realignment, such as upgrades to the commercial port, roads, and utilities systems; and those identified by the Government of Guam as necessary to support the community's socioeconomic needs. The Department has committed to work with other federal agencies to advocate for support for Guam's needs so that the One Guam vision can become a reality.

Second, the Department understands and supports the great emphasis the people of Guam place on protecting the island's precious natural resources. We will do our part to protect resources and achieve a "Green Guam" by developing the most energy efficient facilities possible and supporting Guam's efforts to develop sustainable and renewable energy projects. We have projects underway with the Guam Power Authority, Guam Waterworks Authority, University of Guam, Department of Energy and other federal

agencies to bring public and private funds to Guam for sustainable projects. We will work with the University of Guam's Center for Island Sustainability to develop and secure funding for green programs.

Third, as discussed in further detail below, the preferred alternative site for the live fire training range complex on Guam that was identified in the Final EIS would require restricted access for safety reasons to the culturally-significant sites of Pagat village and cave when the ranges are in use. Over the past year, the people of Guam made it clear that our plan to provide access to the area only during times when the ranges were not active was unacceptable and had to be changed. In response, we have developed options that will ensure that access to Pagat village and cave will be available 24 hours per day, seven days per week.

Fourth, we recognize that land is a valued and limited resource in Guam. In response to concerns regarding the expansion of our footprint on Guam, we have committed to a "net negative" growth in the amount of property controlled by DOD. This strategy means that at the completion of the military realignment, the Department's footprint will be smaller than it is today, which directly responds to long-standing concerns regarding land use on Guam.

On Guam, the military realignment is viewed as a federal government action, not just a Department of Defense effort. In addition to the concerns noted above that are directly related to the military realignment, Guam's leaders and members of the community are seeking support from across the federal government to resolve several long-standing issues. In our role as a partner to the Government of Guam we have

committed to advocate for Guam's needs in Washington, as demonstrated by the Department's support for the Guam Loyalty Recognition Act. A whole-of-government approach, including the participation of federal agencies and Congress, is necessary to demonstrate that the federal government at large is sensitive to the concerns of the people of Guam as we prepare to ask them to host an increased military presence.

## **ENVIRONMENTAL IMPACT STATEMENT**

As it is designed to do, the National Environmental Policy Act (NEPA) process and associated studies helped us identify and address environmental issues and constraints, and develop effective mitigation strategies. In November 2009, the Department of the Navy released for a 90-day comment period a Draft Environmental Impact Statement (EIS) for the development and construction of facilities and infrastructure to support the relocation from Okinawa to Guam of approximately 8,600 Marines and their associated dependents; development and construction of facilities and infrastructure to support training and operations on Guam and Tinian for the relocated Marines; construction of a new deep-draft wharf with shoreside infrastructure improvements to support a transient nuclear powered aircraft carrier (CVN); and development of infrastructure on Guam to support the relocation of approximately 600 Army personnel and their 900 dependents for the establishment and operation of an Army Missile Defense Task Force (AMDTF). Over 10,000 public comments were received on the Draft EIS.

A significant concern raised in public and agency comments was the impact on the island's environment, infrastructure and social services resulting from the aggressive construction timeline laid out in the Draft EIS. Guam's infrastructure currently faces limitations today, and a sudden introduction of thousands of off-island construction workers would likely further strain utilities systems, roads, medical care, and other critical civilian services. Resource agencies were also concerned regarding the impact to coral reefs as a result of dredging for the transient CVN wharf, as well as impacts related to biosecurity (spread of brown tree snakes outside of Guam), endangered species, and cultural resources.

Under the leadership of the White House Council on Environmental Quality, we worked closely with other federal agencies to resolve these and other significant issues. A Final EIS, which included resolutions for several of the significant issues raised in public comments, was released in July 2010, and in September 2010 a Record of Decision (ROD) was signed.

The ROD included decisions on the locations of the Marine Corps main cantonment area, family housing, aviation and waterfront operations, training on the island of Tinian in the Commonwealth of the Northern Mariana Islands, and selection of utilities and road improvement solutions to support the military realignment effort. Action was deferred on a transient CVN wharf, pending additional coral surveys and studies as required to complete National Environmental Policy Act requirements; and on the site specific location of a live-fire training range complex on Guam, pending resolution of the National Historic Preservation Act Section 106 consultation process.

The Section 106 consultation process was completed last week with the signing of a Programmatic Agreement. Now that the Section 106 consultation process is complete, the Department will consider all data and recent input in order to release a ROD for the training ranges.

The ROD also included commitments to several mitigation measures that will help lessen the impact of the realignment on the environment and people of Guam. Most notably, in response to concerns regarding the aggressive construction program, the Department committed to the use of Adaptive Program Management. With implementation of Adaptive Program Management, we will work with local and federal agencies to ensure infrastructure capacity limitations are not exceeded and significant environmental impacts are avoided. This will be accomplished by adjusting the construction tempo and sequencing of projects. This would result in adjustments to the growth in the workforce population so as to not overwhelm Guam's utilities, port, roadways and other systems. The Department, recognizing the complexity and scale of the construction effort, committed in the ROD to forming a Civil-Military Coordination Council (CMCC) comprised of representatives from the military, federal agencies, and the Government of Guam. The CMCC will coordinate DOD, Government of Guam, and private construction efforts. The CMCC is currently working to finalize its operating charter.

## **PROGRAM EXECUTION**

Over \$1 billion in U.S.- and Japanese-funded projects has been secured thus far. The Government of Japan continues to contribute to the Guam military realignment in accordance with the Realignment Roadmap. Of the \$6.09 billion Japanese share, \$834 million in direct cash contributions have been received to date. The Japanese FY-2011 (JFY) budget (which runs April 1, 2011 through March 31, 2012) includes a request for \$167 million in direct cash contributions for facilities and design. The JFY-2011 budget request also includes \$415 million in funding for utilities financing, pursuant to the Realignment Roadmap, for water and wastewater projects. This financing will be applied to make improvements to wastewater treatment plants off-base, and to the Navy's water system on-base that will interconnect with Guam's water system. The U.S. FY-2012 budget request includes \$181 million to design and construct facilities in support of the relocation, including a project that will support the water requirements on-base and for the off-island construction workforce that will interconnect with the Government of Japan-funded water projects. The projects requested for U.S. FY-2012 provide the horizontal infrastructure (utilities, site improvements, etc.) necessary to enable subsequent vertical construction to support Marine Corps operations.

Last week, a Programmatic Agreement was finalized following close coordination between the Department and the new Governor of Guam and his staff. The Programmatic Agreement outlines the anticipated effects of the realignment on the historic sites on Guam and Tinian, procedures for ongoing reviews of specific projects, and measures to mitigate adverse effects. The signing of the Programmatic Agreement completes the Section 106 consultation process, thus allowing for construction work to begin on the two

FY-2010 military construction projects awarded in September 2010, as well as the award of additional FY-2010 and Japanese-funded projects. Signature of the Programmatic Agreement marked an important step in the Section 106 consultation process that is critical in the consideration of the approval of the ROD for the live-fire training range complex on Guam.

## **CIVILIAN INFRASTRUCTURE**

Guam is a small island that currently faces challenges with its infrastructure capacity and reliability. With the Guam military realignment, the community faces significant near- and long-term growth that necessitates a comprehensive strategy for ensuring the needs of the civilian community can be met.

The Department recognizes concerns regarding Guam's existing and future infrastructure and socioeconomic needs, as highlighted in our NEPA documents. Thus far, the Department has contributed funding to address infrastructure needs directly related to the military realignment. We appreciate Congress' support for the \$50 million in funding provided last fall for upgrades to the Port of Guam. This funding, coupled with \$54 million in funding from the U.S. Department of Agriculture, will increase the port's throughput to handle an increased flow of goods and materials during the military construction effort. The Department has also provided funding for road improvement projects through the Defense Access Road program, with \$49 million appropriated in FY-2010 and an additional \$67 million authorized for appropriation in FY-2011.

DOD has worked closely with both the Government of Japan and with Guam's utilities providers to identify utility system improvement projects for Japanese financing which both support the relocation of Marines and improvement of Guam's infrastructure systems. In particular, improvements to Guam's potable water and wastewater infrastructure are needed to mitigate the impact of both the construction program and the force realignment. As discussed earlier, in its JFY-2011 budget the Government of Japan has requested \$415 million of its required \$740 million contribution in utilities financing. The projects that will be financed by this funding will provide utility system upgrades that are critical enablers to the construction program. Specifically, they will provide for upgrades and improvements to wastewater treatment plants that will support the off-island workforce and future population growth associated with the Marine Corps realignment, as well as treatment, production and storage for potable water on-base.

As mentioned earlier, the Department is committed to improving the quality of life for both the people of Guam and the military personnel who make the island their home. The Final EIS acknowledges that the military realignment will affect Guam's social services, such as education and medical facilities, due to the added demand on services to Guam as a result of potential population growth that may result from the military realignment. If the issues surrounding existing infrastructure and other major socioeconomic issues impacting Guam are left unaddressed, we risk creating disparity between conditions on- and off-base and losing the support of the people of Guam, which will adversely affect our ability to achieve our mission. The Department of Defense is

committed to ensuring this does not happen, and is leading the effort to coordinate an interagency approach to “One Guam.” The DOD-led, interagency Economic Adjustment Committee (EAC) is working with the Government of Guam to review socioeconomic needs both directly and indirectly related to the military realignment. The U.S. FY-2012 budget request includes \$33 million in Defense-wide O&M funds to address projects assessed by the EAC. In addition, other federal agencies’ FY 2012 budget requests include \$30 million in funding for Guam to assist with the implementation of the projects requested by DOD or support other Guam infrastructure and financial management requirements identified by the EAC. We will continue to work closely with other federal agencies and the Government of Guam to achieve “One Guam.”

## **LAND ACQUISITION**

Over the past year, senior Department leadership has engaged the Government of Guam to better understand the community’s concerns, identify potential solutions, and develop a way forward in implementing the realignment program. From these discussions, we better understand concerns regarding issues such as access to cultural sites and the expansion of DOD’s footprint. However, as training is essential for Marine Corps forces, the Department also shares Congress’ concern with ensuring Marine Corps training requirements are delivered on Guam.

Non-DOD property adjacent to Route 15 on the eastern side of Guam was identified in the Final EIS as the preferred alternative location for a live-fire training

complex to support the relocating Marines. This site was deemed the preferred alternative because it best balanced the need to meet Marine Corps training requirements with the desire to limit the impacts on the surrounding community as much as possible. Other sites on Guam were dismissed early in the alternatives analysis process for reasons such as impacts on existing military operations, the inability to physically fit ranges required by the relocating Marine Corps forces, encroachment upon nearby communities, disruption to recreational activities, impacts to significant natural and cultural resources, and impacts to airspace. As discussed earlier, a decision on the site for the live-fire training range complex is currently under consideration now that the Section 106 consultation process has concluded with the signing of a Programmatic Agreement.

Implementing the conceptual plans contained in the Final EIS for the training ranges would have required DOD to gain a controlling interest over both the range footprint and the area encompassed by surface danger zones, including the culturally significant Pagat Village and cave sites. Military personnel and civilians would have been prevented from accessing Pagat Village and cave for safety reasons while some of the live fire ranges were being used. As discussed earlier, in response to the community's concerns regarding restricted access to Pagat village and cave, we have developed options that allow for access to these sites to remain as it is today—accessible at all times.

The Department of Defense currently controls approximately 29 percent of the total land available on the island of Guam. Throughout the planning for the Marine

Corps realignment, the Government and people of Guam have voiced concern regarding the potential for DOD to further expand its footprint. As discussed earlier, in response to these concerns, we have communicated to the Governor of Guam and the Guam Legislature that, following the completion of the realignment, DOD will have a smaller footprint than it has today. This concept is currently in the early stage of development; studies will be conducted to determine if missions can be relocated and assess any potentially underutilized properties.

As a result of these discussions, the Governor of Guam has stated publicly his willingness to discuss land use issues with the Department. The goal is to have an agreement in principle with the Governor by the Fall of 2011, allowing formal land negotiations to commence once appropriate Congressional approval for land acquisition has been received. The Department will continue to update the Congress on land use matters and the status of discussions with the Government of Guam.

## **CONCLUSION**

The Guam realignment is a multi-faceted, dynamic endeavor with many complex components. Successfully executing the Marine Corps realignment program is a key piece of the Department's strategy in the Pacific. We continue to work with our partners in Japan, Guam, and the Commonwealth of the Northern Mariana Islands to develop solutions to program challenges.

Thank you for the opportunity to testify before you today. I look forward to continuing to work together to ensure that the realignment moves forward smoothly and in a manner which is beneficial to both the Marine Corps and the people of Guam.