

STATEMENT OF  
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BEFORE THE SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS  
AND RELATED AGENCIES OF THE HOUSE COMMITTEE ON APPROPRIATIONS  
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OF THE HOUSE COMMITTEE ON APPROPRIATIONS**

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and Other Agencies - Written Statement  
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## INTRODUCTION

United States European Command (EUCOM) Area of Responsibility (AOR) currently comprises 93 diverse nations in Europe, Eurasia, and most of Africa. The forward defense of the United States largely depends on our ability to work with partners and allies to ensure common security. EUCOM's Strategy of Active Security supports the national defense strategy through a series of broad cooperative and engagement initiatives.

EUCOM's mission is to defend the homeland forward and support U.S. strategic and economic interests by maintaining ready forces for full spectrum operations, securing strategic access and global freedom of action, enhancing trans-Atlantic security through NATO, and promoting regional stability. While support to the Global War on Terror (GWOT) is our overarching priority, EUCOM is dedicated to retaining Europe and Eurasia as global partners and furthering the U.S. security relationship with Africa through a new unified command (U.S. Africa Command or AFRICOM). Embedded in these strategic priorities are our efforts to transform ourselves into a more expeditionary command, while cultivating and sustaining relations with numerous regional security organizations, such as the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), and the African Union (AU)

In addition to my role as Commander EUCOM, I have responsibilities as the Supreme Allied Commander, Europe (SACEUR), commanding all operational NATO forces. While these two roles have distinct mandates, there are many linkages between them. One fundamental linkage is transformation: both EUCOM's and NATO's transformation efforts are aggressive, ambitious, and geared toward realizing agile, flexible, and expeditionary forces capable of operating at strategic distances.

The realization of the strategic priorities of the United States, as well as the transformation of both EUCOM and NATO, depend in part on the ability to live on, train in, and operate from bases, operating sites, and security locations around the EUCOM AOR. The transformation of forces and repositioning of infrastructure locations will be fundamental to ensuring our ability to meet the challenges of an ever changing security landscape. To fully capture how EUCOM will address its priorities, I will provide an overview of the infrastructure requirements of my theater and how these requirements help achieve our theater strategy.

## **STRATEGIC ENVIRONMENT**

Today, the EUCOM Area of Responsibility (AOR) includes Europe, Russia, the Caucasus, most of Africa, Greenland, Antarctica and the waters within these borders (Enclosure 1). Composed of 93 sovereign nations, the AOR is home to approximately 1.4 billion people, 23 percent of the world's population. Their 1,000 plus ethnic groups speak more than 400 languages, profess over 100 religious affiliations, experience the full range of human conditions, and live under a variety of systems of government. The trends and issues which define the current environment in our theater include terrorism in multiple forms, frozen conflicts, unresolved territorial disputes, complex geopolitical relationships between Russia and the nations of the former Soviet Union, the use of energy as a tool of foreign policy, Weapons of Mass Destruction (WMD), criminality, and illegal immigration.

The United States presence in Europe continues to make strategic sense. Europe is home to some of our oldest and closest allies. For six decades its mature democracies have experienced an unprecedented period of security and stability. A major source of this stability has been the NATO Alliance and other multinational institutions that have successfully addressed numerous security challenges over the past almost 60 years. NATO remains Europe's premier security organization and the international security instrument of choice. However, not all trends are positive. The defense budgets of many of these NATO nations have fallen to a level that jeopardizes their ability to meet long-term strategic military commitments critical to the Alliance's 21<sup>st</sup> Century ambitions.

Many persistent challenges remain throughout the EUCOM AOR. While political and military situations are improving in southeastern Europe, there are unresolved issues which could destabilize the region. The Balkans remain somewhat volatile as new democratic governments attempt to deal with suppressed ethnic tensions, corruption, illegal immigration, and assimilation of citizens from different cultural backgrounds. Kosovo, due to its controversial nature, continues to be a source of instability in the greater Balkans region. After 8 years as a UN-administered Serbian province, Kosovo declared independence on 17 Feb 2008. The U.S. Government recognized Kosovo as a sovereign state along with France, Germany and the UK. Currently, 36 nations have recognized Kosovo and the US is encouraging all 27 members of the EU to unite in recognizing Kosovo. EUCOM expects political and

diplomatic efforts to continue throughout 2008 as Kosovo prepares to adopt and implement the tenets of the Ahtisaari recommendations. A secular democracy with a Muslim population, Turkey is a globally relevant example of the successful integration of these two elements. It is also geographically, economically, politically, and militarily critical. Turkey's geostrategic location, European orientation, and enduring relationship with the United States make it a bridge of stability between the Euro-Atlantic community and the nations of Central Asia and the Persian Gulf. Its international lines of communication are an important factor in energy security. Its proximity to Iran, Iraq, Syria and Russia ensure Turkey will continue to play a vital role in international efforts to combat terrorism.

On the continent of Africa, we face a complex environment with enormous challenge and potential. To meet that challenge, EUCOM is supporting AFRICOM, currently a sub-unified command subordinate to EUCOM expected to reach Full Operational Capability (FOC) by 30 September 2008.

#### **Transnational Terrorism in EUCOM's AOR**

Like all combatant commands, EUCOM is dealing with terrorism in all its forms. Many terror networks are integrally tied to criminal and smuggling networks. Illegal activities such as drug smuggling, document forgery and credit card fraud help fund extremist operations while Europe's open borders facilitate travel across the region.

In northern Africa, Al-Qa'ida affiliated groups exploit ungoverned spaces to gain sanctuary needed to recruit, indoctrinate, train, equip, transit, and mount operations. The Trans-Sahara region, in particular, offers sanctuary to Islamic extremist terrorists, smugglers of drugs and contraband, and insurgent groups. There is increasing evidence of North Africans being recruited as foreign fighters in Iraq; in addition, we are seeing increasing collaboration between Al-Qa'ida and North African terrorist groups. These negative developments are occurring despite host nation security efforts. In this region, violent extremists continue to coordinate activities and interact with associated networks in Europe. These groups take advantage of vast ungoverned spaces to attack host governments and advance extremist, anti-Western agendas.

Western Europe, southeast Europe, and Eurasia continue to be used as extremist sanctuaries and logistics centers. Due to extremists' exploitation of well established civil liberties and capacity to travel freely across many

borders, Europe's ability to identify, arrest, and prosecute transnational terrorists is an important element of the GWOT.

Another key characteristic of terrorism in the EUCOM AOR relates to the low-risk/high-consequence aspect of the potential use of WMD. With the majority of the world's nuclear weapons in the EUCOM AOR, the loss of control of any weapon or associated material could lead to catastrophic results, making the security of these items a significant aspect of the EUCOM WMD effort.

### **Weapons of Mass Destruction**

The acquisition and potential employment of Weapons of Mass Destruction by state and non-state actors pose a security threat to the United States and our partners and Allies. The majority of the world's nuclear weapons are located within the EUCOM AOR. Furthermore, in Europe and Eurasia, stockpiles may become vulnerable to access and removal by international and internal threats as state and non-state actors continue to improve their capabilities, or via corruption, criminal activity, and inadequate border monitoring. Coordination between our nonproliferation and counterproliferation efforts is increasingly important.

Preventing the proliferation of WMD delivery systems, in particular ballistic missiles, is a key component of our efforts to prevent WMD proliferation. On the periphery of the EUCOM's AOR, Iran's continued ballistic missile development program poses a potential future risk to U.S., NATO, and partner interests. Iran already possesses ballistic missiles that can reach parts of Europe and is developing a new Intermediate Range Ballistic Missile (IRBM) which could reach most of Europe. In the coming decade, Iran may also have an Inter-Continental Ballistic Missile (ICBM) capable of reaching all of Europe and parts of the U.S.

### **U.S. EUROPEAN COMMAND**

The EUCOM Strategy of Active Security is based upon two overarching Strategic Objectives: "Defend the Homeland" and "Create and Maintain an Environment that Advances U.S. Strategic and Economic Interests." Our objectives include promoting lasting security and stability, maintaining the ability to employ the full range of capabilities across the military spectrum, and fostering the growth of good governance, strong institutions, and civil society.

## **Strategic Approach**

EUCOM's strategy looks out five years, focusing on proactive security cooperation activities while maintaining a high state of military readiness. Our strategic approach promotes stable environments, protects U.S. interests, and reduces the likelihood of crises that trigger contingency responses by: mitigating risk while the nation is at war; maintaining and strengthening alliances, partnerships, influence, and access where we have long-standing relationships; and, creating and expanding influence into new areas of the theater.

### **Theater Objectives and Priorities**

Our strategy identifies a number of Theater Objectives that provide focus and purpose for EUCOM's activities and align us with the larger Strategic Objectives. These objectives include: ensuring EUCOM forces are trained and ready for global deployment; actively working with Europe as a security partner in order to solve common problems; transforming EUCOM and NATO militaries to ensure effective expeditionary capabilities for the conduct of out-of-area operations; building partner nation capacity necessary for the provision of their own security and the sustainment of regional stability; protecting Allies and partners within a stable Middle East; preserving basing and access to ensure strategic freedom of action; averting local crises and preventing those that do arise from becoming regional conflicts.

In the near term we are focusing our activities and resources on the following strategic priorities:

- Support for Operations IRAQI, ENDURING FREEDOM, and NATO International Stabilization Force (ISAF)
- Maintain relevance of, and U.S. leadership within, NATO
- Increase integration of EUCOM activities with the rest of the U.S. Government; especially combating terrorism and WMD proliferation
- Engage Russia or mitigate the impact of confrontational Russian policies

- Support improved energy security for Europe, Eurasia, and the Black Sea region, to include NATO and EUCOM
- Ensure the successful transition of AFRICOM from a sub-unified command to a fully-operational Combatant Command
- Support NATO transformation for out-of-area operations
- Focus EUCOM transformation to ensure EUCOM has the capabilities to conduct both security cooperation activities and wartime missions

### **The Global War on Terror**

EUCOM's number one theater-wide goal remains the defeat of transnational extremist organizations that threaten the United States, its Allies, and interests. We seek to do this by denying them freedom of action and access to resources, building partner capacity to combat terrorism, and working with partners to promote regional stability and diminish the conditions that foster violent extremism.

We will continue our work to deter, interdict, or defeat violent extremism wherever it appears. These efforts involve close cooperation with U.S. Central Command (CENTCOM), U.S. Special Operations Command (SOCOM), U.S. Government agencies and departments, and perhaps most importantly, a growing list of foreign government partners with the same desire to protect their societies from the threat of terrorism.

EUCOM-stationed forces continue to be heavily engaged in ongoing combat operations in Iraq and Afghanistan as well as in building partner nation and coalition capacity supporting these operations. Over 70 percent of our Coalition partners in Iraq and Afghanistan come from the EUCOM AOR.

Outside of direct support to combat operations, EUCOM-based forces are in the forefront of promoting the transformation of militaries in our area of operation. The engagement with, and support to, our Allies and partners underlines the importance of persistent presence of U.S. forces for building effective expeditionary capacity for multilateral theater and global operations.

### *Strategic En Route Infrastructure*

EUCOM's experience in the GWOT demonstrates the value of a robust European infrastructure. Our network has evolved given the fact that the

GWOT dictates fighting the enemy in places unforeseen before 9-11. The U.S. Transportation Command (TRANSCOM) relies on six key European bases - Main Operating Bases (MOBs) Ramstein and Spangdahlem, Germany; Mildenhall, U.K.; and Rota, Spain; and Forward Operating Sites (FOSs) in Moron, Spain; and Fairford, U.K. - to project U.S. forces to crisis areas in the Middle East, Africa, eastern Europe, and the Caucasus. Continued investment in these six strategically located facilities will ensure we maintain critical air mobility routes for U.S. forces and an "air-bridge" to expand operational reach.

In the near term, EUCOM is actively addressing emerging requirements to the South and East, including en-route expansion possibilities and locations, new air and sea port uses, and continued support to AFRICOM. EUCOM's infrastructure is evaluated through the TRANSCOM Global En-Route Infrastructure Steering Committee and the Installation Planning Review Board in order to shape EUCOM's strategy and funding requirements. From FY06 to FY08, EUCOM has received \$70.6M in MILCON for five EUCOM en-route infrastructure projects. Additionally, the NATO Security Investment Program provides cost recoupment opportunities for EUCOM while increasing the capabilities of the Alliance.

Future EUCOM en-route infrastructure requirements will continue to be shaped by emerging global access demands from changes in the long-term EUCOM force posture, seam regions such as the Caucasus and Central Asia, trans-regional mobility support to CENTCOM, transition planning for AFRICOM, and NATO/ISAF operations.

#### **Supporting Other Combatant Commands**

EUCOM's Strategic Theater footprint continues to provide key support to CENTCOM for OIF/OEF. In addition to the critical logistics throughput of forces and material provided by the six mobility hubs mentioned above, EUCOM also provides basing for Intelligence, Surveillance, and Reconnaissance (ISR) assets flying sorties in support of CENTCOM operations. Future EUCOM ISR basing plans will leverage new platforms by providing increased support to EUCOM, AFRICOM and CENTCOM ISR requirements to satisfy global ISR initiatives.

EUCOM has provided CENTCOM critical support with prepositioned equipment. Army Pre-positioned Equipment Sets (APS) afloat as well as Marine Corps' Maritime Pre-positioning Squadron ONE (MPSRON 1) have deployed from EUCOM to Diego Garcia to better support U.S. Pacific Command (PACOM)

humanitarian assistance and CENTCOM combat and humanitarian assistance operations.

EUCOM MOBs continue to support CENTCOM with essential medical support. Landstuhl Medical Facility in Germany remains the primary facility for OIF/OEF/ISAF (US) casualty treatment accepting all cases for treatment and convalescence before these service members are sent back to the continental U.S. (CONUS).

Brigades stationed in Europe routinely support the Global Force Management Process (GFMP) with forces deploying for multiple rotations to OIF, OEF and ISAF from bases in Germany and Italy.

The establishment of AFRICOM represents a new DoD strategy for the continent. This new approach relies on using security cooperation and leveraging multinational partnerships to build African security capacity.

In carrying out its missions, AFRICOM will consolidate the efforts of three commands into a single command focused solely on Africa (with the exception of Egypt, which will remain in CENTCOM's AOR, but will be a country of mutual interest with AFRICOM). Countries within the AFRICOM AOR align with those in the African Union (AU) and this synchronization of states, under one Command, will facilitate cooperation and coordination between the U.S. and the AU, partner countries, and allies. EUCOM has provided, and will continue to make available, personnel, African subject-matter expertise, and resources, all of which will help ensure AFRICOM's future success in becoming a self-sufficient Unified Combatant Command.

### **Strategic Theater Transformation**

Our forward-based and rotational forces are powerful and visible instruments of national influence and international commitment. Central to EUCOM's efforts is the completion of our Strategic Theater Transformation (STT) plan. This involves a basing strategy that seeks to sustain and leverage commitments to our long-standing Allies and U.S. operations in other theaters, such as OEF and OIF.

EUCOM's STT plan, in execution since 2002, ensures operational forces and prepositioned logistics are correctly postured to meet current and potential challenges. We have consolidated forces from broadly dispersed locations to MOBs and FOSs in the UK, Germany, Italy, Spain, Portugal, Turkey, Greece, Belgium, The Netherlands, Bulgaria, and Romania. MOBs, with permanently assigned operating forces, robust infrastructure, enhanced command and control capabilities, and enduring family support facilities,

support our down-range, smaller installations. FOSs are scalable installations, primarily intended to support rotational forces with limited permanent U.S. military presence.

EUCOM's STT plan includes retaining eight fighter aircraft squadrons in the UK, Germany, and Italy. For ground forces, it includes two permanently stationed brigade combat teams – a Stryker Brigade Combat Team in Germany and an Airborne Brigade Combat Team (ABCT) in Italy. EUCOM's STT is closely synchronized with OSD, the Joint Staff, individual Services, and NATO to ensure that global efforts of other Combatant Commands, NATO, and the results of the Base Closure and Realignment (BRAC) Commission process in the U.S. are mutually supportive. STT aims at improving our effectiveness and operational flexibility, but it has at the same time significantly reduced costs.

Since the STT process began EUCOM has closed 43 sites and installations and returned approximately 11,000 servicemembers and 16,000 family members to the United States. Subject to developments in the geopolitical environment, current plans anticipate the closure of several hundred other bases and installations, the return of over 32,000 more military personnel and over 43,000 more family members to the United States, and the downsizing of 14,500 DOD civilians and host nation employee positions by 2013.

This new posture dramatically balances our infrastructure with our strategic flexibility and our operational reach. This will, in turn, yield a considerable increase in the level of cooperation with nations closer to areas of potential instability.

### **Theater Investment Needs**

EUCOM's strategy relies on U.S. presence to provide security and stability within governments and countries located in the AOR and to build partner nation capability. EUCOM must ensure forces are in the correct location and with the correct facilities to source theater and global needs and postured to contend with uncertainty in a continually changing strategic environment. The EUCOM Master Plan documents a strategic distribution of MOBs, FOSs, and Cooperative Security Locations (CSLs), which provide power projection, force sustainment, force protection, and in-country leadership opportunities that support the STT Plan throughout the AOR.

Our basing strategy seeks to sustain and leverage our commitments to our long-standing NATO allies. We maintain a presence in Western Europe, making necessary improvements to enduring bases and training facilities critical for the accomplishment of our missions, while at the same time shifting our focus

to improve the ability of new allies and partners to rapidly deploy and operate with our forces. The goals of this strategy are to deepen and strengthen relations with our newer allies; develop our focus to the south and east of our theater; maintain our national commitment to NATO; and improve interoperability with like-minded friends, allies, and major non-governmental organizations.

EUCOM's ability to transform and achieve U.S. national security objectives depends on the investment provided for military construction. We are investing MILCON resources in enduring installations.

The FY09 President's Budget requests a total of \$783.3M in MILCON funds for EUCOM (Enclosure 2). This investment will enable us to continue to eliminate substandard housing, includes projects that will pay dividends as we divest non-enduring bases and consolidate our forces into more efficient communities and provide defenses against ballistic missile threats from Southwest Asia.

#### *STT and Operational Programs*

The FY09 MILCON request includes \$492.3M for six significant STT and operational programs:

- \$119.0M for the 7th Army Theater Command and Control Facility at Wiesbaden, Germany, beginning the consolidation of 7<sup>th</sup> Army command and control capability and eliminating split-based operations (signal assets in Mannheim, intelligence capability in Darmstadt and Army headquarters in Heidelberg);
- \$19.0M for operational facilities supporting the Shadow Unmanned Aerial System (UAS) operations in the Grafenwoehr/Vilseck MOB;
- \$30.0M of the \$173M required (\$46M was funded in FY08) for completion of Army infrastructure at MOB Vicenza, Italy, and to consolidate the 173<sup>rd</sup> Airborne Brigade Combat Team (ABCT), the only split-based brigade in the Army;
- \$48.0M for a Defense Logistics Agency funded Logistics Distribution Center, at Germersheim, Germany, to meet EUCOM's theater cross-docking requirements and streamline the distribution operations to support current and future contingencies;
- \$27.8M for Fuel Storage Tanks and distribution at Souda Bay, Greece, providing additional fuel storage capacity and replacement of an existing but deteriorating JP-5 fuel line from the Marathi Depot to Naval Support Activity (NSA) Souda Bay;

- \$7.4M for construction of a fully Anti-Terrorism/Force Protection (AT/FP) compliant Large Vehicle Inspection Station at RAF Lakenheath, UK.
- \$132.6M for an expanded Ground-Based Mid-course Defense (GMD) system and a GMD Battle Management Fire Control and Communication (GBMFC2) In-Flight Interceptor Communications System (IFICS) Data Terminal.
- \$108.6M to support the European Mid-Course X-Band Radar (EMR) site, with a single operations, maintenance and storage facility, BMDS Communications Support Complex (BCSC), security and entry control facility, power plant, fuel unload & storage, and all supporting infrastructure.

*Quality of Life (QoL):* EUCOM QOL construction investments affirm our commitment to our servicemembers and families. For FY09 our request for Family Housing renovation and replacement projects will ensure our forces are provided quality housing for their families. The significant investment in this requirement since 2003, over \$1.1B to date, has demonstrated your commitment to providing adequate housing. Additionally, we continue to use Build-to-Lease (BTL) housing as a significant part of our recapitalization plan when it provides an economically viable alternative. We are requesting the following QoL projects in the FY09 MILCON submission:

- \$291.0M for Family Housing construction, renovation and replacement:
  - \$133.0M for construction of 326 housing units at Wiesbaden, Germany in support of 7th Army consolidation;
  - \$71.8M to construct 182 replacement housing units at Lakenheath(phase 5);
  - \$86.2M for renovation of 372 housing units to meet the family housing requirements at Wiesbaden, Germany; Lakenheath, U.K.; Alconbury and Menwith Hill, U.K.; and Lajes, Portugal.

#### **Component Command Requirements**

##### **U.S. Army, Europe**

The most critical aspect of EUCOM's transformation continues to be the realignment of forces and bases for U.S. Army, Europe (USAREUR). Significant work has been accomplished in executing our plans to date. The 2<sup>nd</sup> Stryker Cavalry Regiment (SCR) has been successfully stationed in Vilseck, Germany;

both the 173<sup>rd</sup> ABCT and the 12<sup>th</sup> Combat Aviation Brigade have been reorganized and converted to their new standard, modular designs; and we will have returned nearly 20,000 Soldiers from Europe by the fall of 2008. These actions were all accomplished while deploying between 20 and 30 thousand Soldiers from Europe each year from 2003 to 2006 in support of OIF, OEF, and ISAF.

Our FY09 military construction request builds on last year's request by continuing our transformation progress. This request begins the critical move and consolidation of the 7<sup>th</sup> Army Command and Control capability to Wiesbaden, Germany. It also adds to our capability at the Grafenwoehr training area by including facilities to enable operations of an Unmanned Aerial System (UAS). In addition, FY09 funding will continue the Congressionally directed incremental funding of the infrastructure investment at Dal Molin in Vicenza, Italy to consolidate the 173<sup>rd</sup> ABCT.

Future efforts will focus on continuing the consolidation of 7<sup>th</sup> Army command and control with critical signal and intelligence assets. After completion of those consolidations, we will finish barracks upgrades, consolidate unit operational facilities, and continue to improve quality of life facilities at our enduring MOBs.

*7<sup>th</sup> Army Command and Control:* In 2009, USAREUR and V Corps will combine to form 7<sup>th</sup> Army which will be stationed in Heidelberg until construction of 7<sup>th</sup> Army Theater C2 facilities are completed at Wiesbaden. The completion of the 7<sup>th</sup> Army C2 facility programmed for \$119M in FY09 will enable the relocation of 7<sup>th</sup> Army to Wiesbaden and provide a strategic/operational capability for command and control of land forces. USAREUR future MILCON remains focused on Wiesbaden with plans for a Consolidated Intelligence Center (CIC) and a Network Warfare Center.

*Grafenwoehr UAS:* The \$19M Unmanned Aerial System operational facilities support consolidation and regular training of Shadow UAS teams on our largest MOB, allowing combined arms training with the units these systems support.

*173<sup>rd</sup> Airborne Brigade Combat Team (ABCT):* Stationing forces in Italy demonstrates U.S. commitment to European security and positions them on the southern flank of NATO, postured south of the Alps for security cooperation or intervention in regions south and east with emerging threats. The 173<sup>rd</sup> ABCT expanded into a full modular ABCT in 2006. This conversion doubled the

size of the brigade, providing a greater capability for rapid deployment and forced entry operations and enhancing the brigade's ability to sustain itself during coalition and joint operations.

Germersheim Army Depot (GAD): The DLA Distribution Center project for \$48M in FY09 is the lynchpin to make GAD a state of the art warehousing and distribution site with consolidated theater distribution operations for EUCOM and, as needed, CENTCOM areas of responsibility. The 250,000 square foot facility will expand warehousing and distribution capacity at GAD, enabling EUCOM to develop synergies among diverse DOD distribution systems in theater.

#### **U.S. Air Forces in Europe**

U.S. Air Forces in Europe (USAFE) continues its evolving transformation with a force structure capable of conducting both day-to-day and contingency operations. USAFE has oriented its forces to increase responsiveness and enhance force projection as it meets the challenge of an evolving strategic environment.

*Large Vehicle Inspection Facility (LVIS)*. USAFE requires continued investment in facilities to support AT/FP requirements. This inspection facility will meet a critical requirement, one of the five most unsafe USAFE Entry Control Points, and alleviate a significant traffic choke point.

#### **U.S. Naval Forces Europe**

The infrastructure at U.S. Naval Forces Europe (NAVEUR) bases sustains the combat readiness of permanent, rotational and surge naval forces, as well as that of other service component forces transiting, temporarily assigned, or permanently stationed at NAVEUR bases. NAVEUR transformation, in support of the Integrated Global Presence and Basing Strategy (IGPBS), has reshaped the Navy's footprint in Europe to support operations south and east into Africa and Eastern Europe. To this end, the bases at Keflavik, Iceland; La Maddalena, Italy and London, England have closed and NAVEUR has been under a MILCON pause. Enduring bases at Rota, Spain; Sigonella, Italy; and Souda Bay, Greece are strategically located across the Mediterranean to provide flexible and highly capable inter- and intra-theater logistic support. The base at Naples, Italy provides a consolidated command and control location for Headquarters, NAVEUR and SIXTH Fleet collocated with the NATO operational

Headquarters of Allied Joint Forces Command Naples and Striking and Support Forces NATO.

From an infrastructure perspective, NAVEUR transformation and associated base closures are substantially complete. Therefore, NAVEUR intends to end the MILCON pause that has been in effect during Transformation. Subsequent NAVEUR MILCON request will focus on targeted investment in facilities that directly support the operations and readiness of the EUCOM, CNE, Sixth Fleet and the Navy Warfare Enterprises that support them. This enables NAVEUR to maximize the impact of facilities support for specific recapitalization priorities such as critical infrastructure and systems or emergent Long War operational requirements such as the Navy's Expeditionary Combat mission.

#### **U.S. Marine Corps Forces, Europe**

Headquarters, U.S. Marine Corps Forces, Europe (HQ MARFOREUR) is a two star command consisting of a small headquarters staff, numbering approximately 110 total personnel, with no assigned forces. The Marine service component is a tenant command on a US Army installation and has no bases, facilities or installations for which it is responsible. However, as a tenant, MARFOREUR funds, through Service channels, the rehabilitation and upgrade of building infrastructures which support evolving component or mandated security requirements. Through existing Inter Service Support Agreements, USAREUR and the Army's Installation Management Command program tenant MILCON requirements which exceed the existing infrastructure capacity to include required modernization, replacement, expansion or restoration of real property.

The US Marine Corps is fully committed in supporting EUCOM's strategic theater transformation by implementation of the Marine Corps Long War Concept, establishing expeditionary rotational forces available to support EUCOM's long term strategic goals, as well as, through the support of both a new Geographic Combatant Commander and Component Commander. These initiatives will create the need for increased infrastructure requirements which exceed current capacities in order to support the headquarters and support facilities.

#### **Special Operations Command Europe**

Special Operations Command Europe (SOCEUR) plans, coordinates and conducts special operations to achieve US and NATO objectives as tasked by

Commander (COM), EUCOM. COMSOCEUR applies special operations capabilities to strengthen NATO and other alliances, expand the number of security partners and improve their counterterrorist capabilities, and transform EUCOM Special Operations Forces (SOF) to defeat terrorist networks and create an environment universally hostile for terrorist extremists. There are currently no programmed MILCON requirements in direct support of SOCEUR activities, however, with Special Operations Command Africa pending stand-up also in Stuttgart, an analysis is underway to determine if some common Title 10 and SOF-unique support functions and functional areas should be consolidated.

#### **Quality of Life (QOL) Programs**

Taking care of EUCOM's most precious resource, our people, is fundamental to the character of the American Armed Forces and a key combat multiplier that positively affects our warfighting effectiveness. The GWOT has called for significant sacrifices on the part of our servicemembers and places a tremendous burden on their families. As we transform our defense posture in Europe, our military communities must continue to be able to provide predictability and capacity to meet the needs of our Soldiers, Sailors, Airmen, Marines, civilians, and their families.

EUCOM's top QOL infrastructure issues are: service member and family housing and improving the quality of Department of Defense Education Activity (DoDEA) schools.

#### **Service Member and Family Housing**

The nine Family Housing renovation and replacement projects programmed will ensure that our forces have quality housing. EUCOM's FY09 MILCON request includes funding for Family Housing renovation and replacement in Germany, the United Kingdom and Portugal. USAREUR is requesting MILCON funds to construct 326 new family housing units and revitalize 99 at MOB Wiesbaden, Germany. These housing projects not only help eliminate inadequate housing they also support consolidation of the 7<sup>th</sup> Army Headquarters. USAFE is requesting new construction and renovation of 453 units to meet the family housing requirements at Alconbury, Menwith Hill and Lakenheath, United Kingdom; and Lajes, Portugal. EUCOM Family Housing is on target to meet Defense Planning Guidance Standards by the 2009 programming deadline.

## **Department of Defense Education Activity**

EUCOM works with DoDEA and DoDDS-E to provide our children with quality educational opportunities. Ensuring DoDDS-E delivers a first class education is essential to EUCOM families, whose overseas location lacks the off-base schooling options found in the U.S. DoDDS-E has 90 schools serving EUCOM's 36,500 students. These schools represent almost half of DoDEA's inventory of 199 schools, and operating and maintaining them requires constant attention and resources.

Delivery of a quality education depends on good facilities. This means DoDDS-E must modernize the aging schools in Europe. Some DoDDS-E schools are in facilities constructed prior to World War II.

With 45 percent of DoDEA's schools and 43 percent of DoDEA's students in the EUCOM theater, the health of the DoDEA budget is essential to the well being of our educational infrastructure in Europe. While EUCOM has benefited from DoDEA MILCON funding across the Five Year Defense Program (FYDP), it still has over \$191M in critical MILCON school requirements for Army and Air Force installations in Europe. The projected annual DoDEA MILCON funding is inadequate to meet EUCOM school requirements. Adding to this difficult infrastructure challenge is DoDEA's inability to provide adequate SRM funds to maintain existing aging facilities. The inevitable outcome of this situation is being played out in Europe, where our children are cramped in long-standing temporary buildings, unable to clean up after physical education, rushing through multiple-stage lunch periods, etc. Keeping in mind there are virtually zero off-base schooling options, we strongly support an increase to DoDEA's MILCON funding to help meet EUCOM's requirements.

EUCOM appreciates continued Congressional support to make school construction a top quality of life priority for overseas families. Giving students and their families an education comparable to what they would find stateside will mean improved recruiting and retention.

## **Force Protection**

EUCOM continues its efforts to ensure we are harder to target, better protected, and more capable of responding to any terrorist attack against our personnel and assets. Commanders at all levels, security officers, and the intelligence community collectively realize that the real and enduring threat

requires us to constantly evaluate, adapt and improve our efforts against a myriad of potential adversaries and evolving threats.

We have made notable progress in a number of areas. Transformational basing strategies have incorporated antiterrorism principles to avoid many types of vulnerabilities endemic to the bases we have been using since the end of World War II. Our ability to make timely, accurate, and relevant threat and vulnerability based information available to deploying forces has been greatly enhanced by information tools now resident on our classified web systems. Programs developed by EUCOM are now used throughout DoD.

In the FY09 MILCON request, both the construction of the 7<sup>th</sup> Army Theater C2 facility, in support of the 7<sup>th</sup> Army C2 consolidation at Wiesbaden, and the LVIS at Lakenheath continue the programming of facilities that support force protection requirements. While the LVIS will eliminate one of the five most unsafe gates in USAFE, the programmed consolidation at Wiesbaden reduces the USAREUR footprint by three installations and provides one installation that meets force protection requirements. This consolidation not only addresses a security concern but also reduces base operating requirements.

EUCOM's methodical and prioritized acquisition of resources, combined with the development of technology to mitigate current and anticipated future threats, continues. All current projects incorporate DoD AT/FP guidance and specifications in design and construction.

#### **Exercise Related Construction**

Our Exercise Related Construction (ERC) program is a valuable tool and an important element of our Theater Security Cooperation program. We urge you to fully fund the President's \$9,228,000 request for this program.

The ERC program is a powerful catalyst that effectively leverages austere minor military construction funding. ERC projects target specific countries or regions to enhance their capabilities in ways that support our overall theater strategy. ERC focuses on building relationships that promote our strategic interests, providing peacetime and contingency access and infrastructure through our exercise program, and integrating allies and partners effectively into combined engineering operations that reduce demands on our overtaxed U.S. forces.

EUCOM aggressively engages with the Joint Staff and Service Components in planning and programming ERC each year, with EUCOM receiving approximately one-third of the limited funds available under this DoD-wide program over the

past 4 years. In FY08, our efforts resulted in approval of eleven projects throughout the AOR totaling \$2.6M. We are currently developing our requirements for the FY09 ERC program; we anticipate a continued strong need for ERC projects throughout the AOR with specific focus in Israel, Africa, and eastern Europe.

Our goal for engagement through ERC is to ensure robust regional access points and continued strong support for U.S. policies and actions in under- and ungoverned regions within the AOR. Continued ERC investment ensures U.S. forces have the operational and logistics bases needed to execute the EUCOM mission throughout the AOR. In short, the ERC program yields a tremendous return on a small investment.

### **Ballistic Missile Defense (BMD)**

As highlighted in the strategic environment, an increasingly important aspect of EUCOM's Strategy of Active Security is defense against threats posed by emerging ballistic missile capabilities in southwest Asia. EUCOM is working with the Joint Staff, U.S. Strategic Command, and the Missile Defense Agency to help field capabilities that will counter this threat with a mix of interceptors, sensors, and command and control. The right combination of these systems is vital to protect U.S. interests and to send a strong signal to our partners and allies, as well as potential adversaries.

EUCOM is engaged in the planning effort for the deployment of long-range Ground-Based Interceptors and supporting radars in Europe to enhance the defense of the U.S. homeland, U.S. forces stationed in Europe, partners, and allies from intercontinental and intermediate range ballistic missiles. The acquisition and planned deployment of systems to the Czech Republic and Poland will be funded through the Missile Defense Agency. The military construction funding for operational facilities is detailed in the Missile Defense Agency pages of the President's Budget Request and synopsis in enclosure 2. Future military construction requirements for support facilities and associated base operations at the proposed sites are being developed. Once clarified, this information will be submitted through appropriate channels.

### **Alternative Infrastructure Funding Programs**

In addition to traditional appropriated DoD and Service construction funding, EUCOM continues to aggressively leverage every available funding source to improve our operational capability and the conditions in which our

service members live and work. These alternative funding programs include the NATO Security Investment Program (NSIP), the Residual Value (RV) program, the Payment-in-Kind (PIK) program and Quid Pro Quo. Since 1990, these programs have generated in excess of \$2.1B for construction projects throughout EUCOM's AOR. Likewise, significant efforts by the Service Components to consolidate, privatize, and outsource - particularly in acquiring build-to-lease (BTL) housing - have reduced the requirements backlog. While these programs have supplemented our MILCON program, they cannot in and of themselves substitute for the appropriated program Congress provides. NSIP will be specifically addressed later in my EUCOM/NATO comments.

**Residual Value (RV) / Payment-in-Kind (PIK)/ Quid Pro Quo**

RV is the negotiated cash payment a host nation will compensate the U.S. for infrastructure investments or major improvements on installations returned to the host nation. RV is triggered when the U.S. takes the affirmative action of closing and returning installations to the host nation. RV is subject to negotiation between the U.S. and the host nation, and is dependent upon reuse by the host nation. On average, RV settlements take five years to complete. Since 1989, the U.S. has recouped approximately \$187M in RV from host nations throughout the EUCOM AOR. EUCOM developed its PIK strategy to maximize RV settlements with Germany while minimizing the financial impact to Germany. In lieu of cash payments for RV generated for a returned installation, Germany constructs facilities for U.S. forces at U.S. installations in Germany, reducing overall U.S. investment requirements. Since 1991, Germany has executed approximately \$387.5M in PIK construction for U.S. Forces.

The settlement with Germany for turning over Rhein-Main Air Base in 2005, resulted in Quid Pro Quo projects totaling \$425 million for replacement of mission capabilities that would no longer be available at Rhein-Main. This funding established replacement facilities at Ramstein and Spangdahlem Air Bases, Germany. The Rhein-Main AB settlement is an exception to the norm on the residual value that the United States can expect from host nations. The German government sought the U.S. facilities at Rhein-Main due to its clear and immediate commercial value based on ever increasing demands on Frankfurt International Airport, vice finding suitable reuse for facilities that were not specifically sought out.

### **Build-to-Lease**

Of special note is the Build-to-Lease (BTL) Program, which provides quality family housing without the need for capital investment or land acquisition by the U.S. or the host nation. Under BTL, housing areas are owned and maintained by a contractor and leased to the U.S. Leasing provides an important advantage: If the housing units are no longer needed, the U.S. can end the contract with no ownership obligations after the initial term of the lease.

U.S. Air Forces, Europe has successfully used the BTL program in the past to acquire 530 housing units at MOB Aviano, Italy, and is in the process of acquiring BTL housing at MOB Lakenheath, U.K., and MOB Spangdahlem, Germany to help meet their family housing requirements. The Residenza dei Marina complex near MOB Sigonella, Italy provides 526 units of BTL family housing in support of NAVEUR housing requirements. USAREUR has already acquired and started to occupy more than half of the approximately 1,600 units of BTL family housing in support of families moving to the MOB Grafenwoehr area.

While the use of BTL as an alternative funding mechanism for family housing is being vigorously pursued by each of the Service components, various local conditions limit its use as the sole means for acquiring quality family housing for our service members and their families. MILCON investment is still required to completely satisfy our housing requirements.

### **EUCOM/NATO INTERRELATIONSHIP**

We recognize that many of the challenges in the current security environment exceed the capacity of any one nation to resolve and that today's threats require a comprehensive approach by the international community, involving a wide spectrum of civil and military instruments. EUCOM's efforts are coordinated and complementary with a broad range of national, international, and regional actors. Most notably, EUCOM is the focal point of the U.S. military commitment to the NATO Alliance. Across the NATO Military Command Structure, U.S. military leaders are privileged to hold key positions of influence, helping to develop the Alliance agenda and execute its operations.

### **Operational Imperatives within the Alliance**

NATO's contributions to both current and future security challenges consist of a wide range of initiatives and practical activities. While

political consultations among nations help sustain a unity of purpose, men and women of the Alliance, plus 17 other troop contributing nations, are essentially redefining the role of the Alliance by their actions in operations across Afghanistan, the Balkans, the Mediterranean, Iraq, the Baltics, and Africa. The 60,000 NATO military forces currently deployed under my command as SACEUR are a visible and effective demonstration of its resolve to collectively meet both in and out of region security challenges.

#### **NATO Security Investment Program (NSIP)**

EUCOM strongly supports full funding for the President's FY 2009 request of \$240,687,000 for NSIP. NSIP projects meet Alliance military requirements for a wide range of operational facilities and capabilities and it contributes to provide U.S. forces operational benefits, whether stationed in Europe or transiting to other regions. The NSIP is a common-funded program dependent on consensus decision-making among the member nations and using agreed upon financial contributions by NATO nations. The program provides for the acquisition of common-use systems and equipment; the construction, upgrade and restoration of military facilities; and other related programs and projects required to carry out the full range of NATO mission requirements including crisis response operations undertaken by NATO. The program does not fund personnel support facilities such as barracks, family housing, or gymnasiums; which are considered the responsibility of individual member nations.

NSIP project requirements are contained in "Capability Packages" that are developed by the military planning staffs at Allied Command Transformation and Allied Command Operations based on prioritized and accepted requirements to support Alliance war-fighting capabilities. These Capability Packages are then reviewed in detail by NATO's military and civilian decision-makers based on guidance from member nations' governments. EUCOM and its Service Components actively participate and collaborate with NATO to ensure that U.S. interests are synchronized with NATO intentions and that NSIP common-funding is invested to support both U.S. and NATO requirements.

Two examples highlight the success of EUCOM's engagement with NATO in gaining common-funding at U.S. installations as well as strengthening bonds between the U.S. and our NATO Allies. Since 1996, NATO has invested over \$200M in NSIP funding at MOB Ramstein, Germany, the main strategic airlift hub for the U.S. in Europe as well as NATO's northern European strategic air

hub. Additionally, in 2005 NATO approved NSIP funding for the upgrade of port facilities at MOB Rota, Spain, with a current value of approximately \$152M. In both circumstances, the implementation of the projects required close coordination and support from the host nations of Germany and Spain respectively. NSIP will continue to be an integral part of EUCOM's total infrastructure program. The U.S. has proposed MOB Rota, Spain as NATO's southern European strategic air hub. If this proposal is accepted, NATO will fund up to \$71M in airfield infrastructure upgrades. A further \$19M will go towards six projects at MOB Ramstein, Germany to enhance its strategic airlift capability. The U.S. has also proposed MOB Sigonella, Italy and FOS Moron, Spain as air-to-air refueling installations to support NATO. If these proposals are accepted under the emerging air refueling capability package, a combined value of approximately \$120M in infrastructure enhancements may be realized.

Beyond investment in infrastructure at U.S. installations in Europe, the NSIP serves additional roles that allow the U.S. to play a major leadership role in transatlantic affairs. EUCOM's active engagement of the NATO planning staffs and our Allies assures the U.S. of a continuing key role in shaping the collective defense posture of the Alliance. Additionally, the use of NSIP to support NATO's "out-of-area" operations in Afghanistan and Iraq ensure that Alliance forces have the critical capabilities they require to successfully conduct operations. NSIP funding to support enlargement-related projects is a visible sign of our commitment to expanding the alliance and the successful integration of new countries into the family of western democracies.

The benefits of the NSIP are clear, both for EUCOM and the U.S. We will continue to pursue this funding for every eligible project and continue to work with NATO and our Allies to ensure NATO's collective defense capability and actualize NATO's transformation efforts.

#### **CONCLUSION**

The United States European Command is fully and actively engaged in addressing the challenges of this diverse area of responsibility. Even as EUCOM supports combat operations in other theaters, it is transforming its posture to shape the evolving security landscape. The FY09 military construction program continues facility investment in theater to provide the right capabilities at the right places.

While the U.S. military can help set the conditions to create a stable

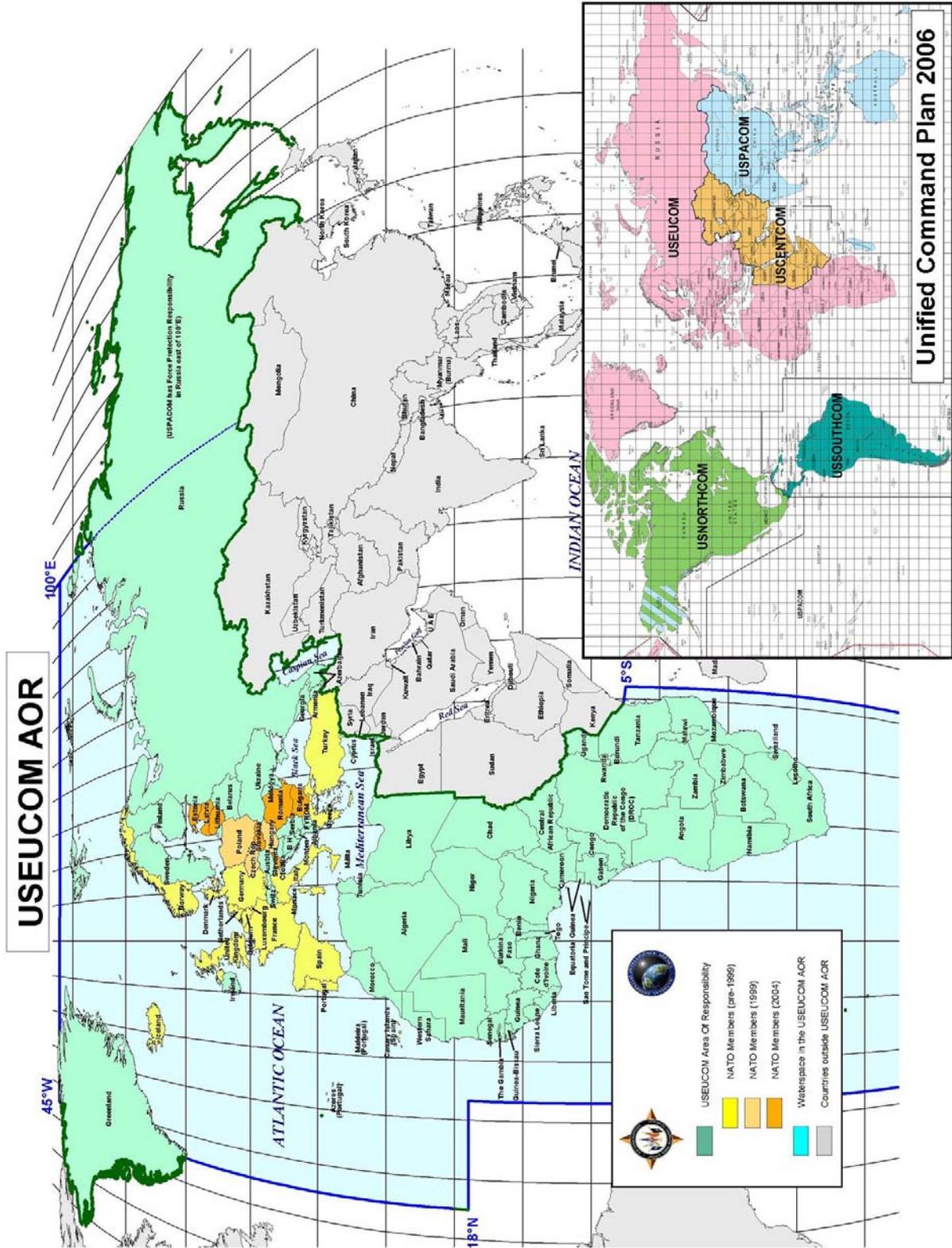
environment, it is but one part of the effort required to achieve lasting, effective solutions. New and deepened partnerships within the U.S. government and among combatant commands are required to more dynamically counter the transnational trends and issues which define our theater: threats of terrorism, frozen conflicts, unresolved territorial disputes, complex geopolitical relationships, humanitarian needs, disease, and threats posed by Weapons of Mass Destruction. Moreover, global partnerships are required to better counter the threats to our collective security. EUCOM remains committed to working with European, African and Eurasian partners in collaborative efforts that meet common security challenges. Finally, the leadership and the capabilities the U.S. contributes to the NATO Alliance will remain fundamental to preserving trans-Atlantic security, now and into the future.

Today's security environment requires operational capabilities that are more agile, expeditionary, and responsive. The implementation of EUCOM's Strategic Theater Transformation Plan, which positions and enables forces throughout a much wider portion of Europe and Africa, increases EUCOM's strategic effectiveness within the area of responsibility while simultaneously enhancing our ability to support other Combatant Commands. Continued investment in critical infrastructure and quality of life programs enables EUCOM to conduct operations within this vast AOR while providing vital support to the GWOT.

Global posture shifts and the transformation of the U.S. military have refocused strategic positioning in the EUCOM Theater. Our efforts will culminate in a force capable of operating across the broad spectrum of conflict and postured to respond to crises both in the AOR and globally. The success of our engagement hinges on ensuring the presence of relevant capabilities in our theater.

Continued Congressional support is essential to ensure EUCOM is capable of effective engagement and sustained support to NATO and partner nations to meet the broad range of tasks assigned to EUCOM in the National Military Strategy. The assistance of the members of this Subcommittee is essential in ensuring EUCOM's effectiveness in ongoing programs, operations, and initiatives. The dedicated men and women of the United States European Command are committed to achieving national goals and objectives. On behalf of them, I thank you for your continued support.

Enclosure 1: United States European Command Area of Responsibility



**Enclosure 2: Theater Investment Needs**

<b>LINE ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS</b>				
<b>Comp/ Agency</b>	<b>Country</b>	<b>Location</b>	<b>Description</b>	<b>Approp. Request (\$000)</b>
USAREUR	Germany	Wiesbaden	7 <sup>th</sup> Army Theater C2 Facility	119,000
USAREUR	Germany	Grafenwoehr	Unmanned Aerial System Operations Facility	19,000
USAREUR	Italy	Vicenza	173 <sup>rd</sup> Brigade Complex-Maint and OPS (Increment 2)	15,000
USAREUR	Italy	Vicenza	173 <sup>rd</sup> Brigade Complex- Barracks & Support (Increment 2)	15,000
USAREUR	Germany	Wiesbaden	Replacement Construction, Wiesbaden Army Airfield (WAAF)	43,000
USAREUR	Germany	Wiesbaden	Replacement Construction, AUKAMM	32,000
USAREUR	Germany	Wiesbaden	Replacement Construction, WAAF	38,000
USAREUR	Germany	Wiesbaden	Replacement Construction, AUKAMM	20,000
USAFE	UK	Lakenheath	Large Vehicle Inspection Station	7,400
USAFE	UK	Lakenheath	Replace Family Housing (Ph. 5)	71,828
DLA <sup>1</sup>	Germany	Germersheim	Logistics Distribution Center	48,000
DLA <sup>1</sup>	Greece	Souda Bay	Fuel Storage Tanks and Pipeline Replacement	27,761
MDA <sup>2</sup>	Europe	Not Specified	BMDS <sup>3</sup> - European Interceptor Site <sup>4</sup>	132,600
MDA <sup>2</sup>	Europe	Not Specified	BMDS <sup>3</sup> - European Midcourse Radar Site <sup>5</sup>	108,560
<b>Total</b>				<b>\$697,149</b>
<b>NON LINE ITEM MILITARY CONSTRUCTION/FAMILY HOUSING PROJECTS</b>				
USAREUR	Germany	Wiesbaden	Whole Neighborhood Improvements, Hainerberg	20,000
USAFE	Portugal	Lajes	Improve Family Housing	41,275
USAFE	UK	Feltwell	Improve Family Housing & Infrastructure	11,700
USAFE	UK	Menwith Hill	Improve Family Housing	50
USAFE	UK	Alconbury	Improve Family Housing	13,153
<b>NON LINE ITEM TOTAL</b>				<b>\$86,178</b>
<b>TOTAL MILITARY CONSTRUCTION/FAMILY HOUSING PROJECT FUNDING REQUEST</b>				<b>\$783,327</b>

<sup>1</sup> Defense Logistics Agency

<sup>2</sup> Missile Defense Agency

<sup>3</sup> Ballistic missile defense system

<sup>4</sup> Per budget submission, (1) total request is \$661,380,000, and (2) balance (\$528,780,000) will be requested with the FY 2010 budget submission.

<sup>5</sup> Per budget submission, (1) total request is \$176,100,000, and (2) balance (\$67,540,000) will be requested with the FY 2010 budget submission