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ARMED SERVICES COMMITTEE

STATEMENT OF  
CAPTAIN JOE LOFASO  
DEPUTY CHIEF OF STAFF  
SHORE INSTALLATION MANAGEMENT  
COMMANDER NAVAL RESERVE FORCES  
BEFORE THE  
SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT  
OF THE  
SENATE ARMED SERVICES COMMITTEE  
ON  
CONDITION OF THE INFRASTRUCTURE, FACILITIES AND FAMILY HOUSING  
21 MARCH 2001

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**CAPTAIN JOSEPH M. LOFASO  
CIVIL ENGINEER CORPS  
UNITED STATES NAVY**

**Captain Joseph M. LoFaso was born in Buffalo, New York. A 1975 graduate of Rensselaer Polytechnic Institute, he earned a Bachelors Degree in Civil Engineering and received his commission through the Navy ROTC Program.**

**Commissioned as an unrestricted line officer, Captain LoFaso served as Gunnery and Anti-submarine Warfare Officer aboard the guided missile destroyer USS LYNDE MCCORMICK (DDG-8), and as a Naval Science Instructor at the U.S. Merchant Marine Academy, Kings Point, New York.**

**In 1979, Captain LoFaso was selected for appointment to the Navy Civil Engineering Corps. His Civil Engineer Corps assignments include five public works tours including Planning Department Head at the Navy Public Works Center Norfolk, Assistant Public Works Officer at Naval Base Guantanamo Bay, Cuba, and three Public Works Officer tours at the Naval Air Engineering Station Lakehurst, Charleston Naval Shipyard, and U.S. Naval Observatory in Washington, D.C. In this capacity he provided facilities support to the residence of the Vice President of the United States.**



**Other assignments include Assistant Resident Officer in Charge of Construction, Norfolk Naval Shipyard, Staff Civil Engineer to the Commander, Navy Recruiting Command, and Assistant Chief of Staff for Facilities and Environment for the Commander, U.S. Naval Forces Marianas. During his assignments in the Norfolk, Virginia area, Captain LoFaso earned a Masters Degree in Engineering Administration from George Washington University.**

**Captain LoFaso is currently the Deputy Chief of Staff for Shore Installation Management for the Commander, Naval Reserve Force.**

**Personal awards include the Legion of Merit, Defense Meritorious Service Medal, Meritorious Service Medal, Navy Commendation Medal, and the Navy Achievement Medal.**

**Captain LoFaso is the son of Mr. and Mrs. Vincent J. LoFaso of Orlando, Florida. He is married to the former Eileen M. Hamilton of Cambridge, New York. Captain and Mrs. LoFaso have two children, Joseph and Erin.**

Mr. Chairman, members of the committee, I am Capt Joe Lofaso, Deputy Chief of Staff for Shore Installation Management for the Commander, Naval Reserve Force, New Orleans, Louisiana. Thank you very much for giving me the opportunity today to talk to you about our Naval Reserve infrastructure and discuss some of the challenges and successes we are experiencing today force-wide. I have prepared a handout for distribution to you and the other members that gives you a general overview of the size and composition of the Reserve infrastructure. I do not intend to discuss that general information with you today, but wish to spend my short time highlighting for the committee some specific areas that are challenging the Naval Reserve's ability to provide our customers and Sailors with the quality-of-service workplace that they expect and deserve while serving our great nation.

The Naval Reserve, since its inception eighty-six years ago, has evolved into a battle-tested and skilled Naval Reserve Force that is the envy of the world. We are an integral part of today's Navy, but to continue providing service to the Fleet we need the capability to properly administer and train our people, and to maintain and safely operate our equipment. Infrastructure is one of many vital components of that capability. Let me discuss very generally a few areas of concern we have in our attempts to maintain an aging infrastructure.

### **Infrastructure Challenges**

**RPM.** At the end of FY2000, the Naval Reserve owned 1,280 structures with an average age of 42 years. The overall general readiness condition of our facilities is C3. The corresponding Critical Backlog of Maintenance and Repair (BMAR), which has gradually increased over the past decade, is estimated to reach \$296 million by the end of FY2007. The Navy has determined that an RPM investment of at least 2% of Plant Replacement Value (PRV) would be required to provide adequate levels of facility maintenance. Over the FYDP, the Naval Reserve is funded at about 1.5% of PRV per year. Without additional funding, we cannot stop the continued growth in our critical backlog.

**OBOS.** During the past decade of downsizing, the Naval Reserve has fully participated in Navy's various outsourcing, privatization, regionalization, and claimancy consolidation initiatives designed to reduce the ownership

costs of maintaining our Reserve infrastructure. We feel we have made great strides in running our installations in a most efficient and cost effective manner.

***Information Technology Infrastructure.*** The Naval Reserve, an organization of more than 88,000 ‘citizen sailors’ based across the country and deployed worldwide, is encumbered by an IT Infrastructure based largely on 20-year-old DOS technology and methods. These antiquated systems are a barrier to conducting the organization’s necessary day-to-day business and to meet Fleet support requirements. The Naval Reserve’s IT budget has been, and is inadequate today to support the maintenance of current legacy systems and to modernize and upgrade critical manpower, personnel, and training systems. Additional dedicated investment in O&MN funds is needed to enable the Naval Reserve to jump-start its IT modernization process and to maintain current operations.

***Demolition.*** As Navy continues to reduce infrastructure and reduce costs, demolishing excess facilities has been emphasized as a way to reduce our maintenance footprint. In FY1996, Navy centralized demolition requirements into a separate program to more effectively focus O&MN resources, and in FY1999 created a separate Naval Reserve demolition program with initial funding of \$1 million per year across the FYDP. We will continue to pursue this program as an excellent means of eliminating obsolete facilities.

There are many success stories we could talk about over the past few years that have improved the overall condition of our facilities and enhanced morale among our Sailors. I’d like to highlight two relatively new initiatives which are economically smart, and which also improve the way we do business.

### ***Infrastructure Successes***

***Joint-use facilities.*** We fully support the Joint-use Reserve facilities concept. DOD directive 1225.7 tasks the Services to participate in a Joint Service Reserve Component Facility Board to ensure maximum practical joint construction in each state. The initial result of this effort has been the joining of the Naval Reserve and Marine Corps Reserve with the Army and Army National Guard in a joint common-use facility located in Orlando, Florida. Construction has begun this fiscal year with full cooperation among

all participating Reserve Components. A second joint venture is the Armed Forces Reserve Center, NAS JRB New Orleans with construction contract award for Phase I scheduled later this year.

***Family Housing.*** We fully support continued use of the Military Housing Privatization initiative. The FY1996 Defense Authorization Act established the Military Housing Privatization Initiative authorizing DOD to create partnerships with the private sector to revitalize existing family housing and/or build new military housing. The expectation is that Public/Private Venture (PPV) would enable Navy to meet housing requirements faster and at a lower cost, than from traditional construction of Navy-owned properties. In the New Orleans area, we have a very successful example of the value of PPV. Using the leveraging power of PPV, we are able to renovate 416 existing units, and construct an estimated 500 new units. The project is in the final stages of exclusive negotiations. We anticipate Congressional notification and award of this project this Spring. Continued use of this program will help us provide our Sailors the Quality-of-Service they deserve.

In summary, Mr. Chairman, Navy's ability today to tap into its Reserve Force is the reward of prudent investment in Naval Reserve people, equipment, IT, facilities and training. However, as my active-duty counterpart notes in his testimony, more funds will be needed to support the challenged Reserve programs I have just outlined so that we will be able to continue to provide essential day-to-day peacetime support to the Fleet and preserve the capability to surge convincingly in time of war. Thank you again for allowing me the opportunity to speak to the subcommittee on this important issue.

I would be happy to answer any questions you may have.