

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE SENATE  
SUBCOMMITTEE ON MILITARY CONSTRUCTION,  
VETERANS AFFAIRS, AND RELATED AGENCIES,  
COMMITTEE ON APPROPRIATIONS

**STATEMENT OF  
MAJOR GENERAL VINCENT A. COGLIANESE  
COMMANDER, MARINE CORPS INSTALLATIONS COMMAND**

**AND**

**ASSISTANT DEPUTY COMMANDANT, FACILITIES, INSTALLATIONS AND  
LOGISTICS DEPARTMENT**

**BEFORE THE**

**SENATE SUBCOMMITTEE ON MILITARY CONSTRUCTION,  
VETERANS AFFAIRS, AND RELATED AGENCIES**

**OF THE**

**COMMITTEE ON APPROPRIATIONS**

**APRIL 9, 2019**

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## *Preface*

Chairman Boozman, Ranking Member Schatz, and distinguished Members of the Committee, I appreciate the opportunity to discuss the Marine Corps installations infrastructure programs which are critical to our ability to train forces and maintain readiness. Thanks to the strong support we have received from Congress, the Marine Corps has been able to make significant improvements in the quality and condition of our installation infrastructure.

Marine Corps installations represent an irreplaceable national asset. They are fundamental to combat readiness, particularly the generation of combat power. Additionally, they are home to our Marines, Sailors and their families, and will continue to be integral to their quality of life through housing and community support infrastructure.

As Commander, Marine Corps Installations Command, and the single authority on all Marine Corps installation matters, the protection of our installations is my number one priority. There are several challenges in the current operating environment, and all the signs indicate those challenges will compound and grow. The most recent National Defense Strategy asserts the homeland is no longer a sanctuary, and recent asymmetric attacks on military installations across the country highlight the insider threat. Our installations are vulnerable targets for a growing host of sophisticated threats intent on disrupting and degrading our ability to generate combat power in support of the National Defense Strategy. Ensuring the protection of life and property serves to ensure our ability to execute those essential operations that enable the training and deployment of our combat forces. Maintaining the maneuver space to adapt and evolve our protection measures must occupy a central place in our conversations of modernization and readiness. It is imperative we have the ability and authority to execute investments that afford protection against both inside and outside threats.

The operation and maintenance of these installations, as well as their future development and use, require long-term planning, careful investment, and timely program execution. Implementation of the Commandant's Infrastructure Reset Strategy will ensure our installations are capable of supporting Marine Corps operations well into the future.

The Marine Corps has installations and support infrastructure worldwide valued at more than \$110 billion that are used to train, house, and provide quality of life for Marines and their families. This infrastructure must be properly maintained to prevent degradation of our capability to support these mission-essential tasks. Adequately protecting our installations, supporting new warfighting and training capabilities, and sustaining infrastructure are top installation management priorities for the Marine Corps.

### ***Impacts of Hurricanes Florence and Michael***

Although Hurricane Florence made landfall over six months ago, Marine Corps Base Camp Lejeune, Marine Corps Air Station New River, and Marine Corps Air Station Cherry Point are still recovering and feeling the impacts. Camp Lejeune, home to the II Marine Expeditionary Force, is a huge source of generating combat power. Several headquarters buildings, training facilities, and aircraft hangers were affected. Many of our ranges and training areas supporting II Marine Expeditionary Force and Marine Corps Special Operations Command remain degraded. Damaged infrastructure, to include roads, railroad trestles, and beaches, have degraded our strategic capacity to deploy.

Roughly 800 buildings between the Marine Corps Base Camp Lejeune, Marine Corps Base New River, and Marine Corps Air Station Cherry Point have been compromised. About 500 of those buildings have been damaged severely and are incapable of being occupied. Between Hurricane Florence and subsequently Hurricane Michael which damaged facilities at Marine Corps Logistics Base Albany, we have a \$ 3.4 billion requirement.

For the \$3.4 billion hurricane recovery requirement, 30 replacement projects – to include new military construction and demolition – will cost nearly \$ 1.7 billion. Repairs to existing buildings will cost \$1.3 billion. The remaining \$400 million will go to replacement for destroyed IT systems and other repairs.

Between September 2018 and December 2018, the Marine Corps and Naval Facilities Engineering Command addressed immediate life, health, and safety issues at a cost of \$78 million in Facilities Sustainment, Restoration, and Modernization (FSRM) funding.

During this same time period, the Marine Corps developed its \$1.3 billion FSRM repair estimate and further transitioned to construction design and contracting strategy. Since January 2019, we have been acting on our plan by releasing requests for proposals to industry. To date, our only financial recourse has been to divert FSRM funding away from every other base and station in the Marine Corps into North Carolina and Georgia. This self-financing strategy will not fully repair the hurricane damage. A self-financing strategy guarantees degradation of our infrastructure in California, Arizona, Hawaii, Virginia, South Carolina and any other state in which there is a Marine Corps installation. Additionally, this self-financing strategy will also impact our ability to meet our Infrastructure Reset Strategy goals – especially when considering our plans for demolition and elimination of poor and inadequate facilities.

Hurricane recovery will take years to complete given the impact to our previously outdated infrastructure that was not designed to survive hurricane force winds and rain. We look forward to working with Congress to implement and support recovery efforts at the impacted installations.

### ***Impact of Budget Uncertainty***

With Congress' strong support, the Marine Corps has made significant progress over the last ten years in replacing old and unsatisfactory infrastructure. We appreciate actions taken by Congress to enact the Bipartisan Budget Act of 2018 that provided relief from the Budget Control Act defense spending caps in both Fiscal Years 2018 and 2019. However, budget uncertainty beyond Fiscal Year 2019 will erode our readiness and will continue to have negative impacts on our ability to make long-term decisions necessary for a healthy infrastructure portfolio. Long-term reduced funding of installations requirements will result in gradual degradation of our infrastructure and create a bow wave of increased future costs to return these assets to adequate condition. Your Marine Corps requires continued support from Congress with predictable budgets over a sustained period in order to maintain and improve infrastructure readiness.

To maintain near-term operational readiness in previous years, the Marine Corps was forced to accept risk in its infrastructure portfolio. Taking risk in the facilities sustainment, restoration and modernization, and military construction programs resulted in the degradation of our infrastructure, which in turn increases lifecycle costs. Improving the current state of our installations is the single most important investment to support training, operations, and quality of life.

The Marine Corps has prioritized military construction projects that support new weapons platforms (primarily the F-35) and other projects associated with life, health, and safety concerns. Congress has been very supportive of prior military construction budget requests. Thanks to Congress, the Marine Corps has received funding for many projects that positively impact readiness and training.

As part of ongoing business reform initiatives, the Marine Corps' Infrastructure Reset Strategy seeks to improve infrastructure lifecycle management and ensure infrastructure investments are aligned with Marine Corps installations that are capable, adaptive, and economically sustainable platforms from which to generate readiness and project combat power in a fiscally constrained environment. Implementation of this strategy consolidates and appropriately resets the infrastructure footprint within existing installations to improve operational readiness and generate resources for reinvestment. Successful execution of this strategy will depend on future budget stability as well the provision of additional funds to recover from Hurricanes Florence and Michael.

Our installations provide three critical force enabling functions. First, they are deployment platforms from which our expeditionary forces fight and win our Nation's battles; second, they are where our Marine Air Ground Task Forces (MAGTFs) train and hone their combat readiness; and third, they house our Marines and families. We must prioritize the Infrastructure Reset Strategy – we must improve infrastructure lifecycle management and ensure infrastructure investments are aligned with Marine Corps capability-based requirements to support the warfighting mission and contribute directly to current and future readiness.

### ***Military Construction***

The Marine Corps' Fiscal Year 2020 Military Construction (MILCON) program includes 18 projects valued at approximately \$1.488 billion which is an 89% increase over the Fiscal Year 2019 enacted budget of \$786 million. This increase is primarily due to additional funding for projects supporting recapitalization, new platform, and training.

Marine Corps MILCON requirements are driven by operating force and other mission requirements such as: (1) introducing new platforms or weapons; (2) relocating forces to better position assets to meet the national military strategy; (3) meeting force protection or safety standards; (4) enhancing or replacing infrastructure that is in poor or failing condition; (5) meeting new and improved training standards for the 21<sup>st</sup> century Marine Corps; (6) modernizing critical infrastructure; (7) improving utilities reliability and resilience to support readiness; (8) meeting environmental regulations and laws and energy reduction mandates; (9) improving training areas to include aerial/ground ranges; and (10) acquiring land needed to support training.

The primary focus areas of the Fiscal Year 2020 Marine Corps MILCON budget request include: (1) supporting the beddown of new capabilities and platforms; (2) providing infrastructure to support force relocations; (3) recapitalization and replacement of inadequate facilities; and (4) training and concept development/testing. Our Fiscal Year 2020 budget accomplishes the following:

- Supports new platforms such as Joint Strike Fighter (F-35), CH-53K King Stallion helicopter, and Amphibious Combat Vehicle (ACV) with new aircraft and vehicle maintenance facilities and training buildings.
- Supports implementation of Force 2025, the future Marine Corps, which will be increasingly reliant on naval deployment, preventative in approach, leaner in equipment, versatile in capabilities, and innovative in mindset.
- Supports planning and execution of the Marine Corps' Wargaming Program of simulation and modeling of future warfighting environments.
- Provides training and quality of life infrastructure to support the relocation of Marines from Japan to Guam.

- Replaces and modernizes numerous inadequate and obsolete facilities and infrastructure in order to improve operations, quality of life, and training.
- Supports our Reserve component with operational and training facilities via the unspecified minor construction program.

### ***Infrastructure Sustainment, Restoration, and Demolition***

The President's Budget for Fiscal Year 2020 funds 88% of the OSD facilities sustainment model requirement for the Marine Corps. When restoring and modernizing our infrastructure, we prioritize life, health, and safety issues and efficiency improvements to existing infrastructure and focus on repairing only the most critical components of our mission critical facilities. By deferring less critical repairs, especially for non-mission critical infrastructure, some facilities will continue to degrade causing our overall facilities maintenance backlog to increase.

The first step in addressing this backlog is reflected in the Marine Corps request of \$79 million in Fiscal Year 2020 for the demolition of 2.7 million square feet of failing and obsolete facilities to enable implementation of the Commandant's Infrastructure Reset Strategy.

### ***Family Housing***

Our worldwide family housing inventory is 93% privatized, which has improved the homes in which our families live and other support infrastructure such as community centers, playgrounds, and "green spaces" that help create neighborhoods and a sense of community for our Marines and their families. Combined with traditional military construction, privatized housing will continue to build and improve the homes necessary to supplement local community housing.

The overall goal of the Military Family Housing Privatization program is to provide safe, quality, and affordable housing to our military families comparable to what is available on the local economy. Our Public Private Venture (PPV) partners are responsible for providing the day-to-day operations. The Marine Corps is responsible for providing the required oversight of the homes to ensure that they are habitable, that any identified health concerns are properly

addressed and that residents are being charged fairly for services received, including billing under the Resident Energy Conservation program (RECP).

The Marine Corps views their role as a top priority, and takes the following steps to hold PPV companies accountable for providing suitable housing for our service members:

- Ensures that the PPV partner maintains a 24-hour hotline and responds to maintenance requests in a timely manner
- Works with the PPV partner to provide seminars and educational materials to residents with tips on home maintenance and energy conservation
- Tracks systemic issues on a monitoring matrix and works with the PPV partners to resolve
- Requires annual certifications by the PPV Partner certifying compliance with applicable environmental regulations
- Participates in annual condition assessments to assess the suitability of the homes and neighborhoods
- Publicizes the three-step resolution process for residents: (1) Contact the PPV office; (2) Contact the Regional PPV Manager; (3) Contact the Installation Housing Office - ensures engagement at all levels to keep homes habitable
- Requires PPV partners to disclose any known hazards at move-in and have residents sign applicable mold, lead, or asbestos addendums acknowledging their awareness of the hazard and any recommended precautionary measures
- Reviews resident comments on surveys
- Proactively initiates audits and/or special studies and reviews mitigation plan when warranted

The Marine Corps is actively engaged with ensuring that privatized homes are safe, suitable, and affordable. The Commandant of the Marine Corps recently issued a directive to address concerns about living conditions in both on- and off-base housing. The Commandant directed all Marine Corps commanders and senior enlisted leaders to request a voluntary home visit with each Marine and Sailor in their command (regardless of rank) who resides in government quarters, privatized military housing, or an off-base civilian rental property. The



intent of the visits is to: (1) raise awareness of the member's living conditions to ensure it is safe, secure, and environmentally healthy, (2) identify maintenance or safety issues affecting the residence, determine any actions taken to date to remedy them, and determine how the chain of command can assist in the resolution process, and (3) ensure our members and their families are aware of and understand the support processes and programs available. Our Marines, Sailors and their families should know their leaders care for their well-being and are both ready and willing to help.

Recently, the Marine Corps stood up its Housing Improvement Team with the goal of reviewing opportunities to improve Marine Corps oversight and the performance of the PPV partners. This team is additionally working with the other services in a collaborative effort to share best practices and a universal way forward. Some of the current opportunities being reviewed by the Housing Improvement Team include:

- Working with the other services on a joint Resident Bill of Rights.
- Assessing areas to amend the Business Agreements to allow additional DON discretion and review of incentive fee criteria and structure.
- Evaluating the Marine Corps Housing Office staffing levels to ensure the Marine Corps is appropriately staffed to complete additional oversight of our PPV partners while providing increased resident advocacy support. Marine Corps will also look to increase training and education for its housing staff.
- Reviewing with our PPV partners options for maintenance process improvement, including technology based forums like mobile phone applications for tracking service tickets and other possibilities.
- Educating and encouraging installation leadership to become actively engaged with the PPV partner including performance review, resident satisfaction, and budget and recapitalization input. Additionally the Marine Corps will look to better train installation leadership for PPV awareness and interaction.
- Reenergizing the Operating Force Command engagement and feedback for housing improvement and resident advocacy.

The Marine Corps is not requesting any new family housing construction in Fiscal Year 2020 through either traditional MILCON or through the use of privatization authorities. However, we are requesting \$19.9 million in the family housing, construction improvements account for the sustainment and restoration of 44 enlisted family housing townhouse units at MCAS Iwakuni, Japan in order to continue with the renovation of Iwakuni housing neighborhoods along with design for future projects. This will provide much needed improvements to quality of life for our Marines and their families stationed overseas.

### ***Conclusion***

The Marine Corps must quickly recover the devastating effects of Hurricanes Florence and Michael, and continue implementation of our Infrastructure Reset Strategy. As outlined in the National Defense Strategy, our installations must prove resilient in the face of the threats we face. We must modernize our installations to protect our blunt and surge layer forces and reassure our partners and allies. Our operational capabilities are adapting to meet these changes, and we need to invest in a next generation installation infrastructure to match the growing MAGTF capability. Your support is crucial as we begin to develop installation infrastructure to support our Next Generation MAGTF. The Fiscal Year 2020 budget request supports this premise.

Thank you for the opportunity to testify before you today. I look forward to working with you to sustain the warfighting capability, the readiness of our power projection platforms and quality of life of the Marine Corps.