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**BEFORE THE**  
**COMMITTEE ON APPROPRIATIONS**  
**UNITED STATES SENATE**

**SUBCOMMITTEE ON**  
**MILITARY CONSTRUCTION, VETERANS AFFAIRS**  
**& RELATED AGENCIES**

**SECOND SESSION, 115<sup>TH</sup> CONGRESS**

**FISCAL YEAR 2019 DEPARTMENT OF DEFENSE BUDGET REQUEST FOR**  
**MILITARY CONSTRUCTION AND FAMILY HOUSING**

**APRIL 26, 2018**

**NOT FOR PUBLICATION UNTIL RELEASED BY THE**  
**COMMITTEE ON APPROPRIATIONS**

**18-C-0777**

## **Introduction**

Chairman Boozman, Ranking Member Schatz, and Members of the Subcommittee: Thank you for your strong support of our Soldiers, Civilians and their Families who serve on Army installations and specifically, for funding increases for installations and Military Construction in FY 2018. We welcome this support as it will provide greater flexibility to address mission critical infrastructure requirements that affect warfighting readiness.

Predictable, adequate, sustained and timely funding for installations enables all aspects of warfighting readiness — our top priority. Installations support the National Defense Strategy by generating and projecting ready forces from locations around the globe. Army installations, National Guard Readiness Centers and Army Reserve Centers must be ready and resilient to enable the Army to train, fight and win our nation's wars. We will focus our efforts and resources on the priorities of Readiness, Modernization and Reform, and an enduring commitment to care for our Soldiers, Civilians and their Families.

The Army makes deliberate choices to ensure our Soldiers have what they need to prevail against our adversaries ... they deserve nothing less. While the Army inventory of facilities that are in poor or failing condition grew from 22 to 25 percent this past year, we have made significant improvements in our barracks and housing investments. Specifically, we have improved the quality of our training and permanent party barracks by 14 percent and 5 percent respectively since 2014. Further, we are on glide path to improve 90 percent of our overall Army-owned housing inventory to good or adequate quality by the end of FY 2020. The Army is increasing its facility sustainment levels and focusing its infrastructure investment on readiness priorities that enhance lethality and Soldier and Mission Readiness.

We are encouraged and grateful that the President's FY 2019 budget request will begin to arrest facility degradation and buy down the maintenance backlog (\$11.2 billion). Working with all Army Commands, we have made great strides over the past year to

identify those facilities that most directly contribute to the Army's operational missions. We will focus allocation of the funds provided to us, now and in the future, on facilities that support power projection, mobilization, and warfighter mission needs such as airfields, ranges, maintenance facilities and barracks.

### **Mission Readiness Investments**

The Army's request for MILCON provides secure and sustainable facilities to meet the Army's emergent needs in three critical subsets of overall installation readiness: critical facilities deficits; recapitalization and modernization; and footprint consolidation. For FY 2019, the Army requests just over \$2.02 billion for Military Construction, an increase of 13 percent (\$234 million) from our FY 2018 request. The budget allocates \$1,011 million for the Regular Army (RA); \$180 million for the Army National Guard (ARNG); \$64 million for Army Reserve (USAR); \$330 million for Army Family Housing Construction (AFHC); \$376 million for Army Family Housing Operations (AFHO); and \$62 million for the Army portion of the Base Closure Account (BCA).

The \$1.1 billion MILCON request for the RA will allow the Army to move forward with projects such as the Fort Gordon, Georgia, Cyber Instructional Facility for \$99 million; Fort Campbell, Kentucky, Vehicle Maintenance Shop for \$32 million; and the Picatinny Arsenal, New Jersey, Munitions Disassembly Complex for \$41 million.

The ARNG's FY 2019 MILCON request of \$180 million includes: \$106 million to build Readiness Centers in Montana, Nevada, New Hampshire, North Dakota and South Dakota; \$12.4 million to construct two range projects; \$27 million to construct an administrative and warehouse facility; \$18.1 million for Unspecified Minor Military Construction (UMMC); and \$16.6 million for planning and design. Our ARNG budget request is focused on recapitalizing readiness centers — the heart and soul of the National Guard — as well as ranges to allow the Guard to be ready to perform state and federal missions. Many of these projects will consolidate units and functions into a single facility allowing the Guard to close multiple older facilities.

The FY 2019 budget request for the USAR totals \$64.9 million with two critical projects replacing our most dilapidated and failing facilities. The two projects are: \$34 million to replace an Equipment Concentration Site in Barstow, California; and \$23 million to replace World War II era Transient Training Barracks at Fort McCoy, Wisconsin. An additional \$7.9 million will support planning and design of future year projects, and address critical needs through the UMMC account.

Sustainment, Restoration, and Modernization (SRM) accounts fund investments to maintain and improve the condition of our facilities. Periodic restoration and modernization of facility components are necessary to ensure the reliable functionality of our facilities in support of mission readiness. Efforts are focused on preventing the degradation of facilities and precluding small maintenance issues from turning into large and expensive problems.

We appreciate the additional funding Congress provided the Army in FY 2017 and FY 2018 to meet the most pressing SRM needs on our installations. The FY 2019 \$4.7 billion budget request gets us closer to meeting our full SRM requirements. The \$1.6 billion request for restoration and modernization funding, an increase of \$735 million over FY 2017 execution, will enable the Army to address up to eight percent of our critical maintenance backlog requirements.

In lieu of another request for legislation in FY 2019 authorizing an additional Base Realignment and Closure (BRAC) round, we will review our facilities, to include facility usage optimization, ensuring we have a better accounting of excess infrastructure. Commanders are accountable for making all reasonable efforts to consolidate units into our best facilities; maximize space utilization; and dispose of excess assets.

### **Soldier and Family Readiness**

The Army Family Housing Construction budget allows us to provide homes and related housing services to Soldiers and their Families living on our installations around the world. For FY 2019, the Army requests \$330.6 million for Family housing construction. This will fund \$85 million for new housing at Camp Humphreys, South Korea and \$68 million for replacement housing at Camp Walker, South Korea, which meet the U.S. Forces Korea Commander's requirements for on-post housing. The request also replaces poor and failing housing units in Baumholder, Germany, and Fort Buchanan, Puerto Rico, for \$32 million and \$26 million, respectively. The Army's request provides \$95.1 million for new housing construction at Vicenza, Italy, and \$6.2 million at Fort McCoy.

An additional \$376 million is requested to sustain all Family housing operations; cover utility costs; ensure proper maintenance and repair of government Family housing units; lease properties where required; and provide privatization oversight. Soldier and Family Housing and Quality of Life programs are an investment in the Army's most valuable asset — our people.

We are also investing in our deployed Soldier's quality of life by constructing a \$21 million barracks at Soto Cano Air Base, Honduras.

### **Ensuring Energy Security and Resilience**

Assured access to energy and water underpins readiness-related functions that occur on Army installations. Installations and the missions they support are at risk to disruptions to energy and water services posed by acts of nature or acts of man.

The Acting Secretary of the Army directed new installation energy and water security requirements in February 2017. This Directive sets a requirement to secure critical missions by being capable of providing necessary energy and water for a minimum of 14-days and sustaining critical missions through secure access to energy and water; reliable infrastructure condition; and effective system operations to include

exercising emergency operations plans with scenarios that address grid outages. Measuring our installation resilience with energy and water security metrics is vitally important as we inculcate energy and water security into the total Army readiness posture and make strategic investment decisions to reduce the greatest vulnerabilities first.

Our installation energy budget request is focused on enhancing mission effectiveness and is supported by strong business case analyses. The Army continues to leverage private sector expertise and investment to improve system reliability; reduce consumption; and improve energy and water resilience. The Army leads the Federal Government in the use of Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs).

The Army manages more than 13.8 million acres of land, on which we interact with endangered species, preserve historic sites and restore critical or contaminated lands. Performing these functions well permits continued Army operations and protects our Soldiers, Families and communities. Our FY 2019 environmental program budget request of \$914 million will keep the Army on track to meet our cleanup goals and maintain full access to important training and testing lands, which are integral components of Army readiness.

The Army's energy security and sustainability program has proven results — reducing our reliance on external utility systems; improving energy and water efficiency; enabling operational freedom of action; and contributing to mission readiness. We urge Congress to continue to support the Army's energy security and resilience initiatives.

## **Conclusion**

We appreciate your support for the Army's FY 2019 MILCON budget and thank you for your continued advocacy. This budget represents significant and positive steps toward increasing installation readiness.

Army installations generate and project Army Readiness. We need ready and resilient installations to ensure our Soldiers are properly trained and can be deployed anywhere in the world in order to fight and win our nation's wars.

The Army is methodically increasing its facility sustainment levels and focusing its infrastructure investment on readiness priorities to support power projection, mobilization and the warfighter. Predictable, adequate, sustained and timely funding allows the Army to maintain its critical infrastructure and to support Soldiers, Civilians and Families.

Readiness is the foundation that keeps our nation free. Our people are the blueprint of this foundation. They deserve the best facilities, programs and services we can afford.

Thank you for the opportunity to present this testimony and for your continued support of our Soldiers, Civilians and Families.