

Senator Tim Johnson
Subcommittee on Military Construction and Veterans Affairs,
and Related Agencies
FY 2015 Military Construction Budget Request
Department of Defense and U.S. Army
April 2, 2014

Good afternoon, this hearing will come to order. We meet today to discuss the President's FY 2015 budget request for Military Construction and Family Housing for the Department of Defense and the Army.

We will have two panels today, representing the DOD comptroller and the Army. Our first panel includes Mr. Mike McCord, Principal Deputy Under Secretary of Defense, Comptroller; and Mr. John Conger, Acting Deputy Under Secretary of Defense for Installations and Environment. We welcome you both to this hearing, and we look forward to your testimony.

We are all aware that the Defense budget is under severe pressure due to budget constraints. Nowhere is this more evident than in the FY15 MilCon request. At \$6.6 billion, the request is 40 percent below last year's request. We have not seen a MilCon request level this low for nearly two decades. The intervening years have seen many new MilCon requirements arising from the wars in Iraq and Afghanistan and associated grow-the-force initiatives. But those bills were mostly off -budget, paid for in supplemental appropriations. BRAC 2005 spiked the MilCon request for several years, but even then, the baseline budget remained close to \$10 billion.

I understand fiscal reality, but I am concerned that MilCon always seems to be the go-to bill payer when defense budgets are squeezed. Mr. Conger, you note in your prepared remarks that DOD is accepting more risk in MilCon to reduce risk in operations and training. Readiness

must be the military's top priority, but our troops need the right facilities to work and train and service equipment if they are to maintain a high state of readiness.

We often speak of the importance of installations in preparing our troops to fight and win wars, but those words must be backed up by investment, not just in new mission but also in current mission and quality-of-life requirements. Military construction investments can be deferred, but not indefinitely. Coupled with the steep cuts proposed for sustainment, restoration and maintenance funding in FY15, I fear that investment in installations is on a slippery slope. I hope the Department recognizes that and will not make the mistake of allowing the hollowing out of MilCon investment to the detriment of our troops and their missions.

Once again, we welcome our witnesses, and we thank them for their service.