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Statement of
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(Energy, Installations & Environment)

Before the Senate Committee on Appropriations
Subcommittee on Military Construction and Veterans Affairs

Department of Defense
Fiscal Year 2025 Request for
Energy, Installations & Environment Programs

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INTRODUCTION

Chair Sinema, Ranking Member Boozman, and distinguished members of the Subcommittee: Thank you for the opportunity to discuss the President's Fiscal Year (FY) 2025 budget request for the Department of Defense's (DoD) energy, installations, and environment programs. Our installations are the foundations of our national security posture, and I look forward to working with this committee in the coming months to continue aligning our policies and resources to support the National Defense Strategy and the safety, productivity, and quality of life of our personnel.

CREATING RESILIENT AND HEALTHY DEFENSE COMMUNITIES

To meet the objectives of the National Defense Strategy, the Department of Defense must recruit and retain a strong, healthy, and resilient military force. More than two million military and civilian personnel live, work, train, raise their children, and spend time with their families on our 538 installations, supported by extensive built and natural infrastructure. This includes more than 850,000 rotational and permanent Unaccompanied Housing (UH) bed spaces; more than 242,000 Family Housing (FH) units for Service members and their families; more than 280,000 buildings and permanent structures, comprised of workspaces, schools, commissaries, hospitals, and other facilities; and 30 million acres of land, including test and training ranges, parks, protected areas, waterways, and other natural features that contribute to local economies and communities.

These spaces are central to our Service members' military experience, affecting their physical and mental health, their ability to carry out their missions, and the overall recruitment and retention of the force. Therefore, it is both a national security imperative and our moral obligation to ensure that they are effective, positive places for current and prospective Service members, their families, and the civilian workforce.

Over the past five years, the Department has invested an average of $11.4 billion a year to build new facilities, $15.4 billion a year to maintain and repair infrastructure, and $2.5 billion a year on environment restoration and conservation efforts. Despite this investment, the Department recognizes that a significant gap persists between installation conditions today and the quality standards that are expected, deserved, and best support Warfighter readiness. The estimated deferred maintenance backlog, which is based on addressing infrastructure condition deficiencies relative to their original specifications, stands at $134 billion and continues to accrue faster than our pace of investment.

Moreover, this backlog does not account for upgrades needed to accommodate current standards and Service member needs, or ready our infrastructure to be resilient to changing climate and environmental conditions. Over 79% of our installations were established before 1970 and nearly 33% of built assets are more than 50 years old. These assets reflect the needs and policies of the time they were constructed, requiring not just regular upkeep, but potentially significant upgrades or outright replacements to meet evolving requirements and preferences. Additionally, the number of incidents where hurricanes, flooding and wildfire have left billion-plus dollar recovery actions in their wake is increasing at an unsustainable rate (e.g., $1 billion at Offutt Air

Force Base, $3 billion at Marine Corps Base Camp Lejeune, and over $4 billion at Tyndall Air Force Base).

It is clear that we cannot continue down this path. Continued infrastructure challenges or failures negatively impact our ability to project power and prepare forces, as well as quality of life of Service members, their families, and the civilian/contractor workforce. This will, in turn, exacerbate the recruiting, retention, and readiness challenges the Department faces.

Given the magnitude of the infrastructure funding deficit and the profound effect that poor living and working conditions can have on readiness, retention, and morale, it is imperative that we not only invest more but also invest better to achieve our goal of delivering healthy, functional, and resilient spaces. Improving the Department's vast infrastructure footprint will be a significant undertaking and require us to transform how we invest in our installations, with a focus on making them true power projection platforms.

Therefore, the Department is implementing the *Resilient and Healthy Defense Communities Strategy*, which will guide actions that will ensure that these spaces are *healthy*—providing spaces that are safe and comfortable, have exceptional indoor and outdoor environment quality, and offer proximity to open space that contributes to overall well-being; *functional*—enabling the way people want to live and work by offering intuitive, efficient, and user-friendly design and modern amenities and technologies; and *resilient*—delivering continuous service and resilience against climate change, environmental hazards, and other risks that have the potential to disrupt or displace. This strategy follows a three-pronged approach to our infrastructure investments:

1. *Adopt human-centered requirements* that will help us create environments that do not just meet utilitarian needs and compliance standards, but promote purpose, productivity, and camaraderie. This includes developing design and maintenance requirements that emphasize people and their needs, preferences, and experiences to create spaces that support and protect them and investing in technologies to empower users with information and feedback mechanisms about their environment that allow installation managers to monitor their performance and deliver high-quality assets.
2. *Optimize our footprint* to ensure that the scale and scope of our infrastructure footprint is aligned with the needs of our people by consolidating underutilized or underperforming assets and ensuring that new facilities are built to last and are efficient, adaptable, and resilient to evolving demands and conditions. We are also seeking targeted opportunities to upgrade and modernize our existing asset portfolio to increase longevity and reduce operating costs.
3. *Transform how we manage our portfolio* by adopting a sustainment management strategy that improves asset performance by aligning sustainment funding with asset requirements. This will be enabled by deeper partnerships with private industry, local and state governments, and academic and community organizations to leverage their capabilities in infrastructure financing, design, construction, and management; updated internal construction and maintenance processes to enhance infrastructure quality; and improved oversight and accountability mechanisms that support consistent and sustained delivery of high-performance assets.

Underpinning these three efforts are key strategic enablers: clear and measurable outcomes to track our progress; training and skill-building of our infrastructure management workforce to better deliver on these commitments; and continuous engagement with Service personnel and family members to ensure we are capturing and meeting their expectations. Together, these efforts will drive changes across the defense infrastructure enterprise and ensure that it is managed as a strategic asset to promote the well-being of our Total Force.

Adopting Human-Centered Requirements

Every design, land use, and construction decision we make – from the ability to walk to access basic amenities, to how much natural light is available in their homes, to the systems that ensure the cleanliness of their water, to how often they pass through communal spaces that facilitate social interaction – has consequences for our people's physical and mental health and overall well-being. Similarly, the management and condition of installation lands as well as that of surrounding public and private lands affects air quality, noise pollution, light pollution, fire risk, flood risk, water quality and access to or quality of outdoor education and recreation opportunities. We must therefore put human needs and values at the center of our approach to delivering and maintaining built and natural infrastructure.

A key aspect of this approach is placing "livability" at the heart of our planning and planning principles. We are developing objective and measurable standards of asset performance along four dimensions—health, safety, functionality, and reliability—and integrating them into our policies and Unified Facilities Criteria (UFC). These standards may include: indoor and outdoor environment quality, such as air and water quality and thermal, lighting, and acoustic comfort; availability and reliability of utilities and amenities; walkability and accessibility; prevalence of shared and community-oriented spaces; and proximity to critical services, such as child development centers, school, healthcare facilities, and dining facilities.

We are also working to ensure that installations are equipped with 5G and next-generation communications networks that are responsive to our service members' needs. This digital infrastructure will not only enable key military applications, such as augmented and virtual reality training, but also allow Service members and families to access a variety of digital tools such as virtual healthcare, remote work and education, smart home technologies, and a range of lifestyle-enhancing applications and services. It will also support our efforts to implement and monitor livability standards as we equip installations with an array of sensors that enable remote equipment diagnostics, preventive and proactive maintenance, and overall better-informed infrastructure investment decisions. These tools will enable installation managers to identify and remediate issues, empower users with information about their environment, and increase overall transparency and accountability for the quality of our installations.

Optimizing Our Footprint

The scale and scope of assets within installations must be aligned to our mission and our people's needs. Over the years, the combination of new missions, evolving user preferences and tastes, and changing environmental and climate conditions has resulted in a portfolio size and

mix that is not optimized to today's demands. Therefore, we are evaluating opportunities to create a more efficient footprint within installations, build high-quality resilient built and natural infrastructure, and invest in targeted upgrades that add to the longevity of our assets, all in service of meeting our people's needs while reducing the total lifecycle cost of our infrastructure.

As a starting point, we will survey the existing footprint to better align supply with demand, identifying opportunities to consolidate, repurpose, and, where applicable, dispose of excess facilities that are no longer necessary to execute the mission or meet our people's needs. We will do so in ways that are safe and sustainable, relying on long-term planning to preserve structures that can be adapted for reuse in the future. We will further leverage lessons from consolidation projects to better plan for the end-of-life of all assets. To ensure the impacts of these decisions on our personnel and the surrounding communities are fully considered, the Department will conduct user experience assessments to better understand how people are using facilities and amenities on and off-base to inform any decision on reducing the size and scope of our infrastructure footprint.

For new construction or major renovations, we are exploring leading practices for modular, open architecture that can be adapted to a variety of purposes to determine where to incorporate it within our inventory and mission sets while leveraging the latest in infrastructure innovation and high-quality, low impact construction materials to build facilities that will be usable for decades to come. We are seeking opportunities to develop assets that can be shared between military units, other government agencies, and with the broader defense community.

We are continuing to improve our installations' resilience. For example, our ongoing expansion of the DoD Climate Assessment Tool (DCAT) with new predictive models, decision tools, and technologies will improve our installation managers' ability to understand the vulnerabilities facing their installations and help them adapt to or prepare for evolving risks. The Department, in partnership with the private sector, is also focused on improving electrical and water system quality, reliability, and resilience through integration of new technologies and improved operational approaches. We are extending our energy resilience investments, through technologies such as microgrids, beyond our most critical operational facilities to include those facilities that most impact our personnel's day-to-day quality of life, including housing, commissaries, and other priority assets. Similarly, the DoD will continue to maintain and create the natural infrastructure needed for water resilience both on and off installation.

Lastly, resilience also includes ensuring installations have robust incident response, management, and recovery capabilities. The demand on and need for these programs and their capabilities is growing due to the increasing severity of weather events and other climate-related impacts. Policies governing these programs are being updated to incorporate climate considerations and infrastructure modernization into hazard assessment, mitigation, response, and recovery planning actions at installations.

Transforming Portfolio Management

Achieving the ambitious commitments set out in the *Resilient and Healthy Defense Communities Strategy* requires an effective asset management strategy that leverages the suite of government

and external stakeholder capabilities to maximize our return on investment. We must approach design, construction, maintenance, and project development differently, both in terms of seeking new and innovative ways to partner with industry, communities, and other external stakeholders and reforming internal construction processes and maintenance practices.

The Department has implemented various approaches to design, build, and operate our infrastructure, ranging from full government control across all three dimensions to full privatization, and combinations in between. This gives the Department a menu of options that can be optimized for any given project. In many cases, government ownership and operation is best suited to the Department's needs. In others, outsourcing to private partners or leveraging third party financing through privatization or performance contracting may reduce risk and/or provide solutions at similar or better quality on a more cost-effective basis. We can also draw upon our strong and long-established partnerships with other government agencies, state and local governments, academic institutions, and civil society organizations in the communities in which we operate to develop mutually beneficial solutions.

To ensure we have the full range of options available and are applying those that are most appropriate for each situation, the Department is reviewing authorities and exploring opportunities to expand partnerships with industry, other government organizations, and non-government stakeholders. These may include maximizing the use of Intergovernmental Support Agreements (IGSA) with state and local governments to provide, receive, or share installation-support services; expanding partnerships with academic and research institutions on areas such as ecosystem conservation, sustainable design, and climate change risk assessment; and working on natural infrastructure beyond the fence line through programs like the Readiness and Environmental Protection Integration (REPI) program and the Sentinel Landscapes Partnership.

The Department must also develop more timely and flexible processes and organizational structures to enable more agile delivery of infrastructure needs. Under current processes, a military construction or large-scale maintenance project can take five years to be incorporated in a budget request to Congress and once funded, can take potentially another four years to obtain beneficial use.

This can and must be improved. The Department has already issued policies that better align roles and responsibilities of project sponsors, installation managers, and construction agents to deliver better outcomes, such as early involvement by DoD construction agents with project sponsors to inform project scope, cost, and schedule. We are also implementing project management agreements for military construction projects that will ensure requirements and stakeholders are properly aligned to deliver modern, high-quality infrastructure. The Department is pursuing facility prototype projects that not only will demonstrate our ability to build efficient resilient buildings but will also guide our efforts on how to streamline our infrastructure acquisition processes. We are improving guidance and training, developing solutions to expedite time-consuming steps like environmental reviews and permitting, and incorporating strategies to not only minimize environmental impacts, but sustain or improve environmental quality.

The Department must also work to provide more confidence, transparency, and standardization in the development of facilities sustainment, restoration, and modernization (FSRM) budgets to

ensure infrastructure is properly maintained. We are working with the DoD Components to move away from our current portfolio-level approach and toward an asset management approach that will derive sustainment requirements at the individual asset level and incorporate asset age, functionality, and condition as well as building system, component, and subcomponent condition. This will optimize limited FSRM budgets by recommending investments that maximize condition of facilities in a component's portfolio. Further, the Department will set condition goals for different facility categories to ensure that quality of life is not short-changed at the expense of mission needs.

All of these actions must be supported by meaningful oversight and accountability mechanisms as well as accurate cost and performance data to help balance cost, performance, and risk. To that end, the Department is working to establish authoritative cost and performance data sources to continuously evaluate and update our asset management approach. We are updating condition assessment processes to prioritize human-centered requirements, leverage digital diagnostic tools, and deploy expert inspectors. Together, these will enable a common operating picture of our built and natural infrastructure that can guide decision-making and improve transparency.

TAKING CARE OF OUR PEOPLE

Building resilient and health defense communities requires us to be good stewards of the environment and good neighbors and partners with the communities that support our installations. As such, the Department must maintain safe and efficient facilities and improve the quality of life for our military personnel and their families by ensuring access to safe, quality, and affordable housing. The Department must also ensure that it has a robust environmental cleanup program to address the effects of releases of hazardous substances, pollutants, or contaminants into the environment.

Housing

Family and Unaccompanied Housing

While all of the Department's infrastructure affects our Service members' military experience, none is more impactful than their housing. It is both a crucial quality of life issue and a critical mission-enabling asset. However, we recognize that the DoD has, in too many instances, failed to live up to our role in making sure the housing we provide honors the commitment of the personnel that live on our installations and enables them to bring the best versions of themselves to their critical missions. As the Department's Chief Housing Officer, I am committed to ensuring that all Service member housing—whether it is government-owned, government-controlled, or privatized—meets appropriate life, health, and safety requirements and provides a positive living experience for military personnel and their families.

The Military Departments have privatized 99 percent (approximately 202,000 units) of their FH inventory, as well as 4,700 UH apartment units (8,500 bedrooms), on their installations in the U.S. The Department still owns or controls, operates, and maintains approximately 39,000 FH units, most of which are on enduring bases in overseas locations. In addition, the Department's

housing inventory includes more than 846,000 government-owned or -controlled (GovO/C) UH bed spaces worldwide.

Historically, DoD's GovO/C requirements have not competed well for military construction and operations and maintenance funding, leading to significant maintenance backlogs and outdated and deteriorating housing facilities. The Department has begun placing greater priority on funding for its GovO/C housing in recent years, but these investments are challenged by the size of the existing inventory and the cumulative effects of deferred maintenance, insufficient recapitalization funding, and lack resources for oversight. As such, these facilities' rate of degradation is outpacing our ability to address issues despite this increased prioritization. We must therefore place a greater emphasis on bringing the quality of the Department's GovO/C housing to what it needs to be for our Service members and their families to have a positive living experience.

In September 2023, the Government Accountability Office (GAO) released a report titled *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, documenting poor living conditions in the Department's government-owned and government-controlled unaccompanied housing (i.e., barracks and dormitories). The findings in this report provided even greater clarity to the issues facing our UH portfolio and confirmed that conditions have affected Service member quality of life, recruitment, and retention, as well as military readiness. The report's recommendations have also helped us further refine our ongoing response actions. The Department concurred or partially concurred on all 31 recommendations in the report, and we anticipate implementing 28 of the 31 recommendations in Calendar Year 2024.

The Department's FY 2025 Family Housing budget request includes $2.0 billion to fund construction, operation, and maintenance of government-owned and leased family housing worldwide; invest in select military family housing privatization projects and provide oversight of privatized housing and lodging projects; and provide housing referral services to assist military members in renting or buying private sector housing. The FY 2025 request sustains our increased focus on ensuring the delivery and maintenance of quality housing for military families, including $743.9 million for construction to ensure quality family housing for military personnel and their families, to include Army family housing construction projects in Europe ($164.2 million), two Navy family housing construction projects on Guam ($197.0 million), and Air Force family housing projects in Europe ($5.8 million); $194.0 million for prioritized investments in two Department of the Air Force (DAF) and one Department of the Army (DA) Military Housing Privatization Initiative projects to improve the safety, quality, habitability and/or long-term financial viability of those projects; and $171.1 million for privatized housing support and oversight, to include the one-time inspections of DoD's privatized housing and government-owned family housing as required by Section 3051 of the FY 2020 National Defense Authorization Act, as amended. The Department's FY 2025 budget request of $1.2 billion for Family Housing Operation and Maintenance represents a $86.7 million increase compared to the FY 2024 enacted amount and a will continue to ensure that U.S. military personnel and their families have suitable housing choices.

The Department's FY 2025 budget request includes $1.093 billion for eleven (11) construction projects that will improve living conditions for unaccompanied personnel. This funding level is

$623.7 million higher than our FY 2024 budget request ($469.3 million) and takes the right steps towards honoring our commitment to modernize Unaccompanied Housing to improve privacy, provide greater amenities, and address the findings in the September 2023 GAO final report on Military Barracks. The FY 2025 budget request includes $854 million for seven active Army barracks projects worldwide; $81.0 million for two reserve Army projects in Parks Reserve Forces Training Area, CA and Fort Buchanan, PR; and $158.0 million for a DAF Dormitory project at Joint Base (JB) San Antonio, TX and JB Langley-Eustis, VA.

Going forward, we acknowledge that DoD's current GovO/C housing investment levels are insufficient to stop ongoing facility and quality of life degradation. To overcome these challenges and to improve the quality of DoD's GovO/C housing, we must accelerate our investments and ensure they are appropriately prioritized so they have the greatest impact on the livability of DoD housing.

To that end, the Department has initiated a Tiger Team to address ongoing and urgent improvements in living spaces for Service members, initially prioritizing UH for junior enlisted Service members. The Tiger Team will address the FY 2024 National Defense Authorization Act (NDAA) provisions along with the issues highlighted by the GAO's September 2023 report on Military Barracks. Specific objectives include making immediate, ongoing, and urgent UH improvements; determining new configuration and habitability standards; improving the accessibility, availability, and reliability of UH metrics to drive investment decisions; developing standardized preventative maintenance plans and schedules; and identifying opportunities to improve indoor environmental quality and address facility-related energy resilience objectives.

We are also modernizing how we approach designing UH. The Military Departments have four pilot projects in FY 2024 and FY 2025 to recalibrate UH design to optimize energy use and incorporate sustainable building materials to enhance indoor environmental quality, passive design features to improve resilience and reduce maintenance requirements, and modern facility related control systems to allow for data-driven management and sustainment of these critical facilities. Lessons learned from these pilots, combined with the results of the Tiger Team, will help inform our efforts to ensure future UH projects are resilient and optimized to support our Service members.

We recognize that implementation will require significant and sustained investment, improved oversight and use of management tools, and enhanced housing standards to improve the current posture across all unaccompanied housing. Similar to the Department's reform actions to improve the conditions and oversight of MHPI housing, the Department must commit to long-term, organizational investment of resources, and ensure accountability at all levels, from Senior leaders and headquarters staffs to installation commanders and staffs.

I am absolutely committed to ensuring that the Department remains focused and coordinated on this issue. I meet with my Military Department counterparts bi-weekly to monitor UH conditions and improvements and evaluate investment and progress. In addition, my office is working with the Military Departments to finalize new UH metrics to help the Department measure current conditions and progress improving UH livability.

At an installation level, we are improving the day-to-day management of UH. The Department appreciates the FY 2024 NDAA's directive around professional UH oversight that requires UH managers to be civilian employees or dedicated military personnel. This reform will enable managers to focus solely on their responsibilities of assessing and inspecting UH conditions, managing work orders for repairs, communicating with residents regarding repairs, and ensuring that installation maintenance officials conduct needed emergency and preventive maintenance.

Finally, we are continuing to explore leveraging privatization as a tool to improve UH by evaluating the results of the Services' pilot projects and incorporating the lessons learned from the broader Military Housing Privatization Initiative (MHPI).

Military Housing Privatization Initiative

The Department continues to enhance the MHPI program and improve our oversight of the private sector MHPI companies that own and operate MHPI housing projects. As a result of our collaboration with the MHPI companies, all 18 rights set out in the MHPI Tenant Bill of Rights (TBoR) are fully available at all but three of the nearly 200 installations with privatized housing, representing approximately 97 percent of military families residing in MHPI housing. Based on commitments from the remaining MHPI companies, we expect all 18 Tenant Rights to be available at all of DoD's installations with MHPI housing by the end of CY 2024. We will continue our efforts to educate and engage Service Members and their families to ensure they are aware of and take full advantage of the TBoR.

The Department of Defense is committed to working closely with you and the committee staff to ensure the long-term success of the MHPI program and we will remain diligent in our oversight to ensure DoD's privatized housing projects deliver quality housing and a positive living experience for military personnel and their families.

Defense Environmental Restoration Program

The Department must take deliberate and sustained action to address risks to human health and the environment resulting from past DoD activities. Our environmental cleanup program includes the Installation Restoration Program (IRP) and Military Munitions Response Program (MMRP). The IRP is focused on cleanup of hazardous substances, pollutants, and contaminants, while the MMRP is focused on responding to unexploded ordnance and munition constituents at former military ranges. These programs encompass active installations, Formerly Used Defense Sites (FUDS – sites that DoD transferred to other Federal agencies, states, local governments, or private landowners before October 17, 1986), and sites DoD transferred to other entities as part of its Base Realignment and Closure (BRAC) activities. We are requesting $1.6 billion for these programs, including $1.2 billion for environmental restoration on our active installations and FUDS properties and $448 million for BRAC environmental.

Progress Towards Cleanup Goals

To date, the Department, in cooperation with state agencies and the U.S. Environmental Protection Agency (EPA), has completed cleanup activities at 87 percent of Active and BRAC

IRP and MMRP sites, and FUDS IRP sites, and is now monitoring the results. During FY 2023 alone, the Department completed cleanup at 176 sites. Of the roughly 40,700 restoration sites, 34,300 are now in monitoring status or have completed cleanup.

Our focus remains on continuous improvement in the restoration program: minimizing overhead, adopting new technologies to reduce cost and accelerate cleanup, refining and standardizing our cost estimating, and improving our relationships with state regulators and affected communities through increased dialogue. These initiatives help ensure that we make the best use of our available resources to complete cleanup.

While the Department continues to make progress on completing cleanups, the remaining sites are some of the most complex cleanup sites. Chemicals of Emerging Concern and others like per- and polyfluoroalkyl substances (PFAS) continue to pose challenges for DoD's cleanup programs as new science requires reconsideration of previous decisions and more expensive solutions to protect our Service members, their families, communities, and the environment. Additionally, some complex sites have either no feasible or only inefficient solutions for cleanup and, as a result, the Department is making significant investments in environmental technology to identify new potential remediation methods.

Per- and Polyfluoroalkyl Substances

The presence of PFAS in the environment is a national issue due to its wide-spread use in many industrial and consumer products. The Department recognizes the importance of this issue and is committed to addressing PFAS in a deliberative, holistic, and transparent manner, supported by $942 million across multiple appropriations. The Department's PFAS Task Force continues to provide strategic leadership and direction on DoD-wide PFAS efforts. To support the Department's commitment to the health and safety of its service members, their families, the DoD civilian workforce, and the communities in which DoD serves, the Task Force's focus areas include:

- Mitigating and eliminating the use of aqueous film forming foam (AFFF);
- Fulfilling our cleanup responsibilities;
- Understanding the impacts of PFAS on human health;
- Expanding PFAS-related public outreach; and
- Supporting PFAS research efforts and ensuring findings are publicly available.

PFAS Cleanup and Drinking Water Mitigation

DoD follows the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the long-standing EPA regulations for all chemicals in our cleanup program, including PFAS. The Defense Environmental Restoration Program statute provides authorities to DoD to perform and fund cleanup actions and requires they be carried out in accordance with CERCLA.

As of December 31, 2023, the Department has completed the initial assessment at 707 (of 715) installations. 133 currently require no further action, while 574 are proceeding to the next step in the CERCLA process. During these initial assessments, DoD evaluates both groundwater and

drinking water. In addition, DoD is taking interim actions at over 30 installations to prevent further PFAS migration off-base and plans to take additional actions as more information becomes available from our ongoing investigations.

For the past several years, DoD's approach has been that if DoD identifies perfluorooctane sulfonate (PFOS) and/or perfluorooctanoic acid (PFOA) from DoD activities in off-base drinking water above 70 parts per trillion (ppt), we quickly took action (i.e., a CERCLA removal action) to provide treatment or an alternative water source. DoD has taken this type of action for drinking water wells surrounding 55 installations. Last week, EPA announced a National Primary Drinking Water Regulation (NPDWR) for six PFAS under the Safe Drinking Water Act. The Department appreciates the clarity the NPDWR provides now that it has been finalized and is evaluating its impact on our efforts to address PFAS in drinking water. The Department has reviewed existing PFAS sampling results, plans to expand existing cleanup investigations, and provide drinking water treatment for impacted off-base wells, on a prioritized basis.

AFFF Replacement Progress

Over the past few years, the Department has undertaken an aggressive initiative to develop and demonstrate fluorine-free alternatives for AFFF. In January 2023, the Navy published a Military Specification for a PFAS-free firefighting product. A number of fluorine-free alternative fire suppression products have been demonstrated to achieve acceptable fire extinguishment performance and DoD has completed evaluations of the shelf life, materials compatibility, and toxicity screening of these formulations. As of February 2024, two products have passed the qualification process and are available for purchase. The Military Departments have begun the transition from AFFF for more than 6,000 mobile assets and approximately 1,500 facilities and are following transition plans that include proposed schedules, estimated costs, and strategies to use fluorine-free products and other available technologies, such as water-only systems. Based on current Military Department schedules, the Department will need to exercise the two NDAA-permissible one-year waivers to extend the Congressional deadline of October 1, 2024 to stop using AFFF to ensure a safe and methodical transition that does not affect mission activities.

PFAS Public Outreach

As the Chair of DoD's PFAS Task Force, I am committed to expanding our outreach efforts as we continue to address PFAS. DoD initiated a robust communication and outreach effort in FY 2023 focused on improving outreach to communities by gathering input from community members and developing communication products that explain DoD's cleanup activities in a comprehensible and transparent manner. The Department has also visited 11 installations and conducted over 100 interviews with community members and other stakeholders. These efforts ensure a cohesive and collaborative approach to communication across DoD, expand public access to information that explains our cleanup progress and initiatives, and build stronger relationships with communities and agency partners.

IMPROVING MISSION RESILIENCE

The National Defense Strategy promotes building a resilient Joint Force and defense ecosystem that can operate in a contested environment at home and abroad. We must work to improve the resilience of our installations and infrastructure to a wide range of challenges, including extreme weather, climate impacts, disruptions to energy or water supplies, and physical or cyber-attacks. The Department requires a multi-faceted approach focused on policy revisions; adjusting how we approach planning, design, and construction; and innovative technologies to counter such a diverse set of threats.

Infrastructure Resilience

The Department is addressing mission resilience at the building and installation level by developing policies that establish aggressive performance goals, reduce waste, and improve quality of life. Further, we are improving energy resilience on our installations through increased energy efficiency measures and electrification of our buildings and supporting infrastructure. My office is working with DoD components to leverage the Department's facility data to assist them in performing building level assessments that will inform infrastructure modernization and recapitalization decisions and institutionalize resilience in all of our investments. We are reviewing and updating Unified Facility Criteria against existing and emerging performance standards for resilience, clean and reliable energy, electrification, indoor environmental quality, and facility related control systems. Finally, the Department is pursuing a comprehensive plan and associated investments to deploy the charging infrastructure essential to transition our non-tactical vehicle fleet to electric power. This effort will enable installations to utilize the storage capacity of electric vehicles and add capability that furthers our investments in micro-grids.

Military Construction

Infrastructure resilience is integrated into the military construction (MilCon) program. The MilCon program also places significant focus on quality of life as well as critical mission requirements and life, health, and safety concerns. We are requesting $15.6 billion in the budget for MilCon across the Department, an increase of 6% from last year's request, which includes infrastructure requirements for the Pacific Deterrence Initiative ($1.7 billion), investments in the Shipyard Infrastructure Optimization Program ($2.0 billion), quality of life facilities (including child development centers, barracks and dining facilities, dormitories, and schools – $1.83 billion), new aircraft beddown (B-21, KC-46A, F-35, T-7A – $419 million), European Deterrence Initiative and NATO Security Investment Program (NSIP) ($559 million), hospital and medical facilities ($464 million), projects in support of the modernization efforts in support of Sentinel Ground Based Strategic Deterrent program ($700 million), and construction projects in support of special warfare operators ($355 million).

This request also includes $3.733 billion for the Defense-Wide Components, including:

- $386 million for dependent educational facilities;
- $273 million for incremental funding of fuel infrastructure;
- $417 million for recapitalization of National Security Agency facilities;

- $545 million for Missile Defense Agency projects in support of Defense of Guam and an increment of the Ground Test Facility Infrastructure at Redstone Arsenal;
- $295 million to address, force structure growth disconnects, and antiquated infrastructure for Special Operations Forces;
- $262 million for Washington Headquarters Services facilities;
- $636 million for the Energy Resilience and Conservation Investment Program; and
- $455 million for exercise related construction, unspecific minor construction, and planning and design for defense-wide future year projects.

In addition, the Defense-Wide request contains $464 million for medical facility recapitalization including $78 million for the eighth increment (of a $695 million project) for the Walter Reed Medical Center Addition/Alteration at Naval Support Activity Bethesda, Maryland; $97 million for the second increment (of a $257 million project) for an Ambulatory Care Center at Guantanamo Bay, Cuba, and $289 million for various other Ambulatory Care Center additions and replacements.

We continue to pursue improvements in project development processes to ensure projects are appropriately scoped and priced for successful execution. The Department's Military Construction Reform initiative is primarily focused on early involvement between project sponsors and the DoD Construction Agents (DCAs) responsible for executing the projects. We are working with the DCAs and industry to incorporate their knowledge and expertise earlier into our project planning and design activities to ensure executable projects. We recently finalized a comprehensive policy associated with the planning and design of military construction projects. The policy ensures that all DoD Components clearly understand the difference between planning activities and design activities to consistently apply the appropriate funding to each task. Additionally, DoD is focused on improving information sharing between key project stakeholders, ensuring that critical details such as project requirements, acquisition timelines, and construction status inform proactive decisions on projects. We are close to issuing policy requiring project management agreements early in the project requirements process that will provide transparency on key project data and change management decision making allowing project stakeholders to manage scope and cost changes to minimize impact to project delivery.

The Department recognizes not only the necessity of, but also the challenges associated with estimating and awarding military construction projects on budget, particularly given the supply chain tightening and significant material price increases over the last few years. We appreciate the additional support Congress has provided over the last few fiscal years to ensure that authorized project costs are better positioned based on market realities. However, the Department acknowledges that it has work to do to ensure that estimates result in executable projects including the recent application of the area cost factor for overseas unspecified minor military construction projects. This year we are further refining our financial risk management processes and policies and will codify our findings in updated policy to ensure that component budget requests reflect known project risks.

Facilities Sustainment, Restoration, and Modernization

The Department's inventory of buildings and structures is the largest within the federal portfolio. Facilities Sustainment provides for the regularly scheduled maintenance, repair, or replacement of facility components and directly influences the condition of our facilities. Investments must be made throughout the service life of a facility to optimize its performance, maintain indoor environmental quality, and support the safety, productivity, and quality of life of our personnel, while also reducing avoidable costs associated with premature deterioration. In addition to facilities sustainment funding, the Department relies upon its Restoration and Modernization program funding to provide ongoing support to reduce our maintenance and repair backlog and to modernize our facilities to support changing missions and functions.

The Department's FY 2025 budget request includes $13.6 billion of sustainment funding for the Military Services and the major Defense-Wide organizations. This represents a $619 million increase from the FY 2024 budget request and will achieve an average of 79 percent of the Department's annual requirement for facilities sustainment (excluding the Marine Corps from the overall calculation). We are working with the Marine Corps to pilot a comprehensive model that would optimize FSRM and MilCon facility investments across their real property portfolio.

In addition to facilities sustainment funding, the Department relies upon its Restoration and Modernization (R&M) program funding to provide ongoing support to assigned missions by countering obsolescence and reversing degraded conditions of existing facilities. The FY 2025 budget request includes $6.3 billion in Operations and Maintenance appropriations for facilities R&M, a $259 million decrease compared to our FY 2024 budget request.

The Department has traditionally managed the budgeting for sustainment of assets at the portfolio level with a sustainment model that uses basic data from a component's real property inventory and commercial cost models. This model generates aggregate sustainment requirements that treat facilities similarly for investment purposes regardless of age, condition, or maintenance history. Roughly ten years ago, the Department instituted a requirement to use a standardized condition management system, the Sustainment Management System. DoD has continued to mature the tool to track more closely the 13 major systems in a building and will roll out a cloud-based SMS this year for DoD Components to manage the condition of the major system in the Department's buildings. However, knowing the condition of an asset and the systems that comprise that asset is just one aspect of proactive infrastructure management. Improving facility condition data and operationalizing other existing investment data sources, enables resource optimization from the Department-level down to the installation with the ability to assess risk-based investment options using future years defense program (FYDP) funding profiles, mission dependency data, and a variety of DoD Component derived assumptions to array strategic investment options that will inform investment decisions. To that end, the Department is investing $2 million in FY 2024 to initiate development of a facility investment optimization model that will optimize the allocation of facility repair funding to produce the most benefits regarding the condition of our facilities. The system will provide more confidence, transparency, and standardization in the development of facilities sustainment, restoration, and modernization (FSRM) budgets and allow an asset management approach currently lacking in the Department's infrastructure management processes.

This initiative is guiding our transition into an asset management approach for budgeting and managing the Department's inventory more holistically and provide DoD with better information to target investments to address current and backlog maintenance requirements. It will also provide much-needed data in the building component systems and their maintenance and recapitalization schedules to properly conduct sustainment, which will reduce energy demand. The additional data will also allow the Department to better plan electrification of existing projects, consistent with our energy resilience goals.

We appreciate your support for the $2 million funding request for optimization model development in the FY 2024 NDAA and the Further Consolidated Appropriations Act, 2024. This funding will allow us to begin development on the technical aspects of the model. The FY 2025 budget request includes $2 million to continue the maturation of the optimization model.

Energy Resilience

Reliable, flexible, and resilient energy remains essential to military capability and readiness. The Department depends on energy-resilient forces, weapon systems, installations, and infrastructure to achieve missions at home and abroad. In FY 2023, the Department consumed 614,787 billion British Thermal Units (BBtus) of all forms of energy, costing a total of $16.5 billion, to support operations and training across a worldwide set of installations and power thousands of energy consuming platforms.

While our installations utilize commercial, municipal, and host nation power and energy grids for day-to-day operations, we must also have credible and resilient localized installation energy capabilities to sustain critical missions if these sources of energy are disrupted. Similarly, the Department relies on organic capabilities as well as commercial partners to provide operational energy to train, deploy, operate, and sustain globally deployed forces. Our potential adversaries understand the essential nature of energy, and seek to degrade, delay, or deny the Department's ability to deploy forces by disrupting access to energy to reduce our readiness, and undermine our deterrent posture. Enhancing energy resilience and reducing energy demand are essential to achieving Joint lethality, supporting distributed operations, and reducing risks to sustainment in contested environments.

The FY 2025 President's Budget Request responds to clear direction in statute and the 2022 National Defense Strategy to ensure installations and forces are resilient to all hazards – kinetic, cyber, and natural – and ensure the use of energy promotes the readiness of the armed forces for their military missions. This is reflected in our $3.46 billion request for operational energy (the energy required for training, moving, and sustaining military forces and weapons platforms for military operations) and $3.80 billion request for installation energy (the energy used to power permanent installations and non-tactical fleet vehicles).

Operational Energy

The operational energy initiatives in the FY 2025 President's Budget request ensure that the Department is postured to fight and win in contested environments and support the priority focus

on strategic competition with the People's Republic of China. Investments in advanced propulsion for air, sea, and land platforms, the electrification of on-board systems, upgrades that extend time on station, range, and endurance of current equipment, and long-term research and development on breakthrough technologies illustrate the scope and scale of Department efforts to adapt our use of energy in warfighting platforms to a changing operating environment.

In FY 2023, the Department issued a new *Operational Energy Strategy* to meet the requirements of 10 USC 2926(e). To ensure the Joint Force can fight and win in contested environments, the Operational Energy Strategy includes the following lines of effort:

- Energy Demand Reduction
- Energy Substitution and Diversification
- Supply Chain Resilience
- Enterprise-wide Energy Visibility

The Department is also adapting its strategy, policy and decision-making processes to better align with the challenges of contested logistics and distributed, austere operations. To assist with the implementation of this new strategy, the ASD(EI&E) leads the Contested Logistics Operational Energy Working Group (CLOE WG), which was established in FY 2022 in accordance with 10 USC 2926(d). With senior leader representatives from the Services, Joint Staff, and Combatant Commands, the working group is shaping the direction and implementation of the Operational Energy Strategy to inform future planning and programming guidance.

The CLOE WG met in FY 2023 to implement the *Operational Energy Strategy* and begin execution of the near-term (2023-2024) and mid-term (2024-2028) initiatives. In FY 2024, the CLOE WG will meet on a quarterly basis as required by Section 343 of the FY 2024 NDAA and subsequent annual energy reports will use the *Operational Energy Strategy* as the baseline for evaluating initiatives and measuring progress in the implementation of the strategy.

We are also focused on ensuring that requirements and acquisition decision-making reflects challenges of contested environments and the benefits of advancing energy-related technologies and practices. Through the Department's Climate Working Group, the Military Departments adapted policy, processes, and procedures to ensure consideration of energy supportability analyses and evolving operational requirements.

With support from the Assistant Secretary of Defense for Acquisition, my office initiated a pilot program for the application of energy supportability analyses in Integrated Acquisition Portfolio Reviews (IAPRs), starting with one for the Defense of Guam. By focusing on specific groups of platforms, these analyses will better assess overall Joint capabilities, assess any risks related to the provision of energy, and enhance the identification of interdependencies outside of any single portfolio. We will support additional portfolio reviews in FY 2024 and beyond.

Installation Energy

The Department continues to make significant investments to increase the energy resilience of installations and facilities critical to generating, deploying, operating, and sustaining military

capabilities. Our FY 2025 request is focused on adapting military facilities to withstand increasingly challenging conditions and deploying advanced technologies to strengthen the ability to recover from disruptions to critical infrastructure; improving installation energy, mission, and water resilience; and modernizing Department operations to keep pace with industry.

These investments are supported by our recent and continuing efforts to develop or update installation energy policy across the Department. For example, we recently updated our policies for energy resilience planning and metrics at installations to reflect the 10 USC 2920 energy resilience requirements. These updated policies set forth energy availability standards for critical missions; directs the Military Departments to promote the use of multiple and diverse sources of energy in their planning, with prioritization of energy resources originating on the installation; encourages the use of microgrids; and favors the use of full-time, installed energy sources rather than emergency generation in their energy resilience solutions.

We are also working to harmonize the planning and assessment processes for critical missions across the Department. Approximately 430 Installation Energy Plans (IEP) are expected to be completed by the end of this fiscal year with 92% of IEPs expected to be completed by the end of FY 2025. Currently, these plans establish the basis for planning energy performance projects and provide a roadmap for integrating appropriated and public-private partnership authorities to close energy resilience gaps. Going forward, the IEPs will also document critical load requirements, lessons learned from black start exercises, and the ability of installations to withstand a 14-day energy disruption.

Black start exercises (BSE) are an important component of the Department's approach to risk assessment and for identifying gaps in our installations' electrical infrastructure. BSEs identify previously unknown interdependencies between various systems, so that we can mitigate vulnerabilities to installation critical missions and best prioritize our resilience resources. The Department is actively executing planned exercises in accordance with 10 USC 2920. To date, the Department has executed 45 exercises with over 30 BSEs planned to be completed by the end of FY 2025.

The Energy Resilience and Conservation Investment Program (ERCIP) is the backbone of the Department's energy and water resilience investments. The FY 2025 budget request includes $732.2 million ($636 million in construction projects and $96.2 million in planning and design funds) to prioritize projects that support energy resilience for critical mission requirements. The Department focuses on investments in microgrids, backup generation, and energy storage. In addition, ERCIP will continue to support a range of technologies and efforts, including clean renewable energy, energy storage systems, advanced geothermal and advanced nuclear technologies, accelerated deployment of air and ground source heat pumps, and infrastructure projects directly supporting distribution infrastructure for electrical vehicle charging stations. The Department appreciates the support Congress has provided to ERCIP as it has evolved from a conservation-focused program to one that emphasizes resilience.

Another significant part of our efforts to enhance energy resilience is improving energy efficiency and increasing the amount of carbon pollution-free electricity (CFE). Energy efficiency bolsters installation energy resilience by helping reduce the energy demand from distributed energy production resources during commercial grid disruptions. DoD and the

Federal enterprise will leverage its scale and assets to spur new CFE development and spearhead the deployment of innovative CFE technologies at scale to accelerate grid decarbonization. Additionally, DoD is currently developing onsite resilient pilot projects for emerging low-carbon technologies, including advanced nuclear energy (small modular and micro-reactors) and advanced geothermal projects to demonstrate both commercial and resilience benefits. These efforts are supported by an array of contracting mechanisms such as energy performance contracts (i.e., ESPCs and UESCs), alternative financing and power purchase agreements, enhanced use leases, and appropriated funding.

The FY 2025 request includes funding to deploy charging infrastructure that supports a transition of the Department's non-tactical vehicle fleet to zero-emission vehicles (ZEVs). The transition to ZEVs is both a response to market forces and a strategy to enhance resilience of the Department's installations and the Defense Industrial Base. While we recognize that China dominates the supply chain lithium-ion batteries–batteries that many of our critical defense systems rely upon–we are working with our partners investing in on-shoring and friend-shoring of key supply chain capabilities to evolve this paradigm and ensure our ability to access these critical batteries.

Innovation

Making the right investments in energy and environment innovation expands the Department's operational energy capabilities, reduces fuel burden in an era of contested logistics, keeps trust with the American people, and preserves vital training lands. The Department runs four energy and environment innovation programs which set the technical direction for the Department of Defense by funding the development and demonstration of mission-critical energy and environment capabilities and helping them through the acquisition process. The innovation programs focus on prototyping ahead of transition into Service programs of record and work hand-in-hand with our policy teams to ensure the DoD's defense ecosystem both supports and informs DoD initiatives at the leading edge of technology.

The Strategic Environmental Research and Development Program (SERDP) is requesting $58.8 million, and the Environmental Security Technology Certification Program (ESTCP) is requesting $136.5 million for needed investments in land and species conservation to preserve access to training areas, remediating past hazards such as munitions and PFAS, addressing supply chain resilience for key materials, and developing infrastructure adaptation and energy resilience solutions for DoD installations.

The Operational Energy Capability Improvement Fund (OECIF) and the Operational Energy Prototyping Fund (OEPF) are the Department's only joint research efforts dedicated to developing operational energy solutions for the joint force. OECIF and OEPF focus on requirements in all domains, including space, and continue to lead the nation by solving some of the most difficult problems underlying power for future Directed Energy applications, innovating to use what was once considered waste for power and energy at forward locations, investigating next-generation fuel and power sources and distribution methods for autonomous platforms and dismounted warfighters, and enabling maneuver in space.

Our $166.9 million request for OECIF and $53.6 million request for OEPF will allow these programs to continue multi-year investments in a range of critical technologies, from hybrid electric tactical vehicles that provide silent overwatch and low heat-signature capabilities, to highly efficient solar cells for extending the operational reach of crewed and uncrewed systems.

Responsible and Resilient Chemical Management

Responsible chemical management is critical to the health of our personnel and the resilience of our weapon systems and infrastructure. As such, DoD seeks to adopt innovative approaches to chemical management that result in purposeful selection of chemicals which are less persistent, bio accumulative, and toxic. We are preparing to integrate these approaches throughout the life cycle of chemical use: from the early stages of research and development to the maintenance, operation, and disposal/reuse of our weapon systems.

While we ramp up efforts to optimize the use of alternatives, we must simultaneously ensure existing critical uses are met in the interim. For example, some PFAS compounds are critical to the safe and effective operation of a range of military items from radars to missile guidance systems, medical devices, and jet engines. To understand the challenges to PFAS transitions, we are establishing policies that require improved chemical transparency in our weapon systems, researching and transitioning to safer alternatives wherever possible, engaging with the defense industrial base to understand and manage supply chain vulnerabilities, and responsibly managing the use and disposal of chemicals while seeking orderly transitions to alternatives. Potential impacts from the loss of access to mission-critical chemicals are not yet fully known, but could be both costly to address and potentially leave the Department dependent on supplies from foreign sources (e.g., India and China). We also continue to build on past successes by working with regulatory agencies and private industry to develop strategies to address these concerns, starting with actions such as identifying PFAS-containing products critical to national security and mitigating risk from their obsolescence and foreign dependency.

Environmental Resilience

The reality of a changing climate poses a range of risks to Department readiness and threatens installation resilience through dangerous heat, flooding, drought, wildland fire, and extreme weather. These conditions adversely impact training, soldier welfare, equipment performance, infrastructure performance and reliability, and place added strain on the Department's resources. The 2022 National Security Strategy recognizes climate change as a strategic challenge that is transforming the context in which the Department operates. Using the DoD Climate Assessment Tool, as required in multiple NDAAs, we identify actions needed to ensure the continuity of missions at (or deploying from) our installations and incorporate those actions into installation master plans, installation resilience plans, installation energy and water plans, and construction projects. This helps us ensure, for example, that new buildings are not being located in known floodplains, that energy resilience projects account for increasing heat, that wildfire management is incorporated in facility planning, and that drought-prone installations improve their water resilience to support their missions. These assessment processes have now expanded to inform Department operational planning considerations for forces and equipment and wargaming

scenarios. Additionally, DoD's approach to extreme weather and climate risk assessment has been shared with, and is being utilized by Federal interagency partners, as well as allied nations.

The Department is undertaking a range of measures that reduce risk in contested environments, improve and expand operational capabilities and flexibility, and improve installation resilience, while reducing energy demand and use. These efforts include a range of efficiency measures that reduce energy demand for operational platforms and installations such as winglets on large aircraft and highly efficient heat pumps in buildings. Specific attention is being given to deploying installation-scale micro-grids and tactical micro-grids at the operational level to add resilience to key mission requirements and enhance mission assurance. The Department, in concert with other agencies such as DOE, continues to invest in researching new technologies that promise to reduce vulnerabilities, expand environmental protections, add operational capabilities, and reduce GHG emissions.

Environmental Conservation and Compatible Development

DoD lands contain significant resources supporting our nation's natural and cultural heritage, including resources important to American Indian, Alaskan Native, Native Hawaiian Organizations, and other Indigenous Peoples. DoD lands provide habitats for over 550 plant and animal species that are federally protected under the Endangered Species Act, contain over 130,000 recorded archaeological sites, and 41 National Historic Landmarks. We are requesting $703.7 million in conservation funding, which will allow us to manage these resources in compliance with applicable Federal statutes to create healthy and resilient natural landscapes that reduce climate risks such as flooding and wildfire.

The condition of the lands and waters on and off installation affects test and training access, while also impacting numerous mission-essential considerations, including flight hazards, wildland fire resilience, drought resilience, flooding, and water quality and quantity. The lands and waters that enable and support military readiness, the Department's natural infrastructure, are changing rapidly due to changing development patterns and climate change. Without sustained strategic investment and management, DoD natural infrastructure can be degraded or eliminated, resulting in loss of mission-essential support. To address these challenges, the Department is developing a Resilient Natural Infrastructure Strategy which will build on current successes and guide its actions to ensure that the DoD can identify and reduce threats to mission-essential natural infrastructure. Through integrated on and off-installation land management, conservation, and restoration the Department will ensure the natural infrastructure needed for military readiness while optimizing outcomes to create numerous co-benefits including climate mitigation and livable, healthy and resilient defense communities.

The DoD Legacy Resource Management Program, or Legacy Program, plays an integral role supporting the conservation and resilience of the lands and resources under the Department's stewardship. It supports the military's combat readiness mission by ensuring continued access to the 26.9 million acres of military land, air, and water resources needed to accomplish vital testing, training, and operational activities. Since its establishment in 1991, the Legacy Program has funded over 3,300 projects, totaling more than $400 million, and benefiting over 300 military installations, worldwide.

The Legacy Program works in close coordination with the Military Services, as well as in partnership with other Federal and state agencies, non-governmental organizations and academia, to identify the most pressing conservation challenges. These interactions allow the Legacy Program to strategically invest in targeted projects to support military mission readiness, more efficiently meet regulatory requirements, and improve the effectiveness of DoD conservation programs.

One such partnership is the Recovery and Sustainment Partnership (RASP) with the Department of the Interior (DOI) and the U.S. Fish and Wildlife Service (FWS). Through this partnership, DoD and FWS have identified priority species and conservation actions, resulting in significant improvements to species recovery and conservation, regulatory efficiencies, and mission flexibility. These investments in conservation are making significant progress towards alleviating existing or potential mission restrictions by promoting species recovery. In FY 2023, six endangered species were declared recovered and de-listed from the Endangered Species Act due to the conservation efforts of DoD and its partners. To build on and broaden the numerous successes and innovations achieved to date in enhancing species conservation and recovery while sustaining military readiness, DoD and DOI renewed our Memorandum of Understanding on February 2, 2024 to support the continued partnership and collaboration under the RASP.

The Department has a similar track record as stewards of our nation's cultural heritage. The National Historic Preservation Act (NHPA) requires that any Federal agency "ensure that historic property under the jurisdiction or control of the agency is identified, evaluated, and nominated to the National Register of Historic Places (NRHP)". To date, DoD has surveyed 49% of its land (approximately 10 million acres) and 71% of its real property assets over fifty years of age (approximately 95,000 assets). Additionally, in the next two decades, approximately 80% of the current DoD building inventory will reach 50 years of age and need to be evaluated for listing on the National Register of Historic Places. To reduce this backlog, DoD launched the Nationwide Approach to NHPA Section 110 Surveys Program in FY 2023 to increase the DoD surveyed land portfolio and meet NHPA requirements. The DoD's Cultural Resources Program, with funding provided by the Legacy Program, has established a partnership with the National Preservation Institute (NPI) to provide funding for a nation-wide effort to identify and evaluate historic properties. This program represents a substantial investment by DoD, with the Legacy Program allocating up to $13.5M over five years. As a result, DoD will be able to survey high priority real property assets and archaeological sites to substantially improve regulatory processes, enable necessary infrastructure improvements, and support mission readiness.

Continued investments in conservation will maximize our flexibility to use our land, water, and airspace for military purposes and to address incompatible land uses beyond our fence lines and will ensure that our military and civilian personnel have the access they need to conduct mission-essential activities. Strategies to address these conservation and climate adaptation priorities can be most effective through landscape-scale initiatives to better capitalize on both our on-installation conservation programs and our off-installation conservation partnerships through the Readiness and Environmental Protection Integration (REPI) Program.

Readiness and Environmental Protection Integration (REPI) Program

The REPI Program safeguards military missions by improving installation resilience to extreme weather events and climactic changes, promoting compatible land use, and preserving critical habitats and natural resources near DoD installations and ranges. REPI is uniquely positioned to support DoD's ability to operate seamlessly across domains by stimulating mutually beneficial and cost-effective partnerships between local communities, Federal and state agencies, and non-governmental organizations.

Our FY 2025 budget request for REPI is $177.3 million, which remains consistent with the budget for the past two fiscal years. In addition to projects, this year's budget request includes funding for additional capacity to support strategic priorities in the Indo-Pacific Region, focused on partnerships with the governments of Hawai'i and Guam and local partnerships with counties, non-governmental organizations, and native organizations.

From FY 2003 through FY 2023, the REPI Program has secured over $1.4 billion in DoD funding with nearly $1.3 billion in non-Department partner contributions to protect over 1.2 million acres of land at 124 locations across 37 states and territories to preserve key operational assets, infrastructure, and capabilities. In FY 2023 alone, DoD secured nearly $165.8 million in non-Department partner contributions to protect nearly 395,490 acres, including over $12.3 million from state and local governments and conservation organizations to preserve key mission capabilities across Hawai'i, Guam, and Alaska. The combination of REPI Program funding and non-Department partner contributions helped expand project planning capacity and execution in the Indo-Pacific region to improve installation resilience, expand innovative partnerships that support mission capabilities, and enhance resource conservation and community benefits. For example, on the island of Kaua'i in Hawai'i, Pacific Missile Range Facility Barking Sands received over $5.1 million in REPI funding in FY 2023 to mitigate upland flood potential, soil erosion, and wildfire potential while restoring habitat for endangered seabirds. In addition, the restoration and protection of native forests helps to increase Pacific Missile Range Facility Barking Sands' water supply.

The REPI Program also continues to support the interagency Sentinel Landscapes Partnership between DoD, the U.S. Department of Agriculture (USDA), and the DOI. The Partnership promotes shared land use priorities and works to advance conservation outcomes in landscapes across the country where national defense, sustainable agriculture and forestry, and community resilience to climate change intersect. From the inception of the partnership in FY 2012 through FY 2022, projects across sentinel landscapes have attracted nearly $233.2 million in DoD funds, matched by nearly $938 million in funds from other Federal agencies, state and local governments, and private entities. These contributions have permanently protected over 677,000 acres of land through FY 2022 and enrolled 1,196,244 acres of land in financial and technical assistance programs in FY 2022 alone. In FY 2023, the Sentinel Landscapes Partnership achieved a significant milestone, celebrating its 10-year anniversary and the designation of three new sentinel landscapes: the South Carolina Lowcountry and the Virginia Security Corridor, which is comprised of the Potomac and Tidewater Sentinel Landscapes.

The REPI Program serves as one of the key tools the Department is using to meet strategic objectives outlined in the DoD Climate Adaptation Plan, including creating resilient natural infrastructure solutions near installations and enhancing climate adaptation through collaboration. The REPI Program helps accelerate the development of nature-based solutions through multiple funding avenues, including programs administered by the National Fish and Wildlife Foundation (NFWF). Through NFWF's National Coastal Resilience Fund and the America the Beautiful Challenge, the REPI Program has dedicated over $43.6 million in funding from FY 2020 through FY 2023 to projects benefitting DoD installations and ranges, neighboring defense communities, and habitats for fish and wildlife.

The REPI Program has seen significant success in expanding relationships with partners at all levels of government, particularly at the local level. This year, the REPI Program worked closely with state and local governments and organizations, such as the National Association of Counties, the Association of Defense Communities, and the National Association of Conservation Districts to build stronger local partnerships with defense communities to advance climate resilience, quality of life, and community engagement objectives that directly support military readiness.

OTHER PROGRAMS AND INITIATIVES

Retention of Critical Training Land in Hawai‘i

The relationship between the U.S. Military and Hawai‘i has been a critical piece of U.S. military and diplomatic strategy for over 125 years. Hawai‘i's strategic location in the Pacific, unique training and port areas, and support for critical defense missions make it a cornerstone of our posture in the Indo-Pacific region. In support of this indispensable defense mission, the Military Departments lease approximately 53,000 acres of land across five islands in the chain. These lands, primarily adjacent to U.S.-owned installations, provide ideal locations for specialized defense capabilities, multi-domain operating areas to generate future force readiness, and training ranges that our Joint Force leverages with allies and partners.

The Department recognizes that past incidents, particularly the fuel and concentrated Aqueous Film Forming Foam (AFFF) spills at the Red Hill Bulk Fuel Storage Facility (RHBFSF) and the diesel spill at the Maui Space Surveillance Complex, have resulted in a severe and worsening loss of public trust between the DoD and Hawai‘i's people. This situation presents exceptionally challenging conditions for DoD negotiations with the State to retain the use of these critical training land. Senior leaders are working to engage consistently, respectfully, and transparently to repair relationships and build trust.

As a testament to the Department's commitment to the people of Hawai‘i, in December 2023, the Department safely completed the removal of over 104 million gallons of bulk fuel from the Red Hill storage tanks and began the process of removing the remaining fuel from the pipelines and closing the RHBFSF. While there is still a long way to go with removing the residual fuel, tank cleaning, closure, and ultimate decommissioning of Red Hill, the Department is committed to the

long-term continued environmental recovery and revitalization of the Red Hill Drinking Water Shaft to ensure safe drinking water at Joint Base Pearl Harbor Hickam.

Additionally, in 2023, in partnership with the Governor of Hawai‘i, the Department awarded a $3.2 million capacity-building grant to the State of Hawai‘i. Awarded through the Office of Local Defense Community Cooperation, this effort will aid the State in increasing its capacity to work with the DoD on a range of issues, to include the compatibility of the Department’s land retention efforts relative to Hawaiian land use concerns and economic needs.

In January 2024, the Deputy Secretary took measures to enhance our collaboration with the people of Hawai‘i to protect and preserve the Hawaiian lands on which we operate and to build and maintain trust with the people of Hawai‘i. At her direction, the Department is establishing a Hawai‘i Coordination Cell for Energy, Installations, and Environment, which will be dedicated to synchronizing communication and engagements with state and local officials and the public on matters related to DoD’s use of the lands in Hawai‘i. The Hawai‘i Coordination Cell will be integral to strengthening partnerships and relationships that enable the continuation of the critical military missions in Hawai‘i, which are vital to the U.S. military strategy in the Pacific and our national strategy to promote stability in the region.

Of the approximately 53,000 acres of land leased by the Military Departments, about 44,000 acres will expire within seven years. The Military Departments are seeking to negotiate new property agreements for 22 separate parcels, including training areas, main cantonments, support areas, and easements (including ocean area), before their expiration in 2028, 2029, and 2030. The Department is committed to being comprehensive and open with the public as the Military Departments negotiate land acquisitions. On October 27, 2023, the Army provided in-person testimony to the Board of Land and Natural Resources on the Army’s proposed training land retention on the islands of O‘ahu and Hawai‘i. The Navy and Air Force have also begun public outreach for their land retention requirements. The expected timeline for reaching new property agreements is 5-7 years because of the lengthy and robust environmental compliance and real estate due diligence requirements. Through consistent public actions that support and benefit the State of Hawai’i and the military, the Department will continue building relationships and set the conditions today to enable productive negotiations.

Construction on Guam

The Department has several upcoming key posture actions in Guam that will require historic levels of military construction, including the relocation of Marines from Okinawa, the Integrated Air and Missile Defense of Guam, and Polaris Point expansion. This massive construction surge for posture initiatives includes repair requirements due to damage sustained from Typhoon Mawar. The rise in military construction requirements, complicated by labor and material constraints and the tyranny of distance, drove the Department to take a holistic look at its approach to supporting construction in Guam.

In the past year, the Department completed a construction capacity assessment examining limitations imposed by workforce, port capacity, and utility constraints, among many other factors. Through the effort the Department determined that sufficient capacity exists to support

several billion dollars of construction at any given time. This capacity to execute mission-essential construction was only possible with the help of Congress passing the FY 2024 NDAA provision that provided DoD construction contractors with a stable H-2B visa workforce through December 31, 2029.

The Department is now working towards integrating and synchronizing the Military Department, Defense Agency, and DoD Field Activity military construction to ensure the Department is delivering the right capabilities and quality of life improvements to the warfighter on time. The goal is to have an adaptable tool that identifies mission need dates, mission dependencies, programming and design requirements, environmental considerations, climate, and other requirements to inform the Department's future infrastructure investments.

The Department has additionally made great strides in codifying its oversight structure for all things energy, installations, and environment in Guam. In December 2023, the Deputy Secretary appointed the Under Secretary of the Navy as the senior defense official for Guam and co-chair, with the Under Secretary of Defense for Acquisition and Sustainment, of the Guam Synchronization Oversight Council (GSOC). The GSOC provides the strategic direction and alignment for the various strategic efforts underway in Guam. One of the main tasks assigned to the GSOC by the Deputy Secretary is the oversight of the military construction program on Guam, which the Department's construction synchronization effort will inform.

The Office of Local Defense Community Cooperation

The Office of Local Defense Community Cooperation (OLDCC), in coordination with the other Federal agencies, delivers a program of technical and financial assistance to enable states, territories, and communities to plan and carry out civilian responses to workforce, business, and community needs arising from Defense actions; cooperate with their military installations and leverage public and private capabilities to deliver public infrastructure and services to enhance the military mission; achieve facility and infrastructure savings, as well as reduced operating costs; increase military, civilian, and industrial readiness and resilience; and support military families.

OLDCC's program portfolio is presently comprised of 250 grants, exceeding $1.5 billion, and represents partnerships between the Department and most states, territories, and communities, supporting over 260 Department of Defense installations.

The OLDCC Installation Resilience Program assists states, territories, and communities in identifying man-made or natural threats alongside their installations as "one community" and assessing the public and private infrastructure and services necessary to sustain our installations and communities, including housing, education, critical infrastructure, and healthcare. For housing, this program looks at its resilience for Service members and their dependents through targeted business-case studies and planning activities. This effort also includes tabletop exercises to gauge civilian and uniformed first responders' ability to respond to disasters and catastrophic events. In FY 2023, OLDCC enabled 17 of these locally-led exercises. Once an installation-community team performs these assessments, they can collectively identify opportunities for future projects to preserve and enhance mission resilience and assurance. Moving forward, these

tabletop exercises will better incorporate federal partners and installations to help identify and prioritize critical infrastructure needs.

The Department is requesting $50 million for the Defense Community Infrastructure Program (DCIP), which aims to enhance military value, cadet training at covered educational institutions, installation resilience, and military family quality of life by responding to deficiencies in community infrastructure around military installations. DCIP also incorporated the consideration of Defense Critical Infrastructure (DCI) starting in FY 2024. Between FY 2020 and FY 2023, OLDCC awarded 65 projects representing $300 million in federal funding and $251.7 million in non-federal funding through this program.

OLDCC has also been an active partner with the State of Hawai‘i, Territory of Guam, and the Commonwealth of the Northern Mariana Islands (CNMI).

In Hawai‘i, programs of assistance include redeveloping twelve public schools on the Island of O‘ahu through the Public Schools on Military Installations program; coordinated planning on climate-related resiliency and energy availability through an Installation Resilience project for Marine Corp Base Hawai‘i and its surrounding community; and two DCIP infrastructure projects on the Island of Hawai‘i in support of emergency response and preparedness for the community and in support of Pōhakuloa Training Area.

In Guam, OLDCC works closely with the Territory to seek funding for infrastructure upgrades directly and indirectly associated with the Department’s basing needs. This includes identifying and jointly undertaking further enhancements as requirements evolve, and Federal investments in Guam’s other socio-economic needs. To date, OLDCC has funded $490.1 million in Guam civilian infrastructure projects supporting improvements to the Territory’s road network, upgrades to Guam’s wastewater treatment facility and systems, construction of a cultural repository to curate artifacts unearthed as a result of DoD activities, and the pending construction of a level 2/3 bio-security testing facility, providing the capability on the Territory to test samples and ensuring the health, safety, and general welfare of the Territories military and civilian population.

OLDCC has also partnered with the CNMI to collaboratively address, resource, and sustain direct and indirect support that enables the Commonwealth, its citizens, and our military to prosper and respond to tactics deployed by the People’s Republic of China. Since 2016, OLDCC has provided programs of assistance to the Commonwealth Office of the Governor, totaling over $18 million in grant assistance. This includes over $4.2 million last year to support efforts to formulate methods to secure, bolster, and enhance the Commonwealth's Information Technology infrastructure; initiate a structured economic analysis and decision-making methodology to enhance and ensure the Department's resilience in the Indo-Pacific; and enhance capacity of the Commonwealth Office of the Governor that supports, facilitates, and sustains effective and responsive communications.

OLDCC is currently working with the Commonwealth to provide technical assistance to conduct comprehensive needs assessments for infrastructure on Saipan, Rota, and Tinian, with specific focus on seaports, airports and power plants; implement a resilient and secure IT infrastructure;

and support whole-of-government collaboration to enhance intermodal transit within the Commonwealth.

Finally, in working with communities across the country, the Department believes there is more that can be done to support the modernization needs of the local defense industrial base and installations. The Department stands ready to work with Congress to find ways to address this need to not only support communities that contribute greatly to defense missions on installations, but also to enhance the capabilities and resilience of the defense industrial base and the defense industrial workforce.

Military Aviation and Installation Assurance Siting Clearinghouse

The Military Aviation and Installation Assurance Siting Clearinghouse continues to protect the Department's ability to train, test, and operate as the nation expands its renewable and other commercial energy and power transmission capacity. Among these energy projects, commercial wind development typically poses the greatest compatibility challenge to DoD due to physical obstruction of low-level flight routes and electromagnetic interference with DoD radar systems. DoD resolves project concerns though collaboration between the Clearinghouse, the Military Departments, local communities, states, and energy developers, thereby maintaining the Department's ability to train, test, and operate while enabling development of alternative energy resources. The Clearinghouse negotiates Mitigation Agreements with wind energy developers to minimize the impacts from proposed projects on DoD missions.

The Department works with the DOI, the Bureau of Ocean Energy Management (BOEM) and states to create plans that support aggressive new offshore energy development goals. The Department works with its Federal, state and industry partners at every stage of planning, permitting, and development. DoD is an active partner in the search for compatible leasing off the Central Atlantic Coast, including a new round of leasing just getting underway in 2024. As part of this effort, the Clearinghouse has initiated studies of offshore wind impacts. DoD has also collaborated in offshore development planning throughout the Atlantic, Pacific, and Gulf of Mexico. In each case, the Department collaborates to protect national security while allowing compatible development.

The Department is actively implementing new approaches to protect DoD missions. The Clearinghouse intensified efforts to advocate for state-level legislation to protect military installations and operations from incompatible wind energy development. Although DoD and developers have had success resolving issues related to incompatible energy development, state support is invaluable in the rare cases where developers choose not to voluntarily coordinate with DoD. The Clearinghouse is developing geographic areas of concern that will alert industry to areas of extreme military compatibility challenges.

Native American Lands Environmental Mitigation Program

The Native American Lands Environmental Mitigation Program (NALEMP), codified under the FY 2021 NDAA, addresses environmental effects of Department actions on Indian lands and other locations where the Department, an Indian Tribe, and the current landowner agree that such

mitigation is appropriate. NALEMP is requesting $20 million to mitigate these environmental effects, which are typically associated with hazardous materials, munitions debris, underground fuel storage tanks, unsafe buildings, lead-based paint, asbestos, and abandoned equipment. Most Indian lands are located in rural and remote areas with low population densities; thus, they might not qualify as high priority sites under the Department's more limited environmental restoration programs. NALEMP seeks to bridge the gap between Tribal needs and these traditional risk-based environmental restoration programs and incorporate Tribal priorities to address potential impacts to Indian lands.

To date, over one-hundred sites in the continental 48 states and Alaska have been fully mitigated. Ninety-five percent of the 1,160 potential Tribal impacts reported to the Department have been assessed and 161 have been found eligible for NALEMP and 128 impacts are under review. In FY 2023, the Department executed a total of 14 NALEMP cooperative agreements (CA), of which nine CAs were with Alaska Native Tribes and five with American Indian tribes in the continental 48. By the end of FY 2024, the Department will execute an additional 14 CAs, of which 12 will be with Alaska Native tribes and five American Indian Tribes in the continental 48 states.

Environmental Justice

The Department of Defense (DoD) supports the Administration's efforts to take a more active federal role to address Environmental Justice (EJ). We have long recognized that in order to sustain the defense mission, we must build trust and community resilience through partnerships that safeguard healthy, secure, and vibrant natural and human environments for our neighbors, our Service members, and their families.

With the issuance of EO 14008 Tacking the Climate Crisis at Home and Abroad and EO 14096 Revitalizing Our Nation's Commitment to Environmental Justice for All, the Military Services have been proactive in revising their policies and guidance to improve early engagement with disadvantaged communities and Tribal Nations affected by Federal actions. In partnership with the Council on Environmental Quality and other Federal agencies, we have developed tools that will enhance our mapping and analysis of climate change impacts to communities and developed a strategic framework for achieving climate change adaptation and resilience that address 5 lines of effort, including EJ. The DoD will take into account equality in our investments in military families and communities, implement training for service members and civilian specialist in EJ literacy, strengthen Government-to-Government relations with Tribal Nations, and leverage existing public-private partnerships to support infrastructure and environmental enhancements in communities adjacent to the Department's installations.

CONCLUSION

Thank you for the opportunity to discuss DoD's Fiscal Year 2025 budget request supporting our energy, installations, and environment programs. We appreciate Congress' continued support for our enterprise and look forward to working with you.