

April 9, 2014

Consolidated Statement
Chairman Tim Johnson
Military Construction and Veterans Affairs and Related Agencies FY 2015 Budget Hearing
FY 2015 Navy and Air Force Military Construction Budget Request

Good afternoon. This hearing will come to order. I welcome everyone to today's hearing to discuss the President's FY 2015 budget request for Military Construction and Family Housing for the Departments of the Navy and the Air Force.

We will have two panels of witnesses today. The first panel, representing the Navy, includes:

- The Honorable Dennis McGinn, Assistant Secretary of the Navy for Energy, Installations and Environment;
- Vice Admiral William French, Commander, Navy Installations Command; and
- Major General Juan Ayala, Commander, Marine Corps Installations Command, Assistant Deputy Commandant for Installations and Logistics.

We welcome you to this hearing, and we look forward to your testimony.

The keyword we have heard over and over in discussing the President's FY15 MilCon request is "risk." DOD and each of the services have acknowledged that in order to meet FY15 Defense budget constraints, MilCon has been the prime target of cost-cutting measures. As a result, the DOD's FY15 MilCon request is more than 40 percent below the FY14 request.

This is troubling for all of the services, but it is particularly worrisome for the Navy and Marine Corps, which face a bow wave of MilCon requirements over the next few years to meet new mission requirements aligned with DOD's pivot to the Pacific area of responsibility.

The Navy's Future Years Defense Program, or FYDP, which includes the Marine Corps, projects a MilCon expenditure of well over half a billion dollars in FY17 and 18 to accommodate the buildup in the Pacific. This will only make it more difficult to play catch-up ball with current and emerging mission requirements not only in the United States but also in other critical overseas locations. These include Africa, where the only U.S. enduring location is Camp Lemonnier in Djibouti; Europe, where Sigonella Naval Air Station in Sicily is the jumping-off point for emerging North Africa operations; and Southwest Asia, where Bahrain naval base is the headquarters of the Navy's Fifth Fleet.

As I have noted before, we all understand the imperative of maintaining the operational readiness of our military forces. MilCon, as well as facility Sustainment, Restoration and Modernization, or SRM, is an easy target because facilities do not decay overnight. But MilCon

provides the foundation for the training of forces and maintenance of equipment that leads to operational readiness. Without sustained and adequate investment in MilCon and SRM, at some point, readiness will be compromised.

And this does not scratch the surface of quality-of-life MilCon investments, such as barracks, schools, hospitals and child care centers, which tend to be the first casualties of a lack of MilCon investment.

Our second panel of witnesses, representing the Air Force, includes the following:

- The Honorable Kathleen Ferguson, Principal Deputy Assistant Secretary Performing Duties as Assistant Secretary of the Air Force for Installations, Environment, and Logistics;
- Major General Maryanne Miller, Deputy Chief, United States Air Force Reserve; and
- Brigadier General James Witham, Deputy Director, United States Air National Guard.

The Air Force MilCon budget request has been whipsawed for the past few years between what I would call feast and famine, rebounding last year from a dismally low request in FY13. Unfortunately, this year, it appears that the budget request is slipping back into famine territory. The FY15 request for active and reserve MilCon is \$956 million, which is 28 percent below the FY14 request.

I recognize the budget realities that the Air Force is facing, but I am concerned that a repeated pattern of starving investment in key MilCon missions could cripple the ability of the Air Force to respond to the total spectrum of future threats.

To take just one example, the Air Force FYDP includes nearly \$400 million from FY16 through 19 for the Pacific Airpower Resiliency Initiative in support of DOD's rebalance to the Pacific. That mission alone could overwhelm the Air Force MilCon budget, leaving inadequate resources for other key missions, such as cyber warfare facilities, both in the U.S. and overseas.

I understand that the Air Force is a strong proponent of another round of base closures to address current budget shortfalls. Demolishing or repurposing excess buildings is a prudent use of resources, but wholesale base closure in and of itself is not a budgetary cure-all. I am concerned, as are many of my colleagues, that closing key bases and eliminating core missions simply to satisfy near term budget constraints is a shortsighted solution that could have long term implications on national security.

I look forward to discussing how the Navy and Air Force are planning to accommodate compelling and competing military construction requirements in what promises to be an extended period of constrained Defense spending.