NOT FOR PUBLICATION UNTIL RELEASED BY THE SENATE SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS, and RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS

STATEMENT OF

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BEFORE THE

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

OF THE

COMMITTEE ON APPROPRIATIONS

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Introduction

Chairwoman Murray, Ranking Member Boozman, and distinguished members of this Subcommittee; I appreciate the opportunity to discuss the Marine Corps' FY24 military construction budget request. Thanks to the strong support we have received from Congress, the Marine Corps continues to improve both the quality and resilience of our installations to train Marines, maintain combat readiness of our units, and ensure our families have the services they deserve.

First, I would like to express sincere gratitude for the funding provided for the Marine Corps' FY23 military construction program. Through your support, our FY23 enactment was \$634M above the requested \$1.2B. These funds will accelerate improvements to Quality of Life across our installations, support for Marine Corps Force Design initiatives, and the rapid growth of our INDOPACOM posture. Each of our seven FY23 projects located west of the International Date Line and within the Second Island Chain, were fully funded to address cost increases. These critical infrastructure projects will enhance the Marine Corps' ability to meet the challenges presented by current and future threats. Additionally, six barracks projects were funded in FY23 aboard Kadena, Parris Island, San Diego, and Marine Corp Base Hawaii. These will improve the living conditions for thousands of our single Marines. The FY 2023 enactment also provided planning and design funds for Child Development Centers at various locations and construction funding for a Child Development Center project at Camp Pendleton. All of these projects will have a positive impact on our talent management initiatives for retention of our best Marines.

Making Our Installations Ready for a Contested Environment

Since we last met in May of 2022, our Commandant published Installations and Logistics 2030 (or I&L 2030) within the family of Force Design 2030 reports. I&L 2030 outlines the Service strategy for configuring and enhancing future logistics capabilities to sustain the force in the 21st century in terms of five objectives: enabling global logistics awareness, diversifying distribution, improving sustainment, making our installations ready for a contested environment, and creating logistics and installations professionals for the 21st Century. This document emphasizes that our smart, resilient, and networked installations will provide stand-in forces with enhanced capabilities to recover quickly from attack, persist in contested spaces, and sustain distributed formations across multiple axes.

Each of our bases and stations is a power projection platform integral to generating readiness and sustaining combat power. The Marine Corps' overseas installations are especially critical as advanced naval bases in support of naval and joint operations. This infrastructure must be properly maintained to prevent degradation of our capability to train and generate readiness for global employment to support mission-essential tasks. The readiness of this infrastructure is measured in terms of the physical condition of our buildings, as well as in terms of optimal global posture of the force and the associated resilience against the impacts of enemy action, extreme temperature, and severe weather events. We must have resilient infrastructure, both in CONUS and abroad, to enable delivery of capabilities from across the service enterprise.

Resilience efforts require hardened critical infrastructure to maintain support to the force across the competition continuum and before, during, and after deployment. Increasing the capability and capacity of our installations underpins our forward presence. In this new environment there is no sanctuary, and our bases require modernization against future threats

ranging from conventional kinetic attack to cybersecurity breaches to damage from extreme weather events.

FY24 Military Construction Budget Request

To meet these challenges of the future operating environment, the Marine Corps has requested \$1.3B for military construction projects in FY24. This budget request supports the National Defense Strategy, SECNAV's Strategic Guidance, and long-term implementation of the Commandant's modernization strategy. This year's request reflects a balanced approach that includes the following investments:

- Quality of life projects including one barracks for Marine Barracks Washington, and three projects in Guam for a new Child Development Center, recreation center, and a religious ministries facility.
- A critical water treatment facility infrastructure upgrade aboard MCB Quantico.
- A multi-level Marine Corps Cyberspace Warfare Group operations and training facility necessary to improve our ability to conduct and coordinate all-domain warfare.
- The construction of four new range communication towers, plus the recapitalization and repair of seven existing range communication towers aboard our premiere training facility in 29 Palms, California. This project supports Project Tripoli an immersive all-domain live, virtual, and constructive training environment that represents the current and future battlefield and threat.
- Specially configured space to support the maintenance and operations of the nextgeneration, multi-role Ground/Air Task-Oriented Radars (G/ATOR) system located in Dam Neck, Virginia.

 Modernized maintenance facilities and Aircraft Hangar space at MCAS Cherry Point to complement the multi-year, multi-billion dollar Marine Aviation Plan supporting the Marine Aircraft Wing and the Navy Fleet Readiness Centers, so essential to aviation readiness.

Today, more than 32,000 Marines are forward-deployed or stationed across 50 countries. More than 25,000 of those Marines are currently forward-postured west of the International Date Line and positioned to respond to activity by our pacing threat. To bolster our persistent presence in the Indo-Pacific, the FY24 MILCON budget includes eight projects, valued at over half a billion dollars in the region. Seven of these account for the relocation of Marines from Japan to Guam and nearly half of those are quality of life investments, designed to accommodate the phasing and sequencing of 5,000 Marines and their families from Okinawa to Guam beginning in FY24. Within our family housing construction budget, funding is requested to construct 57 new homes for those families. An additional \$9.6M is included in the FY24 budget request for related planning and design that will facilitate subsequent phases of family housing construction specifically on Guam. Funding modern and resilient infrastructure in the Pacific is critical, so that Marines are postured in a fighting stance for crisis response and campaigning.

The Marine Corps, and the Department writ large, have several upcoming key posture construction initiatives in Guam and the Commonwealth of the Northern Mariana Islands ("CNMI") that require historic levels of military construction. While Guam ranks third highest nationally in construction workforce per capita, the current military construction demands require a workforce more than twice as large as the local construction workforce. The anticipated levels of future military construction will further exacerbate consistent labor shortages that, if left unaddressed, will render us unable to meet baseline needs. To ensure that our construction

contractors have a stable workforce for military realignment projects, we are seeking Congressional support for H-2B visa "temporary need waiver" extension through December 31, 2029 at a minimum. We appreciate Congressional support in the FY23 NDAA that pushed the expiration of this waiver out to December 31, 2024; however, temporary need waiver extension out to 2029 is needed to meet DoD's construction requirements and deliver critical military construction projects on time. In the absence of this waiver, the Marine Corps specifically anticipates program cost increases between \$1.1B and \$1.5B, and bid busts beginning in FY25.

Quality of Life

The quality of life of our Marines, Sailors, and their families, is integral to the readiness and effectiveness of our force. The Marine Corps recognizes the critical importance of our child development centers, family housing, and unaccompanied housing portfolios. These quality of life programs are also vital components to enabling retention of our all-volunteer force and supporting Service-wide talent management efforts. As talent management efforts drive the Service toward a more mature force, the Service will ensure quality of life related infrastructure and support evolves to meet the needs of Marines and their families.

Barracks are among the most clear-cut quality of life investments we can make for our single Marines. This is about taking care of our people, and it impacts retention. The Marine Corps possesses 672 barracks with approximately 155,000 bed spaces. On average, those barracks are 32 years old and many are in need of renovation. At present, 16% or 108 Marine Corps barracks are in poor (Q3 on the facilities conditions index ratings) or failing (Q4) condition. In FY22, we renovated 14 barracks for a total cost of \$118M to improve the quality of life for 3,353 Marines. In FY23, we are renovating 16 barracks for a total cost of \$262M to

improve the quality of life for 4,763 Marines. The Marine Corps' FY24 FSRM request of \$1.3B will enable us to continue improving the quality of life of our Marines through restoration and modernization of assets we already own. These efforts in this budget cycle complement our FY24 MILCON request for \$131M to build a new barracks aboard Marine Barracks Washington. This approach of using a combination of the funding levers: Facility Sustainment (FS), Restoration/ Modernization (RM), MILCON, and Demolition, as informed by our Facilities Investment Strategy, will improve the condition of our barracks over time.

For our Marine families, another critical tangible military construction investment is in our childcare facilities. The Marine Corps has 58 childcare facilities (32 CDCs and 26 School Age Care facilities) within our inventory. Using FY23 MILCON funding we are completing a CDC project aboard Camp Pendleton that will support 250 additional children. The FY24 budget request includes a 34K square foot Child Development Center in Guam that will provide full and part-day developmental childcare services for 276 children from age six weeks old through five years old. It is worth noting that the service's biggest challenge with respect to CDCs remains the ability to obtain and retain a stable workforce to staff these facilities, although this falls outside of the Military Construction portfolio. We are using several initiatives to improve the workforce and provide options for off-base child care benefits:

- Implementation of the \$15 minimum wage and further increases to employee salaries to offer competitive pay, diminish waitlists, and reduce turnover.
- A CDC employee recruitment and retention incentive went into effect in October of last year. CDC employees with enrolled children receive a 50% childcare discount for their first child and 20% for any subsequent children. This has positively impacted approximately 590 families.

• The Off Base Child Care Fee Assistance Program is a benefit that assists with the cost of community-based childcare for all qualified Marines living in civilian communities throughout the United States. It is designed to help families fund care off base when military-operated CDC care is unavailable due to distance or waitlist, and makes up the difference between base CDC care rates and higher rates at off-base centers. In FY22, the Marine Corps provided \$5 million in fee assistance payments to 1,041 families that enabled childcare for 1,356 children.

The Marine Corps is requesting \$117M in Child and Youth Program funding in FY24 to sustain these initiatives and account for increased participation. We appreciate the attention and support of this committee, and the broader Congress, for our CDC Program, the invaluable team that comprises it, and the families that count on it.

Family housing remains a focus. The Tenant Bill of Rights has been fully implemented at all Marine Corps installations securing essential protocols between our Marine families and the public private venture partners in our housing communities. These rights include a universal lease, dispute resolution process, seven-year maintenance summary, and a penalty to withhold rent from the partner if the partner does not fix the housing problem. The Marine Corps continues to hold our housing partners accountable through tenant satisfaction surveys, incentive fees, and third-party inspections. We are working through the Department of the Navy to enforce the terms of our business agreements, and with our PPV partners to ensure that our housing is safe and meets the needs of our residents through our local Military Housing Offices. The Marine Corps has requested over \$201M in family housing construction and operations in FY24, of which the largest investment will be \$121M to construct 57 family housing units in Guam. This request also sustains funding for the 167 Base Housing Management professionals, who

provide the necessary oversight of over 23,000 PPV homes in CONUS and Hawaii for our Marine families.

Installation Resilience

The Marine Corps views installation resilience through an operational readiness lens: resilient installations are the platforms that enable operational readiness. This resilience rests in the ability to maintain reliable access to critical functions, such as an effective power grid, clean water distribution, and communications capabilities, as well as the ability to train and equip Marines, and care for Marines and their families. Understanding that training and operations must continue even when there are extreme weather events, the Marine Corps has implemented several initiatives to ensure that installation resilience requirements are understood and appropriately prioritized.

Using available funding provided by Congress in Section 129 of the FY23 Omnibus Appropriations Act, we can now execute three unspecified minor construction projects that will provide new potable water transmission lines aboard range support facilities near Marine Corps Air Station Beaufort, improve much needed road infrastructure in Camp Lejeune, and construct sewage lift stations in Japan. Along with higher value infrastructure investments, such as the FY24 request for a Water Treatment Facility in Quantico, these critical infrastructure projects are not only appreciated, they are essential to the life, health, and safety of the Marines and families that call our installations home.

In terms of energy resilience, we continue to plan and develop the infrastructure needed to increase the use of Electric Vehicles (EVs) aboard our installations. Employment of Electric Vehicle Supply Equipment (EVSE) is critical to our ability to operate EVs across the Marine

Corps non-tactical vehicle fleet. The Marine Corps currently has 118 EVSE permanent charging ports, of which 109 are located in California. We are also experimenting with mobile EV charging stations to assess the opportunities available for non-tactical vehicle use. The Marine Corps is implementing an EVSE Site Planning Initiative that includes evaluating potential charging sites, determining infrastructure upgrades and charging station requirements, and then developing project plans, designs, and cost estimates. We have completed 7 of 10 EVSE site assessments aboard installations and expect to complete all 10 by this August. Building upon these assessments, the Marine Corps will invest approximately \$30M in EVSE infrastructure in FY24.

Recent infrastructure investments include projects that reduce reliance on fossil fuels and off-base energy grids. For example, Marine Corps Logistics Base Albany became the first Marine Corps Net Zero Installation late last spring: the base generated more power through green energy sources than it consumed in calendar year 2021, and provided 7.9 MWh back to the local grid. The transition to Net Zero has improved the resilience of the base while reducing reliance on traditional energy sources and cutting back on greenhouse gas emissions. MCLB Albany has led the charge, both as a Net Zero installation and also in electrifying their non-tactical vehicle fleet. They have worked with Georgia Power to leverage the partner's "Make Ready" program for the installation of electric vehicle chargers in support of an all-electric fleet. This cost share equates to \$1M provided by GA Power and \$1.2M provided by Albany which funds the chargers and additional electrical system upgrades such as transformers and meters and continues a history of collaborative partnership with local stakeholders.

Aboard MCAS Miramar we built a microgrid system that provides complete energy resilience for the installation in the event that the base is disconnected from the power grid. In

August of last year MCAS Miramar used its innovative microgrid technology to island the installation in support of the San Diego community to avoid a real power emergency. Naval Facilities Southwest ran the microgrid power plant for five hours, allowing San Diego Gas & Electric (SDG&E) to reduce the load on the San Diego community electrical grid during a high demand timeframe. Additional microgrid investments located in 29 Palms, MCAS Yuma, and Parris Island will facilitate lessons from which we can make smart, resilient investments both in CONUS and overseas placing the Marine Corps on a trajectory to meet future requirements while withstanding disruptive energy events.

Building upon the success of these projects Marine Corps Base Camp Lejeune awarded a \$22 million utility energy service contract last fall with Duke Energy for the design and construction of a microgrid at the installation. The Duke Energy award leverages Energy Resilience Conservation Investment Program (ERCIP) funding to install a microgrid at Camp Johnson, a critical education and training area at Camp Lejeune. Looking to the future, the Marine Corps seeks to increase its ERCIP portfolio utilizing Installation Energy Security Plans (IESP) and Mission Assurance Assessments (MAA) to identify critical energy requirement gaps and support project development.

The Marine Corps uses a wide variety of programs, authorities, and funding sources to support community partnership initiatives beyond energy resilience projects. In particular, the Marine Corps has had tremendous success at establishing and encouraging the development of Intergovernmental Support Agreements (IGSAs), capitalizing upon the authorities provided by Congress via 10 U.S. Code § 2679. As of January 2023, 13 installations have signed 45 IGSAs providing a variety of important installation services, including clearing and grubbing, grounds maintenance, building repairs, water treatment and testing, snow removal, and roadway and

utility maintenance. These agreements are estimated to save the Marine Corps well in excess of \$2M annually, while improving quality of life, enhancing installation resilience within the community, and freeing up resources to be reinvested elsewhere in support of installation operations. The Marine Corps appreciates continued Congressional support in authorizing IGSAs that provide an invaluable vehicle for installation and community cooperation.

Another successful program for increasing resilience of Marine Corps installations is the Office of the Secretary of Defense- managed Readiness Environmental Protection Integration (REPI). Program. The Marine Corps consistently has the highest- rated REPI proposals and has used REPI effectively to safeguard our missions by improving installation resilience to extreme weather events and fluctuating climactic landscapes, promoting compatible land use, and preserving critical habitats and natural resources near our installations. For every dollar committed by the REPI program, outside partners provide a nearly equal match. Since FY 2002, the REPI program has contributed \$121M, the Marine Corps \$30M and partners \$130M to protect 105,000 acres outside of our Marine Corps installations and ranges.

Lastly, the resilience of our Marine Corps combat readiness is tied to the Marine Corps Organic Industrial Base (OIB), and the OIB requires infrastructure investment. In 2019, the Marine Corps' OIB Facilities Plan and the United States Senate Report on the Readiness of the Marine Corps OIB outlined a 25-year plan that provided a strategy to optimize existing facilities, construct new facilities, and improve workflow processes and productivity at the Marine Corps' two depot production plants and long-term equipment storage sites. Since that time, we have made adjustments to our Marine Corps structure, capabilities, and equipment tied to Force Design 2030. We are making corresponding adjustments to our OIB investment plan to appropriately modernize our depot facility infrastructure. Today, we are making significant

strides in the modernization of our depot facilities with the emergence of 5G communications that have immediate impacts on optimizing existing warehousing spaces, and improving workflow processes to reduce depot repair cycle time and increase auditability. The significant efforts for energy resilience and energy demand reduction aboard MCLB Albany are also directly tied to our depot production plant aboard that base.

Conclusion

The Marine Corps continues to undergo a significant transition in how it is organized, trained, and equipped, to meet current and evolving threats from our adversaries. In addition to developing new operating concepts, increasing integration with the Navy, and modernizing the equipment we employ, the Marine Corps' installations infrastructure must also evolve. Our operational capabilities are adapting to meet threat changes, and we need to invest in the next generation of installation infrastructure to match the Marine Corps' evolving capabilities. Thank you for the opportunity to testify before you today, and for your oversight, input, and support as we determine the infrastructure requirements that will best position the Marine Corps for mission accomplishment. I look forward to working with you to sustain our warfighting capability and the readiness of our power projection platforms.