

RECORD VERSION

STATEMENT BY

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(INSTALLATION, ENERGY, AND ENVIRONMENT)**

BEFORE THE

**SUBCOMMITTEE ON READINESS
AND MANAGEMENT SUPPORT
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**ON MILITARY CONSTRUCTION, ENVIRONMENTAL,
AND BASE CLOSURE PROGRAMS
IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST
FOR FISCAL YEAR 2014
AND THE FUTURE YEARS DEFENSE PROGRAM**

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SENATE COMMITTEE ON ARMED SERVICES**

INTRODUCTION

Chairman Shaheen, Ranking Member Ayotte and Members of the Committee, on behalf of the Soldiers, Families, and Civilians of the United States Army, I want to thank you for the opportunity to present the Army's Fiscal Year (FY) 2014 Military Construction (MILCON) and Family Housing budget request.

The Army's FY 2014 MILCON budget request supports the Chief of Staff of the Army (CSA) priority of developing the force of the future, Army 2020 as part of the Joint Force 2020 – a versatile mix of capabilities, formations, and equipment. Within the current fiscal climate, the Army Installation Management Community is focusing its resources to sustain, restore, and modernize facilities to support the CSA's Army Facility Strategy 2020 and Facility Investment Strategy priorities. The Installation Management Community is focused on providing the facilities necessary to enable the world's best trained and ready land force of the future.

We ask for the Committee's continued commitment to our Soldiers, Families, and Civilians and support of the Army's MILCON and installations programs. The Army's strength is its Soldiers and the Families and Army civilians who support them. They are and will continue to be the centerpiece of our Army. America's Army is the strength of the nation.

OVERVIEW

The Army's FY 2014 President's Budget requests \$2.35 billion for MILCON, Army Family Housing (AFH), and the Army's share of the Department of Defense Base Closure Account (BCA). The request represents 1.8 percent of the total Army budget and a 34 percent reduction from the FY 2013 request. The \$2.35 billion request includes \$1.12 billion for the Active Army, \$321 million for the Army National Guard, \$174 million for the Army Reserve, \$557 million for AFH, and \$180 million for Base Realignment and Closure (BRAC) to address environmental and caretaker requirements at previously closed BRAC sites. In addition and in support of Army installations and facilities, the President's budget request includes \$1.7 billion for

installation energy, \$789 million for environmental programs, \$3.8 billion for Facilities Sustainment/Restoration & Modernization (FSRM), and \$8.9 billion for Base Operations Support (BOS).

The budget request reflects a return to pre-FY 2000 spending levels for the MILCON accounts. From FY 2001 through FY 2011, the MILCON program grew rapidly to support the changes required of the Army at that time. The Army supported combat operations in two theaters, increasing end-strength, the Global Defense Posture Realignment (GDPR), the operationalization of the Reserve Components, and transformation of the Army infrastructure through Base Realignment and Closure (BRAC) 2005. With the fiscal reality that we are facing as a Nation, in addition to the reductions of the Budget Control Act of 2011, the Army closely reviewed its facility investments necessary to support the force with versatile facility capabilities. This MILCON budget request reflects the necessary focused investments in training, maintenance, and operations to enable the future force of the All Volunteer Army of 2020 in a constrained fiscal environment.

ARMY 2020 FORCE STRUCTURE

The Army is in the process of reducing its end-strength and force structure. We are steadily consolidating and reducing our overseas force structure. In FY 2013, the Army announced that two Brigades in Europe would be deactivated, and that V Corps would not be returning to Europe upon the completion of its deployment to Afghanistan. In coordination with the Office of the Secretary of Defense, the Army is examining cost-effective opportunities to facilitate Joint and/or multi-service infrastructure consolidation at our overseas installations, with a specific focus in Europe.

On January 19, 2013, the Army published a Programmatic Environmental Assessment (PEA), which was prepared in accordance with the National Environmental Policy Act (NEPA). The PEA analyzes the environmental and socio-economic impacts associated with two alternative approaches to reducing our force structure. In the PEA, the Army set a “stop loss” threshold so that no multi-Brigade

Combat Team (BCT) installation would lose more than two BCTs, or 8,000 total military and civilian employee personnel, under the worst-case scenario.

The force structure reduction is likely to create excess capacity at several installations. If an installation's assigned military forces are reduced significantly, it logically follows that some number of civilian personnel functions may no longer be required to support our Soldiers and Families. The Army has not yet initiated any capacity analysis to determine the level of excess infrastructure.

In line with the Budget Control Act of 2011 and the new defense strategy announced in January 2012, the FY 2013 Budget significantly reduced the Army's future funding projections. Along with the end of the wars in Iraq and Afghanistan, these changes have put the Army on a path to shrink its active duty end strength from its peak of 570,000 in FY 2010, to 490,000 by FY 2017. This is a reduction of 80,000 Soldiers, or approximately 14%, from the Active Component. As former Defense Secretary Leon Panetta stated about force reductions, "you can't have a huge infrastructure supporting a reduced force." These reductions will affect every installation in the Army. Further, these reductions are already programmed into the Army budget baseline.

Additional cuts to the Army's budget, of the magnitude associated with sequestration, may drive our active component end strength down below 490,000. If the Army is forced to take additional cuts due to the reduction in the outyear discretionary caps, we would need to reduce further the number of Soldiers out of the Active Component, National Guard, and U.S. Army Reserve. This would create even greater pressure to bring infrastructure and civilian staffing into proper alignment with force structure demands.

BASE REALIGNMENT AND CLOSURE (BRAC)

If Army force structure declines, but the facility overhead and civilian support staff remain constant, then our investments in equipment, training, and maintenance will become distorted.

The supporting infrastructure, as well as the civilian positions at our installations, should be reviewed to determine whether they are in line with reductions in end-strength and force structure. The alternative is an installations budget that spends tens or even hundreds of millions of dollars to maintain unused facilities. This scenario would divert the Army's shrinking resources away from much needed investments in readiness, equipment, and training. Failure to properly resource programs supporting Army Families and Soldier readiness will lead to an all volunteer military that is hollowed out and weakened.

At our installations, excess infrastructure, if unaddressed, will force the Army to spread its remaining resources so thinly that the ability of our installation services to support the force will suffer. We will have more buildings in our inventory that require maintenance than we have force structure to validate a requirement. Eventually, excess infrastructure and staff overhead will increase the risk of either spending a disproportionate share of scarce budget resources on sustainment, or not being able to perform the most basic services correctly. For instance, Army civilian and contractor staff that run our digitized training ranges could be spread so thinly that the scheduling and throughput of training events at home station could suffer. As these negative effects accumulate, the remaining Soldiers and Families will be more likely to vote with their feet and leave the Army in an unplanned manner.

Four of the prior rounds of BRAC were implemented as the Cold War was winding down and the Army's force structure was rapidly declining. The combined 1988, 1991, 1993, and 1995 rounds (i.e., "prior BRAC") produced 21 major base closures, 27 significant realignments, \$5B in implementation costs, with over \$3B in one-time savings, and almost \$1B in annual reoccurring savings. Among them was the closure of Fort Ord, California. Fort Ord was the first and only divisional post closed under BRAC, which reflected the Army's reduction of its active component strength from 12 to 10 Divisions.

BRAC 2005 generated \$4.8B in one-time savings and provides over \$1B in net annual recurring savings for the Army. These savings were generated with an implementation period investment of about \$18B. The Army accounted for BRAC savings when developing its fiscal year 2007 and subsequent budget requests. This

downward budget adjustment was beneficial to the installation program overall; it resulted in real savings.

We are requesting authority from Congress to conduct a BRAC round in 2015.

ARMY 2020 FACILITY STRATEGY

As we shape the Army of 2020 through a series of strategic choices over the coming months and years, the Installation Management Community looks to implement its Army Facility Strategy 2020 (AFS 2020) to provide quality, energy efficient facilities in support of the Force and the CSA priorities.

AFS 2020 provides a strategic framework that synchronizes the Army Campaign Plan, the Total Army Analysis, and Army Leadership priorities in determining the appropriate funding to apply in the capital investment of Army facilities at Army installations and Joint Service bases across the country. AFS 2020 is a cost effective and efficient approach to facility investments that reduces unneeded footprint, saves energy by preserving and encouraging more efficient facilities, consolidates functions for efficient space utilization, demolishes failing buildings, and uses appropriate excess facilities as lease alternatives in support of the Army of 2020.

AFS 2020 incorporates a Facility Investment Strategy (FIS) that contains four components executed with MILCON and/or Operations & Maintenance (O&M) funding. FIS includes sustaining/maintaining required facilities; disposing of identified excess facilities by 2020; improving existing facility quality; and building out critical facility shortfalls to include combat aviation brigades, initial entry training barracks, maintenance facilities, ranges, and training facilities.

FISCAL YEAR 2014 BUDGET REQUEST **MILITARY CONSTRUCTION, ARMY**

The FY 2014 Military Construction, Army (MCA) budget requests an authorization of \$978 million and appropriations for \$1,120 million. The difference between the authorization and the appropriations requests is the \$42 million to fund the

second increment of the Cadet Barracks at the United States Military Academy and \$99.6 million for planning and design (P&D), unspecified minor military construction (UMMC), and host nation support. The Cadet Barracks was fully authorized in the FY 2013 National Defense Authorization Act (NDAA). This MCA budget request supports the MILCON categories of Barracks, Modularity, Redeployment/Force Structure, Revitalization, and Ranges and Training Facilities.

Barracks (\$239M/21%): The FY 2014 budget request will provide for 1,800 new initial entry training barracks spaces at three installations replacing current housing in relocatable and temporary buildings. The locations of these replacement projects are: Fort Gordon, Georgia; Fort Leonard Wood, Missouri; and Joint Base Langley-Eustis, Virginia. The final project in this category is \$42 million for the second increment of the Cadet Barracks at the United States Military Academy, which was fully authorized in FY2013.

Modularity (\$322M/29%): The Army will invest \$247 million at Joint Base Lewis McChord, Washington and Fort Wainwright, Alaska to construct facilities for the 16th Combat Aviation Brigade (CAB). These facilities provide critical Army aviation combat capability and Joint Force support and include aviation battalion complexes, an airfield operations complex, and an aircraft maintenance and aircraft storage hangars. The Army will construct a \$75 million command and control facility at Fort Shafter, Hawaii for United States Army Pacific.

Redeployment/Force Structure (\$337M/30%): The Army will invest \$242.2 million for seven facilities to support the 13th CAB at Fort Carson, Colorado. The facilities include two aircraft maintenance hangars, a runway, a headquarters building, simulator buildings, a fire station, and a central energy plant. Fort Bliss, Texas will receive \$36 million to construct a complex to support the activation of a Gray Eagle Company (Unmanned Aerial System) in support of the 1st Armor Division headquarters. A \$4.8 million battlefield weather facility will support the airfield operations of the CABs at Fort Campbell, Kentucky. The Army will construct a company operations complex and an operations and maintenance facility for a total of \$54 million at unspecified worldwide locations as directed by the Department of Defense (DoD).

Revitalization: (\$86.8M/8%): As part of the facility investment strategy of AFS 2020, the Army will invest in five projects to correct significant facility deficiencies or facility shortfalls to meet the requirements of the units and/or organization mission requirements. Projects included are the \$63 million pier replacement and modernization at Kwajalein Atoll, a \$2.5 million entry control building and a \$4.6 million hazardous material storage facility for the National Interagency Bio-defense Campus at Fort Detrick, Maryland; a \$5.9 million command and control operations facility at Fort Bragg, North Carolina, and a \$10.8 million air traffic control tower at Biggs Army Airfield, Fort Bliss, Texas.

Ranges and Training Facilities (\$35.5M/3%): The FY 2014 budget request includes \$35.5 million to construct ranges and simulation training facilities to maintain readiness of Units and Soldiers. The program will provide for a \$17 million regional simulation center at Fort Leavenworth, Kansas and a \$4.7 million weapons simulation center in support of enlisted Initial Entry Training, and Officer and Non-Commissioned Officer career courses at Fort Leonard Wood, Missouri. The Army will construct a \$4.7 million automated sniper field fire range for special operations forces training at Eglin Air Force Base, Florida and a \$9.1 million multi-purpose machine gun range at Yakima Firing Center, Washington in support of active and reserve component unit training in the area.

Other Support Programs (\$99.6M/9%): The FY 2014 budget request includes \$41.6 million for planning and design of MCA projects and \$33 million for the oversight of design and construction of projects funded by host nations. As executive agent, the Army provides oversight of host nation funded construction in Japan, Korea, and Europe for all Services. The FY 2014 budget also requests \$25 million for unspecified minor construction.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The FY 2014 Military Construction, National Guard (MCNG) budget requests an authorization of and an appropriation for \$320,815,000. The MCNG program is focused

on the MILCON categories of Modularity, Revitalization, and Ranges and Training Facilities.

Modularity (\$121M/37%): The FY 2014 budget request is comprised of seven projects, which include five readiness centers/armed forces reserve centers in Illinois, Minnesota, Mississippi, New York, and South Carolina. This request also includes one vehicle maintenance shop in South Carolina, and one Army aviation support facility in Illinois.

Revitalization (\$138M/43%): The Army National Guard budget funds twelve projects to replace failing and inefficient facilities. There is a maneuver area training and equipment site in the Commonwealth of Puerto Rico, readiness centers in Alabama and Wyoming, an armed forces reserve center in Texas, enlisted transient training barracks in Michigan and Massachusetts, a vehicle maintenance shop and aircraft maintenance hangar in Missouri, a Civil Support Team ready building in Florida, an aviation training/maintenance facility in Pennsylvania, and two water utilities projects in Mississippi and Ohio. These projects will provide modernized facilities and infrastructure to enhance the Guard's operational readiness.

Ranges and Training Facilities (\$21M/7%): The FY 2014 budget request includes a scout reconnaissance range gunnery complex in Fort Chaffee, Arkansas.

Other Support Programs (\$41.2M/13%): The FY 2014 Army National Guard budget request includes \$29 million for planning and design of future projects and \$12.2 million for unspecified minor military construction.

MILITARY CONSTRUCTION, ARMY RESERVE

The FY 2014 Military Construction, Army Reserve (MCAR) budget requests an authorization of \$158,100,000 and an appropriation for \$174,060,000. The MCAR program is focused on the MILCON categories of Revitalization and Ranges and Training Facilities. The difference between the authorization and appropriation requests funds P&D and UMMC.

Revitalization (\$143.2M/82%): The FY 2014 Army Reserve budget request includes nine projects that build out critical facility shortages and consolidate multiple

failing and inefficient facilities with new operations and energy efficient facilities. The Army Reserve will construct four new reserve centers in California, Maryland, North Carolina, and New York that will provide modern training classrooms, simulations capabilities, and maintenance platforms that support the Army force generation cycle and the ability of the Army Reserve to provide trained and ready soldiers for Army missions when called. The request includes a new access control point/mail/freight center and NCO Academy dining facility at Fort McCoy, Wisconsin. At Joint Base McGuire-Dix-Lakehurst, New Jersey, the Army Reserve will construct a consolidated dining facility and central issue facility and eliminate four failing, Korean War era, buildings. Lastly, the request will provide a modern total Army school system training center at Fort Hunter-Liggett, California in support of all Army units and Soldiers.

Ranges and Training Facilities (\$15M/9%): The budget request includes two ranges that will build out a shortage of automated, multipurpose machinegun ranges and modified record fire ranges at Joint Base McGuire-Dix-Lakehurst, New Jersey. The ranges will enable active and reserve component Soldiers in the northeastern part of the country to hone their combat skills.

Other Support Programs (\$16M/9%): The FY 2014 Army Reserve budget request includes \$14.2 million for planning and design of future year projects and \$1.7 million for unspecified minor military construction.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

The FY 2014 budget request includes \$512.8 million to support the Army's Military Family Housing in the following areas: Operations, Utilities, Maintenance, and Repair; Leased Family housing; and oversight management of privatized housing. This request funds over 16,000 Army owned homes in the United States and overseas, almost 6,500 leased residences worldwide, and government oversight of more than 86,000 privatized homes.

Operations (\$101.7M): The Operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. All operations sub-accounts are considered "must pay accounts" based on actual bills that must be

paid to manage and operate the AFH owned inventory. Within the management sub-account, Installations Housing Service Offices provide referral services for off-post housing for 67% of the Army Families that reside in the local communities.

Utilities (\$96.9M): The Utilities account includes the cost of delivering heat, air conditioning, electricity, water, and wastewater support for owned or leased (not privatized) Family housing units.

Maintenance and Repair (\$107.6M): The Maintenance and Repair account supports annual recurring projects to maintain and revitalize AFH real property assets. This funding ensures that we appropriately maintain the 16,000 Army-owned housing facilities so that we do not adversely impact Soldier and Family quality of life.

Leasing (\$180.9M): The Army Leasing program is another way to provide Soldiers and their Families with adequate housing. The FY 2014 budget request includes funding for 1,369 temporary domestic leases in the US, and 5,064 leased units overseas. The overseas leases include support for NATO housing in Belgium and SOCOM housing in the Dominican Republic, Jamaica, Colombia, and Miami.

Privatization (\$25.7M): The Privatization account provides operating funds for portfolio and asset management and strategic oversight of privatized military Family housing and it pays for civilian pay at 44 locations; travel; contracts for environmental and real estate functions, training, and real estate development and financial consultant services. The need to provide oversight over the privatization program and projects is reinforced in the FY2013 NDAA which requires more oversight to monitor compliance, reviews and reporting performance of the overall privatized housing portfolio and individual projects.

In 1999, the Army began privatizing Family housing assets under the Residential Communities Initiative (RCI). The RCI program continues to provide quality housing that Soldiers and their Families and senior single Soldiers can proudly call home. All scheduled installations have been privatized through RCI. RCI has met its goal to eliminate those houses originally identified as inadequate and built new homes where deficits existed. RCI Family housing is at 44 locations and is projected to eventually represent 98% of the on-post Family housing inventory inside the US. Initial construction and renovation investment at these 44 installations is estimated at \$13.2

billion over a three to 14 year initial development period (IDP), which includes an Army contribution of close to \$2 billion. All IDP's are scheduled to be completed by 2018. After all IDP's are completed, the RCI program is projecting approximately \$34 billion in development throughout the 44 locations for the next 40 to 50 years. From 1999 through 2012, our partners have constructed 29,173 new homes, and renovated another 24,641 homes.

FAMILY HOUSING CONSTRUCTION, ARMY

The Army's FY 2014 Family Housing Construction request is for \$39.6 million for new construction and \$4.4 million for planning and design. The Army will construct 56 single Family homes at Fort McCoy, Wisconsin to support the Senior Officer and Senior Non-Commissioned Officer and Families stationed there. Additionally, the Army will construct 29 townhouse style quarters in Grafenwoehr at Vilseck Germany as part of the consolidation and closure of the Bamberg and Schweinfurt garrisons.

BASE CLOSURE ACCOUNT

BRAC property conveyance remains an Army priority. Putting excess property back into productive re-use, which can facilitate job creation, has never been more important than it is today.

The FY 2013 NDAA consolidated BRAC Legacy and BRAC 2005 accounts into a single DoD Base Closure Account (BCA). The Army's portion of the FY 2014 budget request is for \$180,401,000. The request includes \$50.6 million for caretaker operations and program management of remaining properties, and \$129.8 million for environmental restoration efforts. In FY 2014, the Army will continue environmental cleanup, and disposal of BRAC properties. The funds requested are needed to keep planned cleanup efforts on track, particularly at prior-BRAC installations including Fort Ord, California, Fort McClellan, Alabama, Fort Wingate, New Mexico, Fort Devens, Massachusetts, and Savanna Army Depot, Illinois. Additionally, funds requested support environmental restoration projects at several BRAC 2005 installations such as

Lone Star Army Ammunition Plant, Texas, Kansas Army Ammunition Plant, Kansas, and Umatilla Chemical Depot, Oregon. Completing environmental remediation is critical to transferring property back into productive re-use and job creation.

In total, the Army has conveyed almost 219,000 acres (78% of the total BRAC acreage disposal requirement of 279,000 acres), with approximately 61,000 acres remaining. The current goal is for all remaining excess property (22%) to be conveyed by 2021. Placing this property into productive reuse helps communities rebuild the local tax base, generate revenue, and replace lost jobs.

ENERGY

The Army is moving forward to address the challenge of Energy and Sustainability on our installations. In FY 2014, the Installation Energy budget totals \$1.719 billion and includes \$43 million from the DoD Defense-wide MILCON appropriation for the Energy Conservation Investment Program (ECIP), \$344 million for Energy Program/Utilities Modernization program, \$1,332 million for Utilities Services, and \$5.0 million for installation related Science and Technology research and development. The Army conducts financial reviews, business case and life cycle cost analysis, and return on investment evaluations for all energy initiatives.

ECIP (\$43M): The Army invests in energy efficiency, on-site small scale energy production, and grid security through the DoD's appropriation for ECIP. In FY 2014, the DoD began conducting a project-by-project competition to determine ECIP funding distribution to the Services. The Army received \$43 million for eleven projects to include six energy conservation projects, four renewable energy projects, and one energy security project.

Energy Program/Utilities Modernization (\$344M): Reducing consumption and increasing energy efficiency are among the most cost effective ways to improve installation energy security. The Army funds many of its energy efficiency improvements through the Energy Program/Utilities Modernization program account. Included in this total are funds for energy efficiency projects, the development and construction of renewable energy projects through the Energy Initiatives Task Force, the

Army's metering program, modernization of the Army's utilities, energy security projects and planning and studies.

Utilities Services (\$1,332M): The Utilities Services account pays all Army utility bills including the repayment of Utilities Privatization (UP), Energy Savings Performance Contracts (ESPCs), and Utilities Energy Service Contracts (UESCs). Through the authority granted by Congress, ESPCs and UESCs allow the Army to implement energy efficiency improvements through the use of private capital, repaying the contractor for capital investments over a number of years out of the energy cost savings. The Army has the most robust ESPC program in entire Federal government. The ESPC program has more than 170 Task Orders at over 70 installations representing \$1.16 billion in private sector investments and over 350 UESC Task Orders at 43 installations, representing \$543 million in utility sector investments. We have additional ESPC projects in development, totaling over \$400 million in private investment and \$100 million in development for new UESCs. In FY 2012, the Army executed more ESPCs and UESCs in one fiscal year than any other year in the entire history of program (\$236 million).

Installation Science and Technology Research and Development (\$5.0M): Installation Science and Technology programs investigate and evaluate technologies and techniques to ensure sustainable, cost efficient and effective facilities to achieve resilient and sustainable installation and base operations. Facility enhancement technologies contribute to cost reductions in the Army facility life cycle process and the supporting installation operations.

ENVIRONMENT

The Army's FY 2014 Operations and Maintenance budget provides \$788,868,000 for its Environmental Program in support of current and future readiness. This budget ensures an adequate environmental resource base to support mission requirements, while maintaining a sound environmental compliance posture. Additionally, it allows the Army to execute environmental aspects of re-stationing while

increasing programmatic efficiencies and addressing the Army's past environmental legacy.

As a land-based force, our compliance and stewardship sustains the quality of our land and environment as an integral component of our capacity to train for combat effectively. We are committed to meeting our legal requirements to protect natural and cultural resources and maintain air and water quality during a time of unprecedented change. We are on target to meet DoD goals for cleaning up sites on our installations (90 percent of non-BRAC sites will be at response complete in FY 2018 and 95 percent by FY 2021), and we continue to fulfill environmental compliance requirements despite operating in a constrained resource environment.

SUSTAINMENT, RESTORATION, & MODERNIZATION

This year's Facility Sustainment, Restoration and Modernization (FSRM) funding is \$3,760,996,000. This request includes \$3,082 million for Sustainment (80% of the OSD FSM requirement, for all Army components), \$36 million for demolition, and \$643 million for Restoration & Modernization. The Army views 80% sustainment funding as a necessary adjustment due to the economic impacts and the requirements of the FY2011 Budget Control Act. FSRM funding is an integral part of the Facility Investment Strategy (FIS) proponent of AFS 2020. The Army is taking a slight risk in the sustainment of our facility inventory valued at \$312 billion. In keeping with the FIS, the Army has increased its investment in facility restoration through the O&M-R&M account. This will fully restore trainee barracks, enable progress toward energy objectives, and provide commanders with the means of restoring other critical facilities. Facilities are an outward and visible sign of the Army's commitment to providing a quality of life for our Soldiers, Families, and Civilians that is consistent with their commitment to our Nation's security.

BASE OPERATIONS SUPPORT

The Army's FY 2014 Base Operations Support (BOS) request is \$8,867,014,000, which is a slight decrease from the FY 2013 request. The Army's FY 2014 BOS strategy continues to prioritize funding for Life, Health, and Safety programs and Army Force Generation (ARFORGEN) requirements ensuring Soldiers are trained and equipped to meet demands of our nation at war. The Army remains committed to its investment in Army Family Programs and continues to evaluate its services portfolio in order to maintain relevance and effectiveness. The Army will meet the challenge of day-to-day requirements by developing efficient service delivery or adjusting service levels while managing customer expectations. These efforts will encourage program proponents to evaluate policies, seek alternatives, and find innovative solutions to meet these challenges. The Army is committed to developing a cost culture for increasing the capabilities of BOS programs through an enterprise approach. Additionally, the Army will continue to review service delivery of its Soldier, Family, and Civilian programs to ensure the most efficient and effective means of delivery are realized.

CONCLUSION

The Army's FY 2014 installations management budget request is a program that assists the Army as it transitions from combat. It provides for our Soldiers, Families, and Civilians, while recognizing the current fiscal conditions. The Army requests the support of the Committee and the Congress in its effort to implement the Army Facility Strategy 2020 and facilities investment strategy. These combined efforts will set the foundation for the sustainment, restoration, and modernization of the facilities necessary to enable the future Army of 2020, a joint force with a versatile mix of capabilities.

The planned reduction of 14% of the Active Army's endstrength to 490,000 by the end of FY 2017 will create excess US-based installation infrastructure. Since 2005, as we reduced installations overseas, many units relocated back to the United States. For example, Forts Benning, Bliss, Bragg, Carson, Knox, and Riley received approximately seven million square feet of additional infrastructure to host and support

these units returning home from overseas. The additional capacity here at home was important because it helped the Army transform from a division-based force into modular Brigade Combat Teams.

With sequestration triggered, we face additional and significant reductions in the annual funding caps limiting defense budgets for the next nine years; these reductions would cause reductions in military and civilian endstrength. A future round of base realignment and closure (BRAC) is essential to identify excess Army infrastructure and prudently align civilian staffing and infrastructure with reduced force structure and reduced industrial base demand. BRAC allows for a systematic review of existing DOD installations to ensure effective Joint and multi-service component utilization. If we do not make the tough decisions necessary to identify efficiencies and eliminate unused facilities, we will divert scarce resources away from training, readiness, and Family programs and the quality of our installation services will suffer. We are requesting authority from Congress to conduct a BRAC round in 2015.

In closing, I would like to thank you again for the opportunity to appear before you today and request your commitment to the Army's program and the future of our Soldiers, Families, and Civilians.