

RECORD VERSION

STATEMENT BY

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AND

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BEFORE THE

**COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE**

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**ON THE CHAIN OF COMMAND'S ACCOUNTABILITY TO PROVIDE SAFE MILITARY
HOUSING AND OTHER BUILDING INFRASTRUCTURE TO SERVICEMEMBERS
AND THEIR FAMILIES**

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COMMITTEE ON ARMED SERVICES**

Introduction

Chairman Inhofe, Ranking Member Reed, and distinguished members of the committee. Thank you for this opportunity to testify on the chain of command's accountability to provide safe military housing and other building infrastructure to servicemembers and their families.

One of our fundamental obligations as Army leaders is to take care of our Soldiers and their families. The recent reports of sub-standard conditions in some of our military housing units is deeply troubling. It is unacceptable for our families who sacrifice so much for our country to endure these hardships in their own homes. We are fully committed to solving this problem, and have initiated number of actions to ensure our Soldiers and their families have access to safe and secure military housing across all of our installations.

The Army currently has 104,000 family homes, of which 87,000 were privatized under the Residential Communities Initiative (RCI) program. These privatized homes are managed by seven private companies across 49 installations. The transition to privatized housing in 1998 marked a dramatic improvement in living conditions for our Soldiers and their families. However, this model assumed that the RCI contractors, with sufficient Army oversight, would continue to maintain the quality of these homes. In too many cases, it is clear the private housing companies failed to uphold their end of the bargain, and the Army failed to adequately provide oversight. We are determined to investigate these problems and to hold our housing contractors and our military and civilian chains of command accountable. The Army is moving out to immediately rectify the current deficiencies and to implement longer-term solutions so that our service members' families are afforded a safe, secure, and quality living environment.

Immediate Actions

The Army is taking immediate action to fully understand the scope and scale of our military housing problems and to remedy the current housing deficiencies. Army senior leadership has traveled to Fort Meade, Fort Bragg, Fort Belvoir, Fort Campbell, and West Point to personally walk through housing, meet with families, and press the

housing CEOs on taking immediate actions. Additionally, every installation has conducted town hall meetings in collaboration with the RCI project company representatives and established housing hotlines. This has provided families a forum to voice their housing concerns and to report problems directly to garrison commanders. Throughout these meetings, we gained valuable insights from our residents that will inform our long-term solutions. Additionally, we ordered all senior commanders to complete a 100 percent life, safety, and health screening of their installation housing by March 18th, as well as any maintenance deficiencies. Where life, health, and safety issues exist, senior commanders have been instructed to immediately relocate housing residents to temporary quarters until the hazardous conditions are remediated. This screening process is ongoing and will be followed by a detailed report by each senior commander, providing their assessment of the quality of housing on their installation.

We have also met with the CEOs or senior executives from each of the seven privatized housing partners that manage housing on Army installations to discuss the current problems. The poor customer service, the lack of work order transparency, and the inability of residents to hold the housing companies accountable for deficient conditions were common themes presented during our installation town halls. All of our partners have committed to working together to find ways to improve customer service, increase transparency, and to renegotiate incentive management plans. Additionally, they all agreed to ensure sufficient numbers of trained technicians and staff are available at each installation to address problems in a timely manner.

Long-term Solutions

In addition to taking swift action to rectify all current housing deficiencies, we are conducting Inspector General inspections to determine the root of the problems across the 49 installations with RCI housing. These inspections are focused on customer satisfaction, work order responsiveness, and the ability of our garrison commands to provide proper oversight of our private contractors. Throughout this process, we will work with families, garrisons, and our housing offices to develop more effective tracking, reporting, and enforcement mechanisms to ensure we are meeting our obligation to provide safe, high-quality family housing.

Part of our long-term solution includes developing systems to ensure greater transparency and responsiveness to resident needs, while enabling more effective oversight of our privatized housing. Resident visibility on maintenance requests varies across installations and generally does not provide tenants with a clear status of work orders. To enable greater transparency, we are developing tracking systems to provide a common picture to residents, Army RCI Asset Managers, and housing contractors.

We will also be restructuring contracts and incentive management plans to more closely align with those areas that are most important to our residents such as work order resolution and customer satisfaction. It is not acceptable for us to provide high rates of incentive payment when the quality of service provided to our residents is substandard. Designing these incentive payments with more accurate information will allow us to better focus the private housing companies on quality of life issues that affect our communities.

Furthermore, to ensure our Soldiers and their families have proper legal protections, we are working in conjunction with the other Services to develop a Tenant Bill of Rights coupled with appropriate enforcement and arbitration mechanisms. Many Army families are concerned they lack the ability to hold the private housing companies accountable for poorly performed services and are inadequately protected from retaliation. This Tenant Bill of Rights will outline the residents' basic rights while living in Army privatized housing. We are also developing options for financial recourse if they are not provided quality housing.

As we move forward to meet the fundamental obligation of providing our families with quality housing, the Army will focus on those longer-term actions that will prevent this from happening again. We will require training specific for garrison command teams on contracting and housing management, which will empower them to better respond to tenant grievances. We will also add staff to perform quality assurance and quality control checks on work order completion. Furthermore, we will develop our own reporting system for residents to rate timeliness, quality of work, and level of customer service to provide additional data to garrison oversight teams. Finally, we will hold the

chain of command responsible for visiting housing and barracks on a routine basis as part of their health and welfare programs.

Conclusion

Providing a safe and secure living environment for our Soldiers and their families is an enduring obligation of ours as Army leaders and is critical to the readiness of our force. It is clear that we have failed to conduct the necessary oversight to hold our private partners accountable for the sub-standard housing conditions across our installations. The Army is moving out rapidly to understand the extent of this housing problem and to rectify the deficiencies that exist. Moving forward, we are committed to applying the necessary resources to enable the oversight required to fully address these issues.

We will continue to work closely with our residents, garrison commands, and our seven private housing companies to ensure we provide our Soldiers and families the quality of housing they deserve. The Army needs to get back involved in the housing business. This includes taking a more active oversight role of not only privatized housing, but also the barracks where many of our junior Soldiers live. This is essential to maintaining our readiness, so when Soldiers deploy, they can rest assured their families are taken care of back home. Thank you for your interest in this matter, as well as your continued support to the Army.