RECORD VERSION

STATEMENT BY

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(INSTALLATION, ENERGY, AND ENVIRONMENT)

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION
AND VETERANS AFFAIRS, AND RELATED AGENCIES
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MILITARY CONSTRUCTION, ARMY
MILITARY CONSTRUCTION, ARMY NATIONAL GUARD
MILITARY CONSTRUCTION, ARMY RESERVE
ARMY FAMILY HOUSING
AND
BASE REALIGNMENT AND CLOSURE
BUDGETS

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INTRODUCTION

Chairman Culberson, Mr Bishop 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 Installation Management Community Fiscal Year (FY) 2013 Military Construction budget request.

The Army's FY 2013 Military Construction budget request supports an Army in transition while still at war. We understand the fiscal challenges faced by the Nation. Through efforts like the Army Facility Strategy 2020, the Army Family Covenant, the Army Community Covenant, and the Army Energy Enterprise, the Installation Management Community is focused on providing the facilities to support a trained and ready land force. We continue to be careful stewards of both the fiscal and environmental resources provided to the Army.

Over the past four years, the Army, with the support of the Congress, has regained balance, restoring strategic flexibility for the Nation. Continued support of the Congress will ensure the Army remains manned, trained, equipped and ready for all challenges and to protect America's interests at home and abroad. The committee's commitment to our Soldiers, Families and Civilians and support of the Army's military construction program is deeply appreciated. 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 2013 President's Budget requests $3.6 billion for Military Construction (MILCON), Army Family Housing (AFH), and Base Realignment and Closure (BRAC). This request is $1.7 billion less or a 32 percent reduction from the FY 2012 request. The $3.6 billion request represents three percent of the total Army budget. Of the $3.6 billion requested, $1.9 billion is for the Active Army, $614 million is for the Army National Guard, $306 million is for the Army Reserve, $186 million is for

BRAC, and $535 million is for AFH. In addition and in support of Army installations and facilities the President's budget requested $9.0 billion for Base Operations Support (BOS) and $1.17 billion for environmental programs.

The 32 percent reduction in this budget request reflects the new fiscal reality that we are facing as a Nation. The Budget Control Act of 2011 combined with the pending strategic decisions on Army end-strength reductions and force structure and stationing across the country required the Army to review the facility investments necessary to sustain an All Volunteer Army. This MILCON budget request reflects the investments required in training, maintenance, operations, and quality of life facilities to preserve the all volunteer force.

ARMY FACILITY STRATEGY 2020

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. AFS 2020 provides a strategic framework to manage facilities at Army installations and is integrated with Army Systems and Force Structure decisions. AFS 2020 proposes a more cost effective and efficient approach to facility investments that reduces unneeded footprint, saves energy by preserving more efficient facilities, consolidates functions for better space utilization, demolishes failing buildings and uses appropriate excess facilities as lease alternatives while meeting future Force drawdown as a 2020 objective.

AFS 2020 incorporates a facility investment strategy using MILCON funding to build out critical facility shortages; MILCON and Operation & Maintenance-Restoration & Modernization (O&M R&M) funding to improve existing facility quality; O&M Sustainment funding to maintain existing facilities; and O&M Demolition & Disposal funding to eliminate failing excess facilities. Investments from MILCON and O&M funding will support facilities grouped in the following categories: Global Defense Posture Realignment; Redeployment/Force Structure; Modularity; Barracks;

Recapitalization/Deficit; and Ranges and Training Facilities. The FY 2013 budget request begins the implementation of the AFS 2020 Facility Investment Strategy (FIS) by building out shortfalls for barracks, maintenance facilities, ranges, and Reserve Component facilities.

FISCAL YEAR 2013 BUDGET REQUEST

MILITARY CONSTRUCTION, ARMY

The Active Army FY 2013 Military Construction, Army (MCA) budget request is for $1,923,323,000 (for appropriation and authorization of appropriations) to support the Army facility investment strategy. There are no requests for construction in Germany as we reassess our force structure in that country. The MCA budget has been further reduced by deferring projects that could be impacted by the Total Army Analysis (TAA). Upon completion of the TAA, future MCA budget requests will be rebalanced to meet the needs of a realigned force.

Barracks Buyout ($401M/21%): The FY 2013 budget request will provide for 1,180 new permanent party barracks spaces that will meet Department of Defense "1+1" construction standard and contribute to the reduction of inadequate permanent party barracks and deficits. The locations of these projects are at Joint Base San Antonio, Texas; Wheeler Army Air Field and Schofield Barracks, Hawaii; and Camp Ederle, Italy. The FY 2013 request will also provide our Soldiers 2,280 new training barracks spaces that meet applicable standards. The locations of these projects are at Fort Jackson, South Carolina; Fort Lee, Virginia; and Fort Leonard Wood, Missouri. The total barracks buyout investments will provide 3,460 spaces at seven installations.

Global Defense Posture Realignment ($128M/7%): The FY 2013 budget request includes two projects that support forward deployed forces in the Pacific Theater: $45 million for a battalion complex at Army Garrison Humphreys in South Korea and $18 million for a vehicle maintenance facility in Sagami, Japan. The request also includes $65 million for two mission projects for units currently stationed at Fort Leonard Wood, Missouri in temporary or failing structures.

Modularity ($301M/16%): The FY 2013 budget requests $78 million to support a critical strategic communication facility required by the Army's Network Enterprise Technology Command in its continuous pursuit of improved command and control, communication and intelligence linkages between Combatant Commanders and the National Command Authorities. Another $128 million supports barracks and mission facilities for unaccompanied Soldiers at Fort Campbell, Kentucky and Joint Base Lewis-McChord, Washington. The remaining $95 million will provide aircraft maintenance hangers for the Combat Aviation Brigade at Fort Drum, New York.

Redeployment/Force Structure ($165M/9%): The FY 2013 budget request includes $30 million for infrastructure necessary to support six Special Operations Command (SOCOM) buildings programmed in FYs 2012 and 2013. Senate Report 104-116 accompanying the Military Construction Appropriation Bill, 1996, prohibited the inclusion of infrastructure improvements in SOCOM Defense Wide MILCON budget requests and Senate Report 104-116 directed the military departments responsible for supporting the special operations forces to provide installation infrastructure as well as other common support facilities. The request includes $107 million to support the fielding of the Gray Eagle units at Fort Bragg, North Carolina; Fort Campbell, Kentucky; Fort Hood, Texas; Fort Riley, Kansas; and Fort Stewart, Georgia. As a result of the Energy Independence and Security Act of 2007 and Executive Order, the remaining $28 million replaces failing heating systems with ground source heat transfer systems at Fort Benning and Fort Gordon, Georgia.

Recapitalization/Deficit: ($572M/30%): The FY 2013 budget request includes 11 projects with investments of $94 million for operations facilities, $202 million for operational support facilities and $276 million for institutional support projects. Included in the $202 million is $91 million for a waste water treatment plant at Joint Base Lewis-McChord, Washington. Joint Base Lewis-McChord must recapitalize this plant to meet the more stringent Puget Sound effluent standards and avoid escalating environmental violations. Also included is $93 million to support the upgrade of the Army's aging critical industrial base facilities located at Corpus Christi Army Depot, Texas; Joint Base

McGuire-Dix-Lakehurst, New Jersey; and the Military Ocean Terminal Concord, California. The two institutional support projects are the Cadet Barracks at the United States Military Academy for $192 million and the expansion of the Arlington National Cemetery for $84 million, plus planning and design funds to support the development of the former Navy Annex. The Cadet Barracks will provide 325 modern two-person rooms for the future leaders of the Army, eliminating current overcrowding. The expansion of the Arlington National Cemetery's Millennium Site will provide hallowed burial grounds for Soldiers, Sailors, Airmen, and Marines beyond 2025.

Ranges and Training Facilities ($232M/12%): The FY2013 budget request includes $160 million for training ranges to support multiple weapon systems and $72 million in digital/simulations training facilities. The Army ranges and training facilities are used by all components of the Army to achieve mission combat readiness. The current ranges do not meet the quantity required by training demands and/or require modernization to meet current weapons qualification standards.

Other Support Programs ($124M/6%): The FY 2013 budget request includes $65 million for planning and design of MCA projects and $34 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 2013 budget also requests $25 million for unspecified minor construction to address unforeseen critical needs.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The Army National Guard FY 2013 MILCON budget request of $613,799,000 (for appropriation and authorization of appropriations) is focused on Modularity, Recapitalization/Deficit, Ranges and Training Facilities, Barracks, and other support programs.

Modularity ($227.2M/37%): The FY 2013 budget request is comprised of 15 projects, which include nine Readiness Centers/ Armed Forces Reserve Centers, two

Combined Support Maintenance Shops, two Army Aviation Support Facilities, one Field Maintenance Shop, and one Refill Station Building.

Recapitalization/Deficit ($310.5M/51%): The Army National Guard budget requests 18 projects to replace failing, inefficient facilities. There is one Maneuver Area Training & Equipment Site, four Regional Training Institutes (RTI), five Readiness Centers/ Armed Forces Reserve Centers, two Operations Readiness Training Complexes, three Field Maintenance Shops, one Taxiway, Ramp & Hangar Alterations, one Unit Training Equipment Site, and one RTI enlisted barracks. These projects will provide modernized facilities to enhance the Guard's operational readiness.

Ranges and Training Facilities ($34.4M/5%): The FY 2013 budget request includes four projects which will support the Army National Guard's training of its operational force. These funds will provide the facilities Soldiers require as they train, mobilize, and deploy. Included are one Live Fire Shoot House, one Combined Arms Collective Training Facility, one Urban Assault Course, and one Scout Reconnaissance Range.

Other Support Programs ($41.7M/7%): The FY 2013 Army National Guard budget request includes $26.6 million for planning and design of future projects and $15.1million for unspecified minor military construction to address unforeseen critical needs.

Special Program Considerations: The Army National Guard requests a technical correction to the scope of the FY 2010 North Las Vegas, Nevada Readiness Center. Due to technical errors, the DD Form 1391 did not reflect the correct size for two line items and omitted one line item from what was presented to Congress. The Readiness Center should read 68,593 square feet (SF) vice 65,347 SF, and the unheated equipment storage area read 10,000 SF vice 4,800 SF. In addition 25,000 SF unheated vehicle storage must be added. All changes in scope can be executed within the appropriated amount of the project.

MILITARY CONSTRUCTION, ARMY RESERVE

The Army Reserve FY 2013 MILCON budget request for $305,846,000 (for appropriation and authorization of appropriations) is for Recapitalization/Deficit; Ranges and Training Facilities, Barracks, and other support programs.

Recapitalization/Deficit ($258.8M85%): The FY 2013 Army Reserve budget request includes $258.8 million for facilities that prepare our Soldiers for success in current operations. The construction of six new Army Reserve Centers, one Armed Forces Reserve Center, and one Operational Readiness Training Complex will provide modernized 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 construction of one Equipment Concentration Site will enhance maintenance, equipment training set and storage capacity at Fort McCoy, Wisconsin. In addition, the request includes a new Central Issue Facility and a consolidated Dining Facility at Ft McCoy. The construction of these two facilities will provide modern, technologically advanced and energy efficient facilities, as well as demolish eight failing World War II era wood structures.

Ranges and Training Facilities ($15.9M/5%): The budget request includes three ranges that enable Soldiers to hone their combat skills. Two ranges will be constructed at the Devens Reserve Forces Training Area, Massachusetts and one will be constructed at Joint Base McGuire-Dix-Lakehurst, New Jersey to support reserve component Soldiers in the northeastern part of the country.

Barracks Buyout ($4.3M/1%): The budget request includes an Unaccompanied Personnel Housing (UPH) barracks project for permanent party Soldiers assigned to Fort Hunter-Liggett, California.

Other Support Programs ($26.8M/9%): The FY 2013 Army Reserve budget request includes $15.9 million for planning and design of future year projects and $10.9 million for unspecified minor military construction to address unforeseen critical needs.

ARMY FAMILY HOUSING

The Army's FY13 budget request for $534,692,000 (for appropriation and authorization of appropriations) is for the Army's investment in and operation of its worldwide inventory of family housing assets. The Army relies first on the local economy to provide housing for our Soldiers. When housing on the economy is not available, the Army provides housing by various means including government-owned, privatized, and leased housing. The Army has successfully privatized 98 percent of on-post housing assets inside the United States, while overseas we primarily house Families in Army-owned and leased quarters.

Residential Communities Initiative (RCI). In 1999, the Army began privatizing housing assets and the RCI continues to provide quality housing that Soldiers and their Families and senior single Soldiers can proudly call home. The Army leverages appropriated funds and existing housing by engaging in 50-year partnerships with nationally recognized private real estate development, property management, and home builder firms to construct, renovate, repair, maintain, and operate housing communities.

RCI Family housing is at 44 locations, with a projected end state of over 85,000 homes – 98 percent of the on-post Family housing inventory inside the United States. Initial construction and renovation investment at these 44 installations is estimated at $12.7 billion over a three to 14 year initial development period, which includes the Army's contribution of close to $2.0 billion. From 1999 through 2012, our partners have constructed 27,497 new homes, and renovated another 23,025 homes.

The RCI program for Senior Unaccompanied Housing includes four installations for a total of 1,394 accommodations for senior single Soldiers in grade Staff Sergeant and above including officers at locations where there is a deficit of adequate accommodations off post. The four locations are Forts Irwin, Drum, Bragg, and Stewart.

ARMY FAMILY HOUSING CONSTRUCTION

AFH Construction ($4.6M/1%): The Army's FY 2013 Family Housing Construction request is $4.6 million for planning and design of future projects to continue our significant investment in our Soldiers and their Families. This supports our goal to improve Army owned housing and eliminate our remaining inadequate inventory at enduring overseas installations.

ARMY FAMILY HOUSING OPERATIONS

AFH Operations ($530M/99%): The FY 2013 budget request includes $530.1 million for: Operations, Utilities, Maintenance and Repair, Leased Family housing, and management of RCI. This request supports over 16,000 Army-owned homes, in the United States and in foreign countries, as well as almost 7,500 leased residences and provides government oversight of more than 83,000 privatized homes.

Operations ($102.9M): 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.

Utilities ($88.1M): 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. The overall size of the utilities account is decreasing in proportion to the reduction in supported inventory due to RCI.

Maintenance and Repair ($109.5M): The maintenance and repair account supports annual recurring projects to maintain and revitalize AFH real property assets. Since most Family housing operational expenses are fixed, maintenance and repair is the account most affected by budget changes. This funding ensures that we appropriately maintain housing so that we do not adversely impact Soldier and Family quality of life.

Leasing ($203.5M): The Army leasing program is another way to provide Soldiers and their Families adequate housing. The FY 2013 budget request includes funding for a total of 7,490 housing units, including 250 existing Section 2835 ("build-to-lease" – formerly known as 801 leases), 1,478 temporary domestic leases in the US, and 5,762 leased units overseas.

Privatization ($26.0M): The privatization account provides operating funds for management and oversight of privatized military family housing in the RCI program. RCI program costs include: civilian pay, travel, and contracts for environmental and real estate functions; training; real estate and financial consultant services, and oversight to monitor compliance and performance of the overall privatized housing portfolio and individual projects.

BASE REALIGNMENT AND CLOSURE

BRAC 2005

The Army met its BRAC obligations within the six-year implementation window on 15 September 2011. The implementation of BRAC 2005 enabled the Army to reshape the infrastructure supporting the Operating Force, the Generating Force and the Reserve Component transforming how the Army, trains, deploys, supplies, equips, cares for and garrisons its Soldiers, Families and Civilians. BRAC 2005 closed 12 installations, 387 Reserve Component sites, realigned 53 installations and/or functions at an investment of almost $18 billion which included 329 major construction projects. The completion of those recommendations, combined with the efficiencies achieved in the completion of the other Army BRAC recommendations, generates almost $2 billion in annual recurring savings. BRAC 2005 relocated three (3) four-star and five (5) three-star headquarters to multi-use installations that support the missions of those headquarters, six (6) Joint and Army Training Centers of Excellence, a Human Resources Center of Excellence, seven (7) Joint bases, four (4) Joint mobilization sites, and two (2) Joint technical and research facilities. It transformed the Army's industrial base, medical infrastructure and authorized 125 multi-component Armed Forces

Reserve Centers and realigned the Army Reserve command and control structure. The Army has also conveyed an unprecedented 47% of its 70,311 BRAC 2005 total excess acreage as of January 2012. The remaining focus for BRAC 2005 is to dispose of the balance of excess property.

The Army FY 2013 budget request for BRAC 2005 is $106,219,000. The funding request includes $48.4 million to support facility caretaker requirements. In FY 2013, the Army will continue environmental closure, cleanup and disposal of BRAC properties. These activities will continue efforts previously ongoing under the Army Installation Restoration Program and will ultimately support future property transfer actions. The budget request for environmental programs is $57.8 million, which includes management of munitions and explosives of concern as well as hazardous and toxic waste restoration activities. The timely execution of environmental restoration projects in FY 2013 at several industrial sites, such as Riverbank Army Ammunition Plant, California, Lone Star Army Ammunition Plant, Texas and Kansas Army Ammunition Plant, Kansas is critical to transferring property back into productive re-use and job creation.

BRAC 1990

The Army is requesting $79,863,000 in FY2013 for prior BRAC rounds. The request includes $4.5 million for caretaking operations and program management of remaining properties and $75.4 million for environmental restoration to address environmental restoration efforts at 280 sites at 36 prior BRAC installations. The funds requested in FY 2013 are needed to keep planned clean-up efforts on track, particularly at Forts Ord, California; McClellan, Alabama; Wingate, New Mexico; Devens, Massachusetts; and Savanna Army Depot, Illinois. The Army has disposed of 178,357 acres (85% of the total acreage disposal requirement of 209,291 acres), with 30,934 acres remaining. Similar to BRAC 2005, prior BRAC also produces recurring savings which the Army estimates at nearly $1 billion annually.

FUTURE BRAC

The Department of Defense is requesting BRAC authority in 2013 and 2015. In BRAC 2005, the National Guard and Reserve benefited greatly through consolidation of facilities into joint readiness centers. On a 3 to 1 basis, the Army closed and returned land and buildings to local communities, consolidating onto military or other lands. The benefit to the local communities and Army was both economic and operational. We anticipate that there could be similar efficiencies in a future BRAC round. Additionally, with the anticipated end-strength reduction, BRAC could facilitate realignment of leased facilities onto installation facilities vacated due to TAA. Although no analysis has been completed, further study could identify other opportunities to gain efficiencies and reduce costs.

ENERGY

The Army is the largest facilities energy user in the Federal Government. To maintain an effective readiness posture as energy costs escalate, the Army has implemented a comprehensive Energy and Sustainability program based on culture change, increased energy efficiency, and development of renewable and alternate sources of energy. Reducing energy use at Army facilities is mission critical, operationally necessary and financially prudent.

Army installations and facilities require secure and uninterrupted access to energy. Dependence on fossil fuels and a vulnerable electric power grid jeopardizes the security of Army installations and mission capabilities. Investment in renewable energy and energy efficient technologies will help ensure the Army can meet mission requirements today and into the future. The Army evaluates every single energy investment opportunity to determine its long-term benefits for the Army. For investments on our installations we examine projects based on positive return on investment and demonstrated cost savings over its lifetime. We also expect projects to

make positive contributions to energy security and improve the quality of life experienced by soldiers and their family members.

Since FY 2003 the Army has reduced its installation energy consumption by 13.1 percent while its total number of active Soldiers and Civilians has increased 20 percent. In addition, the Army has adopted the highest building code in the Federal Government, ASHRAE 189.1 which will reduce energy and water consumption on average 40 percent annually in our new construction program and in existing facilities that undergo major renovations.

In FY 2013 the Army's Installation Energy budget totals $1.453 billion and includes $50 million from the Department of Defense (DoD) "Defense-Wide" appropriation for the Energy Conservation Investment Program (ECIP), $343 million for Energy Program / Utilities Modernization program, $1,053 million for Utilities Services, and $7.1 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.

The Army's FY 2013 allocation of the ECIP program, $50 million, includes seven renewable energy projects, six energy conservation projects, one water project, and two Energy Security projects. In accordance with DoD guidance, FY 2013 project submissions are divided into four categories: Renewable Energy; Energy Conservation; Water, and Security. Effective with FY 2013, ECIP has established a new funding category to capture a project's contribution to enhancing water and/or grid security. The Army is taking a strategic look at requirements, including a thorough project validation and prioritization process, to develop an ECIP Future Years Defense Program to fund additional requirements should such an opportunity arise.

The Utilities Services account pays all Army utility bills and is used to finance the repayment of Utilities Privatization, Energy Savings Performance Contracts (ESPCs)

and Utilities Energy Service Contracts (UESCs). 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.

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. In addition to funding O&M project execution, this account enables planning & developing of third party financed renewable energy initiatives such as the Energy Initiatives Task Force ($29M) and integrated holistic design strategies for managing resources on Army installations such as the Net Zero Initiative ($2.2M).

The Army is moving forward to address the challenge of Energy and Sustainability to ensure the Army of tomorrow has the same access to energy, water, land, and natural resources as the Army of today. Our energy goals include a 30% reduction in facilities energy intensity by 2015 from the 2003 baseline; generation of 25% of energy from renewable resources by 2025; reduction in petroleum use in non-tactical equipment by 20% by 2015; and elimination of the use of fossil fuel generated energy in newly constructed buildings by 2030.

In FY2011, the Army announced two key initiatives, the Net Zero Initiative and the Energy Initiatives Task Force (EITF). These initiatives will make the Army a leader in sustainable practices and use of renewable energy. The Net Zero Installation initiative is advancing an integrated approach and will improve the management of energy, water, and waste. Net zero installations will consume only as much energy or water as they produce and eliminate solid waste to landfills, and when fully implemented, will establish Army communities as models for energy security, sustainability, value, and quality of life. Seventeen installations have been identified for this effort, with plans to reach Net Zero by 2020.

The EITF strengthens Army Energy Security and Sustainability by developing a comprehensive capability to plan and execute cost-effective large-scale renewable energy projects by leveraging private sector financing. The EITF will serve as a one-stop shop and augment installation staff for the development of renewable energy projects greater than 10 MW on Army installations to obtain secure, sustainable, and affordable energy from a diversity of sources. The EITF is currently evaluating 12 projects at eight installations to determine whether they are worthy of further development and has identified further opportunities at 21 installations.

The Army is incorporating cost effective Energy Efficient Measures into the MILCON Program. The Army has implemented energy efficiency requirements into all new facilities construction, renovation and modernization requirements.

The Army is committed to contributing to our Nation's energy security by reducing our dependence on foreign oil. In the Army, "Every Soldier is a Power Manager" and energy is a consideration in every aspect of how we do business. We are committed to advancing energy security by changing our doctrine, our behavior, and our technological advancement throughout all aspects of our enterprise. We will build on our past accomplishments and ensure our Soldiers and civilians wisely employ the resources entrusted to them.

ENVIRONMENT

The Army FY 2013 Environmental program provides $1.17 billion in support of current and future readiness. The environmental program includes Army Working Capital Fund, BRAC 2005 and Prior BRAC, and Army O&M programs. This program ensures an adequate environmental resource base to support mission requirements, while maintaining a sound environmental compliance posture. Additionally, it allows Army to execute environmental aspects of re-stationing, Global Defense Posture

Realignment and BRAC 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 effectively train for combat. 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, and we continue to manage environmental compliance requirements despite operating in a constrained resource environment.

SUSTAINMENT/RESTORATION & MODERNIZATION

The Army continues its commitment to fund sustainment at 90% of the OSD Facilities Sustainment Model (FSM) requirement. The Army views 90% sustainment funding as the absolute bedrock of proper facilities stewardship, and is an essential objective of the Army facilities investment strategy. The Army has chosen not to take risk in the sustainment of our facility inventory valued at $329 billion. In keeping with the Army Facility Investment Strategy (FIS), the Army has increased its investment in facility restoration through the O&M Restoration and Maintenance 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 2013 Base Operations Support (BOS) request is $9.0 billion and is consistent with our FY 2012 BOS Budget request. The Army's FY 2013 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. Army remains committed to its investment in Army Family Programs and continues to evaluate its services portfolio in order to maintain relevance and effectiveness. Army will meet the challenge of day-to-day requirements by developing more efficient service delivery or adjusting service levels while managing customer expectations. These efforts will encourage program proponents to evaluate policies, seek alternative 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 2013 installations management budget request is a balanced program that supports the Army in transition while at war, supports our Soldiers, Families, and Civilians, and recognizes the current fiscal reality. The Army Facility Strategy 2020 and facilities investment strategy will be accomplished through the Congress' continued commitment to timely and sustained funding of the military construction, BRAC and family housing budget request.

In closing, thank you again for the opportunity to appear before you today and for your continued support for our Soldiers, Families, and Civilians.