

RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL DAVID D. HALVERSON
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT

AND

MAJOR GENERAL ROBERT P. WHITE
DEPUTY CHIEF OF STAFF, G-3/5/7, U.S. ARMY FORCES COMMAND

AND

COLONEL ANDREW COLE, JR.
GARRISON COMMANDER, FORT RILEY, KANSAS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

FIRST SESSION, 114TH CONGRESS

EFFECTS OF REDUCED INFRASTRUCTURE AND BASE OPERATING SUPPORT
INVESTMENTS ON READINESS

DECEMBER 3, 2015

NOT FOR PUBLICATION UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

INTRODUCTION

Chairman Wittman, Ranking Member Bordallo, distinguished Members of the Subcommittee, on behalf of our Acting Secretary, the Honorable Eric Fanning, and our Chief of Staff, General Mark Milley, thank you for the opportunity to testify about the impacts of sequestration and the Budget Control Act (BCA) on Army installations' support to training and readiness of operational forces.

Army Installations provide the power projection platforms and sustainable training centers that we rely on to meet all threats overseas and on American soil. Installations are a key enabler in General Milley's priorities: Readiness, Future Army, and Taking Care of the Troops and their Families. The recently enacted Bipartisan Budget Act of 2015 provided the funding levels to help achieve these priorities. However, the previous BCA funding levels have slowed the maintenance and nearly halted modernization of these platforms and centers. This directly impacts the Army's ability to provide functional facilities that are adequately manned to support training cycles for rotational forces and essential operational capabilities such as Home Station Mission Command. Further, the BCA funding levels challenge the Army in providing adequate resources against emerging threats such as cyber security, insider threat and network modernization.

TRAINING AND READINESS

There are two immutable components to producing trained and ready forces: fiscal resources and time. If fiscal resources are insufficient to maximize time available for training, then that training opportunity is lost forever. And, unfortunately, readiness cannot be bought back quickly in a time of crisis. The Nation needs a quality Army that is trained, manned, equipped, and ready to accomplish its missions. Training an Army is expensive because we need practice and experience at home station and combat training centers to ensure we send Soldiers into combat ready, well led, and fully equipped. This readiness comes from hard, realistic training. Our commanders in the field are steadfast in their belief that given today's turbulent environment, we likely will not know when the call will come, or what mission our Nation will give us. Restoring the Total Army's readiness requires adequate installation funding so that field commanders

can maximize available time to train, build and sustain readiness at home station. Our Army functions best with adequate funding so that it can maximize time to train, man, and equip units.

The installation is the platform that produces combat ready forces. The availability of quality ranges, maneuver areas, airfields, and classrooms are essential to a unit's and our institutional Army's ability to train. The Army, however, has taken risk in funding for installations over the past several budget cycles in order to find the right balance of necessary funding for operational force readiness within the confines of a lower level of overall resourcing. Reduced funding and reductions in installation personnel adversely impacted training and mission support across the installation management enterprise. Not limited to Soldiers training on the ground, lack of funding also affects aviation support missions and the ability for manned and unmanned aircrews to train safely in Army airspace. Continued constraints on installation funding reduce the frequency and quality of individual and unit training.

The ability to quickly deploy our forces relies on our airfields, rail facilities, and infrastructure. Deferred maintenance of these heavily used facilities and supporting infrastructure will eventually result in failure. Overall, reduced funding negatively impacts the number of trained and ready Soldiers prepared for combat and able to deploy.

INSTALLATION INFRASTRUCTURE

With prior years' robust funding, and a balanced Military Construction (MILCON), Sustainment, Restoration and Modernization (SRM), and demolition investment strategy, the Army improved overall condition of its facilities from 31% being fully adequate in 2000 to 69% in 2015. This trend is now slowly reversing due to constrained funding for SRM. Taking risk in SRM funding means facilities will cost more to fix later than to sustain now. Moreover, the Army estimates the service has 18% excess capacity or 160 million square feet of underutilized facilities world-wide. This excess facility capacity burdens the Army sustainment and base operations (i.e. utilities) accounts that could be invested elsewhere. Absent a new Base Realignment and Closure (BRAC) round, we have a strategy to reduce some of our excess capacity by

consolidating into our best facilities within our installations and eliminating our failed or failing infrastructure. So far, we have identified 47 million square feet of potentially excess that can be eliminated by FY 2022. However, without a reduction in the number of installations, maintaining excess capacity will overshadow our gained program efficiencies. As we return to garrisons from 14 years at war we have identified gaps, including modernization of buildings for mission command and maintenance facilities for modernized equipment.

Reduced infrastructure maintenance affects more than just buildings. Utilities, communications and transportation networks are also critical readiness enablers. Deferring utilities systems upgrades reduces our energy assurance and efficiency. Providing basic necessities, like water, proves challenging through aging government owned distribution systems. Without adequate investment in our communications infrastructure risks to cyber-attack increase. This infrastructure is the backbone of our installations. Army effectively leveraged public-private partnerships to enable infrastructure improvements but vulnerabilities remain. The MILCON program is at historic lows and the Army continues to focus limited resources on supporting readiness initiatives. MILCON has been reduced by 75% from FY15 pre-BCA projections¹, significantly hindering the Army's ability to respond to new requirements and adapt to new missions.

INSTALLATION SERVICES

Continued BCA spending caps will drive further reductions in installation services. The Army's strategy is to protect our Family programs and those directly enabling life, health, and safety. Ensuring the resiliency and safety of our Soldiers and Families is the priority of these programs. We must faithfully maintain our commitment to our Soldiers and their Families.

However, the Army continues to be challenged meeting other service requirements with scarce resources. Funding our broad and diverse service functions and mission support requirements creates challenges to provide a sustainable base for training and quality of life for our Soldiers. These functions range from the full array of

¹ Pre-BCA projections are from the FY 2012 FYDP, developed prior to the enactment of the BCA.

municipal services to include feeding our Soldiers in dining facilities, providing logistical services, to operating base libraries for Families, as examples. As Base Operations & Support (BOS) funding remains steady, a significant compounding factor is the increasing costs in such areas as personnel, energy, and environmental compliance (due to aging infrastructure). Reduced buying power further degrades installation services and directly impacts readiness. If BOS funding levels don't increase, the Army will eventually have to reduce the availability of or eliminate some programs. These programs are an investment in the Army's most valuable asset, our people. We remain committed to providing them with a quality of life commensurate with their service as well as being good stewards of taxpayer dollars.

NEW REQUIREMENTS

In order for the Army to dominate the battlefield it must keep pace with technology and ahead of emerging threats. Adapting to and integrating the latest technology and methods to ensure the Army is ready to execute its mission both at home and on our installations abroad is a vital investment the Army must afford. BCA caps threaten our ability to do that.

Installations are addressing increasing requirements linked to insider threat, cyber security, and enhanced force protection. These threats require new investments in processes, facilities, and infrastructure in order to maintain readiness and execute our mission while protecting our Soldiers and their Families.

To combat the growing cyber threat, the Army established the Army Cyber Command and the Cyber Center of Excellence. This new capability required a holistic approach to develop cyber maneuver space. The immediate need for Army Cyber Command facilities required the Army to defer other projects, which compounded already existing infrastructure maintenance issues. Additionally, Army rotational forces abroad require training and support facilities to meet operational requirements as they adjust to the unpredictable global environment. In support of forces deployed abroad, operational headquarters should be able to command from home station facilities; however, most legacy facilities do not readily support the information technology and power requirements to conduct mission command. These facilities will require

renovation in order to provide our Soldiers the ability to operate effectively from home station in support of overseas operations.

Funding restrictions have significantly impacted the Army's ability to build, renovate, and modernize facilities needed to support operational requirements. Prior to BCA, the Army's projection for FY15 supported a MILCON program that included 80 projects. When we submitted our post-BCA budget for FY15, we could only support 28 MILCON projects. Despite the implementation of cost saving measures across the installation management enterprise, the cost of new requirements has more than offset efficiencies gained in operations, maintenance, and Base Operations Support.

CONCLUSION

The impacts of sequestration, the Budget Control Act, and the restriction on implementing another round of BRAC challenge the Army to meet day-to-day installation readiness platform support requirements. Reduced funding is negatively impacting the quality and readiness of our infrastructure and services. Our mitigation strategies, such as public and private partnerships, service consolidation, privatization, and footprint reduction initiatives produce efficiencies but are not sufficient to close gaps in installation funding requirements. The complex environment of rising installation business costs and a flat line funding source significantly affect the overall health of our facilities. The long term effects of meeting the demand of the moment reduces our ability to protect future readiness. Increases in deferred maintenance and reduced investments in installations and infrastructure degrade the Army's ability to be ready to project full spectrum forces. Critical infrastructure will fail at increasing rates, maneuver training areas and simulation centers will be outdated, and services for Soldiers and their Families may be cut.

The Army is challenged with achieving the proper balance between current and future demands. The cumulative effect of reduced and uncertain budgets stress the overall quality of our installations and the services we deliver. Ensuring installations continue to deliver readiness capabilities through this period of uncertainty is our number one priority.

Thank you for the opportunity to appear before you today and for your continued support for our Soldiers, Families, and Civilians.