

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
SUBCOMMITTEE ON READINESS
HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

THE HONORABLE PHYLLIS L. BAYER

ASSISTANT SECRETARY OF NAVY
(ENERGY, INSTALLATIONS AND ENVIRONMENT)

BEFORE THE

SUBCOMMITTEE ON READINESS

of the

HOUSE ARMED SERVICES COMMITTEE

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Good morning Chairman Wilson, Ranking Member Bordallo, and members of the Subcommittee. It is an honor to sit before you today with my fellow Service members to testify on the readiness of the Department of the Navy's Energy, Installations and Environment (EI&E) portfolio. As you know, Secretary Mattis directed that the Department of Defense increase readiness, specifically, to produce a more lethal and ready force. In support of that direction, Secretary Spencer focused Department of the Navy efforts toward taking care of our people, improving our processes, and creating greater capabilities in every area of the Navy and Marine Corps fighting force. My remarks will cover how we are aligning with this direction, first in the area of our safety program, and then regarding our facilities, energy and environmental programs.

Investing in Our People

The strength of the Navy-Marine Corps team is derived from our outstanding Sailors, Marines, their families and the civilians and contractors who support them. This represents a community of over 800,000 people (Active Duty, Reserve and civilians) each moving about and doing their jobs every day. Because we care about the safety and health of each and every person on our team, it is my goal, and that of Secretary Spencer, to keep them safe and avoid preventable mishaps as they perform their jobs.

We are using technology to enhance our ability to prevent mishaps and working to reach an objective of zero mishaps. The Risk Management Information initiative will comprise a streamlined mishap reporting system, with database consolidation, state-of-the-art analytical innovations, and data capabilities to improve our predictive abilities and in turn, do better to keep Sailors and Marines more safe. Moving forward, I am committed to leveraging the best practices of industry, such as those recognized by Occupational Safety and Health Administration's Voluntary Protection Program. The Department of the Navy has 75 Commands currently pursuing or have achieved the Voluntary Protection Program "Star" status; that is, they achieved injury and illness rates at or below the national average of their respective industries. I am working to increase

the number of commands in the VPP program to create a stronger culture of safety because a safer workplace will create a more efficient, effective and ready force.

Installations – An Integral Component of Readiness

Our forces are aligning to the 2018 National Security Strategy and the 2018 National Defense Strategy which require us to sustain and expand our competitive advantage. To do this, we must modernize key capabilities, prioritize speed of delivery, continuously adapt, deliver performance and adopt proven business innovation. That means we must modernize our facilities to better deliver the competitive advantage that the National Defense Strategy requires.

To ensure we win the Great Power Competition, our facilities must operate more efficiently and be equipped with the latest cutting-edge technology, like smart and urban technologies, that will deliver capabilities faster, smarter, cheaper and in a more efficient manner than our adversaries.

Congress has given us a start in the FY18 Omnibus Bill, and with your support for the President’s FY19 budget request, we can begin to address our critical facilities and infrastructure needs. This year’s \$14.7B budget request includes a 4% increase across appropriations to operate, maintain and recapitalize our installation infrastructure and support functions.

Military Construction (MILCON)

The Navy’s \$1.907B PB19 MILCON request includes 33 projects, planning and design (P&D) and unspecified minor construction (UMC). Nearly half of the MILCON program (\$824M) is in direct support of new platforms.

The \$906M Marine Corps’ PB19 MILCON request includes 16 projects, planning and design (P&D) and unspecified minor construction (UMC). This supports new capabilities and platforms, relocation and consolidation of forces, and meeting of safety and environmental mandates.

Facilities Sustainment, Restoration and Modernization (FSRM)

To support warfighting readiness and capabilities, the President's FY19 budget request is \$3.0B to sustain infrastructure for Navy and Marine Corps at 80 and 81 percent, respectively, of the Department of Defense (DoD)'s Facilities Sustainment Model.

The Department has over 90,000 buildings, over 50,000 structures and nearly 20,000 utility assets - in total, over 160,000 facility assets on its 95 installations; an inventory that represents over \$300 billion dollars in plant replacement value. It is a large "house" that we are tending.

Over the last decade, the Department of the Navy took risk with reduced infrastructure funding, capital investments and installation operations to afford warfighting readiness. These lower resource levels have reduced many facility conditions to a point of no return. For example, I am aware of a barracks that has withstood this under-investment for so long, that now rather than asking for funds to repair it, we are forced to request funds to replace the barracks because the underinvestment has left us with structures that are not worth "repair." We must get ahead of facilities management with a commitment to perform necessary preventive maintenance and avoid these kinds of situations. It is wasteful of the taxpayer's dollars; it's demoralizing for Sailors and Marines to live in such poor conditions, and with your help, we can do better.

I ask for your help to fund our full Budget request for the needed maintenance and repair, through the Facilities, Sustainment, Restoration, and Modernization accounts so that that we avoid waiting too long and pay more for these repairs. With steady, stable, predictable funding, we can reconstitute and modernize our facilities and keep these costs at their minimum.

Base Operating Support (BOS)

The FY19 BOS request of \$7.95B has remained largely flat since the Budget Control Act in 2013. Base operations at Navy and Marine Corps installations are funded to the acceptable standards necessary to continue mission-essential services. We have enforced low service levels for most installation functions (administrative support, base vehicles, grounds maintenance, janitorial and facility planning) in order to maintain our commitment to warfighting operations, security, family support programs and child development. These measures, while not ideal, are necessary given budget tradeoffs.

Family Housing

The family housing budget request of \$419M provides for Navy and Marine Corps family housing operation, maintenance, renovation and construction requirements that support recruitment and retention of Sailors and Marines. The budget supports suitable, safe and affordable housing; it includes the operation, maintenance, recapitalization, leasing and privatization oversight of the Department's family housing worldwide. This will replace 96 homes on NAVSUPACT Andersen for Navy, Air Force and Army families and will support renovation of 44 Junior Enlisted family mid-rise housing units at MCAS Iwakuni. The Department continues to rely on the private sector as the primary source of housing for Sailors, Marines and their families.

Installation Energy

Regarding installation energy, the Navy appreciates the changes in the FY18 NDAA that gave us more authority to consider resilience in addition to efficiency in our investment decision. The Department's installation energy security program is focused on readiness and resiliency. As such, we are targeting approximately \$410M of private capital using Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contract (UESC) authorities to leverage savings to pay for resiliency improvements to our existing infrastructure. In addition, the Department is making the investments required to support energy program management and targeted restoration and modernization funds set aside for high priority and quick payback energy projects. Additionally, we are grateful for the \$82M in ERCIP (Energy Resilience and Conservation Investment

Program) funding that will improve installation readiness at five locations (Indian Head, MD; San Clemente, CA; Great Lakes, IL; Isa Air Base, Bahrain; and Albany, GA) and move us toward secure, reliable, and cost effective utility and facility operations.

Environmental Planning and Protection

Sustaining realistic training and testing capabilities and the ability to operate unimpeded off our coasts are critical to warfighting readiness and lethality. Our ranges, both offshore and on land, are highly susceptible to encroachment from a variety of sources. While we strive for compatibility, we must ensure our critical military training and testing ranges endure and are not further diminished from encroachment, and therefore we ask for your support of the Department's FY 2019 Readiness and Environmental Protection Integration (REPI) program request.

Regarding environmental planning and compliance, the Navy will continue to build upon our strong relationships with regulatory and community partners to advance the Department's mission along with our commitment to environmental and human health protection. Our FY19 request also maintains our robust Environmental Restoration program at former and current Navy properties.

Environmental readiness is an important enabler of the 2018 National Defense Strategy. We are focused on environmental planning (NEPA) in support of home-basing of key platforms such as EA-18G Growler training at Whidbey Island, Washington, planning for our at-sea ranges worldwide and for establishment of infrastructure and training facilities that support the Pacific rebalance on Guam and in the Commonwealth of the Northern Mariana Islands.

As an example of executing our mission and stewardship responsibilities, we will continue to monitor the over 1,000 desert tortoises that were relocated in 2017 to support Marine Corps air and ground training at Twentynine Palms, California. To maintain our environmentally responsible activities at sea, we will continue to be leaders in ocean research by studying marine mammal response to sound in water. We will also continue

to work closely with the U.S. Fish and Wildlife Service to ensure all compliance requirements for the new Marine Corps Base on Guam are implemented and with the National Marine Fisheries Service to obtain necessary authorizations that ensure uninterrupted training in the open ocean.

The Navy and Marine Corps remain committed to natural and cultural resource stewardship which supports mission readiness and will prioritize implementation of our Integrated Natural Resources Management Plans and Integrated Cultural Resources Management Plans across the Department as a means of facilitating environmental readiness. These plans are a “win-win” that further conservation goals while simultaneously relieving potential encroachment threats that would hamper warfighting readiness.

Environmental - Emerging Contaminants

We continue to make progress on our efforts to clean up the emerging contaminants perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA). We have implemented a proactive and comprehensive strategy of: 1) sampling on- and off-base drinking water, 2) providing alternate drinking water where necessary, and 3) conducting site investigations and cleanup of soil and groundwater. As of the end of 2017, we prioritized and sampled the most at risk wells, eliminated exposures where found, and ensured our neighbors and Department of Defense personnel are receiving safe drinking water. We are grateful for the \$55M in additional Congressional funding provided in FY18 to accelerate our cleanup response at our active and closed installations and surrounding communities.

Conclusion

The Department of the Navy continues to carefully and deliberately manage its portfolio to advance Navy and Marine Corps readiness and to improve the safety and quality of life for Sailors and Marines. The Department's FY19 request makes needed investments to support our people and our infrastructure. This budget also preserves

access to critically important training and test ranges and promotes environmentally prudent and safe actions while challenging us to more energy resilient infrastructure.

I look forward to working with Congress to deliver an innovative and resilient program that supports mission success for the United States Navy and Marine Corps, the most formidable expeditionary fighting force the world has ever known. With your help, we will work to ensure our Navy and Marine Corps support the National Defense Strategy and have the ability to project superior naval power across the globe. I appreciate the opportunity to testify before you today and look forward to your questions.