

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, and RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS

**STATEMENT OF
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DEPUTY CHIEF OF NAVAL OPERATIONS FOR
FLEET READINESS AND LOGISTICS
U.S. NAVY**

BEFORE THE

**HOUSE SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS AND RELATED AGENCIES,**

OF THE

COMMITTEE ON APPROPRIATIONS

MARCH 26, 2019

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Chairwoman Wasserman Schultz, Ranking Member Carter and distinguished members of the Committee, it is an honor to appear before you representing the thousands of Navy Sailors and civilians at our seventy-one installations worldwide. Thank you for the opportunity to testify about how our Fiscal Year 2020 (FY 2020) Military Construction (MILCON) request best provides these dedicated professionals the facilities they require to carry out their mission aligned to strategy.

The President's National Security Strategy clearly sets forth the priorities directing our Navy to maintain ready forces and invest in readiness to maintain "The Navy the Nation Needs" which includes infrastructure maintenance and modernization. Further, the Navy is supporting the National Defense Strategy (NDS) that articulates the Department of Defense's mission – to maintain a lethal, resilient, and rapidly innovating force. Today I look forward to sharing with you our proposed MILCON projects that enable fleet lethality as well as support for our service members and their families.

Our shore infrastructure is an integral component to achieving the six pillars of the Navy's mission: (1) a bigger, (2) better, (3) networked, (4) talented, (5) agile, and particularly (6) ready fleet. To enable that ready fleet in FY 2020, the Navy is requesting nearly \$2.3 billion in facility sustainment to support infrastructure worldwide. The MILCON resourcing of \$1.47 billion allows for the execution of 22 projects, to include six overseas projects in support of the global reach and persistent presence of a forward-deployed naval force.

On behalf of the CNO, I also want to express the Navy's appreciation to Congress for enacting the FY 2019 Appropriations Bill that funds increased shipyard investments and contributes to improving necessary infrastructure that enables the Fleet and our warfighting missions.

Today I would like to share with you how the Navy plans to align our Shore Infrastructure portfolio in FY 2020 to maintain resiliency and lethality in The Navy the Nation Needs.

Military Construction

In FY 2020, the Navy made a deliberate investment in military construction (MILCON) to increase lethality, capacity and capability. The MILCON budget request includes 22 projects, planning and design (P&D), and unspecified military construction at a value of \$1.47 billion.

More than 80% of the MILCON program is in direct support to the National Defense Strategy's highest priorities of increasing lethality, strengthening alliances, and enabling new Navy Platforms and Missions. This program also invests in restoring warfighting readiness and further advancing the restoration of our Naval Shipyards and support to the Navy Reserves.

Increasing Lethality / New Platform (\$898M, 14 projects)

- Ammunition Pier – Seal Beach, CA (\$95M)
- CMV-22B Maintenance Hangar – Coronado, CA (\$87M)
- Alert Force Facility – Fairfield, CA (\$64M)
- Pier 8 Replacement – San Diego, CA (\$59M)
- Replace SSN Berthing Pier 32 – New London, CT (\$72M)
- Master Time Clocks and Operations Facility – Washington, DC (\$76M)
- Targeting and Surveillance System Facility – Jacksonville, FL (\$32M)
- EOD Compound Facilities – Guam (\$62M)
- Magazine Consolidation, Phase 1, West Loch – Pearl Harbor, HI (\$54M)
- Runway 08/26 and Taxiway Hotel Extension – China Lake, CA (\$65M)
- D5 Missile Motor Receipt/Storage Facility – Hill Air Force Base, UT (\$51M)
- Mariner Skills Training Center – Norfolk, VA (\$79M)
- Undersea Vehicle Maintenance Facility – Kitsap, WA (\$25M)
- Communications Station – Sigonella, Italy (\$77M)

Strengthen Alliances / European Deterrence Initiative (EDI) (\$298M, 5 projects)

- Pier 5 Replacement – Yokosuka, Japan (\$175M)
- Electrical System Upgrade – Bahrain (\$53M)
- EDI: Joint Mobility Center – Rota, Spain (\$47M)
- EDI: Small Craft Berthing Facility – Rota, Spain (\$13M)
- EDI: In-Transit Munitions Facility – Rota, Spain (\$10M)

Shipyards Investment (\$100M, 2 projects)

- Dry Dock Flood Protection Improvements – Norfolk, VA (\$49M)

- Dry Dock 4 and Pier 3 Modernization – Puget Sound NSY, WA (\$51M)

Supporting the Navy Reserves (\$25M, 1 project)

- Main Gate Relocation – New Orleans, LA (\$25M)

MILCON Planning and Design (\$100M)

Unspecified Minor Construction (\$46M)

Facilities Sustainment, Restoration, and Modernization (FSRM)

Further, the FY 2020 budget requests \$2.3 billion to sustain infrastructure, and improve our facility sustainment from 80% of the Department of Defense (DOD) model in FY 2019 to 85% in FY 2020. While still below the DOD goal of 90% facilities sustainment, this is the fourth straight year the Navy has increased this funding level in its budget request, acknowledging our commitment to a more balanced investment to support Navy wholeness. The Navy will begin to reduce the facilities maintenance backlog with the FY 2020 budget request with consistent resourcing to achieve full recovery.

Family Housing

Our Sailors and their families deserve safe, quality living quarters and commands must advocate for their health, safety, and well-being. The Navy takes this issue very seriously, and is taking deliberate action to identify problems and work with our commands and Public Private Venture (PPV) partners to ensure we develop a working relationship that supports the provision of quality housing operations. Immediate action has been taken to reach out to every family in Navy housing and to develop remediation plans to ensure our Sailors' living conditions in government family and PPV housing offers the quality of life standards which they deserve.

To that end, we have directed required actions by our Navy commands to assess current conditions, address family concerns, evaluate PPV relationships and oversight, and provide findings to Commander, Navy Installations Command to adjust business practices that will ensure an expeditious, enduring, and comprehensive resolution.

In order to continue operations while planning for overall housing improvement, the FY 2020 Family Housing budget request provides \$281.3 million for the operation and maintenance of almost 7,000 government-owned homes, leases for approximately 1,700 units, major maintenance and repair to more than 500 units, and oversight of nearly 40,000 privatized housing units. The Family Housing construction request of \$27.8M million will assist in the elimination of inadequate units at Naval Station Rota, Spain and Fleet Activities Yokosuka, Japan by renovating 82 homes.

Base Operating Support

Our FY 2020 budget request invests \$4.73 billion in base operating support, a slight decrease from FY 2019 (\$4.75 billion), essentially unchanged since the enactment of the Budget Control Act in 2013. This funding level provides compliant outputs and service levels at our installations, and we prioritize resources to minimize impact to mission, force protection, and quality of life at the expense of other base operating support functions. While funding for installation services and facility support has been constrained, the Navy remains committed to deliberately and effectively managing each base operating support program within available resourcing.

Base Realignment and Closure (BRAC)

The Navy's FY 2020 budget request includes \$158 million for installations closed in previous BRAC rounds; \$148 million of this is for environmental cleanup. The Navy has completed disposal of 94% of property (177,842 acres) with the remaining 6% representing 11,151 acres at 16 former installations. Over 50% of the remaining property is at two BRAC 2005 installations (NAS Joint Reserve Base Willow Grove, PA, and NWS Concord, CA). The majority of the remaining property transfers are planned to occur by 2027. There are 27 former installations (with no property remaining for transfer) which still require environmental cleanup or monitoring.

I appreciate Congress' support of the environmental cleanup efforts at the former Hunters Point Naval Shipyard. Fraudulent contractor work delayed property transfers in support of redevelopment, and extensive rework on low-level radiological cleanup is expected to begin in 2019. Additionally, PFOS and PFOA have impacted public and private drinking water supplies

at multiple BRAC installations. In FY 2019, initial sampling and/or evaluations will be completed at 35 former installations with known or suspected PFOS and PFOA. Over \$73 million has been spent as of 1 October 2018 and future costs for cleanup are expected to increase as EPA and state guidance/regulations evolve.

Conclusion

The Navy the Nation Needs requires shore infrastructure worldwide that can support and win both a short and prolonged fight. Therefore, the Navy continues to prioritize the readiness of the force through the balance of resourcing. We are steadfastly focused on prioritizing investments that increase naval power as directed by the National Defense Strategy. Thank you for your unwavering support and commitment to our Navy's readiness, as well as your dedication to the Navy's service members and their families.