

RECORD VERSION

STATEMENT BY

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ENERGY, AND ENVIRONMENTAL PROGRAMS**

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**NOT FOR PUBLICATION UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES**

Chairman Garamendi, Ranking Member Lamborn and members of the Subcommittee: on behalf of the Soldiers, Families, and Civilians of the United States Army, thank you for the opportunity to present the Army's Fiscal Year (FY) 2022 budget request for installation infrastructure.

We would like to express our gratitude to members of this committee for your strong support of Army installations, Soldiers, and Families. Thank you for supporting our budget request for FY 2021.

The Army strategy provides a clear path to transform and achieve overmatch against its adversaries in great power competition. The Army priorities are people, readiness, and modernization. This prioritization reflects the Army's success in rebuilding and sustaining tactical readiness over the past six years, establishing strategic readiness, investing in critical capabilities, and recognizing the fundamental role of our people and facilities in driving readiness and modernization. In support of the Army Strategy and the evolving priorities, the Army published additional supporting strategies, amongst them, the *Army People Strategy*, *The Army Modernization Strategy*, and the *Army Installations Strategy* to help guide resource and programmatic allocations.

You have heard the Secretary of the Army and the Chief of Staff of the Army say People are our number one priority, our greatest strength, our most valuable asset, and our most important weapon system. *The Army People Strategy* describes how we will shift from simply "distributing personnel" to more deliberately managing the talents of our Soldiers and Civilians; how we will prioritize their quality of life; and how we will improve housing and barracks, healthcare, childcare, spouse employment, and permanent change of station moves. People drive our success in readiness, modernization, and reform.

Our FY 2022 budget request is guided by the *Army Installations Strategy* in developing modern, resilient, sustainable installations; enhancing strategic readiness by providing quality facilities, services, and support to our Soldiers, Families, and Civilians.

Installations are platforms from which we build Army culture, care for our People, and project and sustain forces essential to strategic readiness and the Army's ability to

deploy, fight, and win our nation's wars. With timely, adequate, predictable, and sustained funding, we will ensure that our People remain a priority and this will help us continue to recruit, train, and retain an Army of high quality Soldiers, prepared to win our Nation's wars.

THE ARMY INSTALLATIONS STRATEGY

The *Army Installations Strategy* nests with the priorities of the *Army Strategy*, and complements and supports the *Army People Strategy* and the *Army Modernization Strategy*. It addresses people, readiness, and modernization, in the context of Army installations and encompasses taking care of people, strengthening readiness and resilience, modernizing and innovation, and promoting stewardship. The strategy represents a pivot from an Industrial-Age paradigm characterized by rigidity and purpose-built specialization, to a data-rich, reconfigurable Information Age construct.

Taking Care of People

The Army wins through its People. Adaptable and tailorable quality of life programs for Soldiers, Civilians, and Families improve Army readiness and reduce uncertainty. Our People promote the Army as a great team to join, and installations as the best places to work and live. Facility conditions; modern services; Family programs; and Morale, Welfare, and Recreation functions are essential components for taking care of our People. Winning matters—the Army must be able to compete for and win the fight for talent—both for those who serve in uniform and those who seek to be part of our civilian workforce. What matters most to our people is not whether the Army owns or operates a facility, but whether the services are delivered in quality, safe facilities, which are responsive, user friendly, and convenient.

Quality of Life Priorities

We are in competition for talent. If we want the best Soldiers and we want them to stay, we must invest in taking care of them by investing in their quality of life. Recognizing the important role quality of life plays in recruitment, retention, and

readiness, we are focused on improving housing and barracks, ensuring the best health care, expanding access to child care, improving opportunities for spouses to gain meaningful employment and build their own careers, and reducing the turbulence of moving. Another priority is support and resilience where our focus is on increasing support and resources to some of our remote, isolated, and challenged installations. These focused efforts help strengthen the Army team.

Family Housing and Barracks

Our Soldiers and Families deserve high quality, safe housing. Our focus is on fixing the privatized housing issues brought to light in 2018, while simultaneously working with the privatized companies to strengthen the long-term financial health of the housing portfolio. We are conducting 100 percent quality assurance inspections on change of occupancy and life, health, and safety maintenance work orders.

The Army obtained agreement on implementing the vast majority of the Tenant Bill of Rights at installations with privatized housing and continues to work towards agreement on executing the remaining three tenant rights (common tenant lease; dispute resolution; and rent segregation) at six installations. We continue to host weekly housing meetings with key stakeholders and Residential Communities Initiative (RCI) companies on a rotating basis to review physical and financial condition of privatized housing. We conduct quarterly Town Hall meetings with Commanders and residents; we hired independent third-party experts to perform comprehensive financial and development reviews; we established an enforceable incentive fee metric to reward improved work order response times, achieve better quality work, and increase resident satisfaction. RCI companies have obtained \$1.5 billion in private sector sourced financing and are reinvesting another \$1.3 billion to make housing improvements. Furthermore, the Army has invested \$1.7 billion over the past three years in Army-owned housing improvements and construction.

The Army has also invested \$2.1 billion in barracks for construction, operations and maintenance, and restoration and modernization over the last three years. The Army is focused on modernizing barracks standards that incorporate user feedback and

the latest technology. The Army Maintenance Application (App) allows Soldiers to quickly submit a maintenance claim from their cell phone without having to wait for their chain of command or make an appointment. The app will eventually become the primary tool for maintenance inquiries for residents of Army-owned Family housing and barracks across the Army.

Historic Housing Program

The Army is faced with the extraordinary challenge of managing the largest inventory of historic housing in the federal government. The Army must provide quality of life for Soldiers and their Families; manage high renovation costs for historic housing; address hazards found in historic building materials such as lead-based paint and asbestos; and address the need for expanded living space and modernization of mechanical systems, all while preserving the historic and architectural character of the huge inventory of over 30,000 historic homes on Army installations.

Issued in September 2020, the *Program Comment for Department of the Army Inter-War Era Historic Housing, Associated Buildings and Structures, and Landscape Features (1919-1940)* establishes a new paradigm for integration of National Historic Preservation Act requirements as part of the solution to the Army's most critical Family housing concerns for over 3,200 Inter-War Era homes. The management actions addressed by the Program Comment directly improve the material living conditions and the quality of life, health, and safety for the thousands of Army Family members who live in Inter-War Era housing, whether government-owned or privatized, while mitigation measures ensure the historic and architectural character of this housing is preserved.

Child Care

Army Families do not always have the stability of an established neighborhood or the proximity of relatives to allow for a constant and reliable child care plan, thus Soldiers look to the Army to provide services that assist them in safely caring for their children so that they can focus on their mission and spouses on their careers.

The Army is challenged by child care capacity, mainly for infants and toddlers. Additionally, availability of quality off-post care is limited in many communities, reducing options for Soldiers who cannot access on-post care. The Army is implementing mitigation strategies to maintain and, in some cases, increase access to care. This includes adding and expanding 21 Child Development Centers over the next ten years, which will increase capacity by about 4,000 new spaces.

Safety and Occupational Health.

Ensuring our Soldiers and Civilians are ready to support the Army mission requires extensive continual investments in proactive injury and illness prevention both on the installations and during mission execution. The Army is developing prevention through design and facilities systems safety policies to identify and reduce safety and occupational health risk in our facilities. The adoption of these modern practices, during construction and while the facility is being operated, are critical to Army readiness, long-term use, and disposal of our facilities. To ensure these techniques are adequately implemented and evaluated, the Army is investing in the readiness of its safety and occupational health workforce through training, education, and partnerships.

Strengthen Readiness and Resilience

As the Army's initial maneuver platforms, installations must be able to operate and meet power projection requirements in and from an increasingly contested multi-domain operational environment. Army installations support total Army operations to mobilize and project forces and capabilities anywhere in the world, at any time. Energy and water resilience, or uninterrupted access to energy and water, are essential for Army readiness and ensuring the Total Army can deploy, fight, and win. They advance the capability of systems, installations, personnel, and units to respond to unforeseen disruptions and quickly recover critical missions.

The recently published *Army Installation Energy and Water Strategic Plan* aligns with the Army Installations Strategy and establishes resilience, efficiency, and affordability as strategic goals. They also must be prepared to address cyber, physical, and natural threats including climate change.

Climate Change

The Army recognizes climate change as a growing global security threat. In line with the President's and the Secretary of Defense's direction, we are prioritizing climate change considerations in our threat picture, strategic plans, operations, and infrastructure design. We will include climate risk analyses in our war-gaming, modeling and simulation activities, and our daily operational missions. The Army is poised to build on past efforts with a focus on integrating climate change factors within assessments and planning, installation resilience, science and technology, operational energy, sustainable land management, and procurement. We are taking significant steps to address climate change and extreme weather impacts, which include a Secretary issued Army Directive, "U.S. Army Installation Policy to Address Threats Caused by Changing Climate and Extreme Weather," the Army Climate Assessment Tool, and the Army Climate Resilience Handbook. In March 2021, the Army established the Army Climate Change Working Group to synchronize and direct Army activities to address climate implications and policy, planning, and implementation across the force, and execute climate change objectives.

Energy and Water Resilience

The Army is the largest consumer of installation energy in the Department of Defense, spending more than \$1 billion per year on facility energy and water. Our installations rely, with few exceptions, on commercial energy and water sources to accomplish critical missions. The vulnerabilities in the interdependent electric grids, natural gas pipelines, and water resources supporting our installations jeopardize mission infrastructure, installation security, and the Army's ability to project power and sustain global operations.

The *Army Installation Energy and Water Strategic Plan* sets a vision and establishes goals, strategic objectives, and measurable targets to shape efforts to achieve long-term infrastructure resilience, efficiency, and affordability. Building and

measuring resilience enables Army readiness by improving the ability to prevent and recover from disruptions to vital energy and water utility services.

We gain valuable insights into our existing infrastructure condition and capability gaps, resource access, and system operations and plans through planning and condition assessments. Installation Energy and Water Plans (IEWPs) outline critical mission needs, characterize energy and water baseline conditions, and propose prioritized approaches for projects and operational activities to increase energy and water resilience. The Army has 30 IEWPs at or near-completion; all remaining installations are scheduled to be completed by the end of FY 2022. IEWP results will be incorporated into installation master plans. Black Start Exercises assess capabilities and reveal gaps which are not always discoverable during table top exercises. They have also resulted in improved communications between the Army, local community, and utility companies that service an installation.

The Office of Energy Initiatives is the Army's central program management office that develops, implements, and oversees privately financed, large-scale energy projects. Energy generation, storage, and control capabilities are favored; when combined, these capabilities create an "island" effect—enabling critical mission sustainment during an electrical grid outage. Their portfolio includes 11 operational projects with 325 MW of energy production capacity. These projects have resulted in \$643 million of private sector investment in Army resilience, on top of anticipated life-cycle operations and maintenance values of \$603 million.

The Army also leverages private sector expertise and partnership through Energy Savings Performance Contracts and Utility Energy Service Contracts to improve efficiency and contribute to resilience. While these projects are targeted at reducing energy and water consumption, they also enable Army to address maintenance and repair backlogs sooner than if we rely solely on constrained appropriated funds.

The Energy Resilience and Conservation Investment Program is the DoD's only direct-funded program targeted for energy resilience. The Army received approximately \$35.1 million for two projects that included energy and water resilience capabilities.

The Army's Utilities Privatization Program conveys utility systems to a non-government entity, usually a utility company, through a utility services contract. These contracts allow the Army to access private sector financing for up to 50 years to modernize and recapitalize utilities infrastructure. We have privatized utilities at 14 of 18 Power Projection Platforms Installations and at all four of our Mobilization Force Generation Installations.

Modernize and Innovate

The Army Modernization Strategy states installations must modernize “at pace” with the rest of the Army to support a modernized Army by 2035. To do this, installations must provide facilities, ranges, airfields, and support infrastructure that possess the appropriate physical characteristics required by new Army weapons systems.

Army modernization requires that installations provide the facilities, systems, and connectivity to support the Army on its path toward full multi-domain operations readiness by 2035. Installation management practices must transform to accommodate new information-era technologies. Innovation efforts support the Army priority of Reform. We will prioritize those that create efficiencies, expand workforce productivity, and generate resilience.

The Army will plan for upgrades to maintenance facilities, motor pools, ranges, network infrastructure, administrative facilities, housing, barracks, secure facilities, and utilities upgrades to keep pace with other modernization efforts. Force projection also requires assessment of roads and highways, bridges, ramps, marshaling yards, ammunition supply points, railways, and airfields. Real property master plan processes will expand in technical sophistication, using data-informed analysis and modeling to accommodate new specifications for modern equipment and achieve better environmental analysis necessary to fulfill requirements of the National Environmental Policy Act.

We will leverage our data to produce new return-on-investment metrics expressed not solely in terms of the condition of the buildings, roads, and utilities, but in new terms of personnel, readiness, modernization, and/or cyber effects. For example,

ultimately what matters is not whether we have too many Q3/Q4 (failing to meet minimum standards) barracks, but whether barracks investments observably move the needle on retention or reductions in disciplinary and health problems. Another example is a recent RAND study that revealed in the case of tactical equipment maintenance facilities (TEMFs), the lack of overhead crane lift capacity correlated with lower Fully Mission Capable (FMC) ratings for Armored Brigade Combat Team companies, and battalions. In particular, Fort Hood had converted some old tactical vehicle wash racks into shelters to mitigate the lack of overhead crane lift capability in the older TEMFs. Over time, this resulted in higher than expected FMC ratings given the overall age of the TEMF inventory. Perhaps smaller targeted investments can yield significant improvement in FMC ratings over time.

Promote Stewardship

The Army's mission is inseparable from the environmental resources that are critical to accomplishing that mission. Readiness training for multi-domain operations; high intensity conflict; and development, testing, and fielding for combat system modernization all require access to realistic natural landscapes, ecosystems, and environmental conditions that Soldiers and materiel experience during combat. Preserving these assets in a safe, sustainable manner is critical not only to Army readiness, but to the well-being of the Total Army and those communities that surround and support Army installations.

Preserve Natural Resources

Mission supporting capabilities of our training and testing sites are directly impacted by the loss or alteration of the natural infrastructure. Limitations on training and testing, loss of range facilities and assets due to increases in wildfires, floods, and training restrictions due to increasing endangered species and critical habitats are some of the documented impacts to the mission. Due to the 226 threatened or endangered species found on 170 Army installations and facilities in the United States, the Army has species-related restrictions on over two million acres of training and testing lands. As

the Army sustains and improves the natural infrastructure containing endangered species habitat on our installations, endangered species populations increase. When endangered species populations increase, the military capabilities of mission critical natural landscapes are enhanced. Due to the recovery of endangered species populations, species related training restrictions have been lifted on 325,000 acres of critical Army land at Fort Hood, Fort Bragg, and Fort Stewart. Effective planning and management ensures training and testing realism, and also makes certain natural infrastructure assets remain viable and accessible. The Army's focus on sustaining its natural infrastructure ensures training and testing realism, and makes certain these natural assets remain viable, accessible and resilient into the future.

Remediate Contaminants

The Army conducts cleanup under the Defense Environmental Restoration Program (DERP) and in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This provides a consistent national approach for addressing cleanup and includes prioritizing sites throughout the United States using a risk-based process—essentially worst sites first. The Army uses DERP to address two types of environmental cleanup: the Installation Restoration Program (IRP), which manages the cleanup of chemicals released to the environment—things that may cause human health or ecological concerns, and the Military Munitions Response Program (MMRP)—primarily addresses explosive hazards. DERP cleanups occur at Active and Reserve installations as well as closed. The Army has implemented, and continues to execute, a strategy that enables sites that meet eligibility guidelines to be addressed using DERA funding. The FY 2021 National Defense Authorization Act, authorized use of DERA funds to address Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA) at Army National Guard locations. Within the framework of CERCLA, the Army investigates releases, prioritizes responses, and assesses appropriate, cost-effective cleanup actions based on risks to human health and the environment.

FY 2022 BUDGET REQUEST FOR INSTALLATION INFRASTRUCTURE

The Army's FY 2022 budget requests funding to take necessary near-term actions to help make installations multi-domain ready and resilient.

Military Construction

Army Military Construction. The Army's FY 2022 Military Construction request for \$1.7 billion will improve Installation Readiness, Industrial Base Readiness and Soldier Quality of Life. The Quality of Life investments consist of four new barracks projects for \$262 million and one Family Housing project for \$92 million. The total request includes \$835 million for the active component, \$257 million for the National Guard, \$65 million for the Army Reserve, \$491 million for Army Family Housing (Construction and Operations), and \$65 million in the Base Closure Account for environmental remediation, caretaker services, and program management costs at BRAC sites.

Military Construction, Army (MCA). Inside the Active Army's request there is \$399 million supporting Installation Readiness (\$141 million Training, \$95 million Command & Control and \$51 million Maintenance, \$96 million Industrial Base and \$16 million in support of European Combatant Command) and \$249 million for Barracks. The Active Component also has \$27 million for Host Nation Support.

Pilot Program for Additional Child Development Center Construction. In the FY 2021 National Defense Authorization Act, section 2865, the Services were directed to conduct a pilot program under which the services may carry out military construction projects not otherwise specified in law. The Army plans to utilize the existing \$27 million authorization provided in FY 2020 to accelerate a Child Development Center project at Fort Gordon, subject to the availability of funds.

Military Construction, Army Reserve (MCAR). The FY 2022 MCAR budget request supports three major construction projects: Area Maintenance Support Activity facility in Southfield, Michigan, valued at \$12 million; Wright Patterson AFB Army Reserve Training Center, valued at \$19 million; and Fort McCoy, Wisconsin transient training building, valued at \$12.2 million.

Military Construction, Army National Guard (MCNG). The National Guard's request supports readiness by funding \$139 million for Readiness Centers and \$43 million for Maintenance Facilities. It also provides \$13 million for Barracks.

Minor Construction/Planning & Design. All three components have funds planned for Unspecified Minor Construction and Planning and Design.

Army Family Housing (AFH). The Army's request for \$92.3 million in construction funding supports one new/replacement project providing 130 new homes (Vicenza, Italy) and necessary planning and design funds. The Army's request for \$391.2 million in Family Housing Operations funding provides for Army Family Housing operations, maintenance and repair, utilities, leasing, and management of our privatized housing as part of the Residential Communities Initiative.

Base Realignment and Closure (BRAC). The Army's request for \$65.3 million includes \$7.1 million for continuing caretaker and program management requirements at remaining BRAC installations closed or realigned under the five previous BRAC rounds (Legacy BRAC (1988, 1991, 1993 & 1995) and BRAC 2005) and \$58.2 million for environmental cleanup requirements. Additionally, there is \$21 million in prior year funds for Polyfluoroalkyl Substances (PFAS) cleanup requirements, a carryover from the \$35 million PFAS funding provided in FY 2021.

Operation and Maintenance of Facilities

Facilities Sustainment, Restoration, and Modernization (FSRM). The Army is requesting \$5.3 billion in FSRM to address our backlog of facilities maintenance and provide sustainment to slow degradation of facilities.

Army Sustainment. The Army's FY 2022 Facilities Sustainment request for \$3,767 million (Active \$2,832 million, USAR \$255 million, ARNG \$680 million) will provide 80% of the Facility Sustainment Model requirements for all Components. It will allow maintenance work orders on all facilities and preventative maintenance orders on Quality of Life and mission readiness facilities. Army intends to ramp to the Office of the Secretary of Defense goal of 90% of FSM in future years.

Restoration and Modernization (R&M), Active Army. The FY 2022 request for the Active Army is \$1,142 million and will primarily fund restoration projects for barracks and Child Development Centers across the Army and readiness facilities at key installations.

Restoration and Modernization (R&M), Army Reserve. The FY 2022 request for the Army Reserve is \$87 million and will primarily fund restoration projects for barracks, maintenance activities, and Reserve Centers.

Restoration and Modernization (R&M), Army National Guard. The FY 2022 request for the Army National Guard is \$265 million and will primarily fund restoration projects for barracks and training facilities.

CONCLUSION

Army Readiness begins on our installations. We need ready and resilient installations to ensure our Soldiers are properly trained and can be deployed anywhere in the world in order to fight and win our Nation's wars. Your continued advocacy helps to ensure we will remain an attractive option for current and future generations who want to serve their Nation while maintaining the readiness of the current force.

Thank you for the opportunity to present this testimony and for your continued support of our Soldiers, Civilians, and Families.