

“FY 2010 Military Construction Budget Request”

Statement

of

The Honorable Robert F. Hale  
Under Secretary of Defense (Comptroller)

before the

U.S. House of Representatives  
Committee on Appropriations  
Subcommittee on Military Construction,  
Veterans Affairs and Related Agencies

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Mr. Chairman, members of the Committee, thank you for the opportunity to discuss the Military Construction component of the Fiscal Year 2010 budget request for the Department of Defense.

On behalf of the men and women of the Department, I would like to begin by thanking the Committee for your continued support of America's Armed Forces. We depend on you and other Members of the Congress for the resources we need to meet our nation's national security requirements.

To start, I would like to provide a brief overview of our budget request and the amount we are asking for Military Construction. I will then ask Mr. Army to speak in detail about the MilCon portion of the proposed budget.

### **Base Budget**

Mr. Chairman, the President's base budget requests \$533.8 billion in discretionary authority for FY 2010. That is an increase of \$20.5 billion or 4 percent over the enacted level in FY 2009. Taking inflation into account, the real growth in this request is 2.1 percent.

The base budget puts into action the overriding priorities laid down by Secretary Gates for the Department:

- First, it reaffirms our commitment to take care of the all-volunteer force.
- Second, it rebalances the Department's programs in order to institutionalize and enhance our capabilities to fight the wars we are in today and to defend against the scenarios we are most likely to face in the years ahead, while at the same time providing a hedge against other risks and contingencies.
- And third, it reforms how and what we buy, by promoting a fundamental overhaul of our approach to procurement, acquisition, and contracting.

The \$23.0 billion Military Construction and Family Housing portion of our request supports those strategic objectives. This request represents a decline of 8.4 percent compared with the enacted level for FY09.

This decline can be attributed to our achievements on Base Realignment and Closure (BRAC) and housing privatization. Funding for BRAC 2005 declines by 14.8 percent, to \$7.5 billion, as we move toward completing requirements. Family housing construction declines by 38 percent, to \$2.0 billion, reflecting the transition toward housing privatization.

If we factor out those two categories -- BRAC and housing privatization -- we find a pattern of growth in Military Construction. The FY10 request for this portion of Military Construction grows by 3.1 percent compared to FY09 funding, to a level of \$13.5 billion.

The Department's base budget request meets our key goals for Military Construction. We continue to invest in facilities that support Grow the Force, such as barracks, brigade complexes, and quality of life projects. The base budget will provide facilities that keep pace with fielding of new systems and capabilities, as well as necessary training.

The request includes a significant investment in recapitalizing aging medical facilities and schools and constructing Warrior in Transition complexes. It also contains a substantial investment in our Global Defense Posture, including the relocation of 8,000 Marines from Okinawa to Guam and investments at enduring locations in the CENTCOM and AFRICOM areas of responsibility.

### **FY 2010 Overseas Contingency Operations**

As you are undoubtedly aware, the Department's FY 2010 request also includes a separate request for \$130 billion to fund overseas contingency operations (OCO). This represents our best current estimate of war funding requirements, including funding for all forces currently approved by President Obama both for Iraq and Afghanistan. We do not plan on submitting a supplemental request. However, should policies or the wartime situation change significantly, the Department may need to seek supplemental funding.

The \$130 billion for the OCO budget includes \$1.4 billion for Military Construction, all of which is to be spent in Afghanistan. Given the limited pre-existing infrastructure for our troops to occupy in that country, it is necessary to construct facilities to sustain, protect, and house them. Accordingly, this request includes operational facilities, such as runways and parking aprons, as well as associated support facilities, such as utilities, roads, housing, environmental projects, and dining facilities.

### **American Recovery and Reinvestment Act**

I want to express my gratitude for the \$7.4 billion in Defense-related funding that was included in the American Recovery and Reinvestment Act (ARRA). The ARRA includes nearly \$4.3 billion for Facility Infrastructure Investments, \$2.2 billion for military construction, \$0.1 billion for the Energy Conservation Investment Program (ECIP), \$0.3 billion for Research, Development, Test, and Evaluation (RDT&E), and nearly \$0.6 billion for the Homeowners Assistance Program.

This additional funding will allow us to improve the facilities where our military and civilian personnel work and live, to enhance energy efficiency in the recapitalization and construction of facilities, and to generate needed jobs to help stimulate the nation's economy. For example, the construction funds will enable the Department to replace two hospitals and to construct child development centers, Wounded Warrior complexes, and troop housing facilities. I am happy to report that over 4,200 projects will be

executed throughout all 50 States, two territories, and the District of Columbia. Many of those projects are expected to be awarded in the near future.

These projects will not only stimulate the economy; they will also improve the quality of life of our Service members and their families. And, as Secretary Gates has said, the all-volunteer force is America's greatest strategic asset. Caring for them must be our first priority.

### **FY 2009 Supplemental**

Lastly, Mr. Chairman, I would remind the committee that we recently submitted a supplemental request to cover the remaining expenses of the war effort in FY 2009, which includes \$0.9 billion for Military Construction in Afghanistan. This request also includes \$1.4 billion for other critical construction improvements, such as Warrior in Transition complexes.

We stand by to assist Members however we can on that request and on the entire FY 2010 budget request, and we ask that you enact this remaining supplemental by the Memorial Day recess, or as soon thereafter as possible.

Again, on behalf of the men and women of the Department of Defense who are faithfully serving our nation, thank you for your strong support. And thank you for the opportunity to testify here today. After Mr. Army completes his statement, I would welcome your questions.

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