

**RECORD VERSION**

**STATEMENT BY**

**GENERAL PETER J. SCHOOMAKER  
CHIEF OF STAFF ARMY**

**MR. GEOFFREY G. PROSCH  
ACTING ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS AND ENVIRONMENT)**

**BEFORE THE**

**COMMITTEE ON APPROPRIATIONS  
SUBCOMMITTEE ON MILITARY CONSTRUCTION  
UNITED STATES HOUSE OF REPRESENTATIVES**

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**ON THE FISCAL YEAR 2005  
MILITARY CONSTRUCTION BUDGET**

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COMMITTEE ON APPROPRIATIONS**



**General Peter J. Schoomaker** became the 35th Chief of Staff, United States Army, on August 1, 2003.

General Schoomaker graduated from the University of Wyoming in 1969 with a Bachelor of Science Degree. He also holds a Master of Arts Degree in Management from Central Michigan University, and an Honorary Doctorate of Laws from Hampden-Sydney College. General Schoomaker's military education includes the Marine Corps Amphibious Warfare School, the United States Army Command and General Staff College, the National War College, and the John F. Kennedy School of Government Program for Senior Executives in National and International Security Management.

Prior to his current assignment, General Schoomaker spent 31 years in a variety of command and staff assignments with both conventional and special operations forces. He participated in numerous deployment operations, including DESERT ONE in Iran, URGENT FURY in Grenada, JUST CAUSE in Panama, DESERT SHIELD/DESERT STORM in Southwest Asia, UPHOLD DEMOCRACY in Haiti, and supported various worldwide joint contingency operations, including those in the Balkans.

Early in his career, General Schoomaker was a Reconnaissance Platoon Leader and Rifle Company Commander with 2nd Battalion, 4th Infantry, and a Cavalry Troop Commander with 2nd Armored Cavalry Regiment in Germany. He then served in Korea as the S-3 Operations Officer of 1st Battalion, 73rd Armor, 2nd Infantry Division. From 1978 to 1981, he commanded a Squadron in the 1st Special Forces Operational Detachment - D. Following Army Command and General Staff College, General Schoomaker served as the Squadron Executive Officer, 2nd Squadron, 2nd Armored Cavalry Regiment in Germany. In August 1983, he returned to Fort Bragg, North Carolina, to serve as Special Operations Officer, J-3, Joint Special Operations Command. From August 1985 to August 1988, General Schoomaker commanded another Squadron in the 1st Special Forces Operational Detachment - D. Following the National War College, he returned as the Commander, 1st Special Forces Operational Detachment - D from June 1989 to July 1992. Subsequently, General Schoomaker served as the Assistant Division Commander of the 1st Cavalry Division, Fort Hood, Texas, followed by a tour in the Headquarters, Department of the Army staff as the Deputy Director for Operations, Readiness and Mobilization.

General Schoomaker served as the Commanding General of the Joint Special Operations Command from July 1994 to August 1996, followed by command of the United States Army Special Operations Command at Fort Bragg, North Carolina through October 1997. His most recent assignment prior to assuming duties as the Army Chief of Staff was as Commander in Chief, United States Special Operations Command at MacDill Air Force Base, Florida, from November 1997 to November 2000.

General Schoomaker's awards and decorations include the Defense Distinguished Service Medal, two Army Distinguished Service Medals, four Defense Superior Service Medals, three Legions of Merit, two Bronze Star Medals, two Defense Meritorious Service Medals, three Meritorious Service Medals, the Joint Service Commendation Medal, Joint Service Achievement Medal, Combat Infantryman Badge, Master Parachutist Badge and HALO Wings, the Special Forces Tab, and the Ranger Tab.

General Schoomaker and his wife have two daughters and one son.



**Mr. Geoffrey G. Prosch** became the Acting ASA I&E 10 January 2004. He was appointed Principal Deputy (PDASA-I&E) by President Bush in June 2001. He is responsible for policy development, program oversight and coordination for the design, construction, real estate, operations, maintenance and management of Army installations; privatization of Army family housing, utilities and other infrastructure programs; base realignment and closure; environmental conservation, compliance, clean-up and site disposal programs; and management of the Army's safety and occupational health programs.

Mr. Prosch began his public service career as an Army officer. He graduated from the U.S. Military Academy (USMA) in 1969. His 31 years of commissioned service in the Infantry included over 12 years of command duty. Service highlights included an extended tour of duty in Vietnam with the 7th Cavalry as an infantry rifle platoon leader and company commander; command of a 5th Special Forces Group A-Team; duty at USMA as Aide-de-camp to the Superintendent and as a Military Science Instructor; command of 3rd Battalion 8th Infantry in Germany; duty with the Joint Chiefs of Staff; and Command of 1st Reserve Officer Training Corps Region. His awards include the Bronze Star for Valor, Purple Heart, and Legion of Merit.

He has extensive experience in federal and private industry implementing successful facility environmental, safety, and privatization programs. He served as Chief of Staff, Fort Carson, CO; Commander, Army Materiel Command-Saudi Arabia; and Garrison Commander, Fort Polk, LA. During his command, Fort Polk won the 1997 Vice President's Hammer Award for streamlining efficiencies, implementing over 100 reengineering initiatives, and partnering with the Department of Energy for installation energy savings performance contracts. Mr. Prosch is committed to the three components of the Army Vision: "achieving a high quality of life for people" through the Residential Communities Initiative and other infrastructure privatization programs; "strengthening the Army's readiness to prevail in every mission" by improving our installations' capacity for power projection and training support; and "making Army transformation a reality" via Transformation of Installation Management and focusing on Installations as Flagships. He is dedicated to efficiently managing and expanding the Army's \$15B budget for maintaining and improving its installations.

Mr. Prosch earned a Master of Science degree from Long Island University and is a graduate of the US Army War College. His civic affiliations include the Association of the U.S. Army, Association of Graduates USMA (past president Ft Bragg/Sandhills, NC Chapter) and Disabled American Veterans. He and his wife Kathryn raised their two children, Kathryn (25) and Charles (22) 2LT USA, on military installations worldwide.

## **INTRODUCTION**

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the Army's Military Construction budget request for Fiscal Year 2005. This request includes initiatives of critical importance to our Army and this committee, and we appreciate the opportunity to report on them to you. We would like to begin by expressing our appreciation for the tremendous support that the Congress has provided to our Soldiers and their families who are serving our country around the world. Our Nation and Army are at war, and our Soldiers would not be able to perform their missions so well without your support.

## **OVERVIEW**

Our Army has begun one of the most significant periods of transformation in its 229-year history. We are "An Army at War – Relevant and Ready." This maxim will define how we meet our Nation's military requirements today and into the future. As we are fighting the Global War on Terrorism, we are simultaneously transforming to be a more relevant and ready Army. We are on the road to a transformation that will allow us to continue to dominate conventional battlefields and provide the ability to deter and defeat adversaries who rely on surprise, deception, and asymmetric warfare to achieve their objectives. To accomplish our objective, our operational force will temporarily increase by 30,000 Soldiers. We currently have almost 250,000 Soldiers mobilizing and demobilizing, deploying and redeploying – more troops are coming and going on our installations than in any era since World War II. Military Construction is an important tool to our network of installations to meet our challenging requirements.

As part of this transformation, our Army is fielding and equipping six Stryker Brigade Combat Teams (SBCT) to meet Combatant Commanders' requirements and to continue our Army's commitment to the Global War on Terrorism. These SBCTs allow our Army to continue modernizing and transforming the Current Force. The rapid development and fielding of six SBCTs is leading the transformation of our Army – physically and culturally.

To meet the challenges of today's missions, our Army must sustain a force of high quality, well-trained people; acquire and maintain the right mix of weapons and equipment; and maintain effective infrastructure and deployment platforms to generate the capabilities necessary to sustain a lethal force. We must ensure that a trained and qualified force will be in place to support our Future Force. To meet that goal and ensure continued readiness, we must take care of our Soldiers and families. Our installations are a key component in this effort.

### INSTALLATIONS AS FLAGSHIPS

Our Army recently identified 17 Army Focus Areas to channel our efforts to win the Global War on Terrorism and to increase the relevance and readiness of the Army. One of the Focus Areas – Installations as Flagships – enhances the ability of our Army installations to project power and support families. Our installations support an expeditionary force where Soldiers train, mobilize, and deploy to fight and are sustained as they reach back for support. Soldiers and their families who live on and off the installation deserve the same quality of life as is afforded the society they are pledged to defend. Installations are a key component in the tenets of our Army Vision. Our worldwide installations structure is inextricably linked to Army transformation and the successful fielding of our Future Force.

### INSTALLATION STRATEGIES

There is much work to be done if our installations are to be flagships with the ability to both project power and support families to an equitable standard. We are a world-class combat ready force being supported by substandard facilities that impair our ability to meet the mission. To improve our facilities posture, we have specific initiatives to focus our resources on the most important areas – Barracks, Family Housing, Focused Facilities, Ranges, and Transformation.

*Barracks.* Our Army is in the 11th year of its campaign to modernize barracks to provide 136,000 single enlisted permanent party Soldiers with quality living environments. This year's budget request includes 19 barracks projects providing new or improved housing for 4,200 Soldiers. The new complexes provide two-soldier suites, increased personal privacy, larger rooms, walk-in closets, new furnishings, adequate parking, landscaping, and unit administrative offices separated from the barracks. With the approval of \$700.4 million for barracks in this request, a significant portion of our requirement will be funded. We are making considerable progress at U.S. installations and our Army funded two barracks projects, based upon the Combatant Commander's request, for Grafenwoehr, Germany.

*Family Housing.* This year's budget continues our significant investment in our Soldiers and their families by supporting our goal to have funding in place by 2007 to eliminate inadequate housing. We have included funding in this year's budget request to privatize 11,906 houses. In addition we will replace 1,313 houses, build 100 new houses to support Stryker Brigade Combat Team deployment, and upgrade another 875 houses using traditional Military Construction. For families living off-post, the budget request for military personnel increases the basic allowance for housing to eliminate out of pocket expenses. Once overseas basing decisions are made, we will adjust our plans for new housing construction overseas.

*Focused Facilities.* Building on the successes of our housing and barracks programs, we are moving to improve the overall condition of Army infrastructure with the Focused Facility Strategy. The Installation Readiness Report is used to determine facilities quality ratings of C-1 to C-4 based on their ability to support mission requirements.

<p><u>Installation Readiness Report – Facilities Quality Ratings</u> C-1 facilities fully support mission accomplishment C-2 facilities support the majority of assigned missions C-3 facilities impair mission performance C-4 facilities significantly impair mission performance</p>
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We are a C-1 Army living and working in C-3 facilities. Our goal is to reach an overall Army average of C-2 quality by 2010 by concentrating on seven types of C-3 and C-4 facilities. These focus facilities are general instruction buildings, Army National Guard Readiness Centers, Army Reserve Centers, tactical vehicle maintenance shops, training barracks, physical fitness centers, and chapels. We are requesting \$207 million in Fiscal Year 2005 to support this initiative.

*Army Range and Training Land Strategy.* Providing ranges and training lands that enable our Army to train and develop its full capabilities

is key to ensuring that America's forces are relevant and ready now. The Army's Deputy Chief of Staff G-3 developed the Army Range and Training Land Strategy to support the Department of Defense's Training Transformation, Army Transformation, and the Army's Sustainable Range Program. It identifies priorities for installations requiring resources to modernize ranges, mitigate encroachment, and acquire training land. The strategy serves as the mechanism to prioritize investments for these installations and seeks to optimize the use of all range and land assets. The result is a long-range plan that provides the best range infrastructure and training lands based on mission and training requirements.

*Current to Future Force.* Our Army is undergoing the biggest internal restructuring in the last 50 years. As part of this transformation effort, we are fielding and equipping six Stryker Brigade Combat Teams throughout our Army. This transformation will drive our efforts to ensure that our "training battlefields" continue to meet the demands of force structure, weapons systems, and doctrinal requirements. Providing ranges and training lands that enable our Army to train and develop its full capabilities is crucial to ensure that America's forces are relevant and ready now. Our Fiscal Year 2005 Military Construction budget requests \$305 million for projects for operations and training facilities, training ranges, maintenance facilities, logistics facilities, utilities, and road upgrades in support of the Stryker Brigade Combat Teams.

The former Army Strategic Mobility Program ended in Fiscal Year 2003 with the capability of moving five and one-third divisions in 75 days. We must improve current processes and platforms so intact units arrive in theater in an immediately employable configuration.

The new Army Power Projection Program (AP3) is a combat multiplier for Army transformation and a catalyst for joint and Service transformation efforts related to force projection. AP3 is a set of initiatives and strategic mobility enabling systems, including infrastructure projects,

that ensures we are able to meet Current and Future Force deployment requirements. AP3 funding began in Fiscal Year 2004. AP3 ensures the capability to deploy Army forces in accordance with Regional Combatant Commanders' operational plans.

### **MILITARY CONSTRUCTION**

Our Army's Fiscal Year 2005 request has increased over Fiscal Year 2004 and includes \$3.7 billion for Military Construction appropriations and associated new authorizations.

<b>Military Construction Appropriation</b>	<b>Authorization Request</b>	<b>Authorization of Appropriation Request</b>	<b>Appropriation Request</b>
Military Construction Army (MCA)	\$1,535,400,000	\$1,771,285,000	\$1,771,285,000
Military Construction Army National Guard (MCNG)	N/A	\$295,657,000	\$295,657,000
Military Construction Army Reserve (MCAR)	N/A	\$87,070,000	\$87,070,000
Army Family Housing (AFH)	\$636,099,000	\$1,565,006,000	\$1,565,006,000
<b>TOTAL</b>	<b>\$2,171,499,000</b>	<b>\$3,719,018,000</b>	<b>\$3,719,018,000</b>

### **MILITARY CONSTRUCTION, ARMY (MCA)**

The active Army's Fiscal Year 2005 Military Construction request for \$1,771,285,000 (for appropriation and authorization of appropriations) and \$1,535,400,000 (for authorization) is for People, Current Readiness, and Transformation to the Future Force. These funds are critically needed to provide new barracks, invest in training ranges and land, recapitalize existing facilities, and support three Active Army Stryker Brigade Combat Teams in Alaska, Hawaii, and Louisiana. The request also includes funds for planning and design for future projects, along with Unspecified Minor Military Construction.

The Department of Defense continues to assess its global stationing strategy. We have included only minimal, but critical, overseas projects in the Fiscal Year 2005 Military Construction budget request. These projects are required to provide the infrastructure necessary to

ensure continued Soldier readiness and family well-being that is essential throughout any period of transition.

*People.* We are requesting \$798 million to improve the well-being of our Soldiers, civilians, and families. Approximately 50 percent of our MCA budget request will improve well being in significant ways – providing 19 unit barracks complexes for 4,200 Soldiers (\$700 million), a basic trainee barracks complex (\$50 million), a physical fitness center (\$18 million), a chapel (\$10 million), two child development centers and a youth center (\$20 million).

*Current Readiness.* Our budget request includes \$504 million to keep our Soldiers trained and ready to respond to our Nation's needs. Current readiness projects include operational and training instructional facilities (\$92 million), training ranges (\$122 million), logistics facilities (\$31 million), utilities and land acquisition (\$27 million), maintenance/production and tactical equipment facilities (\$82 million), communication/administration facilities (\$104 million), a research and development facility (\$33 million), and community support facilities (\$13 million).

*Current to Future Force.* Our budget request also includes \$298 million for projects to ensure our Army is trained, deployable, and ready to rapidly respond to national security requirements and support transformation for the Stryker Brigade Combat Teams. Projects include operations and training facilities (\$63 million), training ranges (\$79 million), a maintenance facility (\$49 million), logistics facilities (\$19 million), and utilities and roads (\$88 million).

*Other Worldwide Support Programs.* The Fiscal Year 2005 MCA request includes \$171 million for planning and design, along with Unspecified Minor Military Construction. Planning and design funds (\$151 million) are used to accomplish final design of future projects and oversight of host nation construction. As Executive Agent for the

Department of Defense, our Army uses planning and design funds for oversight of construction projects funded by host nations for use by all Services. Finally, our Fiscal Year 2005 MCA budget contains \$20 million for Unspecified Minor Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

### **MILITARY CONSTRUCTION, ARMY NATIONAL GUARD (MCNG)**

Our Army National Guard's Fiscal Year 2005 Military Construction request for \$265,657,000 (for appropriation and authorization of appropriations) is focused on Current Readiness and transformation to the Future Force.

*Current Readiness.* In Fiscal Year 2005, our Army National Guard has requested \$116.1 million for nine projects. These funds will provide the facilities our Soldiers need as they train, mobilize, and deploy. They include one Readiness Center, one Armed Forces Reserve Center, three Army Aviation Support Facilities, two Ranges, and two Training projects.

*Current to Future Force.* This year, our Army National Guard is requesting \$144.2 million for 23 projects needed to transform from Current to Future Force. There are 16 projects for the Army Division Redesign Study, three for Aviation Transformation, two for the Range Modernization Program, and two for the Stryker Brigade Combat Team initiative.

*Other Worldwide Support Programs.* Our Fiscal Year 2005 MCNG budget request contains \$30.8 million for planning and design of future projects, along with \$4.5 million for Unspecified Minor Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

### **MILITARY CONSTRUCTION, ARMY RESERVE (MCAR)**

Our Army Reserve's Fiscal Year 2005 Military Construction request for \$87,070,000 (for appropriation and authorization of appropriations) is for current readiness and other worldwide unspecified programs.

*Current Readiness.* Our Army Reserve will invest \$72.9 million in current readiness projects. We will invest \$58.6 million to construct four new Reserve Centers, and one military equipment park; invest \$7.9 million to modernize and expand one Reserve Center, invest \$3.9 million to construct two ranges; and invest \$2.5 million to acquire land for a future Armed Forces Reserve Center.

*Other Worldwide Unspecified Programs.* Our Fiscal Year 2005 MCAR budget includes \$11.2 million for planning and design. The funds will be used for planning and design of future projects. Our Fiscal Year 2005 MCAR budget also contains \$2.9 million for Unspecified Minor Military Construction to address unforeseen critical needs or emergent mission requirements that cannot wait for the normal programming cycle.

### **ARMY FAMILY HOUSING CONSTRUCTION (AFHC)**

Our Army's Fiscal Year 2005 family housing request is \$636,099,000 (for appropriation, authorization of appropriation, and authorization). It continues the successful and well-received Whole Neighborhood Revitalization initiative approved by Congress in Fiscal Year 1992 and supported consistently since that time, and our Residential Communities Initiative program.

Our Fiscal Year 2005 new construction program provides additional housing in Alaska in support of a Stryker Brigade Combat Team and Whole Neighborhood replacement projects at nine locations in support of 1,413 families for \$394.9 million.

Our Construction Improvements Program is an integral part of our housing revitalization and privatization programs. In Fiscal Year 2005, we

are requesting \$75.4 million for improvements to 875 existing units at three locations in the United States and two locations in Europe, as well as \$136.6 million for scoring and direct investment in support of privatization of 11,906 units at six Residential Communities Initiative (RCI) locations.

In Fiscal Year 2005, we are also requesting \$29.2 million for planning and design in support of future family housing construction projects critically needed for our Soldiers.

*Privatization.* RCI, our Army's Family Housing privatization program, is providing quality, sustainable housing and communities that our Soldiers and their families can proudly call home. RCI is a critical component of our Army's effort to eliminate inadequate family housing in the United States. Our Fiscal Year 2005 budget request provides support to continue implementation of this highly successful program.

We are leveraging appropriated funds and Government assets by entering into long-term partnerships with nationally recognized private sector real estate development and management firms to obtain financing and management expertise to construct, repair, maintain, and operate family housing communities.

Our RCI program currently includes 34 installations with almost 71,000 housing units – over 80 percent of the family housing inventory in the United States. By the end of Fiscal Year 2004, Our Army will have privatized 19 installations with an end state of 42,000 homes.

### **ARMY FAMILY HOUSING OPERATIONS (AFHO)**

Our Army's Fiscal Year 2005 family housing operations request is \$928,900,000 (for appropriation and authorization of appropriations), which is approximately 59 percent of the total family housing budget. This budget provides for annual operations, municipal-type services,

furnishings, maintenance and repair, utilities, leased family housing, demolition of surplus or uneconomical housing, and funds supporting management of the Military Housing Privatization Initiative.

*Operations (\$150 million).* Our operations account includes four sub-accounts: management, services, furnishings, and a small miscellaneous account. All operations sub-accounts are considered "must pay accounts" based on actual bills that must be paid to manage and operate family housing.

*Utilities (\$132 million).* Our utilities account includes the costs of heat, air conditioning, electricity, water, and sewage for family housing units. While the overall size of the utilities account is decreasing with the reduction in supported inventory, per-unit costs have increased due to general inflation and the increased costs of fuel.

*Maintenance and Repair (\$402 million).* Our maintenance and repair account supports annual recurring maintenance and major maintenance and repair projects to maintain and revitalize family housing real property assets. While the overall account is smaller than Fiscal Year 2004, the reduced inventory allows for greater per-unit funding than has been possible in the recent past. This allows us to better sustain our housing inventory.

*Leasing (\$218 million).* Our leasing program provides another way of adequately housing our military families. Our Fiscal Year 2005 request includes funding for over 13,600 housing units, including existing Section 2835 ("build-to-lease" – formerly known as 801 leases) project requirements, temporary domestic leases in the United States, and approximately 7,700 units overseas.

*RCI Management (\$27 million).* Our RCI management program funding includes procurement requirements, environmental studies, real

estate requirements, management, operations, implementation, and oversight of the overall RCI program.

### **PRIOR BASE REALIGNMENT AND CLOSURE (BRAC)**

In 1988, Congress established the Defense Base Closure and Realignment Commission to ensure a timely, independent and fair process for closing and realigning military installations. Since then, the Department of Defense has successfully executed four rounds of base closures to rid the Department of excess infrastructure and align the military's base infrastructure to a reduced threat and force structure. Through this effort, our Army estimates approximately \$9 billion in savings through 2004.

Our Army is requesting \$100.3 million in Fiscal Year 2005 for prior BRAC rounds (\$8.3 million to fund caretaking operations of remaining properties and \$92.0 million for environmental restoration). In Fiscal Year 2005, our Army will complete environmental restoration efforts at three installations, leaving 11 installations requiring environmental restoration. We also plan to dispose of an additional 8,000 acres in Fiscal Year 2005.

Fiscal Year 2003 was a superb year! Using all the tools the Congress provided, including the Conservation Conveyance Authority and Early Transfer Authority, our Army transferred 100,957 acres of BRAC property. This is almost 40 percent of the total Army BRAC excess acreage, and almost as many acres as all prior years combined. To date, our Army has disposed of 223,911 acres (85 percent of the total acreage disposal requirement of 262,705 acres). We have 38,794 acres remaining to dispose of at 28 installations. Our Army continues to save more than \$900 million annually from previous BRAC rounds.

## OPERATION AND MAINTENANCE

Our Fiscal Year 2005 Operation and Maintenance budget includes funding for Sustainment, Restoration, and Modernization (SRM – \$2.54 billion) and Base Operations Support (BOS – \$6.57 billion). Our SRM and BOS accounts are inextricably linked with our Military Construction programs to successfully support Installations as Flagships.

*Sustainment, Restoration, and Modernization (SRM).* Our Fiscal Year 2005 budget for SRM is \$2.5 billion, of which \$2.42 billion funds sustainment at 95 percent of the requirement. SRM provides funding for our Active and Reserve Components to continue making positive progress towards our goal to prevent deterioration and obsolescence and restore the lost readiness of facilities.

Sustainment is the primary account in installation base support funding responsible for maintaining the infrastructure to achieve a successful readiness posture for our Army's fighting force. It is the first step in our long-term facilities strategy. Installation facilities are the deployment platforms of America's Army and must be properly maintained to be ready to support current Army missions and any future deployments.

The second step in our long-term facilities strategy is the recapitalization by restoring and modernizing our existing facility assets. In Fiscal Year 2005, our Active Army request for Restoration and Modernization is \$93.2 million. Restoration includes repair and restoration of facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration or modernization of facilities solely to implement new or higher standards, including regulatory changes, to accommodate new functions, or to replace building components that typically last more than 50 years, such as foundations and structural members.

*Base Operations Support.* Our Fiscal Year 2005 budget for Base Operations Support is \$6.57 billion (Active Army, Army National Guard, Army Reserve). This is 70 percent of the requirement. This funds programs to operate the bases, installations, camps, posts, and stations of the Army worldwide. Our program includes municipal services, family programs, environmental programs, force protection, audio/visual, base communication services and installation support contracts. Army Community Service and Reserve Component family programs include a network of integrated support service that directly impact Soldier readiness, retention, and spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

### **HOMEOWNERS ASSISTANCE FUND, DEFENSE**

Our Army is the Department of Defense Executive Agent for the Homeowners Assistance Program. This program provides assistance to homeowners by reducing their losses incident to the disposal of their homes when military installations at or near where they are serving or employed are ordered to be closed or the scope of operations reduced. For Fiscal Year 2005, there is no request for appropriations and authorization of appropriations. Requirements for the program will be funded from prior year carryover and revenue from sales of homes. Assistance will be continued for personnel at ten installations that are impacted with either a base closure or a realignment of personnel, resulting in adverse economic effects on local communities.

### **SUMMARY**

Mr. Chairman, our Fiscal Year 2005 budget is a balanced program that supports our Soldiers and their families, the Global War on Terrorism, transformation to the Future Force, and current readiness.

We are proud to present this budget for your consideration because of what this \$3.7 billion Fiscal Year 2005 request will provide for our Army:

- New barracks for 4,200 Soldiers
- Adequate housing for 14,200 families
- Increase in Army National Guard and Army Reserve funding over Fiscal Year 2004
- New Readiness Centers for over 3,000 Army National Guard Soldiers
- New Reserve Centers for over 2,800 Army Reserve Soldiers
- 80-year recapitalization rate for the Army
- \$287 million investment in training ranges
- A new Basic Combat Training Complex
- Facilities support for four new Stryker Brigades

Our long-term strategies for Installations as Flagships will be accomplished through sustained and balanced funding, and with your support, we will continue to improve Soldier and family quality of life, while remaining focused on our Army's transformation to the Future Force.

In closing, we would like to thank you again for the opportunity to appear before you today and for your continued support for our Army. This concludes my statement. Thank you.