

**RECORD VERSION**

**STATEMENT BY**

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**BEFORE THE**

**SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND  
RELATED AGENCIES  
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UNITED STATES SENATE**

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**A Review of the Fiscal Year 2026 Budget Request for Military Construction and  
Family Housing**

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COMMITTEE ON APPROPRIATIONS**

## **Introduction**

Chairman Boozman, Ranking Member Ossoff, and distinguished members of the subcommittee, thank you for this opportunity to discuss the Army's priorities for installations, military construction, and family housing. Our installations are the nexus of the Army's lethality, readiness, and warfighting. The ability to protect and project combat power from installations around the world is no longer guaranteed or routine. We must ensure our installations and infrastructure transform into agile and adaptable platforms that will support evolving mission requirements and meet emergent strategic threats.

Over the last year, the Army has made meaningful progress to increase the adaptability, resiliency, and quality of our installations, but more needs to be done to fulfill our commitment to our Soldiers, their families, and the American people. Working with Congress, we will continue to build on our efforts in 2026 and beyond.

We must guarantee predictable resourcing to enable our installations to modernize at pace with our Army's transformation efforts. We need to apply our investments in the right locations and in the right types of facilities. These investments will help to ensure our warfighters have sufficient operational and support infrastructure to accomplish their missions. Second, we must transform our installations and services to ensure they are not only reliable, but also resilient—able to adapt to new missions while quickly recovering from disruptions and overcoming new and emerging threats. Our installations must stand ready to support not only the Army, but the entire Department of Defense, no matter the mission. Finally, our installations must be efficient and effective to ensure our investments, funded by the taxpayers, are returning value in building and sustaining warfighter readiness.

## **Facility Investments**

The Army uses a deliberate process to prioritize military construction and other facility investments, which are used to produce an annual Facility Investment Plan (FIP)—a prioritized list of projects, by component, under consideration from which the Army develops infrastructure requirements. This prioritization considers several factors from our commanders and senior leaders, including the relative importance of various facility

types, the installation's location, and the installation's primary mission. The FIP is used to inform the Army's annual budget request.

The Army's commitment to modernizing facilities and infrastructure is evident in our FY24 and FY25 MILCON programs. In FY24, we awarded \$2 billion for 48 MILCON projects, significantly improving Soldier quality of life and enhancing mission readiness. These projects include vital upgrades to barracks, construction of childcare centers, and modernization of armories for our Reserve and National Guard. Building on this momentum, the Army is initiating 43 MILCON projects in FY25, representing an even larger investment and further demonstrating our dedication to infrastructure improvements.

To further enhance our infrastructure, we also utilize Facilities Sustainment, Restoration, and Modernization (FSRM) funding. A significant portion of this FSRM funding is directed towards modernizing Regular Army facilities to ensure they can support operational deployments and training requirements. We also dedicate substantial resources to Army National Guard facilities, recognizing their critical role in national defense and homeland security, as well as to Army Reserve facilities, which are vital for maintaining the readiness of our reserve component. These FSRM investments are essential for transforming our facilities to meet evolving mission requirements and for delivering modern, critical infrastructure to support and house our warfighters.

However, unforeseen circumstances sometimes require us to adjust our funding priorities. As we have communicated to the HASC and SASC, the proposed \$1.1 billion FSRM reprogramming is a necessary decision to address the urgent and evolving needs of the Southern Border mission, ensuring the Army can rapidly provide critical enabling support to DHS. This reprogramming, while impacting some planned FSRM projects, is carefully structured to minimize disruption to overall Army readiness. The Army remains committed to both modernizing its facilities and fulfilling its national security obligations.

We are grateful to Congress for recognizing the Army's need for additional investment in our facilities by establishing minimum FSRM requirements for the coming years in the 2025 National Defense Authorization Act (NDAA). The Army looks forward to working with Congress to develop a strategy to resource this requirement.

### **Unaccompanied Housing - Barracks**

Our first and highest priority is to take care of our warfighters and ensure they have proper facilities to live, work, and conduct training. The challenge we face is a substantial backlog of deferred maintenance that built up over many years. The Army, with the help of Congress, has significantly increased annual investment over the last few years to address this backlog, but these investments will take several years to realize their effect. In the spirit of continual improvement, the Army expanded the annual Tenant Satisfaction Survey to include Soldiers living in barracks which helps assess whether investments in our barracks are improving Soldiers' quality of life. In addition to making long-term investments, the Army is also taking immediate action, such as, having barracks monitors and Department of Public Works (DPW) staff from the installations improving the maintenance tempo and facility management of the places Soldiers live and work.

The Army continues to look for new and innovative ways to maximize our facility investments to improve our barracks quality and reduce the costs to taxpayers. Last year, the Army initiated a privatized barracks project at Fort Irwin, California, where an initial life-cycle cost analysis shows the potential for it to be cost-effective to have a private company build and manage these barracks than to build and sustain the full requirement of government-owned barracks. The Army currently has unaccompanied apartment projects at six locations, four target E6 and above unaccompanied Soldiers and two target lower enlisted Soldiers. Three new privatized barracks projects are being considered at four locations that currently host successful UH apartment projects. We also thank Congress for the pilot program in the FY 2024 NDAA allowing replacement of significantly degraded barracks rather than continuing to invest in marginal repairs. This authority can be used when the estimated cost for repairing a barracks is equal or greater than 75% of the estimated cost to construct a new barracks. The Army is using

this authority at Fort Cavazos, where combining two older barracks buildings into one single new construction building will significantly decrease the long-term costs of continuing to repair failing buildings.

### **Army Family Housing**

Taking care of our warfighters is also taking care of their families. The Army takes care of our families whether their warfighter is at home or not. The Army continues to make significant progress to provide high-quality family housing—both government-owned and privatized.

We thank Congress for supporting the Army's request to extend certain authorizations in the FY 2025 NDAA—these extensions are critical as the overseas coordination required for some of the projects takes longer than domestic projects.

In addition to ensuring high-quality government-controlled housing, the Army has made significant progress in improving the quality of privatized housing domestically. Over the last two years, the Army has implemented several oversight reforms to better hold privatized housing providers accountable for maintaining the high-quality privatized housing our Soldiers deserve. These efforts have included strengthening and clarifying enforcement language in ground leases, conducting house-by-house inspections, implementing quality assurance of construction and renovations, and developing a standardized quality assurance maintenance program that is applicable to all privatized housing companies doing business with the Army.

By the end of CY 2026, the Army will complete third-party inspections of all our family housing inventory. When our inspections reveal deficiencies in work performed, the Army privatized housing provider or installation DPW reacts quickly to rectify the situation via the housing provider. The Army also conducts the annual Tenant Satisfaction Survey to assess the quality of our homes and keep housing providers accountable for maintaining those homes. I am pleased to report that last year's survey results showed steady increases of 1%, 2.5%, and 1.5% in tenant satisfaction from prior years in Army Family Housing, Privatized Housing, and the Privatized Unaccompanied Apartments, respectively. Our increased investments, improved maintenance response

and customer service, and increased Army oversight all contributed to these higher scores. These increases also indicate the Army's housing providers are doing a better job servicing our homes, but also highlighted areas where the Army and providers can improve.

### **Installation Resilience**

Modernized installations, which include ensuring access to reliable power and water, are vital to assuring mission success. Given our installations primarily rely on commercial utilities for energy and water, we must ensure they are protected from external disruptions and can quickly recover. Vulnerabilities, both natural and man-made, associated with interdependent electric power grids, natural gas pipelines, and water resources and systems can jeopardize installation security and mission capabilities.

To assess these potential risks to our water and energy systems, 98% of our installations have completed Installation Energy and Water Plans (IEWPs) to identify requirements and risks, and to develop mitigation techniques that decrease operating costs. For example, the Army is deploying microgrids on installations, conducting Black Start Exercises (BSEs), and testing the cyber domain through the Cyber Readiness Resilience Exercises (CRRE).

In addition to decreasing operating costs, efforts to reduce energy and water consumption allow us to invest in modernization and innovation of installation energy. Two such examples are tactical microgrid systems and nuclear energy on installations. The Tactical Microgrid Standard (TMS) was released in January 2023. It establishes standards for communications and controls, safety, and cyber security for tactical power grids, and defines the tactical grid architecture using an open standard to support various systems and capabilities. The Army continues to develop technologies designed to add energy storage to tactical power systems, enable vehicle-exported power, improve capabilities like extended silent watch, and hybridize existing ground generator systems to reduce generator runtime, improve reliability, and enable mobile, distributed operations.

The Army is carrying out the President's Executive Order on Deploying Advanced Nuclear Reactor Technologies for National Security, including establishing a program of record for the utilization of nuclear energy for both installation and operation energy. This includes quickly working to deliver on the President's direction to begin operations of an advanced nuclear reactor on an installation no later than the end of FY 2028. The Army expects to have additional details at a later date.

To test our energy resiliency, BSEs allow installations to experience the impact of a power outage from a service disruption. The Army has completed 20 BSEs, including, seven exercises in FY 2024, and is planning six more in FY 2025, and five in FY 2026. In FY 2024, the Army conducted our first cyber resilience readiness exercise at Fort Carson, Colorado and is planning an additional exercise this fiscal year.

To be more efficient with taxpayer investments in our installations, the Army's Office of Energy Initiatives (OEI) continues to explore public-private partnerships that reduce the need for appropriated funding and employ a wide array of energy technologies in support of installation mission operations. The OEI looks to leverage the value of underutilized installation land for the development of energy-generation facilities that will enhance energy resiliency. Rather than a monetary rent payment for leasing installation lands, the Army typically seeks in-kind consideration to satisfy the fair-market value requirement. For energy-generation facilities, this includes the ability to prioritize power from the project to support critical missions during grid disruption. The Army's collaboration with private industry (both public utility companies and independent power producers) has resulted in approximately \$677 million of private-sector investment and over \$764 million of avoided costs for the Army. For our active installations, the Army continues to use Energy Savings Performance Contracts (ESPCs), Utility Energy Savings Contracts (UESC), and Intergovernmental Service Agreements (IGSAs) to improve installation efficiency and lower facility operational costs across all utilities and services. The Army is working to award nine ESPCs and UESCs totaling \$338 million in FY 2025. Resilience enhancements remain a focus for ESPCs and UESCs, including a planned natural gas pipeline providing 16 megawatts of power generation at Fort Irwin and numerous industrial equipment upgrades to improve operational efficiency at

Anniston Army Depot. The Army's 185 IGSA's, saving \$120M, include agreements for environmental services, waste management, and dozens of other community partnerships. Going forward, we intend to increase our use of ESPCs, UESCs, and IGSA's to reduce the long-term costs of our installations.

The Army is doing comprehensive energy and water resilience planning at installations worldwide, including in the Middle East (CENTCOM), Europe (EUCOM), and Indo-Pacific region (INDOPACOM). These forward installations are critical to assuring the Army's readiness and maintaining warfighting skills, with special emphasis on the unique threat picture and host nation requirements in each area. In EUCOM and CENTCOM, energy risks include the reliability of host nation energy supplies. In these regions, we actively collaborate with partners to understand and mitigate risk. The Army is building energy resilience across INDOPACOM by developing microgrids, implementing energy and water efficiency measures, and ensuring adequate fuel reserves to support operations during potential disruptions.

### **Conclusion**

In strategic competition, our adversaries are looking for ways to challenge us not just overseas, but right here at home. They will look for ways to eliminate our homefield advantage. Countering this requires predictable resourcing to enable our installations to modernize at pace of the Army's transformation efforts and remain the world's most powerful fighting force. Ensuring safe, reliable, and high-quality installations for Soldiers, Families, Civilians, and defense communities is critical to ensuring the Army can remain adaptable to mission requirements around the world.