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**STATEMENT OF CHAIRMAN JOEL HEFLEY
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES**

This afternoon, the Subcommittee on Military Installations and Facilities continues its hearings on the President's request for funding for the military construction and military family housing programs of the Department of Defense for the coming fiscal year. The focus of our hearing today will be on the budget request supporting the programs of the active and reserve components of the Department of the Navy, including the Marine Corps, and the Department of the Air Force.

One month ago, the Department of Defense released its budget request for fiscal year 2000 supporting what the Department called a "robust" military construction program. In the intervening weeks, I have severely criticized the budget request. Based upon the testimony received by this subcommittee last Thursday and a continuing review of the budget detail and justification documents supplied by the Office of the Secretary of Defense and the military departments, I remain deeply concerned about the complexities inherent in this budget request. The ability of the military departments to execute their MILCON programs is built upon a series of assumptions that lack precedence and have little congressional support.

The Department of Defense proposes to shift 36 percent – roughly \$3.1 billion – of the MILCON topline to fiscal year 2001 thereby creating a series of significant challenges in the administration of the construction programs of the military services. When the accounts which are exempt from the Department's incremental funding approach, such as military family housing support and the NATO Security Investment Program, are excluded, the severity of the budget request becomes ever sharper. This budget request purports to fund nearly \$4.1 billion in construction requirements directly benefiting the active and reserve components. Of that amount only \$1.6 billion would be available in the coming fiscal year. The remaining \$2.5 billion – or 61 percent – is the equivalent of an I.O.U.

I suspect the membership will hear today what this subcommittee heard last week. For this one-time request, if the Pentagon is granted full project authorization, advance authorization of appropriations, advance appropriations, additional reprogramming allowances, and the services amend their contracting and administrative procedures, all will be well. That is a big "IF" considering the unprecedented nature of the request. While I am always inclined to keep an open mind, I have heard nothing to this point which convinces me that this approach is in the best interest of the taxpayer.

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