



Military Construction: Analysis of the President's FY2012 Appropriations Request

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Summary

President Barack Obama submitted his Fiscal Year (FY) 2012 request for appropriations to Congress on Monday, February 14, 2012. At the time, the federal government was operating under the fourth FY2011 continuing appropriation. Wording within the initial continuing appropriation (P.L. 111-242), extended under each subsequent bill, has been interpreted by the Department of Defense (DOD) to bar the commencement of any FY2011 construction project. Hence, no new military construction has been initiated for the current fiscal year.

This report explains those government activities funded under the military construction appropriation, examines trends in military construction funding over the past few years, and outlines military construction issues extant in each of the major regions of U.S. military activity.

As shown in **Table 1**, the President's current request for military construction appropriations is reduced by approximately \$9.9 billion below the amount enacted for FY2010 and \$5.2 billion below what he requested for FY2011. The largest portion of those reductions comes from the military base closure accounts. Initiated in late 2005 with the approval of a list of recommendations for base realignment and closure (BRAC) actions, the 2005 BRAC round is expected to conclude in September 2011. The funding needed in FY2010 and FY2011 for construction and movement of organizations will not be necessary in FY2012 and subsequent years. In addition, the President is requesting less in regular military construction for FY2012 than he did for either FY2010 or FY2011. Finally, funding for construction supporting Overseas Contingency Operations (OCO, or active military operations in Iraq and Afghanistan), for which \$1.4 billion was appropriated in FY2010 and \$1.3 billion was requested for FY2011, has been virtually eliminated, with only \$80 million in the regular FY2012 appropriation requested for construction at Bagram Air Base, Afghanistan.

Construction issues within the United States center on the relocations associated with the BRAC movements, the proposed transfer of a nuclear-powered aircraft carrier from Norfolk, VA, to Mayport, FL, and the disestablishment of two major military commands, Joint Forces Command (JFCOM) and the Navy's Second Fleet (2FLT), both located in the Tidewater region of Virginia.

In the Pacific region, the topics of major interest include planned relocations of U.S. Marine forces within the Japanese Prefecture of Okinawa and from Okinawa to the U.S. Territory of Guam, movement of U.S. garrisons in the Republic of Korea to new concentrations south of the capital of Seoul, and the normalization of duty for servicemembers stationed there, which will lengthen their tours and will bring many more military families to Korea.

Troops are also moving within Europe and redeploying to the United States. Active duty military personnel stationed in Europe now number only one-quarter of the force present in 1980, and garrisons in Germany are being concentrated into two large military communities in the south. At least one major combat formation scheduled to move to the United States during the past few years has been retained at its garrison in Germany pending a military basing review.

Military responsibility for Africa has been placed under a new Africa Command (AFRICOM). Though headquartered in Germany, AFRICOM does have one enduring military garrison site on the continent, at Camp Lemonier, Djibouti. Construction at that site continues to be of interest to Congress. Press accounts have indicated that a new permanent home for AFRICOM headquarters might be located in southeastern Virginia.

Southwest Asia, the area of responsibility for U.S. Central Command, has seen ongoing military operations for almost a decade. Since FY2004, Congress has given DOD special authority to use some operations and maintenance funds for military construction outside of the normal appropriations process. That authority was extended into FY2011. Funds for military construction had been provided through special emergency supplemental appropriations, but beginning in FY2010, these funds were folded into the base budget—though still categorized separately from normal construction requests. Funding for military construction in support of operations in Central Command has fallen precipitously with the FY2012 request.

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Military Construction Funding Trends, FY2010-FY2012

Appropriations Overview

On Monday, February 14, 2011, President Barack Obama submitted to Congress his request for military construction appropriations to support federal government operations during FY2012, which will begin on October 1, 2011 (see **Table 1**). The timing of his request was unusual because it overlapped the congressional process of appropriating for government operations during FY2011.

Since the beginning of FY2011, federal funding has been provided through a series of legislative instruments—four—that continue government spending at the same rate enacted for FY2010. Because the 111th Congress adjourned *sine die* without passing any FY2011 regular appropriations bills, the task has fallen to the 112th Congress.

Table 1. Military Construction Budget Authority, FY2010-FY2012

New Budget Authority, thousands of dollars

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Request	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Grand Total, Title I	23,279,950	18,747,368	17,348,047	14,766,047
Grand Total, Title IV	1,398,984	1,257,002	1,257,000	0
Grand Total	24,678,934	20,004,370	18,605,047	14,766,047

Sources: H.Rept. 111-366; H.Rept. 111-559; S.Rept. 111-226; H.Rept. 112-1; DOD Budget Justification Material, FY2012.

Note: Title I includes regular military construction accounts; Title IV constitutes a special category of appropriations for the support of Overseas Contingency Operations by the Department of Defense.

Military Construction Appropriations Accounts

The military construction appropriation, Title I of one of those bills, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, pays for the building of new military facilities required for new weapons systems, including aircraft and naval vessels; the redeployment of military forces to new locations; the improvement of military living and working conditions; the reduction of facility operating costs; and the improvement of military productivity at both active and reserve components. Military construction funds also pay for construction and movement of organizations mandated in base closure and realignment actions, and for the

environmental remediation required for the disposal of defense real property as required by the base closure acts of 1988 and 1990, as amended.¹

Another appropriation within the bill provides funding for the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP), which constitutes the U.S. contribution to a 28-nation collective account for the acquisition and construction of international collective defense facilities within the North Atlantic Treaty Area.

Other subaccounts finance all costs associated with construction, improvement, operation, and leasing of all government-provided military family housing. The Family Housing Improvement Fund (FHIP) finances the DOD portion of the various public-private partnerships resulting from the privatization of much of the inventory of domestic military family housing under the Military Housing Privatization Initiative (MHPI) begun during the late 1990s. The Homeowners Assistance Fund (HAF) was created during the mid-1960s to assist DOD family homeowners who are forced to sell their houses in markets depressed by base closures, but eligibility to apply for such assistance was temporarily expanded to include military members who purchased homes during the so-called “housing bubble” and who were ordered to change duty stations during the subsequent “housing crisis.” The Secretary of Defense terminated this temporary eligibility late in 2010, as permitted under the enabling statute.

A final subaccount funds the construction of facilities at several chemical munitions depots. These munitions, such as nerve gases, have been banned from use in warfare by international treaty, and highly sophisticated industrial plants at select depots have been constructed to demilitarize (render non-lethal) and safely dispose of U.S. chemical munitions stockpiles. Construction for this program is nearing completion.

Titles II and III of the bill fund the benefits programs and operations of the Department of Veterans Affairs and several federal agencies, including the American Battle Monuments Commission, the Armed Forces Retirement Home, the U.S. Court of Appeals for Veterans Claims, and Arlington National Cemetery. These titles are not addressed in this report.

Title IV is a new appropriation provision dedicated to military construction supporting “overseas contingency operations” (OCO), such as the ongoing ground force deployments to U.S. Central Command (CENTCOM). During the first years of active military engagement in CENTCOM, such construction was paid for through a series of emergency supplemental appropriations. In recent years, the Obama Administration has moved this funding into the regular appropriations process, yet highlighted it through the designation of “Title IV (OCO)” military construction.

¹ These acts were the Defense Authorization Amendments and Base Closure and Realignment Act, 1988 (P.L. 100-526, Div A, Title XII, Part D, § 1231(17), 101 Stat. 1161), and the Defense Base Closure and Realignment Act, 1990 (P.L. 101-510, Div B, Title XXIX, Part A, § 2911, 104 Stat. 1819). A number of CRS products have addressed various aspects of military installation closures. Current products include CRS Report RS22147, *Military Base Closures: Socioeconomic Impacts*, by Tadlock Cowan and Oscar R. Gonzales; CRS Report RL34709, *Economic Development Assistance for Communities Affected by Employment Changes Due to Military Base Closures (BRAC)*, by Oscar R. Gonzales; and CRS Report R40476, *Base Realignment and Closure (BRAC): Transfer and Disposal of Military Property*, by R. Chuck Mason. Examples of other products include CRS Report RS22184, *Military Base Closures: Redevelopment Assistance Programs*, by Baird Webel; CRS Report RL32963, *The Availability of Judicial Review Regarding Military Base Closures and Realignments*, by Ryan J. Watson; and CRS Report RL33137, *Military Base Closures and the Impact Aid Program for Education*, by Rebecca R. Skinner.

Military Construction Funding Levels, FY2010-FY2012

FY2011 military construction is being funded under a series of continuing appropriations rather than a year-long appropriations act. A continuing appropriation does not specify a set *amount* of budget authority available for each account, but rather allows DOD and the various military departments, in general, to obligate (spend) funds at the same *rate* as last enacted in a regular appropriation bill. At the present time, P.L. 111-117, the Continuing Appropriations Act, 2010, included the most recent four-year military construction appropriation.

Both House and Senate drafted military construction legislation for FY2011, but neither bill was enacted before adjournment of the 111th Congress.² In the 112th Congress, the House passed H.R. 1, a full-year continuing appropriation, on February 19, 2011, which awaits action by the Senate. Finally, as noted earlier, the President has requested appropriations for FY2012.

Funding for the FY2010 act, the President's FY2011 appropriation request, H.R. 1 (as introduced to the House), and the President's FY2012 request are laid out in **Table 2**. A more detailed comparison, including the regular FY2011 House and Senate military construction appropriations bills, may be found in the **Appendix** in **Table A-1** and **Table A-2**.

Table 2. Military Construction Appropriations Accounts, FY2010-FY2012

New Budget Authority, thousands of dollars

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Request	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Military Construction, Army	3,719,419	4,078,798	3,744,998	3,235,991
Military Construction, Navy and Marine Corps	3,769,003	3,879,104	3,482,173	2,461,547
Military Construction, Air Force	1,412,926	1,311,385	1,127,295	1,364,858
Military Construction, Defense-wide	2,942,519	3,118,062	2,815,562	3,848,757
Total, Active Components	11,843,867	12,387,349	11,170,028	10,911,153
Military Construction, Army National Guard	582,056	873,664	873,664	773,592
Military Construction, Air National Guard	371,226	176,986	194,986	116,246
Military Construction, Army Reserve	431,566	318,175	318,175	280,549
Military Construction, Navy Reserve	125,874	61,557	61,557	26,299
Military Construction, Air Force Reserve	112,269	7,832	7,832	33,620
Total, Reserve Components	1,622,991	1,438,214	1,456,214	1,230,306
Total, Military Construction	13,466,858	13,825,563	12,626,242	12,141,459

² The House bill, H.R. 5822, was adopted by that chamber on July 19, 2011, and forwarded to the Senate. The Senate bill, S. 3615, was introduced on July 19, 2011, and placed on the Senate Legislative Calendar under General Orders (Calendar No. 469).

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Request	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
NATO Security Investment Program	197,414	258,884	258,884	272,611
Family Housing Construction, Army	273,236	92,369	92,369	186,897
Family Housing Ops and Debt, Army	523,418	518,140	518,140	494,858
Family Housing Construction, Navy and Marine Corps	146,569	186,444	186,444	100,972
Family Housing Ops and Debt, Navy and Marine Corps	368,540	366,346	366,346	367,863
Family Housing Construction, Air Force	66,101	78,025	78,025	84,804
Family Housing Ops and Debt, Air Force	502,936	513,792	513,792	404,761
Family Housing Construction, Defense-wide	2859	—	—	—
Family Housing Ops and Debt, Defense-wide	49,214	50,464	50,464	50,723
DOD Family Housing Improvement Fund	2,600	1,096	1,096	2,184
Homeowners Assistance Fund	323,225	16,515	16,515	1,284
Total, Family Housing	2,258,698	1,823,191	1,823,191	1,694,346
Chemical Demilitarization Construction, Defense-wide	151,541	124,971	124,971	75,312
Base Realignment and Closure	7,952,266	2,714,759	2,514,759	582,319
Emergency Appropriations (P.L. 110-252, Sec. 1001) Barracks Improvements	—	—	—	—
General Reductions (Sec. 129)	-529,091	0	0	0
General Rescissions (Sec. 130)	-217,736	0	0	0
Total, Title I	23,279,950	18,747,368	17,348,047	14,766,047
Total, Title IV	1,398,984	1,257,002	1,257,000	0
Grand Total	24,678,934	20,004,370	18,605,047	14,766,047

Sources: H.Rept. 111-366; H.Rept. 111-559; S.Rept. 111-226; H.Rept. 112-1; DOD Budget Justification Material, FY2012.

Funding Overview

President Obama has requested a total of \$14.8 billion in military construction and family housing new budget authority for FY2012. This is a reduction of \$9.9 billion from the amount enacted for FY2010, representing a drop of 40.2%. The falloff in BRAC costs due to the completion of construction and organization movement is responsible for \$7.4 billion, or 75%, of the difference between the two years.

That reduction of the FY2012 request below the funding levels of FY2010 extends across most of the military construction and family housing subaccounts.³ The President is asking for \$1.3 billion (9.8%) less for active and reserve component construction than was appropriated in FY2010. For the various family housing accounts (construction, operation, FHIP, and HAF), he is requesting \$564 million less (25%) than given for FY2010. His chemical demilitarization construction request has been cut in half relative to FY2010, and his BRAC needs have virtually disappeared. Finally, the President is asking for virtually no OCO military construction funding.⁴

Of the funding requested by the President for FY2012, \$9.3 billion is dedicated for expenditure within the United States, \$1.8 billion for projects outside of the United States, and the remainder (\$3.7 billion) for uses where either the location is unspecified or currently unknown (e.g., for future planning and design of various construction projects).

The principal purposes for which the requested funding is to be used include major construction projects (\$11.1 billion), planning and design (\$972.7 million), operating expenses (primarily for military family housing, \$602.8 million), BRAC (\$511.6 million), and property leases (\$411.8 million).⁵

Regional Command Construction Issues

Northern Command (NORTHCOM)

The geographic land area comprising U.S. Northern Command includes the contiguous United States, Alaska, Canada, and Mexico.

The principal military construction issues within Northern Command center on the relocation of personnel and organizations within the continental United States and the redeployment of troops from garrisons overseas to domestic duty stations.

The largest portion of domestic relocation was brought on by the implementation of the recommendations of the 2005 Defense Base Closure and Realignment Commission (also known as the BRAC Commission). Over the past six years, the defense agencies and military departments have carried out a highly complex—and often contentious—program of construction and movement that required the appropriation of approximately \$35 billion. The 2005 BRAC round, save for environmental cleanup and disposal of surplus property, is scheduled to be completed not later than September 15, 2011.

Associated with the domestic BRAC, and funded through the BRAC appropriation, is the construction needed to house units repositioned to the United States as part of the parallel

³ Because the continuing appropriations currently funding FY2011 are largely projections of the last-enacted full-year appropriations, comparisons are made to FY2010 amounts.

⁴ The President has included three Army construction projects, totaling \$80 million, at Bagram Air Base as part of his regular military construction request, and Congress recently renewed the Secretary of Defense's authority to use some operations and maintenance funding within the defense appropriation for military construction in Afghanistan.

⁵ Account- and project-level data are taken from the detailed Department of Defense FY2012 budget documentation for Construction Programs (C-1) found on the website of the Under Secretary of Defense (Comptroller), <http://comptroller.defense.gov/Budget2012.html>.

Integrated Global Presence and Basing Strategy (IGPBS), later referred to as Global Defense Posture Realignment (GDPR).

Separate from the 2005 BRAC round, DOD announced plans to permanently move one of the Navy's aircraft carriers from its home port of Norfolk, VA, to a new duty station in Mayport, FL. The announced reasoning for the move is strategic. Currently, the naval station at Norfolk is the sole Navy facility along the nation's eastern or southern coasts with the needed facilities and capacity to service a nuclear-powered aircraft carrier.⁶ The Navy became concerned that stationing all Atlantic Fleet carriers at a single port facility could offer a vulnerability to potential adversaries and decided to build a second facility at Mayport, estimating the cost of the project at \$580 million. Thus far, Congress has not appropriated the necessary construction funds. The FY2012 request does not include funding to build the needed facilities.⁷

Other issues potentially involving military construction funding include the recently announced disestablishment of Joint Forces Command (JFCOM) and the Navy's Second Fleet (2FLT) Headquarters. Most of the personnel attached to both organizations are located in the Tidewater Virginia area. Because both closures are focused on organizations, and are characterized as "reductions in force" rather than the closure or realignment of specific installations, neither triggers the actions required by the military base closure law (10 U.S.C. § 2687).

Pacific Command (PACOM)

U.S. Pacific Command (PACOM) is geographically the largest of the combatant commands, holding within its area of responsibility most of the Pacific and Arctic Oceans; the People's Republic of China; Mongolia; the Democratic People's Republic of Korea; the Republic of Korea; Japan and the Philippines; Indonesia; the countries of Southeast Asia; the southern Asian, Oceanic, and Australian landmasses to the western border of India; and the corresponding sea areas of the Indian Ocean. Three major force movements, and their associated construction, are imminent or underway in the Pacific region.

MCAS Futenma Replacement

As the result of agreements between the governments of Japan and the United States, the Government of Japan has undertaken the construction of a new air facility in the Prefecture of Okinawa for the use of U.S. Marine Corps aviation units now operating from Marine Corps Air Station (MCAS) Futenma, near the prefecture capital of Naha. Upon completion of the new station, the existing facility is to be returned to sole Japanese control.

The selection of a new site and other Japanese domestic political considerations have delayed initiation of construction of the new facility.⁸

⁶ The USS *John F. Kennedy*, the Navy's last conventionally fueled aircraft carrier, was decommissioned on August 1, 2007. All active aircraft carriers are now nuclear powered.

⁷ For more information regarding the proposed relocation to Mayport, see CRS Report R41254, *Defense: FY2011 Authorization and Appropriations*, coordinated by Pat Towell.

⁸ For additional information and analysis of U.S.-Japanese security relations, see CRS Report RL33436, *Japan-U.S. Relations: Issues for Congress*, coordinated by Emma Chanlett-Avery.

Guam Redeployment

The two governments have also agreed to move approximately 8,000 Marines from their present garrisons in Okinawa to facilities in the U.S. Territory of Guam, approximately 1,400 miles to the east, with the Government of Japan providing approximately \$6 billion of the estimated \$10 billion needed for the relocation.

Congress has criticized the pace of DOD planning for the move. During consideration of FY2011 appropriations, the Senate Committee on Appropriations recommended deferring \$464.6 million in requested construction funding from overseas projects in Guam, Europe, Korea, and other locations pending the completion of a DOD review of its global posture.⁹ The relocation is scheduled to be completed by 2014.¹⁰

Korea Transformation

Since the Armistice on the Korean Peninsula ended combat in 1954, U.S. ground forces have been concentrated in a number of forward bases distributed along the demarcation line between the Republic of Korea (ROK, South Korea) and the Democratic People's Republic of Korea (North Korea), with a major headquarters complex at Yongsan, adjacent to the capital of Seoul.

Following agreements between the ROK and U.S. governments, the headquarters and U.S. Army and Air Force units are being concentrated into two large military communities centered on Osan Air Base and Camp Humphreys, south of the capital. Additionally, tours of duty for military personnel are being lengthened, and servicemembers will soon be permitted to bring their families with them, significantly increasing the size of those communities.¹¹

European Command (EUCOM)

U.S. European Command (EUCOM) encompasses the countries in Europe, Russia, Israel, Greenland, and Iceland. The EUCOM commander simultaneously serves as NATO's Supreme Allied Commander, Europe (SACEUR). Because Europe was long considered the front line during the Cold War, the bulk of U.S. forces permanently garrisoned overseas was stationed within the EUCOM area of responsibility. In 1980, more than 331,000 servicemembers were on duty in the countries of Western and Southern Europe and afloat on adjacent seas. Of these, more than 244,000, along with their families and associated civilian employees, were stationed in what was then West Germany.

With the end of the Cold War, these garrisons saw significant reductions in their size. By 1999, Europe and adjacent waters hosted approximately 116,200 U.S. servicemembers, with 65,000 of

⁹ U.S. Congress, Senate Committee on Appropriations, Subcommittee on Military Construction and Veterans Affairs, and Related Agencies, *Military Construction and Veterans Affairs, and Related Agencies Appropriations Bill, 2010*, Report to accompany S. 3615, 111th Cong., 2nd sess., July 19, 2010, S.Rept. 111-226, p. 9.

¹⁰ Additional information on and analysis of the Marine relocation can be found in CRS Report RS22570, *Guam: U.S. Defense Deployments*, by Shirley A. Kan.

¹¹ Additional details on the relocation of U.S. forces on the Korean Peninsula may be found in CRS Report R41481, *U.S.-South Korea Relations*, coordinated by Mark E. Manyin.

those located in Germany. As of September 30, 2010, the number in and around Europe had fallen to 79,000, with 53,900 located in Germany, 9,600 in Italy, and 9,200 in the United Kingdom.¹²

As part of the GDPR mentioned earlier, Army and Air Force personnel in Germany are being consolidated into two large military communities centered at Kaiserslautern (known to many servicemembers as “K-Town”) in the country’s southwest near Frankfurt, and Grafenwöhr-Vilseck in eastern Bavaria near the Czech border. For the past several years, military construction supporting this relocation has concentrated on these areas.

A significant portion of the combat power remaining in the Army portion of EUCOM was scheduled to redeploy to new posts in the southwestern United States as part of the GDPR, but the Secretary of Defense agreed to reconsider the movement of two brigade combat teams when the most recent Quadrennial Defense Review reconsidered the U.S. interest in supporting NATO.¹³

The President’s FY2012 request includes \$563 million for construction in Germany. It includes \$249 million for Army construction of the relocated European Army and Air Force Exchange Central Distribution Facility, various training and communications facilities, barracks, and family housing. The DOD Education Agency (DODEA) is requesting \$207 million to build, expand, or replace elementary, middle, and high schools at several locations. The Tricare Management Agency plans to replace the military medical center at Rhine Ordnance Barracks at a total cost of \$1.2 billion and is requesting \$71 million for the first increment of funding.¹⁴ The Air Force is asking for \$35 million to build a new airman’s dormitory at Ramstein Air Base, and the Defense Information Systems Agency (DISA) is asking for \$2.4 million to upgrade its facility serving U.S. Army, Europe, headquarters near Stuttgart.

Africa Command (AFRICOM)

Until U.S. Africa Command (AFRICOM) was activated in 2008, military affairs on the continent were the responsibility of EUCOM. With creation of AFRICOM headquarters, much of that responsibility shifted to the new command (Egypt, though, did not transfer to AFRICOM).

Funds for the construction of two headquarters buildings at Camp Lemonier, Djibouti, were requested in FY2011. One of these was intended for Camp Lemonier itself, while the other was planned for the use of Combined Joint Task Force-Horn of Africa (CJTF-HOA). While the task force comprises the majority of personnel assigned to the installation, Camp Lemonier is of limited size. The Senate Committee on Appropriations, in its report on the military construction appropriation for FY2011, noted that DOD had not submitted a requested report on plans for future operations of both Camp Lemonier and CJTF-HOA and recommended that funds for a separate task force headquarters be denied.¹⁵ The President’s request for FY2012 includes \$44

¹² U.S. military manpower levels are regularly reported by the Defense Manpower Data Center. Its military personnel figures can be accessed online at <http://siadapp.dmdc.osd.mil/personnel/MILITARY/miltop.htm>.

¹³ Jason Sherman, “QDR Reconsidering Plan to Move Two Brigades from Europe to U.S.,” *Inside the Pentagon*, August 13, 2009, vol. 25, no. 32.

¹⁴ Rhine Ordnance Barracks, part of the Kaiserslautern Military Community, is a major deployment terminus for U.S. forces stationed in the European Central Region. Located adjacent to Ramstein Air Base and near major ammunition storage sites, the barracks will act as a major outfitting and processing station for any unit being deployed from the region on a military operation.

¹⁵ S.Rept. 111-226, p. 16.

million for construction of housing at the camp and \$45 million for facility improvements at the adjoining airfield.

Since its creation, AFRICOM headquarters has been located in Germany. Press reports indicate that discussions are ongoing concerning its potential movement to the Norfolk, VA, area.¹⁶

Central Command (CENTCOM)

The area of responsibility assigned to U.S. Central Command (CENTCOM) includes Egypt, the Arabian Peninsula, and much of south and southwestern Asia. CENTCOM has been the primary focal point of U.S. military operations since early 2002.

While considerable construction in the CENTCOM area has been funded in previous years, the FY2012 request for appropriations includes only \$80 million for a new entry control point and phases (slices) of funding for a barracks and drainage system at Bagram Air Base in Afghanistan.

Nevertheless, since FY2004, Congress has annually renewed a temporary authority permitting the Secretary of Defense to use operations and maintenance (O&M) funding in the defense appropriation for military construction in support of overseas contingency operations. This discretion, referred to as “Sec. 2808 authority” for the provision originally granting it in the FY2004 National Defense Authorization Act (P.L. 108-136), has varied over the years in the amount of funding available and the locations where it may be used, rising as high as \$500 million for FY2009. Sec. 2804 of the Ike Skelton National Defense Authorization Act, 2011 (P.L. 111-383) limited funding to \$100 million and restricted its use to Afghanistan.

Legislative language used by congressional appropriators and authorizers has sought to distinguish between construction intended to support short-term expeditionary military operations and permanent garrisoning of troops in either Iraq or Afghanistan. That language has prevented funds from being used for the “permanent stationing” of forces and stressed that construction is to support “operational requirements of a temporary nature.”

Nevertheless, this stance has softened somewhat in recent years. Sec. 2806 of P.L. 110-417, the National Defense Authorization Act, 2009, exempted construction in Afghanistan from the existing ban on the use of O&M funds “deemed as supporting a long-term presence.”

A detailed discussion of war-related construction funding may be found in CRS Report R41232, *FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs*, coordinated by Amy Belasco.

¹⁶ Robert McCabe, “JFCOM Downsizing to be Complete by March 2012,” *The Virginian Pilot & Ledger Star*, February 10, 2011, p. A1.

FY2011 Continuing Appropriations: Status and Impact

CRS has published a report, recently updated, on continuing appropriations that discusses at length and tracks the five bills that have thus far temporarily funded federal government operations through FY2011.¹⁷

Normally, a continuing appropriation permits government agencies to operate at the same rate as experienced in the most recent full-year appropriation—in this case FY2010—for the duration of the appropriation. The first of these bills, the Continuing Appropriations Act, 2011 (P.L. 111-242), was enacted on September 30, 2010, and provided funding through December 3, 2010. Since then, three other bills have extended federal funding through March 4, 2011.

The original Act, though, adjusted the amounts available to several appropriations accounts from their prorated FY2010 levels. The most substantial adjustment to military construction accounts was the reduction of the BRAC 2005 account from the \$8.0 billion needed near the height of BRAC construction in FY2010 to \$2.4 billion. Nevertheless, the act also contained the following text:

Sec. 102. (a) No appropriation or funds made available or authority granted pursuant to section 101 for the Department of Defense shall be used for (1) the new production of items not funded for production in fiscal year 2010 or prior years; (2) the increase in production rates above those sustained with fiscal year 2010 funds; or (3) the initiation, resumption, or continuation of any project, activity, operation, or organization (defined as any project, subproject, activity, budget activity, program element, and subprogram within a program element, and for any investment items defined as a P-1 line item in a budget activity within an appropriation account and an R-1 line item that includes a program element and subprogram element within an appropriation account) for which appropriations, funds, or other authority were not available during fiscal year 2010.

Although the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (P.L. 111-383), enacted on January 7, 2011, authorized the expenditure of appropriations for a number of military construction projects, DOD has taken this section to be a barrier to the initiation of any new FY2011 construction. None of the subsequent enacted appropriations altered this language, and DOD has reported that no new FY2011 construction has yet been undertaken.

The House passed H.R. 1, a full-year continuing appropriation, on February 19, 2011. The bill would set new FY2011 full-year appropriations amounts for each of the military construction and family housing accounts, as indicated in **Table A-1** and **Table A-2** in the **Appendix**. With the exception of new construction projects, DOD may be assumed to be obligating funds in each account at a rate commensurate with its FY2010 appropriation. When a final appropriation for FY2011 is enacted, the various defense agencies and military departments will have to adjust their spending rates to end the fiscal year without exceeding their newly enacted budget authority.

¹⁷ See CRS Report RL30343, *Continuing Resolutions: Latest Action and Brief Overview of Recent Practices*, by Sandy Streeter.

The President's FY2012 Appropriations Request

The President submitted his FY2012 appropriation request for military construction and family housing to Congress on February 14, 2011. The overall level of funding represents a 26.2% (\$5.2 billion) reduction below the combined Title I (military construction) and Title IV (Overseas Contingency Operations construction) amount requested for FY2011.

The major portion of that reduction (40.2%) comes from the \$2.1 billion less in BRAC 2005 funding needed to support the first post-implementation year of that program. The President's FY2012 request is less than one-quarter of the amount needed during the last year of BRAC construction and movement. Much of the rest of the reduction (\$1.6 billion) can be found in the reduced request for active component military construction, primarily drawn from the Navy and Marine Corps account (\$1.4 billion).

The President also requested no funds for the Overseas Contingency Operations construction account. This represented \$1.3 billion in his FY2011 request. Even though the base budget request includes \$80 million in construction for Afghanistan, this would mark a substantial reduction in construction activity in the area of the most intense U.S. military operations.

Questions for Congress

As Members of Congress and the defense committees consider additional continuing appropriations for FY2011 and the President's request for FY2012, a number of questions may suggest themselves:

- To what extent does the delay in a fiscal year appropriation disrupt executive branch planning and commitment of construction funds?
- Can DOD or the military departments efficiently obligate construction funds under a continuing appropriation?
- How, and to what extent, will limits on government debt impact both the timing and the number of military construction projects that can be undertaken?
- What are the possible secondary effects of a government operations shutdown should the continuing appropriations expire?
- Does the prohibition on congressionally directed spending ("earmarks") limit Congress's ability to exercise its constitutional power to "raise and support Armies" and "provide and maintain a Navy," and if so, how and to what extent?
- Is it appropriate for DOD to assist local jurisdictions in absorbing the demands on infrastructure and services created by significantly increased military community size? If so, what legislation is required to create the necessary authority and/or additional funding?

Appendix. Detailed Military Construction Appropriations Tables

Table A-1. Title I—Military Construction Appropriations, FY2010-FY2012
New Budget Authority, thousands of dollars

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Request	FY2011 House (H.R. 5822)	FY2011 Senate Committee (S. 3615)	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Military Construction, Army	3,719,419	4,078,798	4,051,512	3,797,521	3,904,998	3,235,991
Rescissions	—	—	—	—	-160,000	—
Emergency Approps. (P.L. 110-252)	—	—	—	—	—	—
Total	3,719,419	4,078,798	4,051,512	3,797,521	3,744,998	3,235,991
Military Construction, Navy and Marine Corps	3,769,003	3,879,104	3,587,376	3,667,922	3,516,173	2,461,547
Rescissions	—	—	—	—	-34,000	—
Emergency Approps. (P.L. 110-252)	—	—	—	—	—	—
Total	3,769,003	3,879,104	3,587,376	3,667,922	3,482,173	2,461,547
Military Construction, Air Force	1,450,426	1,311,385	1,276,385	1,378,688	1,214,295	1,364,858
Rescissions	-37,500	—	—	—	-87,000	—
Emergency Approps. (P.L. 110-252)	—	—	—	—	—	—
Total	1,412,926	1,311,385	1,276,385	1,378,688	1,127,295	1,364,858
Military Construction, Defense-wide	3,093,679	3,118,062	2,999,612	3,241,601	2,964,062	3,848,757
Rescissions	-151,160	—	—	—	-148,500	—
Emergency Approps. (P.L. 110-252)	—	—	—	—	—	—
Total	2,942,519	3,118,062	2,999,612	3,241,601	2,815,562	3,848,757
Total, Active Components	11,843,867	12,387,349	11,914,885	12,085,732	11,170,028	10,911,153

Military Construction: Analysis of the President's FY2012 Appropriations Request

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Request	FY2011 House (H.R. 5822)	FY2011 Senate Committee (S. 3615)	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Military Construction, Army National Guard	582,056	873,664	1,020,228	980,072	873,664	773,592
Military Construction, Air National Guard	371,226	176,986	292,386	337,454	194,986	116,246
Military Construction, Army Reserve	431,566	318,175	358,325	347,916	318,175	280,549
Military Construction, Navy Reserve	125,874	61,557	91,557	61,557	61,557	26,299
Military Construction, Air Force Reserve	112,269	7,832	48,182	12,832	7,832	33,620
Rescissions	—	—	—	—	—	—
Total	112,269	7,832	48,182	12,832	7,832	33,620
Total, Reserve Components	1,622,991	1,438,214	1,810,678	1,739,831	1,456,214	1,230,306
Total, Military Construction	13,466,858	13,825,563	13,725,563	13,825,563	12,626,242	12,141,459
(Appropriations)	13,655,518	13,825,563	13,725,563	13,825,563	13,055,742	12,141,459
(Rescissions)	-188,660	0	0	0	-429,500	0
NATO Security Investment Program	197,414	258,884	258,884	258,884	258,884	272,611
Family Housing Construction, Army	273,236	92,369	92,369	92,369	92,369	186,897
Rescissions	—	—	—	—	—	—
Total	273,236	92,369	92,369	92,369	92,369	186,897
Family Housing Ops and Debt, Army	523,418	518,140	518,140	518,140	518,140	494,858
Family Housing Construction, Navy and Marine Corps	146,569	186,444	186,444	186,444	186,444	100,972
Emergency Approps. (P.L. 110-252)	—	—	—	—	—	—
Total	146,569	186,444	186,444	186,444	186,444	100,972

Military Construction: Analysis of the President's FY2012 Appropriations Request

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Request	FY2011 House (H.R. 5822)	FY2011 Senate Committee (S. 3615)	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Family Housing Ops and Debt, Navy and Marine Corps	368,540	366,346	366,346	366,346	366,346	367,863
Family Housing Construction, Air Force	66,101	78,025	78,025	78,025	78,025	84,804
Rescissions	—	—	—	—	—	—
Total	66,101	78,025	78,025	78,025	78,025	84,804
Family Housing Ops and Debt, Air Force	502,936	513,792	513,792	513,792	513,792	404,761
Family Housing Construction, Defense-wide	2,859	—	—	—	—	—
Family Housing Ops and Debt, Defense-wide	49,214	50,464	50,464	50,464	50,464	50,723
DOD Family Housing Improvement Fund	2,600	1,096	1,096	1,096	1,096	2,184
Homeowners Assistance Fund	323,225	16,515	16,515	16,515	16,515	1,284
Total, Family Housing	2,258,698	1,823,191	1,823,191	1,823,191	1,823,191	1,694,346
(Appropriations)	2,258,698	1,823,191	1,823,191	1,823,191	1,823,191	1,694,346
(Rescissions)	0	0	0	0	0	0
Chemical Demilitarization Construction, Defense-wide	151,541	124,971	124,971	124,971	124,971	75,312
Base Realignment and Closure						
BRAC,1990	496,768	360,474	460,474	360,474	360,474	323,543
BRAC,2005	7,455,498	2,354,285	2,354,285	2,354,285	2,354,285	258,776
Rescissions	—	—	—	—	-200,000	—
Total, BRAC	7,952,266	2,714,759	2,814,759	2,714,759	2,514,759	582,319
General Reductions (Sec. 129)						
Military Construction, Army	-230,000	—	—	—	—	—

Military Construction: Analysis of the President's FY2012 Appropriations Request

Account	FY2010 Enacted (P.L. 111- 117)	FY2011 Request	FY2011 House (H.R. 5822)	FY2011 Senate Committee (S. 3615)	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Military Construction, Navy and Marine Corps	-235,000	—	—	—	—	—
Military Construction, Air Force	-64,091	—	—	—	—	—
Total	-529,091	0	0	0	0	0
General Rescissions (Sec. 130)						
Military Construction, Army	-33,000	—	—	—	—	—
Military Construction, Navy and Marine Corps	-51,468	—	—	—	—	—
Military Construction, Air Force	-93,268	—	—	—	—	—
Military Construction, Army National Guard	-33,000	—	—	—	—	—
Military Construction, Air National Guard	-7,000	—	—	—	—	—
Total	-217,736	0	0	0	0	0
Grand Total, Title I	23,279,950	18,747,368	18,747,368	18,747,368	17,348,047	14,766,047
(Appropriations)	24,215,437	18,747,368	18,747,368	18,747,368	17,777,547	14,766,047
(Rescissions)	-935,487	0	0	0	-429,500	0

Source: House Committee on Appropriations: Consolidated Appropriations Act, 2008, committee print, <http://www.gpoaccess.gov/congress/house/appropriations/08conappro.html>; H.Rept. 111-559; S.Rept. 111-226.

Table A-2. Title IV—Overseas Contingency Operations Construction Appropriations, FY2010-2012

New Budget Authority, thousands of dollars

Account	FY2010 Enacted (P.L. 111-117)	FY2011 Request	FY2011 House (H.R.5822)	FY2011 Senate (S.3615)	FY2011 Continuing Appropriation (H.R. 1)	FY2012 Request
Military Construction, Army	924,484	929,996	—	1,045,676	—	—
Military Construction, Army (Emergency)	—	—	929,996	—	929,994	—
Military Construction, Air Force	474,500	280,506	—	164,826	—	—
Military Construction, Air Force (Emergency)	—	—	280,504	—	280,506	—
Military Construction, Defense-wide	—	46,500	—	46,500	—	—
Military Construction, Defense-wide (Emergency)	—	—	46,500	—	46,500	—
Grand Total, Title IV	1,398,984	1,257,002	1,257,000	1,257,002	1,257,000	0

Sources: H.Rept. 111-366; H.Rept. 111-559; S.Rept. 111-226; H.R. 112-1; DOD Budget Justification Material, FY2012.

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