



DEPARTMENT OF THE ARMY
ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, ENERGY AND ENVIRONMENT)
110 ARMY PENTAGON
WASHINGTON DC 20310-0110

FEB 03 2020

The Honorable Tammy Baldwin
United States Senate
Washington, DC 20515

Dear Senator Baldwin:

Thank you for your January 24, 2020 letter concerning Army plans to privatize Fort McCoy family housing.

In the spring of 2018, then-Secretary Esper asked the Assistant Secretary of the Army for Installations, Energy and Environment (ASA IE&E) to explore the potential to divest non-privatized Housing inventories in the United States through privatization, re-designation, demolition, or other divestiture. After a review of inventory, housing requirements, condition, occupancy statistics, and Commander Feedback, ten sites were identified for divestiture of family housing, and eight, including Fort McCoy, were identified for consideration as potential privatization candidates.

Since March 2019, in light of the recent challenges with housing, the Army's review of further privatization is on hold. The Army is currently investing \$6.1M at Fort McCoy to construct seven additional new homes. At the same time, the Army is addressing concerns with privatization and recent oversight challenges. Reforms outlined in the National Defense Authorization Act to re-engage leadership and enhance the Army's oversight role will hold Residential Communities Initiative (RCI) companies accountable to provide quality, well maintained homes and housing services.

Despite recent challenges, the Army's privatization of 89,000 housing units at 44 installations in the United States has been an overall success. The Army has leveraged \$1.9B in Army investment to achieve \$13.5B in private sector financing (a 7.1 to 1 leverage).

I trust this information is responsive to your inquiry. The Army will keep you apprised of any future reconsideration of the privatization of family housing at Fort McCoy. Thank you for your continued support of our Soldiers, Families and Department of the Army Civilians.

Sincerely,

A handwritten signature in cursive script that reads "Alex A. Beehler".

Alex A. Beehler