



Army Utilities Privatization Program

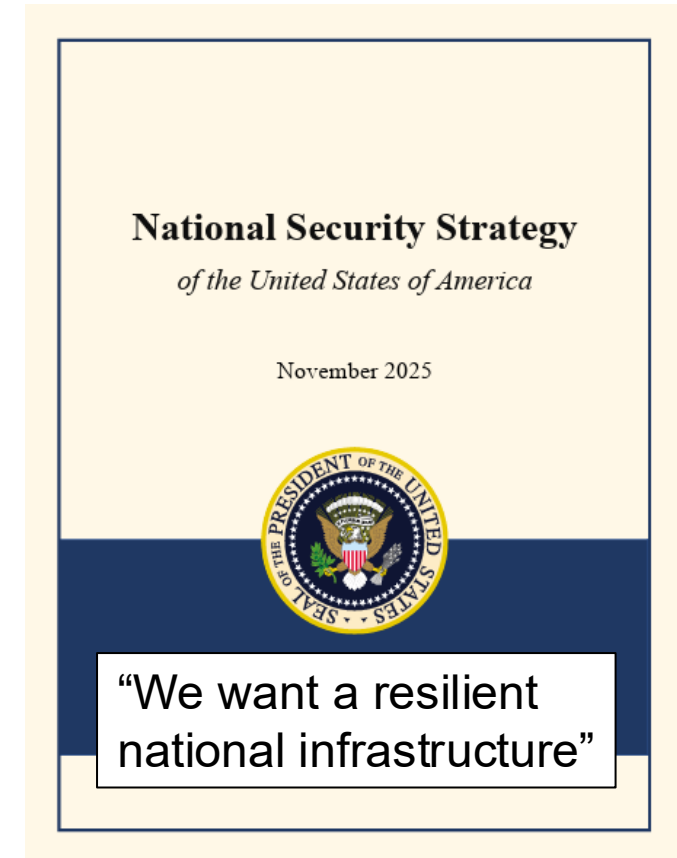
Forging a Resilient Future for Mission Assurance



UNCLASSIFIED

The Strategic Imperative: Modernization is Mission Critical

- **The Threat:** Aging infrastructure, fragile public grids, and cyber/physical attacks
 1. **Aging System:** Our inventory includes legacy utility systems, making them prone to failure
 2. **Fragile Grids:** Over-reliance on public grids creates a single point of failure, vulnerable to extreme weather, physical, and cyber-attacks
 3. **Evolving Threats:** Adversaries increasingly target infrastructure
- **The Mandate:** Every Army installation must be a resilient island, capable of operating independently to guarantee mission continuity
- **Takeaway:** The status quo of reactive maintenance is no longer acceptable for a globally responsive Army



The Solution: UP as a Strategic Enabler

- **What is Utilities Privatization (UP)?** A 50-year partnership between the Army and private industry to upgrade, own, and operate utility systems (electric, water, wastewater, and natural gas)
- **How it Drives Success:**
 - **Accelerates Modernization:** Injects private capital to execute large-scale upgrades faster and cheaper than the traditional Military Construction (MILCON) process
 - **Brings Expertise & Innovation:** Leverages industry's specialized management skills and cutting-edge technology
 - **Enhances Resilience:** Focuses investment on creating hardened, redundant, and reliable utility systems capable of supporting mission-critical operations during a grid outage
- **The Goal:** Transform installations into resilient platforms that ensures training and deployment without disruption



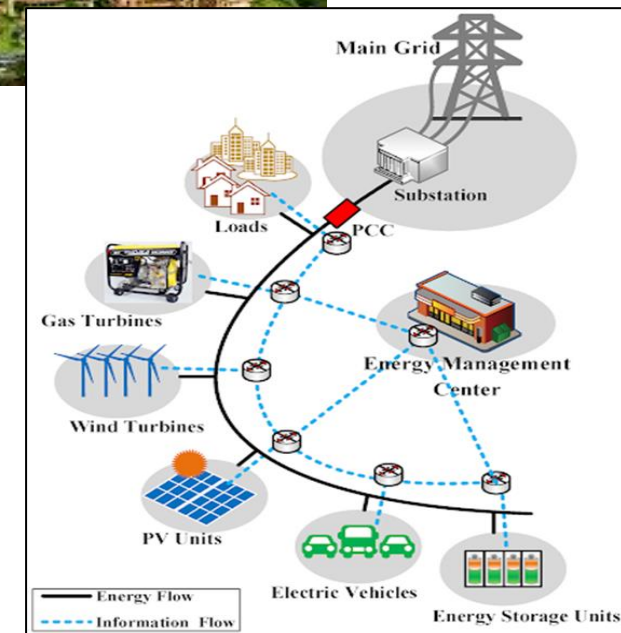
The Path Forward: Expanding and Refining Success

Deliberate Program Deployment:

- **Targeted Investments (FY26-29):** Prioritizing mission-critical systems at installations like Oahu, Fort Buchanan, and Fort Hunter Liggett
- **Long-Term Initiatives (FY26-31):** Systematically evaluating 43 utility systems for privatization through a rigorous Analysis of Alternatives process

Continuous Improvement:

- **Streamlined Execution:** Using new NDAA authorities to fast-track resilience projects
- **PACES:** Development of Program Management tools to increase oversight efficiency



Challenges: Staying Ahead of the Curve

Army is proactively managing emerging issues to ensure long-term program health and security:

- **Cybersecurity:** Mandating compliance with NIST standards for all systems and making Cybersecurity Maturity Model Certification (CMMC) a standard for all new projects
- **Environmental Stewardship:** Actively mitigating PFAS contaminants and replacing Lead Service Lines to meet new EPA standards and protect our communities
- **Industry Collaboration:** Engaging with industry partners through working groups to foster innovation and efficiency



water repellent PFAS PFOA PFOS
chemical compounds forever chemicals
toxic and carcinogenic
Water Pollution
biochemistry cancer polyfluoroalkyl waterproof PFAS environmental damage Perfluoroalkyl and Polyfluoroalkyl
Human health Impermeable warning
ies chemicals



Conclusion: A Proven Model for Mission Assurance



- **UP is a Success:** It is a vital tool that has been proven to accelerate the modernization of Army infrastructure
- **UP Delivers Resilience:** By leveraging private capital and expertise, the program directly hardens installations against threats and grid instability
- **UP Guarantees the Mission:** Resilient installations ensure the Army can train, deploy, and execute its global missions without disruption, anytime and anywhere

The Bottom Line: The Utilities Privatization program is a cornerstone of the Army's strategy to build a resilient and ready force for the 21st century