

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS

UNITED STATES HOUSE OF REPRESENTATIVES

**SUBJECT: FY 2011 NATIONAL DEFENSE AUTHORIZATION BUDGET REQUEST
FOR MILITARY CONSTRUCTION, FAMILY HOUSING, BASE CLOSURE,
FACILITIES OPERATIONS AND MAINTENANCE**

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Introduction

The ability of our Airmen to perform their missions world-wide is directly affected by the quality of resources, access to facilities, a robust logistics infrastructure for sustainment, and a confidence that while they are deployed their families are well taken care of and their needs met.

Air Force Military Construction (MILCON), Military Family Housing (MFH), and Base Realignment and Closure (BRAC) programs form the foundation of our installation structure and provide the direct support responsible for meeting the needs of our Airmen, and their families.

We recognize we cannot lose focus on critical Air Force infrastructure programs, and we are working hard to ensure we have the proper infrastructure that enables our Airmen, to perform their duties, while ensuring responsible stewardship of fiscal resources.

Our efforts are in direct support of and consistent with the Air Forces' five priorities, which serve as a framework for this statement: 1) continue to strengthen the nuclear enterprise; 2) partner with the Joint and Coalition team to win today's fight; 3) develop and care for our Airmen and their families; 4) modernize our air and space inventories, organizations, and training; and 5) recapture acquisition excellence.

Overview

Our Fiscal Year 2011 President's Budget Request contains \$5.5 billion for facility maintenance, military construction, military family housing, and Base Realignment and Closure, which is a 3.8 percent increase above our Fiscal Year 2010 request. Our facility maintenance and repair account represents the largest portion of the request, with \$3.1 billion to maintain Air Force installations, including six installations recently transferred to Air Force leadership through Joint Basing. The \$1.5 billion military construction request prioritizes our requirements and ensures new construction is aligned with weapon system deliveries and strategic basing initiatives, while we continue to accept some risk in aging infrastructure recapitalization. Additionally, we continue our efforts to provide quality housing for Airmen and their families by dedicating nearly \$600M to sustaining and modernizing overseas housing, and supporting housing privatization in the Continental United States. We also request a total of \$252 million to continue completing our BRAC 2005 program requirements as well as our legacy BRAC programs and environmental clean-up.

In the course of building the Fiscal Year 2011 budget request, we had to make a number of difficult choices among competing priorities. One of these was a necessary but difficult decision to continue taking risk in our military construction as well as our restoration and modernization accounts. We understand that mitigating the effects of this decision will take first-class facilities sustainment, and we are funding our sustainment account accordingly to keep our “good facilities good.”

The Air Force is very appreciative for the American Recovery and Reinvestment Act of 2009 – legislation that has been greatly beneficial to our infrastructure. From this legislation, we received a total of \$1.7 billion to support Air Force projects, including \$1.3 billion for operations and maintenance for facilities sustainment, restoration, and modernization (FSRM); \$327 million in military construction and military family housing for dormitories and child development centers; and \$75 million in research, development, testing and evaluation for projects to improve energy efficiency. In accordance with Congressional intent to allocate the funds quickly, we moved expeditiously to award contracts. By the end of calendar year 2009, we awarded nearly 90 percent of the funding allocated for our FSRM and military construction projects. Additionally, with the funding we saved from competitively bid projects, we funded two additional military construction requirements – a dormitory and a child development center.

Continue to Strengthen the Nuclear Enterprise

Since its inception, the Air Force has served as a proud and disciplined steward of a large portion of the Nation’s nuclear arsenal. We steadfastly operate, maintain, and secure nuclear weapons to deter potential adversaries, and to assure our partners we are a reliable force providing global stability. The first Air Force priority during the last two years has been to reinvigorate the stewardship, accountability, compliance, and precision within the nuclear enterprise. We have made progress in this area and will continue our pursuit of the highest standards of performance.

In addition to ensuring our organizations and human resource plans support this mission, we are also concentrating on the infrastructure and facilities crucial to our success. To support this work, during the past 18 months, Air Force civil engineers have conducted enterprise-wide facility assessments to refine our investment plans, and we are now beginning to execute our long-term investment strategy. Our Fiscal Year 2011 budget request includes \$22.8 million in

military construction for the nuclear enterprise, including a weapons load crew training facility at Barksdale Air Force Base (AFB), Louisiana, and a nuclear security tactics training center at Camp Guernsey, Wyoming. These and similar projects in the years to come will further our goal of a self-sustaining culture of critical self-assessment, continuous improvement, and unwavering excellence.

Partner with the Joint and Coalition Team to Win Today's Fight

Our Air Force continues to bring air, space, and cyber power to great effect in our conflicts in Afghanistan and Iraq, and our men and women make incredible contributions daily. We currently have almost 40,000 Airmen deployed, including nearly 3,500 Air Force civil engineers. Approximately 20 percent of these Air Force civil engineers are filling Joint Expeditionary Taskings, serving shoulder-to-shoulder with our Joint teammates. Due to their wide array of skills, our Air Force Rapid Engineer Deployable Heavy Operational and Repair Squadron Engineers (RED HORSE) and our Prime Base Engineer Emergency Force (Prime BEEF) personnel are in high demand in several theaters of operation. Additionally, we have more than 150 civil engineers who are supporting relief and recovery operations in Haiti.

In addition to our Airmen's contributions, our Fiscal Year 2011 budget request invests \$449 million in 40 projects that directly contribute to today's fight. Examples include the following:

- *Projects supporting our combatant commanders, particularly in the U.S. Central Command area of operations, that will greatly enhance ongoing operations.* These include a medical evacuation ramp expansion, fire station, fighter hangar, and consolidated rigging facility in support of enduring airdrop operations at Bagram Air Base (AB), Afghanistan; and an apron expansion, providing vital Afghan theater of operations with refueling capability out of Isa AB, Bahrain.
- *New operations, maintenance, and training facilities for our Air Support Operations squadrons.* Airmen from these units, including Joint Terminal Attack Control specialists, partner with ground forces to integrate airpower in Iraq and Afghanistan. These Active and Air National Guard facilities, located in close proximity to the Army units that they support in both Continental United States and overseas, will further increase our capacity to operate and integrate closely with our Joint partners.

- *Improvements at Andersen AFB, Guam.* Five projects continue to build our Pacific Air Force Regional Training Center and support the Air Force's "Guam Strike" initiative, consolidating operational capability for fighter and bomber operations at the base.
- *Remotely-piloted aircraft beddown, operations, and maintenance support infrastructure.* Nine projects at various Active Duty and Air National Guard locations that support this rapidly growing field include an operations facility at Cannon AFB, New Mexico; a fire/crash/rescue squadron at Creech AFB, Nevada; a new launch and recovery element facility at Fort Huachuca, Arizona; and MQ-9 infrastructure support at Fort Drum, New York; and others.
- *Facility recapitalization efforts.* These – our component and major command commanders' "current mission" priorities – will, among other things, provide a modern operations facility for the National Capital Region's Joint Air Defense mission; give our special operations Airmen at Hurlburt Field, Florida, a new logistics facility and school; and provide Kunsan AB, Korea, with a facility to house their new F-16 simulator, due to arrive in 2012.

Develop and Care for Airmen and Their Families

The all-volunteer force provides the required foundation for our flexible and agile force. Our Fiscal Year 2011 budget request reflects a commitment to preserving and enhancing our force through education and training, while also improving the overall quality of life of Airmen and their families where they work, live, and play.

Developing our Airmen

Our Airmen are the best in the world, and as such they deserve first-class facilities in which they can train and advance their personal and professional development. Our Fiscal Year 2011 budget request contains five projects totaling \$163 million for this effort. These projects include a flagship Center for Character and Leadership Development at the Air Force Academy, which will provide our future officers with a facility invested with the stature that our Service Core Values demand. Also, renovation and expansion of Air University's Fairchild Research Information Center – the largest military library in the world – will preserve the historical perspective and current research that form the basis for future airpower and Air Force theory, doctrine, and strategy. Additionally, we are continuing to improve facilities that support our

newest Airmen at Lackland AFB, Texas, by building a new recruit dormitory, classroom, and in-processing center. These projects continue to improve our Air Force basic military training and provide incoming Airmen with facilities that are commensurate with the commitment that they make to our Nation.

Caring for Our Airmen and Their Families

Because our families are crucial to the success of our Air Force, the Secretary of the Air Force designated July 2009 – July 2010 as the “Year of the Air Force Family,” to focus on the contributions of the entire Air Force family – military, civilian, spouses, children, extended family, and retirees – and investigate ways to make their lives better. A large part of this is ensuring they have first-class homes and dormitories. We also must make certain our base and community environments are safe and secure, and they foster a sense of community. Simply put, our goal is to provide an even safer and more supportive environment for our men and women and their families, especially during deployments and other extended absences.

Billeting

This project, totaling \$62 million will provide billeting for Airmen in our Fiscal Year 2011 military construction program. Of particular note is a third phase of billeting construction at Al Udeid AB, Qatar, which will continue our effort to provide Airmen, supporting operations in the U.S Central Command theater, with a quality place to live while deployed far from their families. In total, this project will build two dormitories.

Dormitories

We remain committed to providing excellent housing for our unaccompanied Airmen, and we continue to reference our 2008 Dormitory Master Plan to make this vision a reality. Our Fiscal Year 2011 budget request includes four dormitory projects totaling \$71 million. These include dorms at Cannon AFB, New Mexico; Joint Base McGuire-Dix-Lakehurst, New Jersey; Kapaun Annex, Germany; and Aviano AB, Italy. At Aviano, this single new dormitory will not only provide improved quality of life for Airmen, but also enable the Air Force to close an entire community support annex, which will yield savings in facility maintenance, energy, services, and security costs. Our 2010 Dormitory Master Plan, to be released later this year, will also address dormitories that we gain from Joint Basing.

Military Family Housing

Our Fiscal Year 2011 budget for military family housing is nearly \$600 million. The Air Force request for housing construction investment is \$78 million to ensure the continuous improvement of over 400 of our more than 16,100 overseas homes. Our request also includes an additional \$514 million to fund operations, maintenance, utilities, and leases, and to manage privatized units for the family housing program.

Housing privatization is central to the success of our stateside – including Alaska and Hawaii – military family housing initiatives. At the start of Fiscal Year 2011, we will have 38,800 privatized units, to be increased to 52,900 by the end of Fiscal Year 2011. As of the end of FY 2009, privatization has leveraged a \$423 million investment to \$6.54 billion in development. We plan to privatize 100 percent of our family housing, in the Continental United States, by Fiscal Year 2011.

Child Development Centers

Due to the elevated operations tempo in the past eight years of conflict, child care for our families that remain stateside has become an increasingly significant focus area. As part of the American Recovery and Restoration Act, we have been able to allocate \$80 million for eight new child development centers, to help ensure that our force has adequate child care capacity. We have aggressively pursued solutions to eliminate an earlier capacity issue, and we are on course to reduce our child care deficit to zero by 2012.

Modernize our Air and Space Inventories, Organizations, and Training

Modernizing our force to prepare for a wide range of future contingencies requires a significant investment. For Fiscal Year 2011, we are requesting \$460.0 million for a variety of military construction projects, including:

- *Eight projects to prepare to beddown our newest fighter, the F-35.* This includes four projects at Nellis AFB, Nevada, where we will accomplish a large part of the operational test and evaluation for this aircraft. As we continue to assess F-35 program restructuring, we are closely analyzing the impacts that any delivery delays will have on associated military construction requirements.

- *Seven projects supporting our H/MC-130 fleet.* These projects will emphasize the newer “J” models.
- *Six projects supporting F-22 operations.* This effort will continue to modernize our air superiority fleet, including three projects at Hickam AFB, Hawaii, for the beddown of the Air National Guard squadron there.
- *Other projects.* These will support diverse mission areas, including space control, C-5/C-17 maintenance, and base and airfield operations.

Other Programs of Note

Overseas Contingency Operations (OCO)

Our Fiscal Year 2011 Overseas Contingency Operations request for military construction supports \$280 million in projects for Afghanistan. This complements our Fiscal Year 2010 OCO request of \$474 million and our Fiscal Year 2010 OCO supplemental request of \$279 million to support the recently announced troop strength increase. The Fiscal Year 2011 OCO projects build upon and expand the operational capacity that was initially provided by the Fiscal Years 2009/2010 requests. These first military construction requirements provided access to operational areas in the rugged, undeveloped regions of Afghanistan. Our subsequent requests will expand that initial capability by providing primary theater hubs in Afghanistan. As such, they will reduce safety risks, increase throughput capacity of cargo and personnel, and increase the effectiveness and efficiency of air operations. In addition to supporting current operations, logistical facilities are required to sustain operations through the transition to Afghan control and will facilitate the eventual redeployment of our forces. Each project will be of great value to the Joint team, and we are committed to executing them as effectively and efficiently as possible.

BRAC 2005 Implementation

The Office of the Secretary of Defense codified BRAC 2005 implementation requirements and responsibilities through the use of business plans, a process that allows synchronization across the entire Department of Defense (DoD). The Air Force leads 64 business plans and is an equity partner in an additional 16.

To implement the assigned recommendations, the Air Force’s plan calls for the execution of nearly 400 separate actions utilizing a budget that has been, and remains, fully funded at

approximately \$3.8 billion; two-thirds of this budget is military construction. Our BRAC military construction program will make its last contract award before the close of this fiscal year. In total, we will execute 231 BRAC military construction (BRAC MILCON) projects, on 54 installations, in 36 states. The remaining segment of the BRAC budget funds environmental efforts, military personnel costs, training, and operations and maintenance-funded elements.

BRAC 2005: The Air National Guard and Air Force Reserve

Seventy-eight percent of BRAC 2005 implementation actions affect the Air Reserve Components in contrast to BRAC 1995 where just eighteen percent of actions affected either the Air National Guard (ANG) or Air Force Reserve (AFR). Many of the BRAC 2005 actions realigned similar missions or aircraft models to increase the efficient use of manpower, resources, and maintenance budgets. Single mission tasks were combined into Centralized Intermediate Repair Facilities where ANG, AFR, and active duty personnel work side-by-side. The Reserve has effectively managed manpower resources and minimized adverse impacts on personnel at locations such as General Mitchell Air Reserve Station, Wisconsin. The relocated reserve unit from General Mitchell is now fully operational at Pope AFB, North Carolina. The ANG has better positioned units to accept future missions in such vital tasks as Homeland Defense, is more effectively integrated with the active force in current front-line fighters, and will share opportunities to accept new weapons platforms.

BRAC 2005: Execution Report Care

BRAC 2005 impacts more than 120 Air Force installations. Whether establishing the F-35 Joint Strike Fighter Initial Training Site at Eglin AFB, Florida, closing Kulis Air Guard Station in Alaska, or transferring Pope AFB, North Carolina, to the Army, the Air Force community as a whole – active, Guard, and Reserve –benefits from changes BRAC achieves. Among the seven closure installations, two are already considered closed while the others are proceeding according to plan. The Air Force is fully engaged in executing our requirements, nearly a third of assigned business plans are now considered complete and the rest are on schedule to complete by September 2011.

The Air Force will complete implementation of BRAC 2005 on time and within budget.

Legacy BRAC: Real Property Transformation

The Air Force remains a Federal leader in the implementation of the management principles outlined in Presidential Executive Order 13327, Federal Real Property Asset Management. We continue to aggressively manage our real property assets to deliver maximum value for the taxpayer, improve the quality of life for our Airmen and their families, and ensure the protection and sustainment of the environment to provide the highest level of support to Air Force missions. The Air Force is achieving these goals through an enterprise-wide Asset Management transformation that seeks to optimize asset value and to balance performance, risk, and cost over the full asset life cycle. Our approach is fundamentally about enhancing our built and natural asset inventories and linking these inventories to our decision-making processes and the appropriate property acquisition, management and disposal tools.

Even though the BRAC 2005 round did not reduce the Air Force's real property footprint, our current transformation efforts seek to "shrink from within" and to leverage the value of real property assets in order to meet our "20/20 by 2020" goal of offsetting a 20 percent reduction in funds available for installation support activities by achieving efficiencies and reducing by 20 percent the Air Force physical plant that requires funds by the year 2020.

Base Realignment and Closure Property Management

To date, the Air Force has successfully conveyed by deed nearly 90 percent of the 87,000 acres of Air Force land directed by BRAC 88, 91, 93 and 95 with the remainder under lease for redevelopment and reuse. With the successful redevelopment of Air Force BRAC property, local communities have been able to increase the number of area jobs by over 31,000.

To complete the clean up and transfer by deed of remaining property, the Air Force is partnering with industry leaders on innovative business practices for its "way ahead" strategy. Of the 32 legacy BRAC bases slated for closure, the Air Force completed 20 whole-base transfers. Eight of the remaining 12 bases are targeted for transfer by the end of Fiscal Year 2010, while the last four (Chanute, George, McClellan, Griffiss) will transfer no later than the end of Fiscal Year 2013.

As the Air Force transfers BRAC property for civic and private reuse, it is paramount we ensure any past environmental contamination on the property does not endanger public health or the environment. The Air Force will continue to fulfill this most solemn responsibility, as

reflected in our Fiscal Year 2010 request of \$116 million for Legacy BRAC cleanup activities, and another \$13 million for BRAC 2005 cleanup activities.

Joint Basing

The Air Force remains committed to joint basing initiatives to maximize installation efficiency, warfighting capability, and jointness, all the while saving taxpayer resources. Of the 12 Joint bases mandated by BRAC 2005, 10 have Air Force equity, and we are the lead Service on six. All told, our current efforts with joint basing are proceeding smoothly, with no major issues. Three of the Phase I joint bases with Air Force equity have already reached full operating capability status, and seven more Phase II bases with Air Force equity have reached initial operating capability status, with full operating capability expected by October 1, 2010. Additionally, we anticipate that efficiencies and cost savings will soon result from the benefits derived from consolidation.

Energy

The Air Force understands the criticality of furthering energy security for the Nation, and we remain committed to realizing our energy goals of reducing demand, increasing supply, and changing our culture to make energy a consideration in everything we do. Energy conservation investment is a significant component of our newly released 2010 Air Force Infrastructure Energy Plan. In Fiscal Year 2011, we will continue our energy conservation efforts, which have already reduced facility energy use 14.6 percent from our 2003 baseline. The Defense military construction budget request of \$120 million contains \$35 million for our Energy Conservation Investment Program, which will save money in the years to come. In Fiscal Year 2009, we exceeded our goals and produced or procured 5.4 percent of our total facility energy through renewable sources, and we have led the federal government as the number one purchaser of renewable energy for the fifth year in a row. The 19 projects in the Fiscal Year 2011 Defense military construction budget, including six solar projects, will continue this trend.

Conclusion

The Air Force is committed to the infrastructure projects that support our missions; we are also committed to ensuring we continue to care for our Airmen and their families, to include first-class dormitories and housing, and Airman and family support.

We also remain committed to optimizing the utility of our resources through effective Joint basing, completing BRAC actions, and continuing energy conservation efforts.

Finally, the Air Force is committed to being good stewards of funding intended to ensure Air Force mission success.