

DEPARTMENT OF THE AIR FORCE

**PRESENTATION TO THE SUBCOMMITTEE ON READINESS
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

**SUBJECT: FISCAL YEAR 2012 AIR FORCE MILITARY CONSTRUCTION,
FAMILY HOUSING, ENVIRONMENTAL, AND BASE REALIGNMENT
AND CLOSURE PROGRAMS**

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Introduction

The United States faces diverse and complex security challenges that require a range of agile and flexible capabilities. From the ongoing conflicts in Afghanistan and Iraq, to potential confrontation with aggressive state and non-state actors, to providing humanitarian assistance, the United States Air Force continues to provide capabilities across the range of potential military operations. As part of this effort, we must ensure that we have right-sized and efficient infrastructure that enables our most valuable resource, our Total Force Airmen, to perform their duties, while ensuring responsible stewardship of fiscal resources. To maximize our contributions to the Joint team, we structured our resource choices by balancing them across the near- and long-term.

Over the last year, the Air Force has striven to deliver our trademark effectiveness in the most efficient way possible. We are focused on five priorities, which serve as a framework for this testimony: 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, space, and cyberspace inventories, organizations, and training; and 5) recapture acquisition excellence.

Overview

Our Fiscal Year 2012 President's Budget Request contains \$8.2 billion for military construction, military family housing, Base Realignment and Closure (BRAC), and installations-related operations and maintenance. The \$1.4 billion military construction request represents an increase of \$97 million over Fiscal Year 2011, allowing us to invest in the top priorities of the Air Force and our Combatant Commanders, even in a fiscally constrained environment. This request also ensures new construction is aligned with weapon system deliveries and strategic

basing initiatives. In addition, we continue our efforts to provide quality housing for Airmen and their families by dedicating nearly \$500 million to sustaining and modernizing overseas housing, and supporting housing privatization in the continental United States. Our unaccompanied Airmen remain a top priority; we request \$190 million to invest in dormitories, keeping us on track to meet our goal of eliminating inadequate housing for unaccompanied Airmen by 2017. We also request \$124 million to continue completing our legacy BRAC programs and environmental clean-up. The sustainment, restoration, and modernization request represents the largest portion of facility funding, with \$3.3 billion allocated for sustaining existing facilities, conducting repairs, and demolishing buildings that have reached the end of their usable lives. Finally, the Air Force asks for \$2.9 billion for Facility Operations and Installation Services, which funds the day to day operations at our installations and was formerly known as Base Operation Support.

In the course of building the Fiscal Year 2012 budget request, we applied asset management principles to ensure maximum efficiency without compromising the effectiveness of our installation weapons systems, the platforms from which we fly and fight. This was accomplished through the judicious funding of our sustainment priorities (for example spending money in the right place at the right time to keep our good facilities good) and using military construction to recapitalize existing facilities first, as a preferred alternative in lieu of growing our footprint.

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 secure and sustain these nuclear weapons to deter potential adversaries and to assure our partners that we are a reliable force providing

global stability. Reinvigorating stewardship, accountability, compliance, and precision within the nuclear enterprise remains the Air Force's number one priority. While we have made progress in this area, we have taken additional steps in the Fiscal Year 2012 budget to continue to strengthen and improve this core function.

Air Force Global Strike Command achieved full operational capability on September 30, 2010, moving all Air Force nuclear-capable bombers and Intercontinental Ballistic Missiles under one command. In addition to ensuring that our organizations and human resource plans support this mission, we are also concentrating on the infrastructure and facilities that are crucial to our success. Air Force civil engineers have conducted enterprise-wide facility assessments and understand that a significant portion of the existing infrastructure will require modernization or complete replacement in the years ahead. Our Fiscal Year 2012 budget request begins to address these issues with \$75.6 million in military construction for the nuclear enterprise, including a B-52 maintenance dock at Minot AFB, North Dakota, and an addition to the Air Force Nuclear Weapons Center at Kirtland AFB, New Mexico. These and similar projects in the years to come will ensure maximum effectiveness for the Air Force's most important mission.

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

Our Air Force continues to project air, space, and cyber power to great effect in our conflicts in Afghanistan and Iraq, and our men and women make incredible contributions every day. We currently have more than 33,000 Airmen deployed, including nearly 2,300 Air Force civil engineers. Nearly half of these engineers are filling Joint Expeditionary Taskings, serving shoulder-to-shoulder with our soldier, sailor, and marine 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.

In addition to the contributions and sacrifices of our Airmen, our Fiscal Year 2012 budget request invests \$373 million in projects that directly contribute to today's fight. Examples include the following:

- *Projects supporting our combatant commanders that will greatly enhance ongoing operations.* These include the recapitalization of Headquarters, United States Strategic Command at Offutt AFB, Nebraska and a new Air Freight Terminal Complex at Andersen AFB, Guam.
- *New facilities for operations and mission support.* A new Air Support Operations Facility at Fort Riley, Kansas will further our efforts to support Joint Terminal Attack Control specialists as they partner with ground forces to integrate airpower in Iraq and Afghanistan. Additionally, we are strengthening communications capabilities of combatant commanders with a SATCOM relay in Sigonella, Italy, and a Communications and Network Control Center at Nellis AFB, Nevada.
- *Improvements at Andersen AFB, Guam.* Three projects continue to support the "Guam Strike" initiative, consolidating operational capability for fighter and bomber operations at the base. The three Guam Strike projects are a Clear Water Rinse Facility for \$7.5M; a Fuel Systems Maintenance Hangar for \$128M; and a Conventional Munitions Facility, \$11.7M.

Develop and Care for Airmen and Their Families

The all-volunteer force provides the foundation for our flexibility and agility. Our Fiscal Year 2012 budget request reflects a commitment to providing first-class housing, while focusing

on training and education, and striving to improve the overall quality of life for our Airmen and their families.

The best Airmen in the world deserve the best facilities in the world, and our Fiscal Year 2012 budget request supports that goal. We aim to build upon the foundation laid during the Year of the Air Force Family, and utilize new data such as our 2010 Dormitory Master Plan to ensure we effectively allocate taxpayer dollars to our most pressing requirements.

Billeting

We continue our efforts to provide quality housing for our Airmen deployed to the U.S. Central Command theater with the fourth phase of the Blatchford-Preston Complex at Al Udeid AB, Qatar. This \$37 million project will build two dormitories, raising the billeting capacity there to 3,332 rooms.

Dormitories

Housing for our unaccompanied Airmen remains a top priority, and our Dormitory Master Plan provides valuable insight into how to maximize the impact of our investment. Our Fiscal Year 2012 budget request includes seven new construction dormitory projects totaling \$190 million. These include dorms at Travis AFB, California, Osan AB, Korea, Eielson AFB, Alaska, Minot AFB, North Dakota, Ramstein AB, Germany, Thule AB, Greenland, and Cannon AFB, New Mexico. This investment keeps us on track to meet our 2017 goal to provide adequate dormitories for all unaccompanied Airmen. We are also supporting our partners at Joint Base Elmendorf, Alaska, Joint Base San Antonio, Texas, and Joint Base Langley-Eustis, Virginia, with the construction of three dormitories worth \$193 million. These projects represent the last of the Joint Base military construction funds transferred to the Air Force.

Training and Education

The most professional Airmen in the world grow into the world's best Non-Commissioned Officers because of the investments we make in their education, starting from the day they enlist. We have two projects in this year's program totaling \$78 million that address these areas. They include the fourth phase of the Basic Military Training Complex at Lackland AFB, Texas, and an Education Center at Vandenberg AFB, California.

Military Family Housing

We are carrying forward the momentum we gained during the Year of the Air Force Family with continued investment in building thriving housing communities. Our Fiscal Year 2012 budget request for military family housing is nearly \$500 million. Included in this request is \$85 million to improve nearly 1,400 homes in Japan and the United Kingdom and an additional \$405 million to fund operations, maintenance, utilities, and leases, and to manage privatized units for the family housing program.

Housing privatization has leveraged \$423 million into \$6.5 billion in private sector financing; it is central to the success of our housing initiatives. At the start of Fiscal Year 2012, we will have 47,700 privatized units, increasing to 52,500 by January 2012, when 100 percent of our family housing in the United States will be privatized.

Child Development Centers

The final component of Caring for Airmen and Families is ensuring the children of our service men and women receive the same standard of care at installations around the world, from bases in major metropolitan areas to those in remote locations to those overseas. The American Recovery and Restoration Act allowed us to allocate \$80 million for eight new child development centers, to help ensure that our force has adequate child care capacity. This year,

we have only one requirement for a Child Development Center, at Holloman AFB, New Mexico. This \$11 million project will get our Airmen's children out of temporary, substandard facilities.

Modernize our Air, Space, and Cyberspace Inventories, Organizations, and Training

Modernizing our force to prepare for a wide range of future contingencies requires a significant investment. For Fiscal Year 2012, a key focus area is enabling the beddown of several new weapon systems. Therefore, we are requesting \$347 million for a variety of military construction projects, including:

- *Five projects to beddown our newest fighter, the F-35.* This includes the F-35 force development and evaluation mission at Nellis AFB, Nevada, the second training location at Luke Air AFB, Arizona, and the first operational unit at Hill AFB, Utah.
- *Three projects supporting our HC/EC/C-130J fleet.* These projects include a Joint Use Fuel Cell at Davis-Monthan AFB, Arizona, and flight simulators at Davis-Monthan and Pope AFB, North Carolina.
- *Three projects supporting the Pacific Regional Training Center at Andersen AFB, Guam.* This requirement was driven by the re-location of the 554th RED HORSE from Korea to Guam in 2007, along with an increased need for expeditionary training in the Pacific.
- *Other projects.* These will support diverse mission areas, including C-5 training, F-22 support, the F-16 beddown at Holloman AFB, New Mexico, and support operations at Barksdale AFB, Louisiana, Fairchild AFB, Washington, the United States Air Force Academy, Colorado, and Cannon AFB, New Mexico.

Recapture Acquisition Excellence

The Air Force continues its efforts to optimize the effective use of taxpayer resources in the acquisition of goods and services. By focusing on asset management principles, we have built a culture that supports the warfighter by delivering the right products and services on time, within budget, and in compliance with all applicable laws, policies, and regulations. Where possible, we seek strategic sourcing opportunities to maximize the use of available dollars, pursuing ways to leverage our size as we purchase common commodities and services to be used across the enterprise. Our engineering and contracting communities continue to partner on efforts to transform the processes that support Air Force installation-related acquisition.

Other Programs of Note

Sustainment, Restoration, and Modernization

There are two programs that complement our military construction program in support of Air Force facilities and infrastructure. The first program, Facilities Sustainment, covers life-cycle maintenance such as replacing mechanical and electrical systems at the end of their service lives and resurfacing airfield and roadway pavements. We request \$2 billion for this program. The Air Force conducts major repairs, renovations, minor construction, and demolition with Facilities Restoration and Modernization funds. Our budget request for this program is \$1.3 billion. With this year's budget request we are increasing our investment in Operations and Maintenance by \$160 million to address our most critical requirements.

Facility Operations and Installation Services

The Facility Operations and Installation Services accounts provide day-to-day municipal services activities such as grounds maintenance and waste management, utilities, and fire and

emergency services. The Fiscal Year 2012 request includes \$2.9 billion for this vital requirement.

Base Realignment and Closure Actions

Completing Air Force BRAC actions remains a priority for the Air Force and Department of Defense. The Fiscal Year 2012 request includes \$123.5 million for legacy BRAC actions at our 28 remaining former bases, and \$1.97 million to perform program management, environmental restoration, and property disposal at locations closed in BRAC 2005. The Air Force is on track to fully implement all BRAC 2005 recommendations by the mandated September 2011 deadline.

BRAC Property Management

To date, the Air Force has successfully conveyed nearly 90 percent of the 88,000 acres of Air Force land directed by BRAC 1988, 1991, 1993, 1995 and 2005 with the remainder under lease for redevelopment and reuse, or pending final transfer. With the successful redevelopment of Air Force BRAC property, local communities have been able to increase the number of area jobs by over 45,000.

To complete the clean up and transfer of remaining property, the Air Force is partnering with industry leaders on innovative business practices for its “way ahead” strategy. Of the 40 BRAC bases slated for closure—including BRAC 2005—the Air Force completed 23 whole-base transfers as of September 2010. Eleven of the remaining 17 Legacy and BRAC05 bases are targeted for transfer by the end of Fiscal Year 2011, while the remaining BRAC bases (Chanute, George, McClellan, Wurtsmith, Williams and Galena) will transfer no later than the end of Fiscal Year 2014.

Cleanup

In February 2011, I issued a memo directing accelerated site completion and performance based remediation (PBR) performance objectives. For the BRAC program, 90 percent of all sites must be completed by 2015 and 95 percent under a PBR by 2014. Performance based remediation projects and contracts represent the Air Force's best tool for achieving site completion in the quickest timeframe and best value to the Air Force, while still protective of human health and environment. Also included in this directive, is an initiative to reduce overhead and management costs to below 10 percent of program, costs.

Real Property Transfer

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 substantially 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.

Joint Basing

The Air Force remains committed to maximizing installation efficiency and warfighting capability, while saving taxpayer resources and being the best partner we can be. The Air Force has equity in 10 of the 12 Joint Bases and is the lead Service for 6 of the 12. All 12 bases achieved full operating capability on October 1, 2010. We anticipate that the benefits derived from this initiative will yield significant efficiencies and cost savings.

Energy

The Air Force energy vision is to reduce demand through conservation and efficiency, increase supply through alternative energy sources, and create a culture where all Airmen make energy a consideration in everything we do. In pursuit of this vision, the Air Force continues as a Federal energy leader by advancing energy independence through coordinated efforts aimed at minimizing energy costs and leveraging proven technology in conservation measures and renewable energy development, while matching system reliability and critical asset security with Air Force mission requirements. These efforts effectively reduce dependence on commercial supply and delivery systems and enhance energy security for the Air Force. The Air Force is committed to reducing its greenhouse gas emissions and carbon footprint through the reduced use of fossil fuels consumed directly through vehicles and facilities or indirectly through consumption of fossil fuel-generated electricity from the national electric grids. In Fiscal Year 2012, we will continue our energy conservation efforts, which have already reduced facility energy use nearly 15 percent from 2003 levels. In Fiscal Year 2011, we exceeded our goals and produced or procured nearly 7 percent of our total facility energy from renewable sources, and

we have led the Department of Defense as the number one purchaser of renewable energy for the fifth year in a row.

Environmental

The Air Force is looking for efficiency and process-improvement opportunities in all program areas, to include our environmental programs. A few examples I would like to share with you come from our environmental cleanup program, and our environmental impact analysis process, which implements the National Environmental Policy Act.

After nearly 30 years and \$25B in investments, the Air Force cleanup program has made great advancement in addressing the legacy of a 60-year-old Air Force and our nation's military engagements. Still, in spite of this progress, we have too many sites that have not achieved final environmental cleanup. To move us beyond our current goals of achieving remedies-in-place to address cleanup at various individual sites throughout the Air Force, I issued policy earlier this year that refocuses our environmental program restoration efforts. This policy moves us closer to fully cleaning up contaminated sites through a fence-to-fence, performance-based approach to cleanup that leverages new and available technologies. The goals associated with this policy include accelerated completion of 50% of all active installation sites by the end of FY12, and 75% by the end of 2015. For our Base Realignment and Closure sites, our goals are to accelerate completion of 75% of all sites by the end of 2012; and 90% by the end of 2015. Individual cleanup remedy decisions will be based on a cost/benefit analysis to achieve site completion in a manner that protects human health and the environment, and makes the most sense for the total life-cycle cost of the cleanup, not just the cost to get the remedy installed and operating. While we are only now beginning to implement this new approach, I expect to see

significant savings in the out-years for the lifecycle costs of our cleanup program at our active installations and at our Base Realignment and Closure sites.

Incorporating new technologies to enhance the cleanup program is also high on the Air Forces agenda. For example, we believe new technology can improve military munitions response efforts. By taking advantage of new equipment and methods to distinguish and eliminate false positives at munitions response sites, we believe we can accelerate our mitigation and removal of munitions-associated materials as a part of DoD's efforts to enhance the effectiveness of the Military Munitions Response Program and significantly reduce costs to return these sites to intended purposes.

Making the best use of our airspace access, real property, and natural resources must satisfy the requirements of the National Environmental Policy Act of 1969, to ensure we make informed decisions that are in harmony with the environment. However, these decisions must also be timely to meet mission requirements. To better satisfy both objectives, I issued policy last year that set goals to standardize and incorporate best practices from across the DoD into our analysis process, and improve the timeliness of our processes to accomplish environmental impact analyses for proposed actions within 12 months of initiation, and environmental assessments within 6 months of initiation. To achieve this, the Air Force has taken existing resources and established a center of excellence to provide standardized technical assistance that incorporates identified best practices. I fully expect this approach will also provide cost savings in performing the necessary analyses using centralized, standardized processes to make informed decisions supporting new and changing mission requirements of the Air Force.

Efficiencies

The Air Force is implementing facility sustainment pursuing efficiencies through increased emphasis on the implementation of asset management principles and instituting centralized and a prioritized approach in facility management. By using smarter management practices and instituting Common Output Level Standards (COLS), we ensure the most critical infrastructure needs are met first. In addition, we are working diligently towards a 20% reduction of physical plant and supporting funding by the year 2020. This effort supports both the OSD goal of reducing AF physical plant inventory by 15 million square feet and the President's directive to dispose of unneeded federal real estate. To this end, funding requested for demolition in FY12 increased to \$309M from \$32 M in FY 11.

Conclusion

The Air Force remains a trusted and reliable Joint partner--all-in to provide air, space, and cyberspace capabilities to our combatant commanders as they face the myriad short- and long-term security challenges in their areas of responsibility. Nearly two-thirds of the men and women serving in our Air Force today are actively supporting combatant commanders in their fight across the full spectrum of military operations from installations all over the world. Our Fiscal Year 2012 budget request balances warfighter requirements, recapitalization efforts, new mission beddowns, and quality of life requirements.

As we have shown, it remains aligned with the fundamental priorities of our Air Force: 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, space, and cyberspace inventories, organizations, and training, and 5) recapture acquisition excellence. In addition to being committed to providing and maintaining effective infrastructure,

efficiently right-sized to support our missions and priorities, we are also committed to ensuring that we continue to care for our Total Force Airmen and their families. This includes making good on our promise to provide first-class dormitories and housing with a focused determination to eliminate inadequate housing for all by 2017. Finally, we remain committed to ensuring the judicious and responsible use of taxpayer resources with every decision we make.

In so doing, we remain focused on a continual pursuit of efficiencies that allow us to provide our trademark delivery of effective air, space, and cyber power while ensuring maximum impact from every dollar spent.