

**STATEMENT OF MAJOR GENERAL TIMOTHY S. GREEN
DIRECTOR OF CIVIL ENGINEERS
DEPUTY CHIEF OF STAFF/LOGISTICS, ENGINEERING AND FORCE PROTECTION
UNITED STATES AIR FORCE**

**BEFORE THE SUBCOMMITTEE ON READINESS
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES
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Introduction

Chairman Wittman, Ranking Member Bordallo, distinguished Members of the Subcommittee, We are honored to represent America's Airmen and testify before you today on the effects of reduced infrastructure and base operating support investments on Air Force readiness.

Ready and resilient installations are a critical component of Air Force operations. Unfortunately, twenty-four years of continuous combat, a fiscal environment constrained by the Budget Control Act (BCA), and an incredibly complex security environment have taken their toll on Air Force infrastructure and base operations support investment.

For the Air Force, air bases—both enduring and expeditionary—serve as foundational platforms from which we project power through air, space and cyberspace. History has demonstrated this time and again from the very first use of airpower in warfare. Lessons of conflicts since World War I show that the presence or absence of a resilient basing infrastructure in terms of adequate capacity to support operations, geographic locations, survivability and recoverability, has a significant impact on airpower effectiveness. Airpower effectiveness, in turn, affects our ability to meet national military objectives.

While all services open, establish, operate and sustain bases, the Air Force arguably has a stronger dependency on its bases. For Airmen, the air base is integral for conducting operations. Air bases and supporting infrastructure assets host space control centers operating satellites on orbit; provide facilities for personnel and equipment to control, collect, process and disseminate intelligence data gathered through air-breathing and space reconnaissance assets; house network operations centers processing, transporting and protecting vital mission data through cyberspace; support strategic airlift moving people, equipment and fuel across the globe; provide runways to launch and recover fighters for air superiority and protection of our airspace; serve as launching points for our bombers and missile forces that hold global targets at risk; and more. The reliability, redundancy, and resiliency of installation infrastructure are keys to enabling Global Vigilance, Reach and Power; critical to deter and defeat those that wish to do us harm, as well as respond to natural disasters and other contingencies when needed. Additionally, our overseas bases signal commitment to our friends, and intent to our foes; foster

partnership-building with our Coalition partners; and enable worldwide accessibility in times of peace and war.

In addition to serving as the foundation for Air Force combat capabilities both stateside and overseas, many installations support training facilities and ranges that provide realistic environments for our Airmen to gain the operational and technical expertise necessary for full spectrum readiness. Rightfully, the first aspect of training we often think of is that Airmen must develop the skills necessary to provide air superiority of the skies above the battlespace; nuclear deterrence; close air support; and rescue Joint and Coalition partners downed or stranded behind enemy lines. Quality ranges, airfields, simulators, classrooms and aircraft maintenance facilities are essential to produce training that ensures American Airmen enter every fight ready and able to win. But there is much more to our readiness training than simply preparing our rated aviators for flying operations. From space operations to aircraft maintenance, we must prepare all Airmen to perform their missions.

Unique to the Air Force, our installations also serve as essential training ground for our Agile Combat Support (ACS) Airmen who deploy forward, often into combat zones, to establish, operate, sustain, protect and recover expeditionary air bases. Our uniformed ACS Airmen are fully integrated into the garrison workforce at many of our bases. At home they gain skills that directly transfer to capabilities we employ in contingency situations, while simultaneously operating our bases in peacetime.

Finally, the capacity and effectiveness of our depot infrastructure has a direct impact in keeping the oldest fleet of aircraft in the history of our Air Force flying, while our ability to develop innovative technologies and next-generation weapon systems is reliant on our research, development, training, test and evaluation ranges and infrastructure. In short, we can't fly, fight and win in air, space and cyberspace; develop mission ready Airmen; maintain existing operational assets; or create innovative new capabilities without effective, efficient and sustainable air bases.

Air Force Priorities

Recent Air Force budgets have been rooted in necessity and based on our long-term strategy and vision supporting the Air Force's three priorities of taking care of our people, balancing today's readiness with tomorrow's modernization, and making every dollar count to help ensure we can field, operate and maintain a credible and affordable future force. Providing ready and resilient installations is an important part of the Air Force's overall vision, but only one part. Due to the current constrained fiscal environment, we have made difficult choices within an incredibly complex security environment. These difficult choices have degraded the readiness of our weapon systems, the men and women who fly and fix them, and the already strained infrastructure that supports them, to the point where our core mission capabilities are at risk.

The Air Force's Fiscal Year (FY) FY2016 budget sustains current warfighting efforts, and places the Air Force on a path toward balancing readiness with necessary modernization in

order to meet evolving threats. It funds vital MILCON aircraft beddown projects, addresses facility sustainment shortfalls, and funds executable readiness components. However, even at the current PB level we had to make difficult choices between critical modernization programs and installation support. In fact, in March 2015, the Acting Assistant Secretary of Defense for Energy, Installations and Environment testified before this Committee that DoD Components continue to take risk in infrastructure in order to decrease risk in operational and training budgets, citing “while the Department’s FY 2016 budget request funds critical projects that sustain our warfighting and readiness postures, taking continued risk across our facilities inventory will degrade our facilities and result in the need for significant investment for their repair and replacement in the future.” We are already seeing the effects of this risk at many Air Force installations.

The Air Force recently published several complimentary foundational documents that will guide how we intend to meet the challenges of a future operating environment where our supremacy of the air, space and cyberspace will be challenged by both new and old foes. The Air Force Strategic Master Plan recognizes the importance of resilient, right-sized installations in order to project power rapidly, effectively and efficiently within our 20-year time horizon. Unfortunately, budget shortfalls and the return to Budget Control Act ceilings in FY2018 beyond the current Balanced Budget Agreement will continue to force us to trade installation needs with weapon system recapitalization and combat capacity.

Installation Resources

Your Air Force is operating as the oldest fleet in its history and is challenged by previous capacity reductions at a time when the demand for what we provide to combatant commanders remains at a constant high. In March of last year, the Assistant Secretary of The Air Force for Installations, Energy and Environment (SAF/IE) testified before this Committee that “Since the last BRAC round in 2005, the Air Force has 50,000 fewer personnel and 500 fewer aircraft in its planned force structure” and yet has not closed a single major Air Force installation in the United States. Without the ability to close bases, we are forced to sub-optimize installations and spread fewer aircraft and mission sets across the same number of bases simply to keep each of the bases open, with no operational benefit. SAF/IE also testified before this Committee that, “despite our best efforts and innovative programs, the Air Force continues to spend money maintaining excess infrastructure that would be better spent recapitalizing and sustaining our weapons systems, training to improve readiness, and investing in the quality of life needs of its Airmen. The Air Force continues to face hard choices between modernization and operational combat capability, and sustaining installation platforms used to conduct its missions”. It is imperative that Congress provide BRAC authority.

The Air Force's Base Operations Support and Facilities Investment strategy is aligned with the Defense Strategic Guidance, as well as the OSD Fiscal Guidance. In spite of fiscal pressures, we requested, and Congress authorized and appropriated \$2.9 billion in Facilities, Sustainment, Restoration and Modernization (FSRM), \$1.6 billion in Military Construction (MILCON), and \$6.1 billion in Base Operating Support (BOS) funding for FY 2016. This level of resourcing slowly buys down the \$22.6 billion in backlogged maintenance, repair and

recapitalization MILCON requirements exacerbated by Sequestration in 2013, keeps Facilities Sustainment at 81 percent of projected needs in FY2016 and provides the minimum municipal-type services covered under BOS which is necessary to keep our installations running like the small cities they are.

We have not seen MILCON levels this low as a percentage of the overall Air Force budget since the early 1970s.¹ Operating under this constraint, we continue to support new weapon system beddowns (F-35 and KC-46), reinvigorate our nuclear enterprise (Weapon Storage Facility recapitalization at FE Warren Air Force Base (AFB), and Tactical Response Force Facility at Malmstrom AFB), and respond to the most urgent of Combatant Commander requirements (STRATCOM Headquarters, CYBERCOM Joint Operating Center, Asia-Pacific Resiliency projects). But we have been forced to delay most facility recapitalization efforts.

We recognized there would be challenges with current and projected BCA funding levels when we made our request. The current level of resourcing does not allow us to stem the continued, and at times accelerated, deterioration of infrastructure that will ultimately reduce facility life, infrastructure systems reliability, and increase repair costs. And it does not allow us to recapitalize those facilities we need to support current and future weapon systems, including our most important weapon system—our Airmen.

When we defer recapitalization of existing facilities, we don't just delay the bill, we bring on increased maintenance and sustainment costs, until we eventually pay the deferred recapitalization bill, increasing costs in the long run. Sometimes systems fail suddenly, though perhaps predictably, in areas where we "accept risk."

Today we depend on planned and emergency repairs using limited FSRM and the innovation of our Airmen to find resourceful fixes to hard problems. While our Airmen are incredibly adept in responding to emergency facility repairs that directly impact the mission, they can only do so much for an infrastructure portfolio that continues to age. Thirty-three percent, more than 16,000 of our nearly 50,000 facilities, exceed their design life of 50 years and nearly 55 percent of our facilities are at least 30 years old. With the rapid evolution of technology over the past two decades, many of our facilities are not only inefficient, but ineffective. We continue to see examples of infrastructure failure that, despite the best efforts of our skilled Airmen, have a direct impact on mission capabilities

We can continue to patch and mend, but that can only take us so far. Evolutions in technology place new burdens on our legacy facilities and their supporting infrastructure that outpace facility modernization and recapitalization resources. Just as we continue prioritizing weapon system recapitalization over modernization of our legacy fleet, we need a similar emphasis for our installations. Our 50 year old facilities need extra time and attention to keep them serviceable. But this extra "tinkering" takes valuable funding and manpower away from other requirements. And no matter how much tinkering we do, they will still be 50-plus year old

¹ Since FY11, our MILCON budget has ranged from 0.36% to 1.08% of total Air Force TOA. The only other time in our history that we have seen MILCON levels this low was between 1969 and 1974, where MILCON was between 0.83% and 0.97% of total Air Force TOA.

buildings, with little insulation in the walls, often original wiring, plumbing and inefficient heating and air conditioning systems. We want our facilities to, incorporate necessary energy and cyber security requirements in order to operate more securely, effectively and efficiently. Today, because limited resources make it difficult to fund consolidation of operations and demolition of excess facilities, the Air Force continues to keep too many of our worst legacy facilities in the inventory. Likewise, the costs to keep buildings in “mothball” status do not make good economic sense when considering the sheer enormity of our installation portfolio and the excess capacity we retain.²

It is also important to note that the “patching” and “mending” mentioned above only comes about as a result of the extraordinary efforts of our dedicated Airmen. When we can’t afford to repair the runway and its deteriorating condition generates a flight hazard, we answer that problem by sending Airmen out to perform constant surveillance to sweep the airfield and remove crumbling pieces of airfield pavement then mark the area for repairs at a later time.

Finally, I’ve spoken about the importance of installations with respect to enabling our Air Force missions and how base services are integral to their successful operations. One final factor in sustaining our bases infrastructure and services for your consideration is that in most cases we operate, or must be able to operate, 24 hours a day, 7 days a week, 365 days a year. A few of our support activities such as fire and emergency services and base security do occur 24/7/365, regardless of base missions, while other services operate when the mission dictates. The mission drives dining facility and child development services hours, when computer network or HVAC technicians work and more. Air Force Child & Youth and Morale, Welfare and Recreation Programs are a critical workforce issue to our Airmen. Reduced funding directly affects our ability to ensure our Airmen and families are mission-ready and resilient.

In all cases, our support operations require consistent, predictable funding. Our ability to optimize and be the most efficient with the taxpayer’s dollar depends on regular, reliable funding streams and the timing of those funds. The uncertainty that comes with sequestration’s threats, although overcome by the recent Bipartisan Budget Act for this year; make the delicate balance of base support to missions even more difficult to master. For example, the timing of funding sometimes forces us to make the expedient decision but not the best decision, such as developing multiple contracts or purchase orders in response to each hiccup in funding. These actions often not only cost millions of dollars more, but consume far more man hours from our team as they develop workaround options.

Balancing Priorities and Finding Innovative Solutions

Faced with constrained resources and an environment where budget decisions involve picking the best of bad choices, we aim to make every dollar count by targeting limited installations resources toward requirements which have the highest consequence to the mission coupled with the highest probability of infrastructure failure. We recently stood up the Air Force Installation and Mission Support Center (AFIMSC) to provide an enterprise view of our

² The Air Force has 229 times the pavement of Dallas-Fort Worth International Airport and 3 times the facilities of Target.

installations, leverage lessons learned from across our Major Commands, and constantly strive to improve our core installation business processes balanced against maintaining combat effectiveness. While they are still in transition from initial operating capability to full operating capability, the AFIMSC has already proven their worth in supporting installations with weapon system beddown planning, FSRM project execution, and functional management of ACS personnel deploying to support operations in the Middle East and elsewhere.

The establishment of the AFIMSC centralizes management of BOS in a single intermediate-level organization. This provides an opportunity for greater synchronization of effects, innovation, potential increases in operational efficiencies, and the ability to allocate funding against the Air Force's highest priorities using a transparent, consistent, and standardized governance system. As such, we continue our Air Force Common Output Level Standards (AFCOLS) development in order to provide more consistent, standardized levels of service at our installations. AFCOLS is the system used to determine level of service in an area and then the appropriate associated level of funding to achieve that standard for installation support services. AFCOLS includes areas such as law enforcement and physical security protection; fire and emergency services; installation food services and Morale, Welfare and Recreation and other services grouped under the Sub Activity Group Z exhibit reported in the President's Budget Justification Books. The Air Force executes BOS-type functions differently than our Sister Services, with less reliance on contracted support. In areas that are contracted, reduced levels of services, though they are more standard across the Air Force, have often resulted in "lost" Airmen's time. Airmen may be forced to wait longer to get an identification card as availability of customer service personnel are reduced or participate in building cleaning details as custodial standards are lowered. So even though we are identifying efficiencies through standardization, it does not guarantee that we are able to fund the services to a desired level of effectiveness.

To help close the funding gap, we persist in leveraging third party financing in areas that include housing and utilities privatization, energy savings performance contracts, and enhanced-use leases. A key component to third party financing is the ability of the third party to finance, or loan, capital investment funding to the government in order to upgrade existing systems and facilities. This saves capital funds in the near-term while committing the Air Force to smaller, recurring payments over a longer period—in some cases, up to 50 years. Third-party financing is an important means for improving infrastructure we need, but it must be applied to the right challenges, at the right time, for the right term. The Department must be able to follow through on our long term financial commitments in order to retain third party financing as a viable and flexible resourcing strategy.

Driving innovation into all aspects of our business is critical to our success. We continue our journey toward implementing condition-based maintenance vice scheduled maintenance to more effectively use our facilities funding, which has taken important steps forward in 2015. We have forged innovative partnerships with local community partners that have produced tangible results. Examples include the recent \$4 million grant we received from the State of Texas to construct a new Defense Control Center at Laughlin AFB and the ongoing initiative by the City of Goldsboro, NC to fund, construct, and maintain an estimated \$8 to \$12 million multi-sport

complex and fund construction of a 2,500 square foot addition to the base fitness center estimated to cost \$600 thousand at Seymour Johnson AFB. The Air Force seeks more resilient, cost-effective, and cleaner power for our bases. We are doing this by leveraging Energy Savings Performance Contracts, Power Purchase Agreements and Enhanced Use Lease authority on our installations to enhance our energy security while maximizing private sector investments in energy savings and renewable energy initiatives. We are also partnering with our Army and Navy counterparts to identify and execute integrated projects at key Air Force installations to better leverage our collective efforts to deliver increased mission assurance through improved energy assurance.

In keeping with innovation, the Air Force is also modernizing the dining platform through the Food Transformation Initiative (FTI), a strategic feeding solution for the entire installation at the most efficient and effective cost which creates dining venues similar to those on corporate, college and university campuses. FTI was recognized by the National Restaurant Association (NRA) nationally as the 2013 Operator Innovations Award winner in the Health and Nutrition category for its transformational initiative--a first ever military winner by industry peers. To date, 14 Air Force bases are operating under FTI. Future portfolios have been identified for an additional 31 installations however funding to renovate and convert the facilities has not been identified.

Conclusion

Today we stand at a crossroad of competing requirements and austere funding, all in the context of a complex, dangerous operating environment both at home and abroad. Add to that the uncertainties of a budget beyond the current two-year agreement, an Air Force that has been in combat for 25 continuous years, and an excessive infrastructure portfolio that is older than most of the aircraft it supports, and you have the formula for a wicked problem.

But, your Air Force was born of innovation. From the first time the pioneers of the Army Air Corps found ways to go “over, not through,” the Air Force has embraced new ways of thinking, taken prudent risks to achieve missions success, and encouraged innovation to solve hard problems. We continue to evolve our asset management approach to installation requirements, with a focus on what we need our installations to be, versus what they have been. While we can mitigate the most critical of mission impacts, we can’t mitigate all of them. The bill for the installations that serve as the power projection platforms for air, space and cyberspace combat capabilities is coming due--we see examples today of the reduced reliability and efficiency of facilities, infrastructure and installation services on our bases around the world.

Thank you for the opportunity to appear before you today and for your continued support for our Total Force Airmen and their families.