

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

UNITED STATES SENATE

**SUBJECT: FISCAL YEAR 2005 AIR FORCE BUDGET OVERVIEW
FOR MILITARY CONSTRUCTION**

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Mr. Chairman and distinguished members of the committee, the strength and flexibility of airpower and our joint warfighting success in the Global War on Terrorism is directly enabled by three interdependent factors; outstanding men and women in uniform, superior weapons platforms, and an agile support infrastructure. The Air Force FY 2005 military construction (MILCON) budget request reflects our commitment to ensuring the Air Force's continued ability to execute the full range of air and space missions. In turn, the Air Force continues to maintain the commitments made last year to invest wisely in installations from which we project air and space power, take care of our people and their families with adequate housing and quality of life improvements, and to sustain the public trust through prudent environmental management.

INTRODUCTION

Air Force facilities, housing, and environmental programs are key components of our support infrastructure. At home, bases provide a stable training environment and a place to equip and reconstitute our force. Overseas bases provide force projection platforms to support combatant commanders.

As such, the Air Force has developed an investment strategy focused on sustaining and recapitalizing existing infrastructure, investing in quality of life improvements, continuing strong environmental management, accommodating new missions, optimizing use of public and private resources, and reducing infrastructure wherever we can.

Total Force military construction, family housing, sustainment, restoration, and modernization programs each play vital roles supporting operational requirements and maintaining a reasonable quality of life for our men and women in uniform.

While the Air Force has always acknowledged the importance of proper funding for facility sustainment and recapitalization, too often competing priorities have not permitted us to address all the problems we face with our aging infrastructure. Despite competing priorities, you supported our request last year. The Air Force sincerely appreciates your support.

Continuing a positive trend into FY 2005, the Air Force military construction program included in the Presidents Budget request is approximately the same as last year with an increase in the military family housing program. The requested \$2.6 billion for Total Force military construction and Military Family Housing is a \$200 million increase over last year's request. This request includes \$664 million for Active military construction, \$127 million for Air National Guard military construction, \$84 million for Air Force Reserve military construction, and more than \$1.7 billion for Military Family Housing.

The Air Force has also increased Operations and Maintenance (O&M) sustainment, restoration, and modernization (SRM) funding. This year, the amount dedicated to SRM is more than \$200M greater than in the 2004 request. With the FY 2005 budget request, more than \$2.2 billion will be invested in critical infrastructure maintenance and repair through our O&M program. This year's request is up almost 11 percent from last year, to continue to move to the Air Force goal of a facility recapitalization rate of 67 years by 2008.

Considering the level of effort across the entire infrastructure spectrum (military construction, MFH, and O&M SRM), the overall Air Force FY 2005 budget request is more than \$4.8 billion.

Overseas Military Construction

Even though the majority of our Air Force personnel are assigned in the United States, 20

percent of the force is permanently assigned overseas, including 29,000 Air Force families. Old and progressively deteriorating infrastructure at these bases requires increased investment.

While a new Global Basing Strategy is under development by the Office of the Secretary of Defense, the Air Force FY 2005 military construction request invests in overseas installations supported as enduring locations by the combatant commanders. The request for overseas construction in the Pacific and European theaters of operation is \$140 million for 13 projects. The program consists of infrastructure and quality of life projects in the United Kingdom, Germany, the Azores, Italy, Spain, Japan, and Korea. I also want to thank you for the essential overseas MILCON funding you approved in the FY2004 Supplemental Appropriations Bill for construction projects in Southwest Asia as well as at critical en route airlift locations, needed to directly support ongoing operations in that region.

Planning and Design/Unspecified Minor Construction

This year's request includes planning and design funding of \$160 million. These funds are required to complete design of the FY 2006 construction program, and to start design of the FY 2007 projects so we can be prepared to award these projects in the year of appropriation. This year's request also includes \$24 million for the unspecified minor construction program, which is the primary means of funding small, unforeseen projects that cannot wait for the normal military construction process.

SUSTAIN, RESTORE, AND MODERNIZE OUR INFRASTRUCTURE

Operations and Maintenance Investment

To sustain, restore, and modernize infrastructure, there must be a balance between military construction and Operations and Maintenance. Military construction restores and recapitalizes facilities. O&M funding is used to perform facility sustainment activities necessary to prevent facilities from failing prematurely. Without proper sustainment, facilities and infrastructure wear out quickly. O&M funding is also used to directly address many critical restoration and less-expensive recapitalization needs. These funds enable commanders in the field to address the facility requirements that impact their near-term readiness.

INVEST IN QUALITY OF LIFE IMPROVEMENTS

The Air Force recognizes a correlation between readiness and quality of life. Quality of life initiatives acknowledge the sacrifices our Airmen make in support of the nation and are pivotal to recruiting and retaining our country's best and brightest. When Airmen deploy, they want to know their families are safe, and secure. Their welfare is a critical factor in our overall combat readiness. Family housing, dormitories, and other quality of life initiatives reflect the Air Force commitment to provide the facilities they deserve.

Family Housing

The Air Force Family Housing Master Plan provides the road map for our Housing military construction, O&M, and privatization efforts, and it is designed to meet the goal of ensuring safe, affordable, and adequate housing for our members. The FY 2005 budget request reflects an increase of more than \$180 million over the FY 2004 budget for family housing. With the exception of four northern-tier locations, inadequate housing will be eliminated in the

United States by 2007. The inadequate units at those four northern-tier locations will be eliminated by 2008.

For FY 2005, the \$847 million requested for housing investment will provide over 2,200 units at 16 bases, improve more than 1,300 units at six bases, and support privatization of over 6,800 units at six bases. An additional \$864 million will be used to pay for maintenance, operations, utilities and leases to support family housing.

Dormitories

Just as we are committed to provide adequate housing for families, we have a comprehensive program to house our unaccompanied junior enlisted personnel. The Air Force is well on its way in implementing a Dormitory Master Plan. The plan includes a three-phased dormitory investment strategy. The three phases are: (I) fund the replacement or conversion of all permanent party central latrine dormitories; (II) construct new facilities to eliminate the deficit of dormitory rooms; and (III) convert or replace existing dormitories at the end of their useful life using an Air Force-designed private room standard to improve quality of life for Airmen. Phase I is complete and we are now concentrating on the final two phases of the investment strategy.

The total Air Force requirement is 60,200 dormitory rooms. The Air Force Dormitory Master Plan achieves the Office of the Secretary of Defense's (OSD) FY 2007 goal to replace all inadequate permanent party dormitory rooms and the Air Force goal to replace all inadequate technical training dormitories by FY 2009. This FY 2005 budget request moves us closer to those goals. The FY 2005 dormitory program consists of seven dormitory projects, 1104 rooms, at both stateside and overseas bases in direct support of unaccompanied personnel, for a total of

\$128 million.

Fitness Centers

Fitness centers are a critical component of the Air Force quality of life program. The growing expeditionary nature of our activities requires that Airmen increasingly deploy to all regions of the world, in extreme environments and therefore must be physically prepared to deal with the associated challenges. In other words, Airmen must be “fit to fight.” Our new fitness program directs Airmen to devote more time and energy to being physically fit, and the use of our fitness centers has dramatically increased to support this reorientation in our culture. The FY 2005 military construction program includes three fitness centers: Lajes Air Base, Azores; Hill Air Force Base (AFB), Utah; and Elmendorf AFB, Alaska.

CONTINUE ENVIRONMENTAL LEADERSHIP

The Air Force continues to ensure operational readiness and sustain the public trust through prudent environmental management. As part of the overall military transformation program, we actively seek and employ smarter solutions to long-standing environmental challenges. We are applying lessons learned in terms of how, and the extent to which, pollution can be prevented and contamination can be controlled. We are investing in more efficient contracting methods as a key element in our approach to future environmental restoration. Additional use of performance based contracting will focus on cleanup performance goals and thereby reduce process requirements. Finally, we are establishing systems to better identify the equity value of our installations’ environmental resources to the surrounding community. For example, land that provides habitat for an endangered species may be valuable as open space in a community’s redevelopment plan. That value should be identified and understood.

In addition to ensuring our operations comply with all environmental regulations and laws, we are dedicated to enhancing our existing relationships with both the regulatory community and the neighborhoods around our installations. We continue to seek partnerships with local regulatory and commercial sector counterparts to share ideas and create an atmosphere of better understanding and trust. By focusing on our principles of ensuring operational readiness, partnering with stakeholders, and protecting human health and the environment, we remain leaders in environmental compliance, cleanup, conservation, and pollution prevention.

The \$3.3 million environmental project in the FY 2005 military construction program will allow Shaw AFB to meet current Environmental Protection Agency (EPA) standards for wastewater discharge.

ACCOMMODATE NEW MISSIONS

As indicated earlier, joint warfighting success in the Global War on Terrorism has been possible in part due to superior weapons capabilities. New weapon systems are the tools of combat capability that enable our combatant commanders to respond quickly to conflicts in support of national security objectives. The FY 2005 Total Force new mission military construction program consists of 45 projects, totaling more than \$403 million. These projects support a number of weapons systems; two of special significance are the F/A-22 Raptor and the C-17 Globemaster III.

The F/A-22 Raptor is the Air Force's next generation air superiority and ground attack fighter. F/A-22 flight training and maintenance training will be conducted at Tyndall AFB, Florida, and Sheppard AFB, Texas, respectively. Our FY 2005 military construction request includes two F/A-22 projects at Tyndall AFB for \$19 million, and one F/A-22 project at Sheppard AFB totaling \$21 million.

The C-17 Globemaster III aircraft is replacing the fleet of C-141 Starlifters. C-17s will be based at Elmendorf AFB, Alaska; Travis AFB and March Air Reserve Base (ARB) in California; Dover AFB, Delaware; Hickam AFB, Hawaii; Jackson Air National Guard Base, Mississippi; McGuire AFB, New Jersey; Altus AFB, Oklahoma; Charleston AFB, South Carolina; and McChord AFB, Washington. Thanks to your support, construction requirements for Charleston and McChord were funded in prior-year military construction programs. The request for FY 2005 includes two projects for \$15 million at Elmendorf AFB, two facility projects for \$15 million at Travis AFB, two projects for \$10 million at March ARB, and five facility projects for \$26 million at Hickam AFB.

Other new mission requirements in FY 2005 include the Global Hawk beddown at Beale AFB, California; Predator force structure changes at Indian Springs Air Force Auxiliary Field, Nevada; Combat Search and Rescue aircraft beddown at Davis-Monthan AFB, Arizona; C-130J simulator facility at Little Rock AFB, Arkansas; F-35 Joint Strike Fighter test facilities at Edwards AFB, California; and various projects supporting Homeland Defense, such as the Air Sovereignty Alert missions flown by the Air National Guard at Andrews AFB, Maryland; Duluth International Airport, Minnesota; Atlantic City International Airport, New Jersey; and Truax Field, Wisconsin.

OPTIMIZE USE OF PUBLIC AND PRIVATE RESOURCES

In order for the Air Force to accelerate the rate at which we revitalize our inadequate housing inventory, we have taken a measured approach to housing privatization. We started with a few select projects, looking for some successes and “lessons learned” to guide the follow-on initiatives. The first housing privatization project was awarded at Lackland AFB, Texas, in

August of 1998, and all 420 of those housing units have been constructed and are occupied by military families. Since then, we have completed three more projects (Elmendorf AFB, Alaska; Robins AFB, Georgia; and Dyess AFB, Texas) and have three more under construction (Wright-Patterson AFB, Ohio; Patrick AFB, Florida; and Kirtland AFB, New Mexico). Once these three projects are complete, there will be nearly 5,500 privatized units. We are on track to privatize 60% of our US based family housing by 2007. The FY 2005 budget request includes \$83 million to support the privatization of nearly 7,000 units at six bases: Tyndall AFB, Florida; Scott AFB, Illinois; Columbus AFB, Mississippi; Keesler AFB, Mississippi; Holloman AFB, New Mexico; and Fairchild AFB, Washington.

CONTINUE DEMOLITION OF EXCESS, UNECONOMICAL-TO-MAINTAIN FACILITIES

For the past eight years, the Air Force has pursued an aggressive effort to demolish or dispose of facilities that are unneeded and no longer economically feasible to sustain or restore. From FY 1998 through FY 2003, we demolished 15.5 million square feet of non-housing building space at a total cost of \$200M. This is equivalent to demolishing more than three average size Air Force installations. For FY 2004 and beyond, we will continue to identify opportunities for demolition and facility consolidation. In general, the facility demolition

program has been a success, enabling us to reduce the strain on infrastructure funding by getting rid of facilities we don't need and can't afford to maintain.

CONCLUSION

The near and long term readiness of our fighting force depends upon this infrastructure. We will continue to enhance our installations' capabilities, remain good stewards of the environment, and ensure Air Force infrastructure is properly distributed to maximize military readiness.