

United States Air Force



Presentation

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Construction, Veterans Affairs, & Related
Agencies.

FY2020 Department of Defense budget request for Military Construction and Family Housing

Witness Statement of

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Introduction

Chairman Boozman, Ranking Member Schatz, and Members of the Subcommittee, thank you for your continued support of the U.S. Air Force. I am honored to appear before you today to represent our Airmen and their families and to discuss the Air Force's Fiscal Year 2020 budget request.

The foundation of Air Force readiness and lethality is an integrated network of installations which enables global power projection and provides safe, healthy communities for our Airmen and their families. Decades of challenging fiscal conditions and global operations have required that we accept managed risk in installation infrastructure which, if left unchecked, will negatively impact Air Force missions.

In preparing the FY20 President's Budget request, the Air Force deliberately evaluated both today's needs and the capabilities required to confront future threats. The result is a budget aligned with the National Defense Strategy to enhance readiness for the high-end fight by supporting resilient installations and airmen. Ready and resilient installations are inextricably linked to the Air Force's ability to generate air, space, and cyber capabilities and deliver unmatched global advantage as a member of the joint team. This budget request balances installation readiness, capability, and capacity with the need to maintain and field a credible and affordable force today and into the future. Ultimately, in this era of great power competition, our priorities center on strengthening a lethal, ready Air Force positioned to compete and win in the high-end fight.

Infrastructure Investment Strategy (I2S)

The Air Force fights from our installations. Generating combat power is about more than buildings and pavement; strategic location, surge capacity, airspace, and ranges are all critical components of readiness and lethality in support of the National Defense Strategy.

To stabilize and sustain our installations, we introduced the Infrastructure Investment Strategy (I2S) last year. The I2S provides the framework for necessary investment in facilities sustainment, restoration, modernization and recapitalization. The I2S is being executed along three primary Lines of Effort:

- **Restore Readiness to Power Projection Platforms** – Resilient and ready Air Force installations demonstrate strength to our adversaries and commitment to our Allies

- **Cost Effective Modernization of Infrastructure** – Air Force installations require investment for sustainment and modernization to assure mission readiness
- **Drive Innovation in Installation Management** – Air Force installations build and rely on strong relationships with communities and private sector partners to leverage new technologies

Four imperatives will align and unify these lines of effort: (1) adequate and stable funding, (2) smart infrastructure business management, (3) unified efforts across the enterprise, and (4) revitalized squadrons. The I2S ensures mission-driven investments are timed to optimize lifecycle costs, maximizing space use in facilities in good condition and demolishing or divesting from those that are not cost effective to sustain or repair.

The Air Force is implementing private sector best practices to ensure that we acquire and manage facility sustainment, restoration, and modernization materials and services as a single, efficient enterprise. These include developing cost management strategies specific to different spending categories, leveraging data to improve the timing of sustainment and recapitalization actions, and establishing standards of services and equipment to achieve economies of scale. These efforts to improve enterprise-wide cost efficiency are becoming increasingly critical as highly technological, fifth generation fighter aircraft arrive at various locations, requiring a larger logistical and sustainment footprint.

Additionally, the Air Force has vastly improved asset visibility through sustainment management, geospatial information systems, and in-depth facility condition assessments. As of October 2018, we have completed Facility Condition Assessments for 75% of all facilities, which are captured in our sustainment management system. This data enables unprecedented future requirements identification. We can “see” current requirements and “predict” future requirements through life-cycle degradation analysis. By leveraging asset visibility in conjunction with operations research analytics, we are able to run scenarios that include varying investment levels and varying policy decisions. These scenarios inform senior leaders of strategic investment trades, shaping future planning to ensure our installations remain mission-ready.

Military Construction

The I2S focuses on mission-driven, well-timed investment, but the foundation is a recommitment to adequate, stable resourcing for Air Force infrastructure through our military construction (MILCON) and facility sustainment, restoration and modernization (FSRM) accounts. To support a dynamic global posture and increase lethality, our military construction (MILCON) budget has increased by \$400 million from FY19, bringing the FY20 request to \$2.72 billion. Aligned with the National Defense Strategy, the MILCON program prioritizes resources to the high-end fight, demonstrates strength to our adversaries and commitment to our allies, and supports global posture through new weapon system bed-downs and aging infrastructure recapitalization.

Combatant Command Infrastructure

Our FY20 MILCON request supports combatant commander requirements in Europe, the Indo-Pacific, the Middle East, and North America. We remain committed to efforts initiated by European Command (EUCOM) in FY15 to reassure North Atlantic Treaty Organization allies and European partners of the United States' commitment to our collective security and territorial integrity. The FY20 European Deterrence Initiative (EDI) MILCON program builds on FY19 efforts to set deterrence conditions in the theater and enable the joint team and our allies to respond quickly to aggressive regional actors. FY20 EDI MILCON investment enhances EUCOM's materiel prepositioning options and improves airfield capacity, fuel systems, and munitions storage at bases in Iceland and across mainland Europe.

The Air Force recognizes that a rapidly growing China aims to undermine long-standing alliances and displace American influence in the Indo-Pacific region. Our FY20 budget request includes several infrastructure investments in the Pacific to enhance our partnerships and regional resilience. Our FY20 budget request also enhances global reach and military cooperation between the United States and Australia through expansion of tanker capacity at RAAF Tindal, Australia.

In support of Central Command, our budget request also includes two projects to continue the development of Muwaffaq-Salti Air Base in Jordan. These projects strengthen the resilience of logistics infrastructure needed to rapidly support operations in the Levant. Lastly,

in support of Northern Command, our budget request includes funding for Air National Guard fighter alert shelters at Truax Field, Wisconsin.

New Mission Infrastructure

The FY20 President's Budget request supports continuing modernization of our aging aircraft fleet. The request includes facilities supporting Air Force weapons system acquisition and modernization programs including the F-35A, KC-46A, T-X, Presidential Aircraft Recapitalization, and UH-1 replacement. Achieving full operational capacity for new weapons systems depends not only on the aircraft acquisition, but on the delivery of necessary hangars, maintenance and training facilities, airfields, and fuel infrastructure.

Major elements of our MILCON request supporting fleet modernization include KC-46A flight training facilities at Travis Air Force Base, California; and infrastructure enabling continued beddown of F-35A aircraft at Eielson Air Force Base, Alaska, Nellis Air Force Base, Nevada, and Royal Air Force (RAF) Lakenheath, United Kingdom. Additionally, this year's budget requests funding for the final increment of the Presidential Aircraft Recapitalization hangar and maintenance complex at Joint Base Andrews, Maryland. Lastly, our request includes projects at Joint Base San Antonio, Texas, for the planned T-X replacement of the T-38C, and a project at Kirtland Air Force Base, New Mexico, supporting replacement of the UH-1.

Existing Mission Infrastructure

Our budget request substantially increases funding for urgently needed existing mission recapitalization compared to FY19. Recapitalization efforts focus on two mission critical areas: (1) the nuclear enterprise, and (2) research, development, test, and evaluation infrastructure. The FY20 budget funds construction of a Weapons Storage Facility at Malmstrom Air Force Base, Montana, and the Ground Based Strategic Deterrent Mission Integration Facility at Hill Air Force Base, Utah. The weapons storage facility will replace an array of 24 facilities averaging over 50 years old with a modern consolidated facility, while the Ground Based Strategic Deterrent facility will provide a central hub for the research, development, and acquisition efforts necessary to replace the Minuteman III intercontinental ballistic missile. The FY20 request also funds the second increment of construction for a new, state-of-the-art laboratory space at the

Massachusetts Institute of Technology's Lincoln Laboratory, a federally funded research and development center focused on solving problems with direct national security implications.

Facility Sustainment, Restoration and Modernization

While facility sustainment, restoration, and modernization (FSRM) funds are not appropriated by this committee, they are equally as vital as the Air Force MILCON budget, providing a non-MILCON pathway for mission-critical projects. The two funding streams work together to deliver ready, resilient installations. This year's proposed FSRM budget represents a considerable increase over the previous year. Coupled with our MILCON spending, the FSRM budget will enable our Infrastructure Investment Strategy to provide adaptive infrastructure that assures combat readiness and lethality. The FY20 President's Budget request includes \$4.1 billion in funding for Air Force FSRM, a 40% increase in funding over the FY19 President's Budget request.

The Air Force measures FSRM investment as a percentage of plant replacement value (PRV), which is the estimated cost to design and construct replacement facilities, utilities, and infrastructure to meet modern standards. FY19 represented a low point for FSRM spending, reducing our infrastructure investment level to 1.5% of PRV. This investment level fell significantly below the Air Force minimum target of 2% and the industry standard of 4-6%. In FY20, the Air Force will begin a substantial infrastructure investment increase to restore the health of our installations. The FY20 President's Budget invests in FSRM at 2% of PRV, which represents a marked increase from last year. This correction sets the stage for consistent, stable, and predictable funding for Air Force installations and underpins the readiness and lethality those installations provide in support of the National Defense Strategy.

Housing

Ready and resilient Airmen are a critical component of a lethal, powerful Air Force. The Air Force remains committed to providing Airmen and their families with quality housing and a sense of community on our installations. To better understand the scope of potential health and safety problems in our housing inventory, the Secretary and Chief of Staff of the Air Force directed a 100% review of our homes. The initial results are driving immediate fixes and will guide long term actions to ensure our families are living in healthy and safe homes.

The FY20 President's Budget seeks \$398.6 million for both military family housing construction and military family housing operations and maintenance. These funds will support our continued focus on eliminating inadequate housing from our inventory and correcting health and safety deficiencies.

Our military family housing construction request of \$103.6 million will fund construction of 76 homes and supporting neighborhood infrastructure at Spangdahlem Air Base, Germany; whole house improvement of 12 government-owned homes on Yokota Air Base, Japan; and whole house improvement of 29 government-owned historic homes at Wright-Patterson Air Force Base, Ohio. Our military family housing operations and maintenance request of \$295 million will fund efforts to sustain, improve and modernize our government-owned inventory of approximately 15,200 family housing units. Combined, these funds will ensure we continue to support the housing needs of Airmen, their families, and our Army, Navy and Marine Corps teammates housed in our government-owned inventory.

In 2013, the Air Force met our goal of privatizing family housing at all stateside locations, including Alaska and Hawaii, through 32 housing projects at 63 installations with an end-state of 53,237 homes. Our focus in the United States is now on the long-term oversight of this portfolio of privatized homes.

We are also committed to ensuring unaccompanied Airmen are provided quality housing on our dormitory campuses. Funded out of the Air Force FSRM account, our investment strategy for dormitories focuses on restoration and modernization of these facilities in their existing configurations. This strategy will meet the Department of Defense goal of 90% adequate dormitory rooms for permanent party unaccompanied Airmen and reduce the requirement for replacement construction. This enables us to focus MILCON funds on modern, formal training facilities for our newly recruited Airmen, such as the Airman Training Center at Joint Base San Antonio, Texas included in the FY20 President's Budget.

Conclusion

Prior years' fiscal challenges have led the Air Force to accept managed risk in infrastructure. The FY20 President's Budget request increases infrastructure investment to strengthen the Air Force's global network of installations, focusing on innovative, cost-effective installation management and facility sustainment, restoration, and modernization. The military

construction portion of the budget will support combatant command priorities, new weapon system beddown, and aging facility recapitalization. The military family housing portion of the budget will sustain and improve our inventory of government-owned homes. Together, these investments will secure our global power projection platforms and provide safe communities for our Airmen and their families.

In an era of great power competition, the Air Force must prioritize enabling a lethal force to compete and win in today's and tomorrow's fights. The FY20 President's Budget request prioritizes investment in the ready and resilient Airmen and installations that our nation's high-end fights demand.