

Department of the Air Force



Presentation

Before the Senate Appropriations
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies

Military Construction and Family Housing Budget Hearing

Witness Statement of

Lieutenant General Warren D. Berry
Deputy Chief of Staff for Logistics,
Engineering and Force Protection

June 16th, 2021

Not for publication until released by the Senate Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related
Agencies

June 16th, 2021



BIOGRAPHY



UNITED STATES AIR FORCE

LIEUTENANT GENERAL WARREN D. BERRY

Lt. Gen. Warren D. Berry is Deputy Chief of Staff for Logistics, Engineering and Force Protection, Headquarters U.S. Air Force, the Pentagon, Arlington, Virginia. He is responsible to the Chief of Staff for leadership, management and integration of Air Force logistics readiness, aircraft, munitions and missile maintenance, civil engineering and security forces as well as setting policy and preparing budget estimates that reflect enhancements to productivity, combat readiness and quality of life for Airmen.

Lt. Gen. Berry earned a Bachelor of Science degree from the University of Notre Dame and was commissioned through the ROTC program as a distinguished graduate in 1987. He entered active duty in January 1988 as an acquisition officer at Wright-Patterson Air Force Base, Ohio, before cross-training into aircraft maintenance in 1992. He commanded the 435th Mission Support Group at Ramstein Air Base, Germany, and the 78th Air Base Wing at Robins AFB, Georgia. He served on the Joint Staff in the Strategic Plans and Policy Directorate and was the Director of Logistics, Engineering and Force Protection for both the U.S. Air Forces in Europe and Air Forces Africa and Headquarters Air Mobility Command. Prior to his current assignment, the general was the Deputy Commander, Air Force Materiel Command.



EDUCATION

- 1987 Bachelor of Science, Mechanical Engineering, University of Notre Dame, Ind.
- 1994 Squadron Officer School, Maxwell Air Force Base, Ala.
- 1996 Master of Science, Aviation Management, Embry-Riddle Aeronautical University, Fla.
- 1998 Air Command and Staff College, Maxwell AFB, Ala.
- 2002 Master of Arts, Strategic Studies, Air War College, Maxwell AFB, Ala.
- 2007 National Security Studies Program, The Elliott School of International Affairs, George Washington University, Washington, D.C.
- 2009 Senior Executive Fellows Program, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.

ASSIGNMENTS

1. January 1988–August 1991, Program Manager, TR-1 Ground Communications System and later Executive Officer, Electronic Combat and Reconnaissance System Program Office, Wright-Patterson Air Force Base, Ohio
2. September 1991–June 1992, Program Manager, Acquisition Program Tracking System, Aeronautical Systems Center, Wright-Patterson AFB, Ohio
3. June 1992–November 1992, student, Aircraft Maintenance and Munitions Officer Course, Chanute AFB, Ill.
4. November 1992–March 1994, Command Post Controller and Emergency Actions Officer and Special Assistant for Quality Improvement, 23rd Wing, Pope AFB, N.C.
5. March 1994–February 1995, Sortie Generation Flight Commander, 2nd Airlift Squadron, Pope AFB, N.C.
6. February 1995–December 1995, Squadron Maintenance Officer, 75th Fighter Squadron, Pope AFB, N.C.

Military Construction and Family Housing Budget

June 16th, 2021

7. January 1996–July 1997, Flight Commander and Operations Officer, 33rd Student Squadron, Squadron Officer School, Maxwell AFB, Ala.
8. August 1997–June 1998, Student, Air Command and Staff College, Maxwell AFB, Ala.
9. July 1998–June 2000, Commander, 86th Logistics Support Squadron, Ramstein Air Base, Germany
10. June 2000–July 2001, Commander, 86th Maintenance Squadron, Ramstein AB, Germany
11. July 2001–June 2002, Student, Air War College, Maxwell AFB, Ala.
12. June 2002–June 2003, Chief, Logistics Studies and Analysis, Director of Maintenance, Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, the Pentagon, Arlington, Va.
13. July 2003–July 2004, Logistics Panel Chairman, Director of Resources, Deputy Chief of Staff for Installations and Logistics, Headquarters U.S. Air Force, the Pentagon, Arlington, Va.
14. July 2004–April 2006, Commander, 435th Mission Support Group, Ramstein AB, Germany
15. April 2006–January 2008, Vice Commander, 78th Air Base Wing, Robins AFB, Ga.
16. January 2008–July 2009, Commander, 78th Air Base Wing, Robins AFB, Ga.
17. July 2009–November 2011, Assistant Deputy Director, Politico-Military Affairs, Western Hemisphere, Strategic Plans and Policy Directorate, Joint Staff, the Pentagon, Arlington, Va.
18. November 2011–September 2013, Director of Logistics, Installations and Mission Support, Headquarters U.S. Air Forces in Europe and Air Forces Africa, Ramstein AB, Germany
19. September 2013–August 2015, Director of Logistics, Headquarters Air Mobility Command, Scott AFB, Ill.
20. August 2015–August 2018, Vice Commander, then Deputy Commander, Headquarters Air Force Materiel Command, Wright-Patterson AFB, Ohio
21. August 2018–present, Deputy Chief of Staff for Logistics, Engineering and Force Protection, Headquarters U.S. Air Force, the Pentagon, Arlington, Va.

SUMMARY OF JOINT ASSIGNMENTS

1. July 2009–November 2011, Assistant Deputy Director, Politico-Military Affairs, Western Hemisphere, Joint Staff, the Pentagon, Arlington, Va., as a colonel and brigadier general

MAJOR AWARDS AND DECORATIONS

Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit with oak leaf cluster
Meritorious Service Medal with three oak leaf clusters
Air Force Commendation Medal with oak leaf cluster
Air Force Achievement Medal with oak leaf cluster
Air Force Outstanding Unit Award with three oak leaf clusters

OTHER ACHIEVEMENTS

1994 Secretary of the Air Force Leadership Award Winner
2000 Air Force Maintenance Effectiveness Award
2001 General Thomas P. Gerrity Award
2004 General Curtis LeMay Trophy

EFFECTIVE DATES OF PROMOTION

Second Lieutenant May 16, 1987
First Lieutenant Sept. 15, 1989
Captain Sept. 15, 1991
Major Aug. 1, 1997
Lieutenant Colonel May 1, 2000
Colonel Aug. 1, 2004
Brigadier General May 2, 2011
Major General Aug. 2, 2014
Lieutenant General Aug. 17, 2018

(Current as of September 2019)

Military Construction and Family Housing Budget

June 16th, 2021

Introduction

Every Department of the Air Force (DAF) mission begins and ends on an installation. They are the foundations from which we project power, generate readiness, test new platforms, and support Joint operations. Our installations also provide safe and healthy communities for more than 330,000 Airmen, Guardians, and their families. In order to ensure Joint Force mission success in the future fight, we require an integrated network of ready and resilient Air and Space Force installations that are postured to deliver critical warfighting capabilities around the world and withstand any threat our adversaries may present.

Our nation's military faces several challenges, including the rise of great power competition with China and Russia, increasing complexity of simultaneous multi-domain threats, ever-present fiscal pressures, and rapidly evolving technologies. Climate change and severe weather events also pose a significant threat to our installations that must be accounted for in our infrastructure investments. The Fiscal Year 2022 (FY22) President's Budget Request supports the Interim National Security Strategic Guidance and lays out a plan to modernize our military capabilities in order to successfully overcome these challenges. The Military Construction (MILCON) budget prioritizes nuclear enterprise modernization and Combatant Command (CCMD) infrastructure support to deter our adversaries in the European and Pacific theaters. The budget request also provides important quality of life investments in housing, dorms, and community support facilities. The result is a budget request that supports installations' capacity to fulfill mission requirements and ensures we meet the needs of our Airmen, Guardians, and their families.

Challenges

Within the installation investment portfolio, the DAF also faces a variety of challenges that influence our investment decisions and budget execution. We remain committed to addressing these challenges and appreciate the continued support from Congress to overcome them and ensure the Air and Space Forces may continue to successfully defend the Nation and her allies.

Seeking to balance readiness, modernization, and recapitalization has forced the DAF to accept risk in installation investment as limited resources are prioritized to the Joint Force's most critical needs. Over time, deferral of facility and infrastructure requirements has resulted in a maintenance and repair backlog of more than \$30 billion. If left unchecked, the declining condition of infrastructure will impact the Department's ability to safely and effectively execute

Military Construction and Family Housing Budget

June 16th, 2021

our mission. Additionally, atrophied facilities and infrastructure are more susceptible to impact from routine and severe weather events. The damage caused by Hurricane Michael at Tyndall Air Force Base (AFB) serves as an example of this, where recently constructed facilities using updated building codes weathered the storm better than degraded or older facilities which were constructed under outdated building codes and subjected to longer term deferred maintenance. We also observed the impact of deferred infrastructure investments during damage assessments from recent severe winter storms across the United States. In many instances, degraded facility systems and components failed, causing water and fire suppression liquids to freeze, expand, and eventually burst the pipes.

The DAF has also struggled to award MILCON projects in the year of appropriation. Sub-optimal design maturity, as a result of insufficient budgeting for Planning and Design (P&D), significantly contributed to cost overruns and drove the need to request additional funds or reprogramming. Design maturity issues also led to the need to finish or re-design projects after funding was appropriated leading to additional cost increases and construction award delays. These delays have also left MILCON funds susceptible to rescission or reallocation.

Overcoming Challenges

The DAF is working to overcome these challenges through continued implementation of our Infrastructure Investment Strategy (I2S) and reforms within our MILCON program. First introduced in 2019, the I2S is the Department's long-term strategy to cost-effectively modernize and restore infrastructure readiness, improve the resiliency of mission-critical nodes, and drive innovation in installation management practices. This strategy informs efforts to optimize facility and infrastructure investment decisions and project prioritization within the MILCON and Facilities Restoration, Sustainment, and Modernization (FSRM) programs. The I2S also focuses on the recapitalization of facilities and infrastructure by identifying opportunities to reduce costly infrastructure in poor condition which no longer sufficiently meets mission requirements.

In an effort to leverage advanced infrastructure risk analytics, the DAF continues to develop predictive models, which use current building condition information, to drive project prioritization and funding decisions. As a result, the DAF developed our first five-year Integrated Priority List (IPL) for FSRM projects for the FY21-25 program and continues it this year. This is a key step in our intentional shifting from a "worst-first" prioritization approach to investing at the optimal time of the lifecycle for a facility, otherwise known as "sweet spot" investing.

Military Construction and Family Housing Budget

June 16th, 2021

In building the FY22 program, the DAF took great strides to build a mature, stable MILCON program to address award timeline issues and cost overruns. We anchored on 35% design criteria to ensure project documentation was consistent for every project, created a two-year program lock to stabilize the program and optimize P&D expenditures, and enforced admissibility criteria with requirement owners across the enterprise to ensure only ready projects were included in the budget proposal. The FY22 program includes only two projects (Royal Air Force Lakenheath Weapons Load Training Facility and Munitions Inspection Facility) that did not meet the Financial Management Regulation 35% design milestone by August 31st, 2020, but these projects reached 35% design on January 29th, 2021, and are on track to award in the year of appropriation. Additionally, all projects exceeding \$40 million include Design/Construction Agent cost assessments to further build confidence in our program and estimates. We were also able to address under-designed projects over the last year. We used a portion of our FY21 appropriation to provide funding to bring all previously authorized and appropriated projects to full design.

The I2S also recommends programming annual Maintenance and Repair (M&R) funding at a minimum investment level of 2% of Plant Replacement Value (PRV), with an ultimate goal of 2.3% of PRV, to reduce the growing backlog of deferred maintenance and restore our facilities and infrastructure. M&R consists of our FSRM portfolio as well as the portion of the MILCON program that recapitalizes existing infrastructure. The baseline funding level request for FY22 demonstrates our deliberate efforts to align our budget request to the I2S.

Special Interest Items

COVID-19

The COVID-19 pandemic has challenged the DAF to adapt to sustain our global operations. In particular, travel restrictions and social distancing measures affected personnel access at some installations, material production and delivery, and construction design reviews. Access and material production and delivery issues were alleviated as the world came to grips with the pandemic and markets and processes adapted to the new normal. The DAF adapted to design review challenges by utilizing virtual platforms to complete remote design reviews and charrettes, which typically require group gatherings, to prevent design delays and maintain quality reviews. Should any delays arise in the future, the DAF is prepared to work with our Design/Construction Agents and base level contracting professionals to address any Requests for Equitable

Military Construction and Family Housing Budget

June 16th, 2021

Adjustments. While no significant requests for delay-driven compensation have arisen yet, contractors may quantify COVID-related costs in the future.

Additionally, the DAF is gathering data on potential footprint reductions resulting from implementation of long-term telework business models. We are looking at operational impacts and more subtle effects like DAF culture. The outcome of this analysis may inform future policy changes.

Tackling the Climate Crisis

Secretary of Defense Austin recently released his top three priorities for the Department of Defense (DoD): Defend the Nation, Take Care of our People, and Succeed through Teamwork. He identified tackling the climate crisis as one of the lines of effort under the priority to defend the nation, elevating climate consideration as a national security priority for the DoD. Changing climate and severe weather events are a continual threat to our installations. Over the past several years, the DAF has directly witnessed the impacts climate and severe weather can have on our installations. We are leveraging these lessons learned through our rebuild efforts at Tyndall AFB, Florida, following the devastation caused by Hurricane Michael in 2018 and Offutt AFB, Nebraska, following historic flooding in 2019. We are also recovering from recent winter storms that brought extreme cold to much of the United States, impacting dozens of DAF installations.

In recent years, Congress has passed several legislative initiatives to enhance installation resilience efforts across the DoD. The DAF, in conjunction with the Office of the Secretary of Defense (OSD), works to implement these provisions at our installations. We are incorporating climate and energy resiliency considerations in our Installation Development Plans (IDPs). Last year, we published a Severe Weather and Climate Hazard Screening and Risk Assessment Playbook, which gives installation-level planners a consistent and systematic framework to screen for severe weather and climate hazards and assess current and future risks. We have completed initial assessments at all major installations and will be incorporating results into an addendum to our IDPs with a focus on installation resilience over the next several years. Additionally, we have completed twenty four Installation Energy Plans (IEPs) to identify risks and track and adjust requirements to advance energy and water resilience goals. We expect to complete an additional twenty IEPs this year.

The DAF is incorporating resiliency planning directly into MILCON projects as well. All projects are assessed to determine if the planned facility could be impacted by current or future

Military Construction and Family Housing Budget

June 16th, 2021

mean sea level fluctuations or if it is located in a 100 year floodplain. We implement mitigation actions to raise the elevation when required by the mission. One mitigation action example from Offutt AFB, addresses future flood concerns. As part of the rebuild of three critical campuses, we are importing approximately 600,000 cubic yards of fill material, or about 40,000 dump trucks, to raise the elevation of the entire site at least three feet above the 100 year floodplain. Additionally, the DAF provides inputs to drive changes to the Unified Facilities Criteria (UFCs) and then applies those evolving building codes to all MILCON projects. Many of these UFCs have been updated recently to specifically incorporate resilience considerations such as sea level rise scenario planning and updated structural engineering criteria to address wind, seismic, and flood threats.

Natural Disaster Recovery Efforts

In 2019 and 2020, Congress appropriated \$3.6 billion for the recovery and rebuild of Tyndall AFB, Florida, from the devastation caused by Hurricane Michael and Offutt AFB, Nebraska, from the effects of historic flooding. The funding also enables construction at Joint Base Langley-Eustis, Virginia, to support the relocation of the F-22 Raptor training mission from Tyndall AFB. To date, the DAF has awarded five construction projects for a total of \$72 million, and design efforts continue for the rest of the program. The DAF expects to award an additional \$2.25 billion of construction contracts by the end of 2021.

Through the Natural Disaster Recovery program, the DAF will rebuild these installations more efficiently and resiliently. Facilities are being designed and constructed using the latest Department of Defense building codes, or UFCs. Additionally, given the extensive damage at Tyndall AFB, the DAF made a policy decision to design beyond the minimum UFC criteria for civil and structural engineering. The minimum design wind speed being used for all new facilities is 165 miles per hour, exceeding the highest wind speed captured during Hurricane Michael, and incorporates best practices from the Florida Building Code's High Velocity Hurricane Zone for Miami-Dade, Broward, and coastal Palm Beach Counties. Facilities are also being designed 14 to 19 feet above today's mean sea level, which incorporates a 7-foot projected sea level rise scenario through the year 2100. Additionally, coastal resiliency is one of the most important aspects to the plan at Tyndall. This partnered approach includes cost-shared investments which combine with DAF FSRM and MILCON investments to attenuate storm energy through natural infrastructure before it reaches built infrastructure. Key partners such as the Defense Advanced Research Projects Agency, Fish and Wildlife Service, Bay County, the

Military Construction and Family Housing Budget

June 16th, 2021

Florida Department of Environmental Protection, and the University of Florida are working together as part of OSD's Readiness and Environmental Protection Integration Program on key initiatives. We are exploring several low life-cycle cost Engineering with Nature initiatives to include sand fencing, submerged shoreline stabilization, living shorelines, oyster reefs, and marsh and seagrass enhancements. At Offutt AFB, we are consolidating facilities to higher ground out of the 100-year floodplain. Where relocation is not possible due to mission requirements, we are raising the finished floor elevation above the floodplain and building in a way to minimize clean-up should flooding occur again.

Winter Storms of 2021

Recent extreme winter storms throughout much of the Midwest and southern United States had a considerable impact on DAF installations. Initial assessments indicate some degree of damage at 28 installations. The DAF continues to assess the damage and will restore facilities to full mission capability.

A majority of the damage was the result of burst water and fire suppression lines due to freezing. Our personnel prepared our installations admirably, but numerous factors, including sustained periods of extreme cold, degraded facilities and infrastructure, and off-base power and water supply issues, led to damage and temporary interruptions. Several installations experienced limited power or water interruptions consistent with interruptions experienced by the local communities. Back-up energy sources and contingency plans, as well as effective coordination with commercial power and water suppliers, were generally effective in minimizing the length and impact of utility interruptions. In some cases, such as at Offutt AFB, installations were able to use on-base power plants and generators to supply their own power. These efforts were instrumental in helping the utility provider stabilize the power grid and minimize rolling blackouts in the community.

Taking Care of Airmen

In December 2020, the Chief of Staff of the Air Force, General Charles Q. Brown, released a series of action orders providing guidance to implement his strategic approach, "Accelerate Change or Lose." The first action order focuses on Airmen. If the Service is to ensure it has a quality future force where Airmen see continued service as an attractive career choice, we must consider the environments we provide for these Airmen and their families at DAF installations. Taking care of Airmen, and now Guardians, and their families is not just about quality of life, it is

Military Construction and Family Housing Budget

June 16th, 2021

also about readiness. It is at the forefront of ensuring the DAF can continue to provide critical warfighting capabilities to the nation. Two programs with direct ties to quality of life are Child Development Centers (CDC) and dormitories.

In early 2020, the DAF established a cross-functional Child Care Capacity Initiative Working Group to address unmet child care needs. This team has prioritized child development and school age care facility projects based on unmet childcare demand, staffing, and building conditions. We issued a Strategic Enterprise Executive Decision memo directing installations to initiate planning actions for 14 projects identified on the prioritized list. The DAF is using the \$11 million in MILCON P&D funds provided in FY20 to initiate designs and posture these projects for future execution. Five of our top priority CDCs – Sheppard AFB-Texas (TX), Joint Base San Antonio (JBSA) – Lackland-TX, JBSA – Fort Sam Houston-TX, Wright Patterson AFB-Ohio, and Royal Air Force (RAF) Lakenheath, in the United Kingdom – will be ready for execution in FY22. The Sheppard AFB CDC is included in the FY22 budget request. The fifth CDC at Royal Air Force Lakenheath in the United Kingdom is required due to the new F-35A mission bed down. CDCs historically have not completed well against other mission-related priorities in the MILCON program. We are addressing childcare facility concerns with FSRM and MILCON in FY 2022. Additionally, we are posturing MILCON projects for future execution. Eleven FSRM projects, valued at \$44 million, are in development and will be ready for award in FY22. As previously stated, the DAF will construct a new child development center at Sheppard Air Force Base, Texas for \$20 million.

The DAF is also committed to ensuring unaccompanied service members are provided quality housing on our dormitory campuses. The Department has re-emphasized the roles and responsibilities of commanders in protecting the health and safety of unaccompanied Airmen and Guardians. Commanders are responsible for enforcing inspection criteria to identify and report conditions requiring immediate and future maintenance, as well as sustaining an adequately resourced maintenance and repair program to effectively address requirements. Funded from the DAF FSRM account, the investment strategy for dormitories focuses on restoration and modernization of these facilities in their existing configurations. This strategy will ensure the Service continues to meet the DoD goal whereby 90% of dormitory rooms are in good or better condition, based on the Facility Condition Index score, for permanent party unaccompanied Airmen and Guardians and will reduce the requirement for replacement construction. We are

Military Construction and Family Housing Budget

June 16th, 2021

focused on ensuring the Air Force continues to invest in maintenance and repair work as required to keep these facilities functioning as originally intended. This enables the DAF to focus MILCON funds on modern, formal training facilities for newly recruited Airmen, such as the Airman Training Center at Joint Base San Antonio - Lackland, Texas, included in the FY22 budget request.

Space Force

The FY20 National Defense Authorization Act NDAA established the United States Space Force (USSF) as the sixth branch of the armed forces. In accordance with DoD direction that the Space Force be established as a lean, agile, mission-focused military Service, the Space Force will rely on the Air Force for infrastructure, logistics, security, medical services, and a host of other support functions. Formal agreements and implementation plans are being finalized to codify all stakeholder roles and responsibilities. From an installation engineering perspective, Air Force civil engineer squadrons will continue to support Space Force installations as they did prior to establishment of the Space Force. Air Force Materiel Command's Air Force Installation and Mission Support Center will continue to provide enterprise level support for all installation and mission support programs and processes. In FY22, the DAF will transfer FSRM, unaccompanied housing, and facilities operations funds to the Space Force for execution. MILCON authorization is expected to be transferred to the Space Force by FY24. The Space Force is in the process of developing a separate governance process, leveraging current Air Force processes, to ensure strategic alignment of investments to Space Force priorities.

FY22 MILCON Program

In FY21, the DAF focused on MILCON program stability to ensure we are postured to award projects in the year of appropriation. Having improved policy to correct these measures in FY21, the FY22 program returns to a level similar to funding requests from previous years. In FY22, the DAF MILCON request is \$2.38 billion, approximately double the FY21 enacted amount. This return to previous funding levels will support the DAF's commitment to fulfilling National Defense Strategy requirements and posturing for the future high-end fight.

The FY22 MILCON program supports Combatant Commanders with a focus on the Pacific and European theaters and modernizing the nuclear enterprise. Our request also focuses on P&D to reinforce the Department's MILCON program stability and consistency. Additionally, the MILCON program continues efforts to beddown new weapons systems and seeks to recapitalize facilities that have outlived their useable life or no longer meet mission requirements.

Military Construction and Family Housing Budget

June 16th, 2021

Combatant Commander Infrastructure

The FY22 MILCON program prioritizes Combatant Commander requirements with a particular emphasis on the Pacific and European theaters. Support to Indo-Pacific Command will enhance the United States defensive posture in the region, reassure allies and partners, and increase readiness capabilities. The request includes \$571 million for projects in Alaska, Guam, Japan, and Australia to recapitalize key facilities, disperse resources, and construct operational facilities as well as Pacific focused P&D. The request includes the construction of three warehouses to store pre-positioned Airfield Damage Repair equipment and materials in Guam and Japan, aircraft operations and maintenance facilities in Australia and Japan, munitions storage structures in Guam and Japan, and a runway extension to increase airfield capacity in Alaska.

The DAF remains committed to European Defense Initiative (EDI) efforts to reassure North Atlantic Treaty Organization allies and other European partners of United States commitment to collective security and territorial integrity. In FY22, the DAF requests \$162.4 million for EDI and other European theater projects to include support for the repositioning of equipment in the United Kingdom, and airfield upgrades in Hungary and Spain. These projects will further improve deterrence efforts in the theater and enable Joint and coalition forces to quickly respond to aggressive regional actors. The DAF request also includes support to CCMDs within the United States to include a continued focus on Weapons Generation Facilities and Joint Air Defense Operations which directly supports Strategic Command and Northern Command, respectively.

New Mission Beddowns

The FY22 budget request also supports the beddown of new weapons systems and missions, with a heavy focus on modernizing the nuclear enterprise. The request includes six projects at Ellsworth AFB, South Dakota, to bed down the first B-21 Raiders and three projects at Hill AFB, Utah, and Vandenberg AFB, California to support the transition from the Minuteman III intercontinental ballistic missile weapon system to the Ground Based Strategic Deterrent (GBSD). The NDS directs the Department of Defense to build a more lethal force by modernizing key capabilities, the first of which are nuclear forces. Once on-line, these weapons systems will ensure the DAF can effectively supply two thirds of the nation's nuclear triad well into the future.

Military Construction and Family Housing Budget

June 16th, 2021

The DAF is appreciative of the legislative authorities which posture the Ground Based Strategic Deterrent (GBSD) program for success. The FY21 NDAA provided significant flexibility for the Launch Facility/Launch Center conversion under MILCON authorization, enabled all GBSD construction to be carried out under direction and supervision by the Secretary of the Air Force, and allowed a single prime contractor to plan, design, and construct all GBSD projects. Furthermore, it established authorization expiration in 15 years or until GBSD fielding is complete (whichever is earlier). The DAF will continue to inform Congress on the Department's progress during design, construction, and commissioning of GBSD facilities.

The FY22 President's Budget also requests funding for two projects at Royal Air Force Lakenheath to construct operational facilities for the F-35A bed down. Additionally, the request re-integrates two F-35A projects at Luke AFB, Arizona, to provide flight training and planning space and additional maintenance capacity. The Air Force cancelled these projects in 2019 due to a strategic basing decision which promoted the efficient use of existing facilities, training airspace, and command and control at Eglin AFB, Florida. FY22 is the optimal time to re-integrate these projects, as they are critical to receive new F-35A aircraft at Luke AFB. Lastly, the budget request includes a three-bay depot maintenance hangar at Tinker AFB, Oklahoma to directly support reliable and responsive infrastructure for the KC-46A weapons system.

Existing Mission Recapitalization

The FY22 budget request also seeks \$447.4 million to recapitalize facilities that have outlived their useable life or no longer meet mission requirements. This request includes additional funding for our Basic Military Trainee Recruit Dormitory modernization, to include reinserting Dormitory 7 back into the program at Joint Base San Antonio - Lackland, Texas. The Air Force previously cancelled Dormitory 7 to cover funding disconnects with the other dormitories in the program, but in FY22, the time is right to bring this requirement back into the budget to construct the final dormitory required for bringing new Airmen and Guardians into the Department. Other recapitalization projects include the Nuclear Command Control and Communications Acquisitions Management Facility at Hanscom AFB, Massachusetts, which provides a critical facility for the Air Force Nuclear Weapons Center, a crash fire rescue station at Joint Base Andrews, Maryland, and a gate project at Davis-Monthan AFB, Arizona. Additionally, the request includes a CDC at Sheppard AFB, Texas, which is the DAF's top priority to address child care capacity shortfalls.

Military Construction and Family Housing Budget

June 16th, 2021

Planning and Design

P&D remains a central focus of the DAF MILCON program to reinforce program stability and consistency. Sufficient P&D enables projects to progress rapidly through design and meet maturity criteria for admissibility into the program, provides more accurate cost estimates, and maximizes opportunity to award projects in the year of appropriation. Without sufficient P&D, the DAF must award designs by design phase, which adds risk associated with costs and timely delivery of design. With the FY22 P&D request of \$253.5 million, the DAF intends to complete remaining design requirements for our FY22 program, fully fund designs for our planned FY23 and FY24 projects, and initiate design for FY25. Our two year budget lock policy outcome is a stable MILCON program allowing us to efficiently use P&D for future projects.

Facilities Sustainment, Restoration, and Modernization (FSRM)

The FSRM and MILCON programs are interdependent. Together, these two funding streams are the foundation of DAF installations. FSRM provides a non-MILCON pathway to repair facilities and infrastructure maximizing their lifespan. The FY22 budget request of \$3.9 billion in FSRM funding is an 18% increase from FY21 enacted levels. The increase shows our deliberate focus on ramping funding toward the I2S recommended floor of 1.9% of PRV to address degrading infrastructure.

Our I2S drove changes in how we execute the FSRM program by prioritizing projects based on mission risk and timing investments at the optimal point in the asset lifecycle. The centralized FSRM scoring model targets investments at an asset's "sweet spot" in its life cycle rather than at end-of-life failure, which is significantly more expensive. FSRM funding distributed directly to installations (considered decentralized FSRM), empowers Commanders to make the right local investment decisions, including day-to-day maintenance and smaller scale repair and sustainment projects, based on mission requirements and I2S guidance.

Housing Construction and Operation and Maintenance

The DAF prioritizes providing safe and healthy homes to our families. The FY22 budget request seeks \$441 million for housing construction, P&D, and operation and maintenance. These funds will support a continued focus on eliminating inadequate housing from the DAF inventory. The military family housing construction request of \$116 million will fund planning studies and design for future construction projects, the renovation of existing homes, and supports the

Military Construction and Family Housing Budget

June 16th, 2021

restructures of two privatized housing projects that are under currently under negotiation with the privatized housing project companies.

The high cost of construction in the Pacific, specifically at Okinawa, Japan, continues to present challenges where the DAF is the executive agent for more than 7,800 family housing units. The increased cost of construction requires solutions within the DAF family housing construction program to include cancelling projects that are no longer necessary due to European theatre posture changes and using existing resources to achieve full scope on multiple projects. The DAF continues to focus investment in the Okinawa housing inventory to provide adequate housing for all service members and their families residing on the island.

Our military family housing operation and maintenance request of \$325 million will fund efforts to sustain, improve, and modernize our Government-owned inventory of approximately 15,200 family housing units and provide and sustain enhanced oversight of more than 55,000 privatized homes. The additional \$20 million in Family Housing Support and Management funding provided in FY21 will ensure continued support for the housing needs of Airmen, Guardians, their families, and our Army, Navy and Marine Corps teammates housed in government-owned and privatized inventory.

Privatized Housing

The DAF, with the support of Congress, has taken substantive actions to address the concerns and make meaningful, enduring changes to our privatized military housing program. Over the past two years, DAF leadership at all levels has been focused on improving the living experience for service members and their families living in privatized housing while we implement housing reforms set out in the FY20 and FY21 NDAs. Nearly all of Air Force's MHPI companies have agreed to implement all eighteen tenant rights at their existing projects, and with few exceptions, we expect these rights to be fully available at Air Force installations with privatized housing by the end of FY2021. In addition, the Air Force has taken action to increase oversight and increase accountability to ensure identified hazards have been corrected and, if not, contractors are held accountable.

Some highlights regarding the improvements the DAF implemented last year include increased program and project oversight. The DAF added and filled 218 manpower authorizations, and has filled them all, to improve oversight, quality assurance, and advocacy at all installations. The DAF also added 147 manpower authorizations to increase installation-level oversight. These

Military Construction and Family Housing Budget

June 16th, 2021

additional personnel are receiving training to conduct change of occupancy inspections consistent with national industry standards. Additionally, the DAF added 60 manpower authorizations to provide Resident Advocates to directly support residents ensuring they have multiple avenues to raise and resolve issues. Resident Advocates report directly to the wing leadership to increase commander awareness of concerns raised by residents. The DAF has also added 11 manpower authorizations for Headquarters DAF, Air Force Civil Engineer Center and our legal staff. Finally, the Department instituted a revised governance structure to review programmatic and systemic issues, best practices, and financial health of the program. The revised governance structure culminates with a council that includes the uniform chain of command and is advised by military housing office professionals.

The DAF also approved a revised performance incentive fee (PIF) framework to increase both the commander and resident voice in assessing earned PIFs. The new performance incentive fees will improve tracking and reporting of maintenance operations at each project. The DAF is in the process of re-negotiating the PIF framework with project owners, reaching agreement with two of the nine project owners that have a PIF as part of their agreements. As part of the DAF's plan to increase transparency and accountability, all the project owners implemented automated work order systems, allowing residents to submit electronic work orders, schedule repairs, and provide satisfaction feedback. Lastly, the DAF centrally contracted for the annual tenant satisfaction survey, coordinating with the Army and Navy to ensure a consistent survey DoD-wide as well as issuing the survey to collect resident input from both privatized and government owned housing.

In spite of these successes, the DAF is working with our MHPI project companies, in coordination with the Office of the Secretary of Defense and the Office of Management and Budget, on restructures for two financially challenged projects in order to address health and life safety, sustainment, and reinvestment needs. There is still more work to accomplish to ensure quality and safe homes for our Airmen, Guardians and their families. Our priority going forward is to remain focused on improved oversight, long-term project health, and sustainment of the housing inventory to provide military families access to safe, quality, affordable, and well-maintained housing communities where they choose to live, and to ensure accountability at all levels within DAF and the MHPI companies to perform our oversight as originally intended at the outset of housing privatization. Our FY22 request provides funding to ensure our DAF has the

Military Construction and Family Housing Budget

June 16th, 2021

staffing and resources they need to ensure that housing privatization projects provide safe, quality, well-maintained housing, and address resident concerns in a timely, transparent, and responsive manner.

Base Realignment and Closure (BRAC)

Through the BRAC process the DAF has closed 40 installations and sites and transferred more than 98% of the property back to communities for beneficial use, producing \$2.9 billion in annual savings. Property transfer is complete for 34 former installations, and we expect to complete transfer of fewer than 2,000 acres at the remaining six former installations by 2027.

Our BRAC cleanup program focuses on protecting human health and the environment, projects that transfer acreage and achieve beneficial reuse of property, and investigations and response actions associated with PFAS.

Conclusion

The DAF's FY22 budget request supports President Biden's Interim National Security Strategic Guidance and lays out a plan to modernize our military capabilities while taking care of our Airmen, Guardians, and families. It keeps us on the path toward a successful future posture. The I2S continues to guide MILCON and FSRM budget decisions and business practices as we endeavor to deliver ready, resilient installations as cost effectively as possible. The MILCON portion of the FY22 request prioritizes nuclear enterprise modernization and supports Combatant Commanders, with particular focus on the European and Pacific theaters. The housing request provides the resources needed to sustain and improve the DAF's inventory of government-owned homes and provide oversight of privatized housing project owners. The Department remains committed to overcoming challenges affecting this portfolio and delivering effective, efficient installation engineering services. The FY22 President's Budget request ensures that our Airmen, Guardians, and installations are ready to defend American interests now and in the future.