

**MILITARY CONSTRUCTION AND VETERANS
AFFAIRS, AND RELATED AGENCIES APPRO-
PRIATIONS FOR FISCAL YEAR 2009**

THURSDAY, MAY 8, 2008

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:08 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Tim Johnson (chairman) presiding.

Present: Senators Johnson, Murray, Reed, Nelson, Hutchison, Craig, and Brownback.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF HON. KEITH E. EASTIN, ASSISTANT SECRETARY OF
THE ARMY, INSTALLATIONS AND ENVIRONMENT

ACCOMPANIED BY:

LIEUTENANT GENERAL ROBERT WILSON, U.S. ARMY CHIEF OF
STAFF, INSTALLATION MANAGEMENT

MAJOR GENERAL RAYMOND CARPENTER, SPECIAL ASSISTANT TO
THE DIRECTOR, ARMY NATIONAL GUARD

BRIGADIER GENERAL JULIA ANN KRAUS, DEPUTY CHIEF, ARMY
RESERVE

OPENING STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. This hearing will come to order. I welcome everyone to this morning's hearing to discuss the President's 2009 budget request for military construction for the Army and Air Force. We will hear from two panels of witnesses today, beginning with representatives from the Army. Secretary Eastin, General Wilson, General Carpenter—who is from South Dakota, by the way—and General Kraus, thank you for coming today. We look forward to your testimony.

The military construction budget request for the Army this year is larger than ever. After nearly doubling last year from \$2 billion to \$4 billion, the active duty Army's 2009 request is a record \$4.6 billion, an increase of 17 percent over the 2008 enacted level. Most of this increase can be attributed to the "grow the Army" initiative to add 74,000 soldiers by 2013. This initiative, combined with the severe stresses of two wars and the long-term strategic realignment, has required unprecedented investments in Army construction.

In light of this large request, it is all the more imperative that we closely examine how well the Army is executing its military construction program and whether its requests are appropriately prioritized to meet our military future. One area of particular concern to the committee is the deplorable conditions at some permanent party Army barracks, including those housing soldiers returning from the war, which have recently come to light. The situations that have been uncovered are, quite simply, unacceptable and I look forward to hearing from our Army witnesses how they intend to address the problem.

Senator Hutchison, would you care to make some opening remarks?

STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Thank you, Mr. Chairman.

It is nice to have the representatives of the Army and the Air Force for the second part of our round of hearings on our military construction appropriations for this year. I think the chairman has mentioned some of the points that I would make, but let me just say that I think the emphasis on the Army is certainly essential, given that the Army is going to grow its end strength by 65,000 active duty, 8,200 National Guard soldiers, and 1,000 reservists over the next 5 years, along with the consolidation of troops in the United States from overseas.

I do support this increase in end strength. It is the right thing to do. So it means that we do have to have the increases in military construction to assure the quality of life, which I also think is well covered in this appropriations request. You have \$1.3 billion, an 85 percent increase over last year, on quality of life facilities, which I think is absolutely well placed.

The Overseas Basing Commission, as I have said many times, is a product of this committee. After traveling through some of our bases overseas and seeing the lack of training space, the separation, and the costs in foreign bases, we recommended that the foreign bases be looked at. In fact, the Department of Defense did jump right in and made good solid recommendations about moving many of our scattered facilities in Germany and Korea, consolidating the ones that did have the need and the capability. It will be much more efficient to have our overseas bases run more consolidated, as we are doing in the United States.

So the overseas basing issues, the BRAC recommendations, and the new global defense posture that focuses on expanded allied roles and new partnerships, will allow us to relocate our soldiers back to the United States. When the new emphasis on global restationing plan for the Army is completed by the end of 2011, we should see 90 percent of our U.S. Army forces based in the United States. This is a good plan and one our service members are counting on. It will provide more operational freedom of action, better training, and better family support than would be possible otherwise.

Along with BRAC, it will produce a stronger, more deployable, more efficient Army in which vast, but constantly stretched, resources of our Army can be used in the most efficient manner.

I want to mention the Army's new modular force plan, which will reorganize units into brigade combat teams. The new plan calls for five new brigade combat teams that would be stationed at Fort Bliss, Fort Stewart, and Fort Carson. I am told that the European commander wants to keep two of those BCTs in Europe for up to 2 years longer than the Army had originally planned. I would like not to see the delay at all. But I hope there is a commitment not to make that into a more permanent decision, I think the decision to move as many of our Army personnel as possible back to the United States, where there is a continuity of service and training capabilities, is the right decision. I hope that we're not backing off from that in any way, despite any European pressure on that account, particularly when we have not yet gotten very much cooperation from the Europeans in Afghanistan. I would hope that the original decision is not in any way being questioned.

Another area that I want to focus on is joint basing. We have the Air Force taking the lead in 6 of the first 12 joint basing pilot projects. I don't mean that it would be temporary, but the Air Force will be the lead in many of these bases. I think that's a good decision because the Air Force is known for taking care of its property well and operating well.

I do want to make sure that certain Army bases like Fort Sam Houston, which have quite a history and quite a cultural uniqueness, are maintained as what they are, a very historic and important part of the Army throughout the years. I think the joint base in San Antonio that will be operated by the Air Force, putting together Lackland, Randolph, and Fort Sam, is probably a good decision, as I said, because the Air Force does so well in operating. I'm sure it will be more efficient. But I don't want to lose any of the unique history of Fort Sam Houston. If somebody suggests that we modernize the old basic Fort Sam Houston structures, they're going to have trouble from me if I'm still around. So I hope that that would not be anything that would be in the offing.

So with that having been said, I thank you, Mr. Chairman, and look forward to hearing the witnesses.

Senator JOHNSON. Senator Reed.

Senator REED. Go ahead, Mr. Chairman.

Senator JOHNSON. I suggest 7-minute rounds for questions.

Senator HUTCHISON. Okay.

Senator JOHNSON. To our witnesses, thank you again for appearing before our committee. Your full prepared statement will be entered in the record. Secretary Eastin, please proceed.

Mr. EASTIN. Thank you, Mr. Chairman. I'll be brief in my opening remarks. I'm sure you'd like to get on with questioning of us on some of our matters.

A couple points I would like to make. We are, of course, very heavily involved in the BRAC process and we are committed to completing the BRAC process on time in September of 2011. To do that, however, we would appeal to you to restore about \$560 million to the BRAC account which was decremented last year. Without this, it will be nearly impossible to complete many of the actions that would take place.

We've got—and most of these 59 separate actions involved, most of them of a reserve nature, reserve centers, National Guard activi-

ties, are not going to be able to be completed if we don't get some restoration of that sort of thing. So we appreciate your help in doing that if you can.

A topic on many people's minds, of course, is what we're doing with our barracks situation. General Wilson will discuss this in further detail himself, but let me assure the committee we take this very seriously. Our military construction budget alone this year, about 25 percent of it will be for the replacement of old Korean war era and earlier barracks, which are the subject of certain controversy here in the last several weeks.

So we are committed in replacing these barracks and otherwise taking care of our soldiers so that their home away from their original home is something they can be proud of.

With that, I'll turn this over, if you don't mind, to General Wilson, who can further enlighten us on where we are on the barracks matters.

General WILSON. Mr. Chairman, Senator Hutchison, Senator Reed, Senator Nelson: On behalf of the Army's senior leaders and more than 1 million soldiers that comprise our Army, thank you for the opportunity to discuss our fiscal year 2009 military construction budget.

Our MILCON request is crucial to the success of the Army's strategic imperatives, to sustain, prepare, and transform our Army, and military construction plays a key role in each of these imperatives. We must sustain our soldiers and families with programs such as the Soldier-Family Action Plan, which will standardize soldier and family programs and services, increase accessibility and quality of health care, improve soldier and family housing, ensure excellence in schools, youth services, and child care, and expand education and employment opportunities for family members.

We are establishing superb training facilities with \$850 million in this year's budget for new ranges and training facilities to support our training readiness. The Army's medical action plan will integrate care and services for wounded warriors and their families and provide world-class care to our warriors in transition for reintegration into the force or transition to civilian life. We thank you for your support in this vital program.

The creation of the Installation Management Command in October 2006 continues our progress in centralized installation management and fosters more consistent, cost effective and predictable delivery of installation funding and services, and to improve these efficiencies and effectiveness we are achieving and reshaping our installations through BRAC, GDPR, Global Defense Posture Realignment, while simultaneously converting to the Army modular force, growing the Army, and assisting the Army Reserve in becoming an operational force, all of this while at war for 6 years.

Our military construction request supports this integrally woven, tightly synchronized stationing plan. In the last few years, as a result of our continuing resolutions we have lost 4 to 6 months of building time, basically delay in awarding projects. There is a provision in this year's budget, section 121, that would give us additional flexibility and I ask for your support in that new provision in this military construction bill.

Finally, I want to address the barracks situation at Fort Bragg. The recent video images are alarming and are not indicative of the standards for how we want our soldiers housed. We were not able to get the barracks to the quality of life the soldiers expected nor deserved prior to their return. This should have been prevented.

We have fixed all life, health and safety issues in Building Charlie 4122 and reprogrammed \$2.9 million to Fort Bragg to inspect and correct all of the like buildings, which are 22, unlike the ones you saw on the video, and improve the condition of these barracks.

Since this incident surfaced, I ordered a sweeping inspection of over 3,300 barracks worldwide, 146,500 rooms, to ascertain the extent of the problem. All identified barracks deficiencies were ordered corrected throughout the Installation Management Command and any soldier found living in a substandard room has been relocated.

We have made changes to the way we manage our barracks by standing up maintenance teams at each installation to focus on barracks quality of life. We are placing sergeants major at directorates of public works, beginning with our 16 largest installations, to assist in barracks readiness, and we have transferred barracks ownership from deploying units to the garrison in order to better maintain them at an acceptable standard. We are now centrally managing our barracks and our training and tracking our barracks quality of life monthly.

Additionally, we have reprioritized \$248 million to address our most urgent priorities, representing 48 projects across 8 installations. Mold is our largest problem, most prevalent in the Southeast, but across all of our installations. Each installation has the capability to test mold and take immediate corrective measures, including soldier reassignment. We are applying several initiatives to reduce mold growth.

I'm confident we can improve the quality of life for our soldiers serving our Nation so proudly. The Army has invested \$13 billion since 1994 to modernize our barracks, get soldiers out of the old barracks and build new, modern barracks with more space and amenities. We are proud of this effort, but still have 9 years and \$10 billion to go before our barracks will be brought to standard.

About 79.4 percent of our barracks were built in 1979 or earlier. Thirty-five percent are 50 to 60 years old, just like the barracks you saw at Fort Bragg. We must continually triage these old barracks to keep them livable. To cope with this challenge, the Army has invested \$975 million since 2005 to sustain our barracks awaiting replacement. We will require a continual investment and leadership focus to maintain these barracks until we complete our buyout plan in 2015.

In closing, our \$11.4 billion request for MILCON, BRAC, and family housing plays a critical role in allowing us to put the Army back in balance and sustain the current fight and restation our force. We thank the Congress for its unwavering support of the Army's military construction program over the years and we ask for your continued support. Our goal is to have premier installations across the globe. Our soldiers and families deserve nothing less.

Thank you. I look forward to your questions.

BARRACKS INSPECTIONS

Senator JOHNSON. Secretary Eastin or General Wilson, as you note in your testimony, the Army is now in its 16 year of a campaign to modernize its permanent party barracks. It is deeply troubling, after 16 years of this effort, that many of our soldiers are still forced to live in conditions like what recently came to light at Fort Bragg.

General Wilson, you noted the barracks inspections you recently ordered. How many soldiers were relocated as a result and can we see the results of that inspection?

General WILSON. Mr. Chairman, 13 soldiers were relocated, 8 in CONUS and 5 overseas. Eleven of these rooms were in regard to mold. This is not the black mold, but the mold that I talked about earlier. That inspection was done throughout the world, overseas and CONUS, as I related to. And yes, sir, we'll make that available to you.

[The information follows:]

BARRACKS INSPECTIONS

When the Fort Bragg video surfaced, the Army conducted a world-wide barracks inspection to ensure all rooms met life, health, and safety standards, or relocate Soldiers within 72 hours. As a result, 13 Soldiers were moved out of rooms due to mold or other unacceptable conditions. To address the immediate issue, \$2.9 million in Sustainment funding was diverted so Fort Bragg could correct Building C-4122 deficiencies and other barracks on post in similar condition. Army-wide, \$248 million was reprioritized, to address "worst needs" barracks at eight installations.

To avoid a repetition of the Fort Bragg scenario, the Installation Management Command is changing the way barracks are managed by transferring responsibility from deploying units to the installation garrison staff; providing senior noncommissioned officer facility oversight, in conjunction with the emerging First Sergeants Barracks Initiative; establishing and maintaining a quality of life standard focusing on living space, latrines, lounges, and lobbies; and programming funds to eliminate conditions conducive to mold growth.

Senator JOHNSON. Which barracks are in the most urgent need of repair and have you requested accelerated funding for them? How do you plan to accelerate the Army's barracks construction program to address these problems?

General WILSON. Sir, we noted 48 projects in eight of our installations in most urgent need. The method we can deal with that is to reprogram some of our sustainment dollars from other projects to these most urgent ones and that's how we plan on dealing with it.

Senator JOHNSON. How will the reduction in deployment tours from 15 to 12 months affect this situation? You will have more soldiers coming home at a faster rate. How are you going to ensure that all of them are adequately housed?

General WILSON. Mr. Chairman, you're precisely correct. As we begin to bring soldiers home from the surge, it's going to necessitate us to get in front of the problem so we avoid anything that happened at Fort Bragg. We think by the actions that we've directed, by standing up maintenance teams, placing the barracks under the garrison and public works for management, and also having monthly assessment reports to report through the operations channels and command sergeant major channels where they stand at each installation in preparation for returning soldiers,

that we will be able to address these urgent needs in the future redeployments.

GUARD/RESERVE COMPONENT

Senator JOHNSON. General Carpenter and General Kraus, a major concern for this committee has been the chronic underfunding of the infrastructure needs of our Guard and Reserve components. Last year, for example, U.S. Army Reserve and Army Guard MILCON funding saw major decreases. I'm pleased that this year's military construction request for the Army Guard and Reserve has increased, but the request still only meets about 40 percent of the requirements.

Understanding the need to prioritize in a time of tightening budgets, are the Guard and Reserve getting what they need?

General CARPENTER. Sir, Mr. Chairman, it's nice to see a fellow South Dakotan, by the way.

From the Guard perspective, we are working diligently with the Army to make sure that the Army National Guard projects are incorporated into the Army priorities. We have an adjutant general military construction GOSC that is engaged in that process.

We see the challenge for us in the Army Guard is to incorporate our needs into first of all the validated requirements for the Army and then the critical funding requirements. We are working with the Army in that process and, quite honestly, we are seeing some success.

Senator JOHNSON. General Kraus.

General KRAUS. Yes, sir. We have an aggressive program, which is 41 percent of the budget to be funded in the next, fiscal year 2009, and it takes us out with the prioritized list to 2013. What's critical for us at this point in time is that that 560 be re-added in, because it was 10 Army Reserve centers that had been shelved that we need to bring forward, and we're working on it.

FISCAL YEAR 2009 MILCON BUDGET EXECUTION

Senator JOHNSON. Secretary Eastin, your 2009 budget request for military construction is the largest ever submitted by the Army. Will you be able to execute it?

Mr. EASTIN. You're right, it is very large and it's very challenging. At Bliss alone we have \$1 billion worth of military construction going on in the current year.

We've had to take a look at how we build things very carefully and basically transform that. We're proud at Bliss, for example, we are turning out one new building per week and we'll be doing that for the next several years. But it's required a complete relook of how we do construction, standardized designs, centers of excellence across the Corps, where not every region will be developing both, say, barracks and maintenance facilities and dining facilities, but we have centers that do each of those and try to standardize the design for each.

Also, much of the construction is actually manufactured in a factory and brought in and set up, so you're not doing sticks and bricks out on the posts themselves. But we're bringing them in state of the art construction methods now, and things that can be

brought in from the outside and constructed even in other States and brought in and put in place.

So we have a real organization set up there to do it. We are confident this will—in fact be done this year, and we're also confident that our BRAC time deadlines are going to be met.

Senator JOHNSON. With all the initiatives the Army has currently undertaken—Grow the Force, Global Realignment, etcetera—what is your top construction priority?

BARRACKS

General WILSON. Sir, I think it's clear our top construction priority on our installations and what we would call our pacing item would be barracks. We've got to address those 35 percent of our barracks that are 50 to 60 years old and our urgent requirement is to try to replace all of them as soon as possible.

Senator JOHNSON. Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman.

BRAC

Mr. Eastin, we are working in the supplemental for the full restoration of the BRAC funding. Right now it's \$780 million, \$787 million, that would go into the BRAC account. If that stays all the way through the process, then are you on course to finish the BRAC requirements by 2011?

Mr. EASTIN. Senator, I sat up here last year and I said: Don't ask me tomorrow, but today we are on track everywhere to meet the September 2011 deadline. I'm happy to report that I will respond with the same—make the same response this year, that: Don't ask me tomorrow, but I know of no BRAC single action that is not going to be on track.

Some of these are going to be real challenges, but I know of none that will not be met by the 2011 deadline.

OVERSEAS BASES

Senator HUTCHISON. General Wilson, I mentioned in my opening statement that part of the global restationing initiative was spurred by the Overseas Basing Commission that this committee on a bipartisan basis put forward. I want to ask you, because of this potential delay of two combat brigade units, are we going to bring our forces back as originally proposed by the Department of Defense, and will you be able to complete the permanent facilities that you need for the Grow the Army timelines in military construction? And is there going to be more than a 2-year delay in those two units that are scheduled to come back as part of the five?

General WILSON. Senator, there is a 2-year delay on those last two brigades and that's what we're planning. Even with that, that last brigade is coming back to Fort Bliss, the permanent construction will not be completed when they return. Our current plan will be to use the relocatables that are available until the permanent construction is completed.

Senator HUTCHISON. Do you see any lessening of the commitment to bring those troops home from Germany after the 2 years?

General WILSON. The only thing that I'm aware about was the Secretary of Defense and the President's decision to do a 2-year delay and keep them within the FYDP, and that's what we're planning for our military construction quality of life efforts based on that decision. That would be 2012 and 2013.

Senator HUTCHISON. Do you sense that there is a negotiation going on with the Europeans using the troops and the Europeans' desire to keep them there at the same time that we're trying to move them back?

General WILSON. Ma'am, I don't have any knowledge of that. I'm sure that the COCOM commander and the Joint Staff may be able to address that, but I'm not aware of it.

Senator HUTCHISON. Well, it's my fear that we are going to succumb to political pressure from local governments and the Government of Germany, and I think that would be a real mistake. I think you made the decision based on the needs of the United States and our military personnel. The Germans have been difficult to deal with in military construction, requiring more expensive construction standards, and have not been willing to help in paying for those even if they are going to be left in Germany.

So I would just say that from my vantage point, I will be looking to the Army to negotiate with the Germans in the best interests of America and not allow them to not help pay for these added standards that they are requiring and not to leave more troops there than are in the best interests of the United States and our training and our quality of life for our military.

Thank you, Mr. Chairman.

Senator JOHNSON. Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

With the returning soldiers from the surge and with the Army growing the force 95,000 troops and facilities already behind the funding curve, as you look at this what kind of planning can you take within the budget that was presented to be able to meet all those needs? I guess Mr. Secretary.

EXECUTION PLAN

Mr. EASTIN. Perhaps General Wilson can shed a little more detail on this. But we have a very carefully laid out integrated, interdependent plan to take care of all of the construction, both for the Grow the Army, the BRAC process, the global defense repositioning activity. All of that has been taken care of, all laid out, and, as I said to Senator Hutchison, I believe all currently on time.

I know it sounds incredible that we can kind of put this kind of money in there and have this kind of activity, but right now it's all working and it's all going according to the plans that basically the Corps of Engineers, our construction agent, has put together.

Senator NELSON. General.

General WILSON. Senator, I might just add to Secretary Eastin it's challenging. It's challenging at best to coordinate and synchronize all the things that have just been said: the restationing of one-third of our Army in the United States, the BRAC, return of soldiers from overseas, Grow the Army, converting and modernizing, the Army modular force.

But we work that through what we call the Army campaign plan and we synchronize that very carefully. And we meet weekly to synchronize our Army staff elements to ensure that we are able to provide support for the war, as well as support our soldiers and families. We feel confident that we're on track to do that. It's a challenge that we have to face every day.

BARRACKS

Senator NELSON. Well, the daunting challenge of dealing with the increased requirements because of Grow the Army, returning the military from overseas, including Germany, would be sufficient to keep you busy. But is it because of all the requirements that you currently have to build and to be prepared for the additional capacity, is that the reason why maybe the eyes were taken off current facilities that fell into disrepair, that have fallen into disrepair?

General WILSON. Well, I think—it's difficult to answer that. I will tell you, we're moving soldiers and families and units and redeploying and resetting them as quickly as we can so they can get some rest, and then they have to train up for the fight. It's just in time equipping, just in time manning, and it's very taxing and very difficult for the soldiers to tend to their soldiers and to tend to the barracks management.

It makes it doubly difficult when you have 50- to 60-year-old barracks, and we just have to pay more attention to it. We fumbled on that, that one at Fort Bragg, and we put things in place so we won't do that again. It's too important to our soldiers and they deserve to come back to better billets and better barracks than they left. So we're taking extraordinary measures to try to preclude that from happening again.

Senator NELSON. Well, sir, and I applaud you for doing that, because one of the best reasons to do it, in addition to quality of life, is if you're looking to recruit and retain you certainly don't want to fumble the ball that often or you might expect that it would affect at least retention.

In terms of the barracks issue, is it appropriate for any disciplinary action to be taken that would be appropriate based on the fact that somebody at some level knew that these facilities were in disrepair and either they didn't report it or they reported it up and someone didn't act on it, if that was the case? So do you know whether any disciplinary action is appropriate in this situation?

General WILSON. Senator, I was at Fort Bragg yesterday morning and I walked through the barracks that are at question here and I talked to the division commander of the 82nd Airborne, I talked to the brigade, the chief of staff, the garrison commander and the acting corps commander. And I asked that specific question and the senior commander determined that there was a breakdown in procedures and to return the barracks to standard before the soldiers redeployed. Leaders should have prevented this avoidance.

He determined, however, there was no purposeful neglect on anyone's part. And I asked him that specifically. I talked to the first sergeant that was back trying his level best to get that, and his people, to get that together. There was a breakdown. There was not a good handoff of this unit's coming back 3 weeks earlier than planned and they didn't reset the barracks in time. But it wasn't

because they didn't care or it wasn't because they failed in their leadership.

Senator NELSON. Well, even if it's not purposeful, the breakdown would appear to be at least negligent in the process. It would seem that someone at some level was responsible who didn't through as they should have or that that responsibility wasn't assigned. Is there a question of whether the responsibility was properly assigned to the appropriate personnel?

General WILSON. I think the procedures are in place and yes, the rear detachment and the advance party that came back to get the billets ready knew that that was their mission clearly, to ready those billets for the incoming battalion. They were part of that battalion. The problem was they thought they had 3 weeks to get that particular billets ready and they were focusing on the other billets that had less time, and that's what caused the error.

Once they had 72 hours notice, they found out they are coming back, they did everything in their power to get it done. They didn't raise it to the right level that we could have said, wait, stop—

Senator NELSON. That's what I'm trying to get to.

General WILSON. They didn't sound the alarm. But it wasn't because that they failed, in the commander's eyes here, in the division commander's eyes. It's because they just did not think to call in the cavalry.

Now, what we've done, we've made changes to preclude that.

Senator NELSON. Now, which is the more important question, which was my next one: What is being done, not just in the case of Fort Bragg, but in the case of other facilities which might involve the same kind of circumstances? So what is being done so that that doesn't occur again?

General WILSON. We made several changes. One, we did a mass inspection of all barracks across the Army, in CONUS and overseas, and determined there was no—where there was life, safety, or health instances, we fixed it right away.

Then we looked at our priorities, our worst barracks, and we then put money against fixing those. We've also increased our manning at the installations, where we're standing up maintenance teams to work for the DPWs to be able to deal directly with barracks, and that's their priority of mission, is barracks.

Senator NELSON. This will be an ongoing—

General WILSON. Yes, sir.

Senator NELSON [continuing]. Requirement, an ongoing mission? Because this isn't something that you can just have one-time full inspection and expect that things will not change over the next 5 or 10 years or over the next year. So are you going to have this be more like an audit inspection or is it going to be across the board continuously over the next several years?

General WILSON. It's going to be continuous, Senator. We're funding it as a sustaining requirement at each installation and we're adding 16 command sergeant majors at our largest installations to work in the DPWs to focus on barracks. And we're turning over the barracks management, not put that on the rear detachments; we put it on the garrison and DPWs to handle in the future.

Senator NELSON. So you're reasonably hopeful, at least, if not certain, that you'll be able to catch these situations before somebody with a camera comes by and takes a picture of it?

General WILSON. Well, our effort is to preclude it from happening again and to raise the quality of life where we don't see that again. We know we have barracks like that and we know we have to reset them, and we've got to get—and yes, I'm confident we're going to get in front of it so we can reset them before the soldiers come back home.

I'm not confident that I'm going to preclude any more pictures. I just hope they give us a chance first and call us and say we've got a problem.

Senator NELSON. Thank you.

Thank you, Mr. Chairman.

Senator JOHNSON. Senator Craig.

Senator CRAIG. Mr. Chairman, thank you very much.

Mr. Secretary, thank you for being here. To all of you, I appreciate your presence. I have no questions of you other than to say we're extremely proud of our efforts at Gowan Field in Boise with our National Army Guard and our Army Reserve and the efforts that go on there. Actually, I'm waiting for the Air Force to land and I think they're in the next panel.

With that, thank you all so very much for your presence today and your candidness. We appreciate it.

Thank you, Mr. Chairman.

Senator JOHNSON. To Secretary Eastin and the rest of our witnesses: Thank you again for your testimony and for appearing before this committee. Thank you. You may be excused.

DEPARTMENT OF THE AIR FORCE

STATEMENT OF HON. KATHLEEN I. FERGUSON, DEPUTY ASSISTANT
SECRETARY OF THE AIR FORCE FOR INSTALLATIONS

ACCOMPANIED BY:

**BRIGADIER GENERAL JAMES RUBEOR, DEPUTY TO THE CHIEF OF
THE AIR FORCE RESERVE**

**BRIGADIER GENERAL STANLEY CLARKE III, DEPUTY DIRECTOR,
AIR NATIONAL GUARD**

Senator JOHNSON. Thank you, Mr. Chairman.

We welcome our second panel of witnesses, the Honorable Kathleen I. Ferguson, Deputy Assistant Secretary of the Air Force for Installations; Brigadier General James Rubeor, Deputy to the Chief of the Air Force Reserve; and Brigadier General Stanley Clarke III, Deputy Director of the Air National Guard.

Ms. Ferguson, I understand that Secretary Anderson was unable to join us today, but we look forward to your testimony. Thank you for coming today. You may proceed.

STATEMENT OF HON. KATHLEEN I. FERGUSON

Ms. FERGUSON. Thank you, Mr. Chairman and distinguished members of the committee. On behalf of America's airmen, it's a pleasure to be here and I appreciate the committee accepting me as a substitute on such short notice. I'll keep my opening remarks brief and begin by thanking the committee for its continued support of America's Air Force and the many brave and dedicated airmen who serve around the globe to keep this country safe.

As our Nation finds itself in both a time of war and a time of transition, the Air Force continues to evolve to ensure we stand ready to protect America and our interests. Beginning with Operations Desert Shield and Desert Storm, the Air Force has been in continuous combat operations for more than 17 years. We currently have over 22,000 airmen deployed in direct support of Operations Enduring Freedom and Iraqi Freedom. Our team is firmly committed to supporting the Air Force priorities of winning today's fight, taking care of our people, and preparing for tomorrow's challenges.

We are changing on a scale not seen since the post-cold war drawdown and for us to support these priorities we must be transformational in all we do. In order to provide global vigilance, global reach, and global power, we need high-quality warfighting platforms for our installations.

I would like to highlight just a few of the significant initiatives we are implementing to ensure installation quality and superior warfighting support well into the future. Under our Corps of Discovery effort, we are benchmarking Fortune 500 companies such as General Electric, General Motors, IBM, and Bank of America. We are learning from industry leaders and are capturing best practices

in all aspects of infrastructure, from adopting an asset management philosophy to transforming our informational technology systems.

With our organizational transformation, we are committed to making joint basing a raging success. The Air Force fully supports the spirit and intended results of the joint basing provisions of BRAC 2005. The Air Force has worked diligently with the other services and OSD to ensure that the maximum financial, facility, and personnel effectiveness can be achieved via joint basing without impacting command and control of base or mission commanders.

The Air Force has expressed concern related to the execution strategy of joint basing, which may impact mission. However, the Air Force is not advocating any position that would inhibit carrying out any BRAC recommendation.

Let me take a moment to talk about energy. The increasing cost of energy and the Nation's commitment to reducing its dependence on foreign oil had led to the development of the Air Force energy strategy, to reduce demand, increase supply, and change the culture within the Air Force so that energy is a consideration in everything we do.

The Air Force is investing in its facility energy future with \$14 million in 2008 and \$229 million across the Future Years Defense Program (FYDP). We've been recognized as the number one Federal purchaser of renewable energy 4 years in a row.

The Air Force is DOD's leading consumer of jet fuel and 10 percent of the total U.S. jet fuel market. To meet our jet fuel needs of the future, the Air Force is evaluating domestically sourced synthetic fuel alternatives. We've certified the B-52 to fly on a synthetic fuel blend and we're on track to test and certify the C-17, B-1, and F-22 in this fiscal year, with the entire fleet certified by early 2011.

At Nellis Air Force Base, Nevada, through a public-private partnership we installed the largest solar array in the Americas, providing over 14.2 megawatts of clean renewable power, while delivering a savings of nearly \$1 million a year for the installation and the American taxpayer.

On under utilized land at Malmstrom Air Force Base, Montana, the Air Force is exploring the potential for a privately financed and operated coal-to-liquid fuels plant. We are pursuing solar energy enhanced use lease projects at Edwards Air Force Base, California, Luke Air Force Base, Arizona, and Kirtland Air Force Base, New Mexico. We are also looking into the merits of hosting a small package nuclear facility on an Air Force installation at the request of some members of the Senate.

At the same time, the Air Force recognizes that energy and the environment are tightly linked. Not only have we committed to purchase only alternative energy sources with a greener footprint than current options, the Air Force has committed to be a leader in establishing a global consortium to tackle the reduction, capture, and reuse of greenhouse gas emissions.

Being a driving force is not risk-free. Our installations are warfighting platforms which must continually perform to support the warfighter. The fiscal year 2009 President's budget request for

Air Force military construction is more than \$2.1 billion, comprised of traditional MILCON, BRAC, and housing investments. Unfortunately, we face demands on our resources that require tough choices. Our challenging budgetary environment includes the increased operations, maintenance, and personnel costs, the cost of the war against terrorism, and inflation factors that reduce our overall buying power.

Those demands have forced us to self-finance the centerpiece of future dominance, a massive and critical recapitalization and modernization effort over our aging air and space force. To accomplish this, we are accepting manageable risks in facilities and infrastructure funding. The current and future readiness and capability of our Air Force to deter enemies and, when necessary, fight and win our Nation's wars depends heavily upon the state of our power projection platforms—our installations.

PREPARED STATEMENT

As the Air Force continues to modernize and recapitalize, we will wisely invest our precious funding allocated to military construction, operations and maintenance, BRAC, the environment, military family housing, and energy. This will enable us to win today's fight, take care of our people, and prepare for tomorrow's challenges.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM C. ANDERSON, ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS, ENVIRONMENT AND LOGISTICS)

Mr. Chairman, Senator Hutchison, and distinguished members of the Committee, as our Nation and Department finds itself in both a time of war and a time of transition; the Air Force continues to evolve to ensure we stand ready to protect America and its interests. The Air Force is the preeminent force for operations beyond the bounds of earth, and is vital to the success of ground operations as well, which is being proven daily in Iraq and Afghanistan. Beginning with Operations DESERT SHIELD and DESERT STORM, the Air Force has been at continuous combat operations for more than 17 years. We cannot provide Global Vigilance, Global Reach, or Global Power without our warfighting platforms—our installations—and the airmen that construct, operate and maintain those installations. I would like to highlight just a few of the significant ways our Total Force Airmen are serving this great Nation in this capacity.

We are firmly committed to supporting the Air Force's number one priority, "winning today's fight." Approximately 25,000 airmen are currently deployed in direct support of Operations ENDURING FREEDOM and IRAQI FREEDOM. More than 2,500 are engineers. Forty percent of the engineers are serving side-by-side with our Army comrades-in-arms by filling "Joint Sourced," "in lieu of" or "individual augmentee" positions, often sharing the same level of risk while operating "outside the wire." Our heavy construction RED HORSE engineers and our Prime BEEF engineers are well-known in the AOR for their ability to build and maintain expeditionary installation weapons platforms, whether bedding down Air Force, joint, or multinational forces. Our Air Force explosive ordnance disposal (EOD) airmen make up 37 percent of Central Command's joint EOD capability in theatre and in calendar year 2007 they responded to more than 8,400 calls to destroy improvised explosive devices, unexploded ordnance, or weapons caches. Sixty-six percent of these EOD warriors are operating "outside the wire" alongside their joint peers. Our "customers," whether joint, other Federal agency, or multinational, continually let us know how impressed they are by the capabilities our combat support personnel bring to the fight. While twenty of our logistics and installation airmen have made the ultimate sacrifice in this war, we are proud to be part of the joint effort serving our Nation's call to arms.

The reconstruction effort stands alongside the operational mission in Iraq and Afghanistan. Our Air Force Center for Engineering and the Environment (AFCEE) is

successfully executing a robust program to win the hearts and minds of Iraqi and Afghan citizens and help set the conditions for more free societies. Thus far, their efforts have included the execution of more than 576 projects, worth more than \$4.6 billion, to construct or repair more than 4,000 facilities, to include government and military facilities, airports, roads, schools, medical clinics, police stations, utilities systems, and more. Much of this work is being done by Iraqi and Afghan citizens making up more than 90 percent of the construction workforce and 70 percent of the project engineers. External audits have validated AFCEE's efficiency: low overhead costs in manpower and financial resources, minimized in-country presence, and successful leveraging of the latest in efficient and effective business processes.

Our capabilities are vital to the Global War on Terror and other American interests overseas. We are also leading the way in many initiatives on the home front. Let me briefly highlight a few. The Air Force is a great example of leadership in energy, facilities management, and the environment. We have been recognized as the number one Federal purchaser of renewable energy 4 years running, and we are overall number three in the Nation. We will achieve the DOD's 2014 goal for environmental restoration 2 years early. Our housing privatization efforts have leveraged more than \$350 million taxpayer dollars, bringing in \$6 billion in private sector investment, speeding the delivery of adequate housing to our airmen. The Air Force is solidly on track to eliminate inadequate housing overseas, having already received support from this Congress through 2007 to completely fund the elimination of inadequate stateside family housing. Our emergency responders implemented the cross-functional Air Force Incident Management System in December 2007, making us the first Federal agency to meet the Executive Order and the Department of Homeland Security directive for implementing the National Incident Management System, assuring seamless and coordinated emergency response among agencies at or near our installations. The Air Force wants to ensure that appropriate conditions exist to make Joint Basing a raging success. We have a long and successful history of working toward common goals in a Joint environment, without compromising Air Force principles and the well-being of our people. Joint Basing initiatives are no exception. Therefore, to guarantee success, each Joint Base will provide an appropriate setting to all of its assigned personnel to facilitate mission success and provide improved quality of life through consistent installation standards, currently being developed. Our Soldiers, Sailors, Airmen, Marines, DOD Civilians and their families will benefit from efficient, consistent Installation Support Services. These standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of Installation Support Services they deserve. Our base commanders and their local service providers are, of course, on the front lines of our efforts to maintain and improve services. As we work with the Office of the Secretary of Defense and our sister Services, we will ensure all Joint Basing initiatives contribute to DOD's ability to perform its mission. Joint Basing allows us to build closer relationships and forge stronger ties among the Services.

While we are proud of these successes, we have much work to do. Our Air Force's biggest challenge is to modernize our air, space, and cyberspace capabilities to ensure we continue to provide our Nation with its decisive military advantage. While not optimal, we must take manageable risk in our facilities and infrastructure to free up funding for weapons modernization. We also, however, have a vision to transform and overcome these challenges.

TRANSFORMATION

Our Air Force is transforming around new concepts of operations, organizational change, and advanced technologies. Accordingly, we are on a difficult but promising journey to transform our installations support enterprise. We are changing on a scale not seen since the post-Cold War draw down. As part of our Air Force strategy to internally fund weapon systems recapitalization and modernization, we needed to reduce manpower. We took this as an opportunity to restructure our Civil Engineer and Air Force Real Property Agency (AFRPA) organizations and improve support to the warfighter. The first major initiatives to transform how we effectively manage support for our installations are largely complete. We've reorganized Civil Engineering at all levels; rebalanced the force to include manpower increases in our high-demand RED HORSE and EOD combat engineer capabilities; and centralized the execution of all MILCON, housing MILCON, and environmental restoration at the AFCEE in San Antonio, Texas. BRAC 2005 directed the relocation of AFRPA to San Antonio and we took advantage of this to restructure AFRPA at the same time, to attract new skills and ideas to preserve and improve our focus on unlocking value in our underutilized real property.

We are also transforming our business processes, infrastructure, and technology to enable us to operate our installations within reduced funding levels and thereby continue to support our weapons modernization and recapitalization initiatives. Our approach includes producing efficiencies in enterprise-wide business processes while reducing by 20 percent, by the year 2020, the funding required for sustaining and maintaining our \$243 billion physical plant. Let me emphasize installation support funding has already been reduced by 14 percent in the last 3 years; now we are figuring out ways to live within this funding level for the long haul and not impact our standards. Not only are we elevating internal best practices to the strategic level and using the Air Force Smart Operations for the 21st Century toolkit of “LEAN” and “Six Sigma” process improvement methods, we are also incorporating best practices from our strategic partnership with leading private sector companies, called the “Corps of Discovery.”

Our installations organization established “Corps of Discovery” teams to visit companies such as GM, IBM, GE, Bank of America, ExxonMobil, CB Richard Ellis, Jones Lang LaSalle, Archibus, and others. We found we share many of the same challenges in maintaining our operational or primary mission edge while effectively balancing investment in infrastructure. Through this mutually-beneficial relationship, these patriotic companies are sharing their invaluable transformation “lessons learned.” We are centering our transformation strategy on these key “lessons learned,” such as strategic sourcing and real estate management from a portfolio perspective. Leading edge companies manage their real estate and physical plant with a holistic and integrated asset management approach that enables them to better articulate and manage risk while supporting their company’s mission. We recently reorganized our installations organizational structure and people around Asset Management. True transformation, takes years, and these companies have proven the value of this long-term investment. Their knowledge and experience is proving invaluable to us as we transition to the asset management approach, which is also playing a key role in installations transformation.

Maintaining our installations within current funding levels requires an aggressive approach to efficiently utilize our physical assets and target limited funding on the most critical portions of our physical plant. An asset management-based operation allows us to attach value to our built and natural environment. This business case analysis approach will provide better decision making in a resource constrained environment. Our asset management initiatives to reach this goal include utilities privatization; energy conservation; redesigned incentive-based consolidation, demolition, and demolition in situ programs; housing privatization; and others. Finally, we have initiated a focused effort to identify opportunities where Enhanced Use Lease (EUL) authority can help us find ways to leverage our physical plant value while providing a mechanism to offset facilities and utilities operations and maintenance costs, especially energy costs. As a force multiplier, we are leveraging our Air Force Real Property Agency to be our center of excellence for identifying and acting upon EUL opportunities across the Air Force. Following on the tremendous success of the construction of the largest photovoltaic solar installation in the Americas at Nellis AFB, NV, we are pursuing five major energy-related EUL projects: solar energy at Edwards AFB, CA; Luke AFB, AZ; and Kirtland AFB, NM; and a prospective nuclear energy project at a location yet to be identified.

Successful implementation of transformed business processes that will drive these physical plant utilization initiatives requires an enabling information technology (IT) system. We are transforming IT systems to support reengineered business processes and maximize the efficiency of our work force. Our benchmarking found integrated workplace management systems commonly used at these Fortune 500 companies, and we are examining how these IT systems could enable our own transformation. Launched the first part of this year, our IT acquisition strategy is leveraging key insights from the “Corps of Discovery” partnerships, and will also leverage capable commercial-off-the-shelf systems. While meeting executive, department and Air Force requirements for real property accountability systems and data transparency, the new Agile Installation Management IT system will enable enterprise-wide reengineered business processes centered on the complete lifecycle of asset management.

As you can see, we are transforming enterprise-wide, from core business processes to organizational structure and IT systems. We are also providing leadership to our government and even the private sector, from purchasing and producing alternative energy, to housing privatization and asset management. We are making process changes at every level, resulting in resource savings and more efficient operations. At the heart of all of our efforts are of course our customers. Exceeding the expectations of our warfighters, their families and the communities that support our instal-

lations, in terms of cost, quality of service and delivery, stands as the centerpiece of our installations business model.

These efforts are the means by which we are meeting the enormous challenges of today and the foreseeable future, and they ultimately enable us to sustain and modernize the world's best air, space, and cyberspace force. These transformational changes will help us maintain our focus on our Air Force's three overarching priorities: winning today's fight, taking care of our people, and preparing for tomorrow's challenges.

FISCAL YEAR 2009 AIR FORCE MILCON, BRAC, ENVIRONMENTAL, OPERATIONS AND MAINTENANCE AND FAMILY HOUSING PROGRAMS

Air Force facilities, housing, environmental, and BRAC programs are key components of our support infrastructure. At home, our installations provide stable training environments as we equip and reconstitute our force. Both our stateside and overseas installations provide force projection platforms to support Combatant Commanders (COCOMs), from homeland defense sorties over New York, to strike missions in Iraq. Our installations are weapons systems and in order to support our base-centric concept of operations, the Air Force has developed an infrastructure investment strategy that focuses on enabling COCOMs to win today's fight, take care of our people, prepare for tomorrow's challenges, implement BRAC, protect and restore our natural environment, drive energy efficiency and independence, sustain our infrastructure, and strive to recapitalize our aging infrastructure. We are the DOD's leader in expeditionary combat support and continue that role with pride. Our total force military construction, family housing, environmental, energy, and sustainment, restoration, and modernization programs are paramount to successful operations and maintaining the quality of life that our men and women in uniform and their families deserve.

The fiscal year 2009 President's Budget (PB) request for Air Force military construction is more than \$2.1 billion, comprised of traditional MILCON (\$988 million), BRAC 2005 (\$734 million) and housing investments (\$396 million). Unfortunately, we face demands on our resources that require tough choices. Our challenging budgetary environment includes: increased operations, maintenance, and personnel costs; the cost of the war against terrorism; and absorbing inflation factors that reduce overall buying power. These factors have forced us to self-finance the centerpiece of future dominance—a massive and critical recapitalization and modernization effort of our aging air and space force. To accomplish this, we are accepting manageable risk in facilities and infrastructure funding. The Total Force MILCON portion (\$988 million) of the Air Force fiscal year 2009 PB military construction request reflects our highest construction priorities. This request includes \$935 million for active military construction, just over \$34 million for the Air National Guard, and \$19 million for the Air Force Reserve. In addition, this budget carefully balances our facility operations and maintenance accounts for sustainment, restoration, and modernization with military construction programs to make the most effective use of available funding in support of the Air Force mission, while keeping "good facilities good." The Air Force Total Force sustainment funding in fiscal year 2009 is \$2 billion, 90 percent of the amount called for by the Facility Sustainment Model. The fiscal year 2009 Total Force restoration and modernization (R&M) funding is \$514 million—an increase of approximately \$168 million over last year's request.

The Air Force fiscal year 2009 PB request of \$396 million for the Military Family Housing investment program balances new construction, improvements, and planning and design work, and completes the funding to eliminate inadequate housing overseas. We cannot allow our current housing stock to fall into disrepair. Therefore, in addition to the \$396 million requested for housing investment, we request nearly \$599 million for operations and maintenance, for a total housing investment of just under \$1 billion.

To continue our proactive and responsive environmental quality and restoration programs, the fiscal year 2009 PB request includes \$1,015 million for direct-funded non-BRAC environmental programs. In addition to the \$435 million we requested for traditional environmental restoration activities, the fiscal year 2009 PB request includes \$367 million for environmental compliance activities and projects, \$82 million for pollution prevention initiatives, \$53 million for funding environmental conservation activities, \$61 million for munitions response activities, and \$17 million in investments in promising environmental technologies.

The Air Force is investing in its facility energy future, with \$14 million in 2008 and \$229 million more across the FYDP. These monies are lead-turning important initiatives such as establishing Resource Efficiency Managers Air Force-wide and enhancing our aggressive utility rate and Energy Savings Performance Contract

management teams to ensure we are getting the best value for every tax-payer dollar. We also are investing in the highest payback energy conservation initiatives such as upgrading our energy-intensive aircraft paint hangars; decentralizing heat plants; recommissioning facility heating, ventilating and air conditioning systems; and installing ground-source heat pumps. We expect the return on investment on these initiatives to be 2.5 to 1 or, a savings of approximately \$550 million by 2015.

To continue our aggressive BRAC implementation schedule, the fiscal year 2009 PB request includes \$1.2 billion for BRAC-related activities, of which \$734 million is construction. The Air Force is lead for 64 BRAC business plans and has equity in 16 additional business plans. Full support of this funding request is critical to ensure we remain on track to meet the requirement for compliance by 2011.

Sound investment in our installations postures the Air Force to support our priorities of winning today's fight, taking care of our people, and preparing for tomorrow's challenges. We believe the fiscal year 2009 PB proposal will provide the funds to ensure our installations continue to serve as effective power projection platforms that enable the continued success of our core Air Force missions.

WINNING TODAY'S FIGHT

The Air Force's first priority is to win today's fight. We plan to invest \$222 million on 14 projects that support and enhance the Air Force's ability to deliver intelligence, maintenance, and operational capabilities to our COCOMs. The Air Force is executing five projects directly contributing to winning today's war within the CENTCOM area of responsibility (AOR). CENTCOM's AOR is the geographic and ideological heart of today's fight. A war without borders, it spans 27 countries in the Central Asian region of the world. The five projects in CENTCOM's AOR provide much-needed in-theater aircraft maintenance as well as appropriate parking, fueling, and cargo handling space. An additional eight projects in the contiguous United States (CONUS) provide critical infrastructure necessary to continue to deliver, grow, and improve the high demand for an Unmanned Aircraft System presence in current and future operations. The Air Force will also construct a large vehicle inspection station to greatly improve the force protection and operational capability of the forces at RAF Lakenheath in the United Kingdom.

TAKING CARE OF OUR PEOPLE

The Air Force sees a direct link between readiness and quality of life. The Air Force is committed to creating and maintaining a consistent, high quality, and safe environment in locations where airmen work, train, reside, and recreate. Our Total Force Airmen are the most valuable assets we have in winning today's fight and ensuring our air, space and cyberspace dominance. We must continue to recruit, train, develop, and retain the best America has to offer. As our Air Force becomes more capable, more efficient and more lethal, so will our airmen. The quality of life we provide for our airmen and their families is a distinct determining factor in how long they remain in our service. The sacrifices our airmen and their families make are enormous. We are deeply committed to providing every Airman and their family with the best possible quality of life as they serve our Nation. In this year's budget we strive to promote a wide spectrum of projects that take care of our airmen and their families; from quality family housing for our families, quality dormitories for unaccompanied airmen, functional fitness centers, and safe child development centers, to realistic training and operational facilities.

Workplace

The Air Force is fully committed to the ensuring the safety and protection of human health for all of our personnel, both on and off duty. The Air Force evaluated its current injury and illness rates for airmen and determined implementation of the Occupational Safety and Health Administration's Voluntary Protection Program (VPP) would improve upon that commitment. VPP implementation historically results in a major reduction in illness/injury compared with non-VPP sites in like industries, and reductions on the order of 50 percent are not uncommon. The Air Force formalized this commitment to VPP last August through signing of a partnership agreement between the Air Force and OSHA. The agreement included a commitment to reduce civilian and military workforce injuries and illness by at least 3 percent per year and to expand participation in VPP and increase awareness of the value of effective safety and health management. Currently, 20 Air Force installations have begun work toward implementing the elements of VPP, and five will be ready to apply for formal OSHA evaluation and designation in 2008—Altus AFB, OK; Hanscom AFB, MA; Tinker AFB, OK; Robins AFB, GA; and Eielson AFB, AK. Eventually all Air Force installations both in the continental United States and

overseas will use this tool. To make sure the Air Force is gaining from others who have improved workplace safety, we are working closely with civilian companies who have proven their commitment to the highest level of health and safety performance. We have already learned from these companies and have used their experiences to improve our safety processes, and also have found VPP implementation a common element at these high-performing organizations. Our ultimate goal is to make VPP a way of thinking both on duty and off duty for our airmen. VPP is one way to give our airmen the safest possible environment in which to work and live.

Energy

The Air Force Model Energy Base Initiative is testing the breadth of initiatives and best practices in facility management, aviation fuel reduction, and ground vehicle management. McGuire AFB, NJ and Barksdale AFB, LA are the two bases selected to demonstrate the effectiveness of comprehensive efforts by the Air Force to implement its energy strategy. McGuire AFB was selected because it represented for the Air Force a base with an Air Mobility mission in a region with a large heating load in the winter. Barksdale AFB represents an air combat mission with a large cooling load in the summer. The Air Force will be disseminating lessons learned and best practices throughout the organization as they become available, and will share with our sister services and other energy partners.

Under the Air Force Smart Operations for the 21st Century processes, we have established the HQ Air Force Energy Senior Focus Group and Provide Infrastructure Working Group which look at four strategic pillars to maximize our energy efficiencies: Improve current infrastructure, improve future infrastructure, expand renewables, and manage cost. We have established metrics to track compliance with executive orders and Air Force guidance.

We are continuing our aggressive stance with five major energy-related EUL projects: solar energy at Edwards AFB, CA; Luke AFB, AZ; and Kirtland AFB, NM; and a prospective nuclear energy project at a location yet to be identified.

Family Housing

The Air Force Family Housing Master Plan details our Housing military construction, operations and maintenance, and privatization efforts. To implement the plan, our fiscal year 2009 budget request for family housing is just under \$1 billion. Consistent with Department of Defense Strategic Planning Guidance, the Air Force is on track to fund projects through 2009 that will eliminate inadequate overseas housing.

For fiscal year 2009, the requested \$396 million for our housing investment program will replace and improve more than 2,100 housing units at eight overseas bases. An additional \$599 million will pay for operations, maintenance, utilities and leases to support the family housing program.

We have used the privatization authorities granted by Congress to accelerate our family housing improvement program. By fiscal year 2009, the Air Force will privatize 41,500 housing units, and with the funding of the fiscal year 2009 PB the Air Force plans to privatize an additional 4,300 housing units. The Air Force projects it will have strategically leveraged more than \$350 million in government investment to bring almost \$6 billion in private sector total housing development. That is \$16 of private investment for each public tax dollar. The Air Force is evaluating the privatization of remaining CONUS installations where feasible.

Unaccompanied Housing (Dormitories)

The fiscal year 2009 total Air Force requirement for dormitory rooms is 60,200. We have made great progress using the three-phased investment strategy outlined in our Dormitory Master Plan (DMP). Phase I, now construction complete, eliminated central latrine dormitories. With the fiscal year 2007–2009 MILCON programs we have the necessary funding to complete Phase II of our DMP, which is our permanent party and pipeline dorm room shortage (deficit), by building new dormitories. In Phase III, now underway, we will replace existing dormitories at the end of their useful life with a standard Air Force-designed private room configuration under the “Dorms-4-Airmen” concept. Our “Dorms-4-Airmen” concept capitalizes on our wingman strategy and keeps our dorm residents socially and emotionally fit.

Our fiscal year 2009 Program reflects this strategy. The \$104 million request for dormitory investment will replace or construct more than 1,400 rooms for unaccompanied personnel at three CONUS bases. We are equally committed to providing adequate housing and improving the quality of life for our unaccompanied junior enlisted personnel as we are to our families.

Fitness and Child Development Centers

The Air Force maintains its strong commitment to the “Fit-to-Fight” program. Fitness and exercise is a regular part of airmen’s lives as they prepare to meet the rigors of the expeditionary environment. Our goal is to replace at least one fitness center per year until we have the resources to do more. This year we will construct a new fitness center at Dover AFB, Delaware.

We also remain committed to our Air Force families and we are dedicated to providing them with adequate and nurturing child care facilities. The most urgent need in 2009 is at Columbus AFB, Mississippi. Its current facility only meets half of the childcare requirement and is being supplemented by a leased trailer. Our \$8 million fiscal year 2009 MILCON project will construct a Child Development Center to provide supervised care for 128 infants and preschool children.

Operations and Training

Our MILCON program supports our expanded view of quality of life for airmen by providing facilities from which to train in and operate. New Security Forces Operations and Communications facilities in Burlington, Vermont will provide the men and women of the Air National Guard in one of our most stressed career fields with functional, up-to-date facilities to meet necessary training and day-to-day operational requirements. This year’s program also includes a 56-position Combat Arms Training and Marksmanship facility at Maxwell AFB, Alabama to supplement the existing, undersized, high-demand range. The range enables the continuing improvement of our Air and Space Basic Course by providing combat-focused training to our junior officers. Finally, a recapitalization project at the Air Force Academy concludes the phased upgrade of the Fairchild Hall academic building.

Environmental Management Programs

Our environmental management programs continue to ensure our most basic quality of life needs are being met for our airmen and surrounding communities: clean air, clean drinking water, and healthy working and living conditions for our workforce and base residents. We are also implementing refinements to our environmental management approach to incorporate best practices where we find opportunities. All Air Force installations have put in place and continue to utilize their Environmental Management Systems to identify environmental aspects of base operations, assess their impacts, and allow commanders to make informed decisions and investments to reduce environmental risks and compliance costs. Also, last year, I challenged our installation commanders to significantly reduce new environmental enforcement actions, and I’m proud to tell you we cut our new enforcement actions by 39 percent from fiscal year 2005 to fiscal year 2007—a major success story. We intend to cut enforcement actions by another 14 percent in fiscal year 2008.

PREPARING FOR TOMORROW’S CHALLENGES

Our third priority is to prepare for tomorrow’s challenges. Our 2009 MILCON program is a direct reflection of our strong commitment to the current and future success of our Air Force and is heavily weighted toward preparing for tomorrow’s challenges by addressing our most critical modernization and recapitalization needs. The \$493 million fiscal year 2009 Total Force military construction program consists of 32 projects that are essential to modernization and recapitalization.

The F-22 Raptor is the Air Force’s primary air superiority fighter and key enabler, providing operational access, homeland and cruise missile defense, and force protection for joint forces. Combat-capable Raptors are in full rate production on the world’s only 5th generation production line. Elmendorf AFB, AK will be the second operational Raptor base, and Holloman AFB, NM will be the third. We are constructing 13 projects to continue to beddown the world’s premier fighter at a cost of \$197 million. The F-35 Lightning II Joint Strike Fighter is our 5th generation multi-role strike fighter aircraft optimized for air-to-ground attack. The F-35 will recapitalize combat capabilities currently provided by the F-16 and A-10, and will complement the capabilities of the F-22. A student dormitory project at Eglin AFB, FL continues the beddown for joint F-35 training squadrons. To provide the best possible training to our aircrews by using a professional adversary force of pilots and controllers, the Air Force is pressing forward with its vision for a more robust Aggressor program. Constructing a squadron operations facility and aircraft maintenance unit at Nellis AFB, NV supports the beddown of a full 24-aircraft F-16 Aggressor squadron.

Our Tactical Air Controllers are embedded with ground forces, directing Air Power in support of ground operations. This year’s MILCON program provides the 3rd Air Support Operations Group with a Joint Air Ground Center at the unit’s host Army installation, Fort Hood Texas. This facility supports the U.S. Army’s brigade

transformation and provides Air Force Tactical Air Controllers with the training space required to support the critical Close Air Support mission.

We are modernizing and recapitalizing our facilities in support of large-frame aircraft as well. The C-17 continues its outstanding support for humanitarian operations and the Joint warfighter. The addition and alteration of simulator facilities at Charleston, AFB, SC and McChord AFB, WA will greatly improve the program's training efficiency. A MILCON project at Cheyenne, WY constructs a C-130 squadron operations facility to support daily 24-hour operations for airborne firefighting, aeromedical evacuation, and homeland defense missions. Tinker AFB, OK is also receiving a hangar to satisfy scheduled maintenance requirements for Air Force Reserve and Air National Guard associate KC-135 units.

Intelligence, Surveillance, and Reconnaissance (ISR), communications, and space systems play an ever-increasing role in what we do. The Total Force Initiative (TFI) Information Operations Squadron Facility at New Castle, Delaware will provide real-time information operations mission support, analysis, and feedback of reconnaissance missions around the world supporting commanders in the field.

Depot Maintenance Reengineering and Transformation (DMRT) remains essential to revitalizing depots using "LEAN" principles to increase aircraft availability by reducing depot cycle time, defects, and costs. This program has played a significant role in transforming our industrial base to more effectively support warfighter requirements. The 2009 program supports the DMRT initiative with two projects, one at Robins AFB, Georgia and one at Tinker AFB, Oklahoma, together totaling \$73 million.

The 2009 military construction program has five other infrastructure modernization projects worth \$109 million. These projects cover the spectrum from a SOCCENT headquarters facility at MacDill AFB, Florida and personnel moves in the National Capitol Region, to an infrastructure project on Guam that enables the relocation of a Combat Communications unit from Kadena AB, Japan to Andersen AFB, Guam. These projects recapitalize our aging infrastructure and enable us to support our vision for a modernized force.

BASE REALIGNMENT AND CLOSURE

The ongoing implementation of Base Realignment and Closure recommendations is among the Air Force's efforts to transform the Total Force. In this round of BRAC, 78 percent of our required actions involve the Air Reserve Component while in past rounds; fewer than 20 percent involved the Air National Guard and Air Force Reserve. This transformational effort across the force will ensure the Air Force is more lethal, agile, and capable of maintaining total dominance in air, space, and cyberspace domains.

Joint Basing

We have a long and successful history of working toward common goals in a Joint environment, without compromising Air Force principles and the well-being of our people. Joint Basing initiatives are no exception. Therefore, to guarantee success, each Joint Base will provide an appropriate setting to all of its assigned personnel to facilitate mission success and provide improved quality of life through common standards, currently being developed. Our Soldiers, Sailors, Airmen, Marines, DOD Civilians and their families will benefit from efficient, consistent Installation Support Services standards. These standards will ensure the Air Force and our sister Services continue to provide all personnel with the level of Installation Support Services they deserve. Our base commanders and their local service providers are, of course, on the front lines of our efforts to maintain and improve services. A Senior Joint Base Working Group, led by the Deputy Under Secretary of Defense (Installations & Environment), is developing policy to implement joint bases by September 15, 2011, in accordance with BRAC law. The group is in the process of defining common standards for delivery of service of installation support functions before they are transferred. Once standards and corresponding performance metrics are established, the bases will develop formal support agreements and implementation plans in order to proceed with the joint base construct.

San Antonio Medical Merger

In San Antonio, TX, the Air Force is the lead for implementing one of the most complex sets of BRAC recommendations in history. Along with our sister Services, and the TRICARE Management Activity, we continue to make significant strides to change the way military health care is delivered, and to consolidate all Services' enlisted medical education and training from across the United States onto a single campus at Fort Sam Houston, and to centralize a significant part of military medical research.

Execution of BRAC recommendations in San Antonio is fully funded and on-schedule. On January eleventh of this year, the Corps of Engineers broke ground on a \$92 million Battlefield Health and Trauma Research facility which will be integral to developing life saving medical care for our war-fighters. Additionally, beginning this year, we will begin constructing instructional facilities, dining facilities, and dormitories in direct support of world-class training for our Joint medics. Just this month, two dormitory contracts have been let in support of this effort.

BRAC 2005 Execution Report Card

Managing and executing the multi-million dollar program, with diverse interests, locations, and economic influencers involved, is a major endeavor. As a result the Air Force underwent an effort to identify, analyze and define its requirements and the assets needed to implement its program.

The Air Force has executed 80 percent of our fiscal year 2007 BRAC MILCON projects, with the total contract awards staying within 99 percent of the original programmed amount. I am content with the current working estimates for our unexecuted fiscal year 2007 projects and confident we will award the projects and stay within budget. Current working estimates for the Air Force's fiscal year 2008 BRAC MILCON projects again show we should execute within our overall programmed amount.

The \$939 million Omnibus reduction to the Department of Defense BRAC 2005 account must be restored. If left unfunded, the reduction will result in the Air Force receiving \$235 million less than required in fiscal year 2008. The Air Force will experience delays and disruptions in construction and the movement of our people and assets. Delays will impact our ability to meet mandated completion deadlines and could ultimately result in a failure to complete mandated actions. Prompt action and restoration of full funding will permit us to stay on course in executing our obligations for timely completion of the BRAC recommendations as approved by the Congress. We solicit your support in advocating that action occur.

AIR FORCE REAL PROPERTY AGENCY BRAC AND REAL ESTATE

The Air Force is a Federal leader in the implementation of the real property management principles outlined in Presidential Executive Order 13327, Federal Real Property Asset Management. We aggressively manage our property assets to deliver maximum value for the taxpayer, support to the Air Force warfighter, and improved quality of life for our airmen and their families. The Air Force is achieving these priorities through two fundamental efforts: (1) completion of our BRAC property disposal mission; and (2) leveraging the value of our non-BRAC property assets using a suite of property management and disposal tools.

The Air Force has successfully deeded 85 percent of the 87,000 acres of legacy Air Force BRAC property to date. The highly successful reuse of Air Force base closure property led to the creation of tens-of-thousands of jobs in the affected communities. To complete the clean up and transfer of remaining property, the Air Force is partnering with industry leaders on innovative business practices for its "way ahead" strategy. These include an emphasis on performance-based environmental remediation contracts, using such performance-based contracts on regional clusters of BRAC bases, and innovative tools such as early property transfer and privatization of environmental cleanup. Our objectives remain constant and clear: (1) provide reuse opportunities that best meet the needs of the Air Force and local communities, (2) move the process along smartly in each situation to get property back into commerce as soon as practical, and (3) provide transparency throughout the process. Of the 32 legacy BRAC bases slated for closure, the Air Force has completed 19 whole-base transfers. The remaining 13 are targeted for transfer by 2010.

As the Air Force transfers BRAC property for civic and private reuse, it is paramount that we ensure any past environmental contamination on the property does not endanger public health or the environment. The Air Force will continue to fulfill this most solemn responsibility, as reflected in our fiscal year 2009 request of \$120 million for legacy BRAC clean up activities.

At our non-BRAC Air Force installations, we continue to reshape our infrastructure to meet the demands of the 21st century. The Air Force seeks fair market value for disposal or outgrants of property, and uses new tools, such as Enhanced Use Leasing, or EUL, authority, to optimize our resources and obtain value from our underutilized or excess capacity—value we can return to the warfighter.

EUL constitutes a rapidly growing segment of our efforts to leverage the value of our property assets. EUL allows the Air Force to lease military property that is currently underutilized, but that is still needed for future mission needs, to private industry and public entities in exchange for cash or in-kind consideration that will provide certain services, facilities, or property repair and renovations to the Air

Force. EULs are win-win scenarios for all involved. Through EUL projects, developers can establish long-term relationships with private and government partners who are potential tenants with specific real estate needs. Additionally, developers can receive market rates of return on design, construction, maintenance, tenant leases and property management activities. The Air Force Enhanced Use Lease Program is active with 21 projects undergoing feasibility studies across the Nation. A 10 USC 2869 exchange is another asset management tool, allowing the Air Force to work with communities to find effective win-win solutions to the disposal of BRAC and non-BRAC property. Communities benefit from receipt of real property, in exchange for which, value is returned to the Air Force in the form of approved MILCON projects. The Air Force is actively engaged in 2869 exchanges at Lynn Haven, FL and Norwalk, CA.

FEDERAL FACILITY AGREEMENTS FOR CLEANUP

The Air Force is fully committed to the protection of human health and the environment, to be good steward of taxpayer dollars and to full compliance with applicable law at all of its facilities and for all programs, including cleanup. The Air Force has committed to protection of human health and the environment and the Air Force has established an aggressive, internal goal to have cleanup remedies in place at all active installations by the end of fiscal year 2012. That is 2 years ahead of the current DOD goal.

MAINTAINING OUR FACILITIES AND OPERATIONAL INFRASTRUCTURE

The Air Force remains focused on sustaining, restoring, and modernizing our operational infrastructure. Through our "Corps of Discovery" partnerships, we have been benchmarking the "best of the best" asset managers that our country has to offer. We are finding and implementing ways to manage better, utilize resources more wisely, leverage private sector investment potential, and use smart information technology. Our aim is to effectively manage assets by optimizing resources to deliver operational infrastructure for the warfighter at our installations and ranges. In 2009, we have focused sustainment funding on keeping our "good facilities good" and targeted limited Restoration and Modernization (R&M) funding to fix critical facility and infrastructure deficiencies to maintain readiness.

Our sustainment program is aimed at maximizing the life of our facilities and infrastructure in order to preserve our existing investment. Without proper sustainment, our facilities and infrastructure rapidly wear out. Additionally, commanders in the field are driven to use other operations and maintenance (O&M) accounts to address facility requirements that impact their mission capabilities.

When facilities require restoration or modernization, we use a balanced program of O&M and military construction funding to make them "mission ready." Unfortunately, restoration and modernization requirements in past years exceeded available O&M funding, causing us to defer much-needed work. It is important for us to steadily increase the investment in restoration and modernization in order to halt the growth of this backlog, while fully funding sustainment to maximize the life of our facilities and infrastructure.

The Air Force Total Force sustainment funding request in fiscal year 2009 is \$2 billion, 90 percent of the amount called for by the Facility Sustainment Model (FSM). The fiscal year 2009 Total Force R&M funding request is \$514 million, a much needed improvement over our fiscal year 2008 PB request. This is an area where the Air Force is taking manageable risk given our other budgetary priorities.

DEMOLITION OF EXCESS, OBSOLETE FACILITIES

In addition to modernizing and restoring worn out facilities, we also demolish excess and obsolete facilities. This ensures funds are focused on facilities we need, not on sustaining those we do not. For the past 10 years, the Air Force has aggressively demolished or disposed of facilities that were unneeded or no longer economically viable to maintain. From fiscal year 1998 through fiscal year 2007, we demolished 27.3 million square feet of non-housing facilities and infrastructure at a cost of \$303 million in O&M funding. This is equivalent to demolishing more than three average size Air Force installations and has allowed us to target our O&M funding on facilities we need for the long-term mission. As part of its transformation vision, the Air Force will continue to aggressively identify opportunities to eliminate excess and obsolete facilities.

PLANNING AND DESIGN/UNSPECIFIED MINOR CONSTRUCTION

This year's Air Force MILCON request includes \$88 million for planning and design, of which \$8 million is for military family housing. The request includes \$71 million for active duty, \$5 million for the Air National Guard and \$4 million for the Air Force Reserve. These funds will allow us to complete the design work for fiscal year 2010 construction programs and to start the designs for fiscal year 2011 projects, allowing us to award contracts in the year of authorization and appropriation.

This year's request also includes \$28 million for the Total Force unspecified minor construction program, which is our primary means for funding smaller projects.

ENERGY STRATEGY

The increasing costs of energy and our commitment to reducing our dependence on foreign oil have led to the development of the Air Force energy strategy—to reduce demand, increase supply, and change the culture within the Air Force so that energy is a consideration in everything we do.

In view of this commitment, the Air Force is implementing aggressive demand side fuel optimization and energy efficiency initiatives on each of our three energy sectors: aviation operations, ground transportation and support equipment, and installations. We are also assuring energy supply side availability of fuel for our aircraft, ground vehicles and equipment, and our facilities through initiatives such as testing and certifying our aircraft to use synthetic fuel and exploring public-private partnerships so that renewable sources of energy are available. Third, and perhaps the most important element of our energy strategy, we are ensuring that our strategy transcends the present to create a lasting culture of change in all airmen so that energy becomes a consideration in all we do through the strong involvement of our senior leadership, changes to our training and curricula at all levels throughout the Air Force and communication efforts so that every Airman knows the importance of what they are doing to conserve energy.

Synthetic Fuel

Taking the lead to reduce dependence on foreign oil, the Air Force is evaluating a broad range of energy alternatives and the Air Force Synthetic Fuels Initiative is a key part to our energy strategy. As the DOD's leading consumer of jet fuel, we are currently engaged in evaluating alternative fuels and engine technologies leading to greater fuel efficiency. We've certified the B-52 to fly on a synthetic fuel blend, and are on track to test and certify the C-17, B-1 and F-22 in the near future, with the entire Air Force fleet certified by early 2011.

Reduction of Facility Energy Usage

The Air Force has an aggressive facility energy conservation program that achieved an impressive 30 percent reduction in energy use over the past 20 years. Your Air Force is the Federal Government's largest purchaser of "green power" and the third largest in the Nation overall. Thirty-seven of our bases purchase green power—at Dyess AFB, TX, Fairchild AFB, WA, and Minot AFB, ND, 100 percent of the electrical energy purchased came from renewable sources.

Public-Private Partnerships and Energy Enhanced Use Leases

The Air Force continues to look for opportunities at our installations for installing and developing renewable energy projects for wind, solar, biomass, waste-to-energy, landfill gas and geothermal power as well as commercial-scale ethanol and biodiesel fuel plants.

At Nellis AFB, NV, through a public-private partnership with Powerlight, a subsidiary of Sun Power Corporation, we installed the largest solar photovoltaic array in the Americas. It became operational in November and produces over 14.2 megawatts of clean, renewable, power. Overall, this renewable source of power results in a cost savings of nearly \$1 million a year for the installation and the American taxpayer. Similar solar energy EUL projects we are pursuing at Edwards AFB, CA; Luke AFB, AZ; and Kirtland AFB, NM; would utilize a private-public partnership where private industry would utilize Air Force property in return for in-kind considerations.

Nuclear Energy

Given the energy requirements of our air bases, as well as the unique demands of some of our remote installations, small modular nuclear reactors seem to provide a viable option to meet our future energy demands. We believe that the market is best suited to identify technological and economic winners. We expect the nuclear power project to be commercially funded and financially viable with normal commer-

cial risk. In all cases, the Air Force would not develop, design, own, operate, or be the licensee for the nuclear power plant. We are in the process of gathering and assessing responses to a Request for Information from industry. The current estimate is that any plant built and operated pursuant to this initiative could be operational in latter half of next decade. Under ideal circumstances the Air Force intends to sign one or more letters of intent with viable consortiums by October 2008.

Alternative Vehicles and Fuels

We currently have over 5,200 FlexFuel vehicles in our fleet and nearly 8 percent of our diesel fuel is B20, which is a blend of 80 percent conventional diesel and 20 percent renewable bio-fuels. We spent approximately \$10 million on alternative fuels alone for ground vehicles and equipment in fiscal year 2007 and have budgeted over \$100 million over the next 5 years for alternative fuel and low-speed vehicles.

Greenhouse Gas Emissions

The Air Force recognizes that energy and environmental management decisions are essentially two sides of the same coin; the interdependence between the two areas is clear. While our overall energy strategy is driven by the imperative to ensure the security and sustainability of mission critical energy resources, likewise, our environmental management strategy is looking beyond the regulatory paradigm to ensure mission needs are supported by sustainable environmental practices.

As an Air Force with global reach and alliances, we are well aware of the international concern regarding greenhouse gas emissions, and recognize the importance placed on greenhouse gas emissions management by our allies, global partners, and here in the homeland. In order to make proactive, informed decisions about greenhouse gas emissions management with respect to energy use, alternate energy options, as well as chemical use, land management and process improvement opportunities, the Air Force has initiated a comprehensive greenhouse gas inventory to identify overall greenhouse gas emission sources from a "top down" aggregate energy use perspective, as well as from a detailed "bottom up" perspective, identifying greenhouse gas emissions from material usage and process activities. Further, we are identifying and quantifying biological carbon sequestration on our Air Force properties so that biological sequestration opportunities are understood as we manage over 9.8 million acres of Air Force installations and military range lands. We intend to complete our first comprehensive inventory by September 1st of this year.

The Air Force is positioned to be a significant player in solving the global carbon dioxide issue. We are reaching out to others to partner in establishing a "man on the moon" scope project to address the reduction, capture, and reuse of greenhouse gases. We need to push for a holistic look at emissions from all energy sources. This will allow for the examination of all emissions across the lifecycle and then we can prioritize opportunities to drive true, measurable emissions reductions.

UTILITY PRIVATIZATION

Turning to utilities privatization, similar to our efforts in privatizing housing, the Air Force is privatizing utilities where it makes economic sense and does not adversely affect readiness, security, or mission accomplishment. Because installations are key to our operational capabilities, our network of bases provide necessary infrastructure for deploying, employing, and sustaining air and space operations and re-deploying and reconstituting the force afterwards. Reliable utility systems are critical infrastructure components and essential to air operations and quality of life at every Air Force base. Additionally, these systems must be consistent with modern technology to optimize energy conservation. We believe privatization offers an important tool in the toolbox for simultaneously meeting both these requirements.

To date, under Office of the Secretary of Defense's utilities privatization program, the Air Force has conveyed 14 systems under 10 U.S.C. 2688 and six additional systems using standard FAR clauses, for a total of 20 privatized systems with a plant replacement value in excess of \$300 million. We are currently evaluating an additional 335 systems for privatization. Additionally, where market conditions may have changed, we plan to re-solicit 145 systems previously determined "uneconomic." We anticipate possibly privatizing another ten systems in fiscal year 2008. By the time the program concludes, we now anticipate more than half of about 500 systems could be privatized. During the course of this process, we further expect many competitive solicitations will end up as sole source procurements from local utility companies.

CONCLUSION

The current and future readiness and capability of our Air Force to deter our enemies and, when necessary, fight and win our Nation's wars, depends heavily upon

the state of our power projection platforms—our installations. As the Air Force continues to modernize and recapitalize, we will continue to wisely invest our precious funding allocated to military construction, the environment, operations and maintenance, BRAC, military family housing, and energy. This will enable us to win today's fight, take care of our people, and prepare for tomorrow's challenges. Thank you Mr. Chairman and distinguished members of the Committee for your support of the Air Force.

Senator JOHNSON. Secretary Ferguson, the active duty Air Force's military construction request for 2009 is 19 percent below last year's enacted level. I fear that the Air Force may be charging up a bill that is going to come due in future years by neglecting infrastructure needs in favor of other things. According to your testimony, the Air Force has been self-financing the effort to modernize its air and space force by accepting manageable risk in facilities and infrastructure funding. That sounds like to me the Air Force has made a decision to cannibalize its military construction funds to buy airplanes. Is that the case?

Ms. FERGUSON. No, Mr. Chairman, I don't believe it's the case that we are cannibalizing our MILCON. Our fiscal year 2009 budget request is about the same level as our fiscal year 2008 budget request. What we have also done is we have funded our sustainment to a 90 percent level, which funds our facilities to keep good facilities in good condition. We've also increased our funding by \$168 million over our fiscal year 2008 budget request in modernization and restoration, which takes care of the major infrastructure upgrades that need to occur on an installation such as roofs and pavements.

Senator JOHNSON. In 2006 the request for Air Guard MILCON was \$165 million, almost five times larger than this year's Guard request of only \$35 million. The Air Guard's budget request for military construction has fallen by 80 percent in only 3 years. How do you justify that?

General CLARKE. Thank you, Mr. Chairman and committee members. The Air National Guard is serving overseas as well as at home, accomplishing missions, everything from defense support of civil authorities to the overseas missions, and we appreciate the support that we've had in the past and the Congressional adds we've gotten to ensure that these world-class airmen in the Air National Guard can continue to do those missions at home and abroad.

The funding levels, obviously we're in the total strategy of recapitalizing our force as well. We have aging airplanes in the Air National Guard. So when we look at the future—and I talk to my fellow guardsmen and we hear loud and clear from the State TAGS and in the National Guard Bureau that there is a need to accomplish MILCON projects, but also we're very concerned about the recapitalization.

I heard this quote from one of my guardsmen out in the field, that said: Would you rather be in a 50-year-old building or would you rather fly a 50-year-old airplane? So we understand the recapitalization and the need to be a part of that. So we've taken the risk in the MILCON area as well. We think that's prudent.

However, we also realize that there are MILCON needs out there that we need to have addressed, particularly with regard to the new missions under the total force initiative concept, that we'd like

to see funded in the future, and we look forward to your help on that, please.

Senator JOHNSON. The Air Force Reserve has seen even more drastic cuts. Its entire budget request this year is for three projects, for a total of \$19 million, a decline of 76 percent in the last 3 years. Is your justification similar to that of the Air Guard?

General RUBEOR. Yes, Mr. Chairman, it is. Like the Air National Guard, we're very proud of the contributions of our Air Force Reserve members, very much committed to the fight along with our active duty and Guard partners. I will tell you that we have been looking at this issue hard. We've had some very constructive negotiations with the active duty. We've made some changes on how we're going to allocate Air Force Reserve and Air National Guard MILCON projects. That's going to be a change not only in the upcoming fiscal year, but also in the out years. It's going to provide us more opportunities to take a look at additional projects and increase the number of projects that are in the FYDP.

So I think we've recognized the fact that there were some problems that led us to this year's very small MILCON, but we've taken steps to address that and I'm very satisfied, the Air Force Reserve is very satisfied with the changes that we're proposing.

Senator JOHNSON. Secretary Ferguson, in January the Deputy Secretary of Defense issued an initial guidance to the services to begin joint basing implementation. Is the Air Force committed to the joint basing concept?

Ms. FERGUSON. Mr. Chairman, the Air Force fully supports joint basing and is committed to making it a success. Major General Eulberg and myself have participated in all meetings that Mr. Army has chaired since he has come on board. We have worked with the other services developing the common operating level standards, and we are fully behind joint basing.

There was a kickoff video telecommunications conference that Mr. Army hosted that we all participated in about 4 weeks ago with all 26 installations that make up the 12 joint bases. We will also travel out to Washington State in just a few weeks at the end of June to have a kickoff meeting, a further kickoff meeting, in person with all the services, OSD, senior staff from each one of the services here in the Pentagon, the major commands, and each one of the 26 installations, to further the joint basing implementation efforts.

Senator JOHNSON. What is your understanding of how the joint basing process will work?

Ms. FERGUSON. OSD has issued the joint basing implementation guidance, has issued the templates for the MOAs and the supplemental guidance. There's basically two phases of implementation for the bases. The first phase, the MOAs, are scheduled to be signed later this year, in September of this year, with an initial operating capability (IOC) of January 2009 and full operating capability (FOC) in October 2009.

The phase two bases will start at the same time, but will have MOAs signed in September 2009, with IOC, in January 2009—I'm sorry, January 2010, and FOC in October 2010.

Senator JOHNSON. Senator Hutchison.

Senator HUTCHISON. Mr. Chairman, I'm going to pass for now and I will submit my questions for the record. I'm sorry, I missed your testimony, so I hate to jump in here if you've answered my questions already. Thank you very much.

Senator JOHNSON. Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

Madam Secretary, as we all know, Cyber Command is critical to our Nation's defense and some of the asymmetrical threats that we're going to encounter in the future will involve countering threats in this virtual domain. General McCaffrey recently said: "There is no such thing as a secure computer system. Attacks could negate current U.S. military supremacy in the field and cripple the Nation's transportation, water, electrical, financial, and trading systems."

One of the greatest threats we currently face is an attack on our computer systems. General Pace recently said: "I know what we can do to other people, which means that eventually they can do it to us."

While we support a very thorough process to select the location, which is a facilities question, the location of the headquarters for Cyber Command, why does it appear that the process keeps being pushed to the right as opposed to continuing to have pressure to establish that location as soon as possible, given the need to protect against cyber space attacks that we're most certainly going to have, if we're not having them already? There is a general belief that we're already experiencing some of this, at least testing us to see whether or not we're prepared to deal with it.

So I guess the question is: Why do we wait for a final decision to 2009 as opposed to moving it forward, particularly with respect to facilities?

Ms. FERGUSON. Thank you for the question. We are following the National Environmental Policy Act for the selection of the beddown location for Cyber Command. We're taking a little bit different approach also, in that we're incorporating a lot of community involvement in the basing decision as we go through this.

My boss, Secretary Anderson, sent initial letters out to 18 States for 17 locations, to the governors and also information letters to each one of the congressional delegations (CODELs,) announcing what we would be doing and how we would be doing that. The initial letter went out. We're anticipating sending another letter out the middle of next week providing additional guidance to the local communities on the information that we will be considering as the Air Force works through our base selection process.

Later this year, Air Force Cyber Command Provisional, with support from major commands, will be going out and doing site visits at the locations. It is anticipated that site surveys, the NEPA process, the data, and the final basing decision will take about 6 to 9 months to complete.

Senator NELSON. Well, I understand the process and I guess I support it. But it seems that the process is delaying as opposed to accelerating the determination of a location. It would seem that the Air Force could have winnowed down the location to fewer than 18 sites. By adding more sites it just has extended the whole process because of the complications that you get with having more things

to review. An egalitarian approach makes some sense, but in this situation it seems to me that the primary objective is to find a facility, find a location, establish a facility, and have the command fully operational as soon as possible.

Ms. FERGUSON. What I can do is I can take that back for the record.

[The information follows:]

CYBER COMMAND LOCATIONS

Initial efforts by the AFCYBER planning and basing team were focused on the urgency of standing up the new command. For this reason, the initial basing criteria focused on utilizing existing facilities. Then, SECAF asked us to consider “virtual” and “distributed” operations based on corps of discovery with industry leaders. So we developed an interim location basing strategy—focused on quickly activating the command, in a distributed ops fashion (supporting the AFCYBER mission in the near-term). This interim solution will provide more operational capability in the near-term and enabled the development of the non-traditional basing approach to solicit State and local feedback on potential permanent location basing alternatives.

Listed below are the potential candidate bases identified by 18 States for further information gathering and analysis for the proposed permanent basing of Air Force Cyber Command:

- Barksdale, LA
- Beale, CA
- Hanscom, MA
- Hill, UT
- Iowa (on behalf of Offutt)
- Keesler, MS
- Kirtland, NM
- Lackland, TX
- Langley, VA
- Little Rock, AR
- NORAD (Colorado Springs), CO
- Offutt, NE
- Pennsylvania ANG bases
- Maxwell, AL
- McGuire, NJ
- Michigan ANG bases
- Whiteman, MO
- Wright-Patterson, OH

Senator NELSON. I think I’ve already extended it to the record back there, too. But I thought maybe you might have some enlightenment as to why we would expand the process at a time when it’s critically important to get the location established and put in place as soon as possible.

Ms. FERGUSON. I think we’re looking at all potential opportunities for where we might bed down this and following the NEPA and the environmental impact assessment (EIA) process to ensure that we do the right thing as we make the selection for this key mission.

Senator NELSON. The facility will be a driving factor, I hope, as well as just a location of the command.

Thank you.

Senator JOHNSON. Senator Craig.

Senator CRAIG. Mr. Chairman, thank you very much.

Deputy Secretary Ferguson, Generals, thank you for being with us. I’m going to be very specific on a very specific project today at Mountain Home Air Force Base, and I brought along pictures, because pictures in this instance are worth a thousand words.

So, Mr. Chairman, I’ll be specific because I’m talking about an air base that our Commander in Chief awarded as the top air base in the world last year, and we’re very proud of Mountain Home for

a lot of reasons. The men and women that make it up are the first reason. But secondarily, we have a uniqueness there that is one of the top training ranges in the world now, that the world wants to come and play on; and not just our Air Force, but other air forces, Singapore and Israeli, German, because of its uniqueness.

But inside that base is a problem and it's a problem I've talked about with all of you for a long time and it's now time to get it fixed. It's a building, a building that has been literally condemned since the 1990s, with risk of roof falling in. It's the Logistics Readiness Center.

Bring on the pictures, please. For the last 5 years, the Idaho Congressional delegation has suggested that this become a top priority for this facility. You know, Ms. Ferguson, I talked about efficiencies of energy. This used to house, at least co-locate, at least seven different activities on the base. We've had to take them out of there and spread them all over the base, and we use lots of energy moving people around. The reason is that people who work in this building now have to wear hard hats for fear of something falling on them. I've been in the building and I was required to wear a hard hat while I was there.

Yet this building is still operable until it gets four inches of snow on it, and then we evacuate everybody for risk of the roof falling in.

Now, I know that we send our soldiers on very dangerous missions. The greatest danger to some of Mountain Home airmen and women is entering this building on base.

I don't know how to make my point other than to suggest this. Last year Congressman Mike Simpson of the Second District, working on the other side of the Rotunda in the Appropriations Committee, put \$1.593 million in to start the process. And yet the Air Force said, no, you can only have 35 percent of the funding because Congress hasn't funded the whole. We wanted to start the process, get the logistics, the design and all of that ready, and yet we were handicapped in doing that.

I don't know any other way to impress upon the Air Force the reality of this problem. It is a significant problem at a world class air base and it's a significant problem that now we've had to go in and shore up with wood because they need to continue to use it. We have an armory in there for firearms and all of that kind of thing, and a housing, encasement, if you will, for them that we're not going to move anywhere else for that matter.

We're not talking about a huge ticket item. We're talking about a reality and a risk in a world-class base that is a factor now of human life.

I finally said to the base folks: Okay, I'm going to drop the anchor on this one and I'll do everything I can with this committee to get it solved. But I'm pleading with you to adjust a very minor amount of priorities here when it comes to dollars and cents to replace this facility, because we now have spread out all over the base when it needs to be co-located there for efficiency, for energy savings, and I applaud you for what you've said on energy.

Secretary Anderson and I visited about small nuclear and their future can give our bases anywhere in the world that potential in time, and that technology is now moving toward development,

small modular reactors. That will play in time and I'm glad the Air Force is doing what it's doing.

But efficient as we might want to become, this is the most—this is the most egregious example of inefficiency I've seen to date. Your reaction?

Ms. FERGUSON. Senator Craig, we have funded the design and have begun the design for the replacement facility at Mountain Home. It is undergoing right now—it will be 35 percent designed in October. The cost for the replacement facility, as you pointed out, is right about \$20 million and we anticipate it will be in our fiscal year 2010 submission to the Congress.

Senator CRAIG. You plan to submit it in fiscal year 2010?

Ms. FERGUSON. Right now, we have not got the fiscal year 2010 program from the major command yet. But what we have heard is that it's Air Combat Command's number one priority within the command for this year. So given that, we would anticipate that would be in our fiscal year 2010 submittal to the Congress.

Senator CRAIG. How do we nudge you along?

Ms. FERGUSON. I think you just did.

Senator CRAIG. Oh, oh, is that what I just did?

Ms. FERGUSON. But we still have a long way to go. I have to caveat that it's still a long way to go between now and when the President's Budget (PB) comes over here. But what I am hearing now that is what Air Combat Command will come in with. As the committee well knows, we've continued to take risks in infrastructure, but we will be going into budget deliberations shortly as we go through the next 6 months or so.

But what we're hearing from Air Combat Command is they have made that their number one priority in the command, and so we should see that when it comes up. We should see that at our level in the District of Columbia when it comes up from Air Combat Command.

Senator CRAIG. Well, I've been focused on this for a long while. I waited until after BRAC 2005 to see how we survived and we survived with obvious flying colors, and immediately within a short time after that recognized as one of the top air bases in the world and certainly in the country.

Like I say, it's a lot more about people than it is about facility, but at the same time facilities are critical.

Well, I'll take that as more than a maybe and I'll follow you very closely to make sure that happens. And if we can nudge it along here, I'll make every effort to do that.

Thank you.

Thank you, Mr. Chairman.

Senator JOHNSON. Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman.

Thank you all for being here this morning. During the BRAC process the Army National Guard and the Army Reserves had projects that were joint-funded projects. However, in the regular MILCON world it's very difficult to have a joint project for the Army National Guard and the Air National Guard. As I understand it, each service would have to include their portion of the

funding in their own budget at the same time, and that just is not easy to do and there's no real process to efficiently pay for joint projects.

What is the possibility of creating a joint 5-year budget to manage joint MILCON projects?

Ms. FERGUSON. That's really a question I can't answer. It's really a question that the comptroller and Mr. Army would need to answer. That's something that's beyond Air Force control. I can take that and bring that back.

[The information follows:]

JOINT FIVE-YEAR MILITARY CONSTRUCTION BUDGET

The organization best suited to respond to this question is the Office of the Under Secretary Defense Comptroller (OUSD-C). The OUSD-C has the visibility into all of the Service Components MILCON project requirements and capabilities to determine whether creating a joint 5-year budget would be possible or in the best interests of the Department of Defense.

Senator MURRAY. I would very much appreciate it. I think we have to look at it. I assume you think it's a problem?

Ms. FERGUSON. It's easier to work within service. It's harder to work combined across the services for joint MILCON.

Senator MURRAY. Well, I am curious how—

Ms. FERGUSON. It's not impossible.

Senator MURRAY. Okay. Well, I'm curious how each of the services decides what MILCON requests go forward in a given year. Is a percentage of each one of these MILCON requests set apart for reserve component requests?

Ms. FERGUSON. What the Air Force does is we look overall at the requirements, at the new mission beddown requirements, and those are—I don't want to say they're funded off the top, but those get a fairly high priority as they go through, those projects to bed down the F-22, Joint Strike Fighter, C-17. Those are needed to bed down the weapons systems at the installations.

The current mission dollars—and General Rubeor mentioned this a little while ago. We've changed our process within the Air Force to allocate more dollars to the Guard and Reserve, particularly in the out-years, so that they compete for Congressional adds.

Senator MURRAY. Given the utilization of the Guard and Reserve at this time, doesn't it make sense to put some percentage in place or make sure that they have a higher priority?

General RUBEOR. The answer to your question, ma'am, is yes, there is a formula. It's based on plant replacement value.

I want to go back just a second, though. For the Air Force Reserve, our most efficient model is what we call the Associate model. A lot of folks have heard about TFI, Total Force Integration, and that's kind of what I'm talking about. We are at our most effective when we are on an active duty base and the active duty owns the equipment and the infrastructure and we just provide manpower. It is a very cost-effective model for the U.S. taxpayer.

The vast majority of our force is in that model and it is growing. We used to have it primarily restricted to the mobility assets, C-5s and C-141s. We're growing it now into the tanker business. We're growing it into the bomber business, growing it into the fighter business. We're doing a lot of innovative stuff.

For instance, we are now associating with the Air National Guard. At Tinker Air Force Base, Oklahoma, we own the airplanes and the Air National Guard is associating with us. They are providing the crews and training on that platform.

So that particular model, I don't think it receives enough attention. Again, it's the big part of our business. Whenever the active duty gets infrastructure and gets MILCONs and gets all of those things, we benefit because we use those facilities as part of this TFI.

So the very small part of our business is when we own the base, and we have about 10 of those. There are five air reserve stations and five air reserve bases. When you talk about MILCON, that's where we're at and that's where we probably need some attention. And we've already addressed that with the active duty Air Force.

That formula, which again to your point is basically a thing called plant replacement value. You take a look—and there's a lot of ways to do this, but this is the way we've chosen to do it. And oh, by the way, we're looking at that, and it is the right model.

But for today, for this budget submission, we have 4 percent of the active duty plant replacement value. So you take your budget and multiply it and that's how we get it.

Senator MURRAY. Okay, great. I want to move on because I don't have that much time.

Ms. FERGUSON. If I could just add just one comment to what General Rubeor said. When you look at what the active component has put in as part of Total Force Integration and what it benefits to the Guard and Reserve components, it's been about \$1.3 billion between fiscal year 2006 and 2009, and that is kind of buried in what the committee sees. But that number was just verified and documented by GAO, about 70 projects totaling over a billion dollars that support both.

Senator MURRAY. Thank you.

Let me go to another topic. In Secretary Anderson's written testimony that the committee has been provided, he mentioned that his third priority is preparing for tomorrow's challenges. I wanted to ask you about that because the Air Force has stated that MILCON for the KC-X tanker will include modification and new construction of buildings, new hangars, new ramps, and moving fuel hydrants. What preparation have you done for meeting that challenge?

Ms. FERGUSON. It might be better to take that for the record, but I can tell you we have not—within the installations community, we have not worked that yet.

[The information follows:]

MILITARY CONSTRUCTION FOR KC-X

With respect to Military Construction (MILCON), the Air Force evaluates MILCON requirements and estimates the funding through an iterative process. As the program progresses through System Development and Demonstration (SDD) and aircraft basing decisions are finalized, the initial MILCON estimates will be updated to reflect specific MILCON projects. This refinement is a normal part of the process.

The Air Force calculated and took into consideration MILCON cost estimates for active duty bases, overseas locations, guard, and reserve components. Since a basing strategy has not been finalized, the Air Force conducted site surveys of several existing tanker bases. These surveys were used as a basis for estimating MILCON costs for 10 bases, which included four Air National Guard/Air Force Reserve bases

and two overseas locations. The Air Force is confident in this initial MILCON estimate and will continue to refine it based on specific requirements as basing decisions are made. It's important to note that MILCON cost estimates were not considered in isolation by the source selection team, but were included as a component of the Most Probable Life Cycle Cost, accounting for approximately 2 percent of the total costs.

Senator MURRAY. So there's been no preparation for that?

Ms. FERGUSON. For individual bases, that is correct.

Senator MURRAY. Did you or your office or anybody have a role in setting the requirements or the scope of the MILCON need for the KC-X?

Ms. FERGUSON. No.

Senator MURRAY. So you were not involved in that at all. So we've got really tight budgets here. We've got to plan for costs on the horizon. We need to know what the costs are for that, and it's surprising to me that no one asked any of you ever what the costs for the MILCON would be.

Ms. FERGUSON. The source selection team that made the selection for the KC-X, did consider that as a factor. I do not have that, but we can get that from the acquisition community.

Senator MURRAY. Well, let me ask, did the active duty and Reserve component provide any cost estimates for their side of this?

Ms. FERGUSON. I don't know the answer to that.

Senator MURRAY. You don't know. Well, Secretary Wynne responded to some written questions and said that one member of the National Guard Bureau participated in the development of the requirements and supported the KC-X source selection as a subject matter expert. Do you know what expertise that member of the National Guard Bureau has regarding military construction? Do any of you know who that was or what their expertise was?

General RUBEOR. No, ma'am.

Ms. FERGUSON. We'll have to go back and find that out.

Senator MURRAY. No idea? Well, okay. Well, there's going to be costs associated either with the 767 or the Airbus plane, and I want to know how the difference in size and weight of the two tankers was considered when this was evaluated. There's construction costs for hangars, for ramps, for taxiways. How was that input given? Does anybody know?

Ms. FERGUSON. We'll have to take that for the record. None of the members on this panel are aware of that.

Senator MURRAY. Well, Mr. Chairman, I do find that very troubling. This is a major MILCON request. It has major MILCON impacts. We were told that the costs of all of this were taken into account and it's troubling to me that this is going to have a huge impact on this committee and our future responsibilities, and certainly we need to know that.

So I will submit some other questions for all of you regarding that, that I think this committee needs to understand in our future obligations. Construction as I understand it would need to begin in 2009 or 2010 in order to be ready for the first delivery of this tanker if it goes forward. That's going to have a huge impact on this committee, Mr. Chairman.

I realize my time's out. I have some questions I will submit for the record on this and I hope we can get timely responses.

Senator JOHNSON. Senator Brownback.

Senator BROWNBACk. Thank you very much, Mr. Chairman.

My questions are along the same line, that I would like to know about as well, the bid on this. The Air Force said they took the bigger Airbus plane because, one of the primary factors being, okay, it carries a bigger payload. That was the Air Force's—in the Air Force's announcement as I understand it. But that bigger plane requires bigger hangar space that's going to have to be adjusted. If it's going to carry the bigger load, it may well require strengthening of runways and aprons to hold it up. Is that correct?

Ms. FERGUSON. Since I did not participate in this, I would be guessing to answer the question. But what I will do is I will go back and get the folks that were on the acquisition selection team to go forward and provide the responses to that.

[The information follows:]

MILITARY CONSTRUCTION FOR KC-X

The KC-30 and KC-767 aircraft are larger than the KC-135 and will require a similar degree of MILCON. The estimated MILCON costs are source selection sensitive and cannot be disclosed here but the costs are higher for the KC-30 when compared to the KC-767. MILCON costs were similar for fuel hydrant relocations, training devices, and simulators. The majority of cost differences were in hangar modifications and ramp upgrades. It's important to note that MILCON cost estimates were not considered in isolation by the source selection team, but were included as a component of the Most Probable Life Cycle Cost, accounting for approximately 2 percent of the total costs.

Senator BROWNBACk. Isn't this something you prepare for all the time? I mean, it seems like if you're going to buy a new weapon system—you were talking about bedding down other weapons systems—that you would be preparing for that now.

Ms. FERGUSON. Quite honestly, our installations offices don't get involved until after the selection of the aircraft. We don't normally get involved at the beginning. Not to say that there was engineers that were involved in the acquisition. It's just not those of us that are sitting here at the table today.

So I apologize. We'll have to get back to you on the questions specifically to the KC-X and the selection process and the engineering criteria, analysis, and assumptions that were used going into the selection process.

Senator BROWNBACk. Let me ask General Clarke because it's active duty, it's Guard and Reserve that fly a lot of these tankers. Have you done, has your group done, an assessment of what you're going to have to change spacewise, either landing or hangars for the new aircraft?

General CLARKE. No, sir, not at the National Guard Bureau level. But the States themselves obviously once they heard about the selection started looking at their facilities and started determining where they might fit in the source selection after the announcement. To my knowledge, the National Guard Bureau itself has not done any type of analysis like that.

Senator BROWNBACk. What have you heard back from the States, though? If they are doing this assessment, then they must have something that they've assessed.

General CLARKE. I would say that most of them would tell you that either tanker probably would not fit in their existing facility. They're all built for KC-135 size or smaller type aircraft. So I don't

think that they would tell you that the existing facilities would accommodate either tanker.

Senator BROWNBACk. Have they said anything about the bigger, the Airbus plane, since it is a bigger plane that it will require more space or reinforcing of runways?

General CLARKE. Yes, sir, in some locations that may be true. I don't have any analysis, though, to back that up.

Senator BROWNBACk. Have they told you that?

General CLARKE. Only anecdotally. They have not come forward with any metrics per se to say this is what we've measured and looked at as far as weight on the ramp, taxiways and things that you brought up, sir.

Senator BROWNBACk. They have done no official assessment?

General CLARKE. To my knowledge, no, sir.

Senator BROWNBACk. General, this seems kind of odd to me. This is a \$40 billion contract and it's not been hidden from the public. So it's kind of known. And it's a bigger plane, and your guys know how to handle planes.

General CLARKE. Yes, sir.

Senator BROWNBACk. I've got a group of them in my State who do a fabulous job. So I've got to think they've been all over this thing about now, where are we going to put this thing? And you've got no assessment?

General CLARKE. To my knowledge, no, sir, we don't. No, sir.

Senator BROWNBACk. Now, that seems to be intentional, that you have no assessment.

General CLARKE. Intentional on the part of the National Guard Bureau, sir?

Senator BROWNBACk. Yes.

General CLARKE. Oh, no, sir, not at all.

Senator BROWNBACk. Does that make sense to you, that you're going to have a big new plane and you haven't assessed where you're going to put it?

General CLARKE. To my knowledge, sir, we were never given any direction to go look at this. We don't have any funding to go out and send teams to analyze it. We don't have any way to do this at the base level other than maybe just to do an overprint of the size of the aircraft against existing facilities.

Senator BROWNBACk. Have you made a request for that assessment to be done?

General CLARKE. No, sir. No, sir.

Senator BROWNBACk. Why not?

General CLARKE. Sir, we're going to work with the Air Force and the Air Mobility Command when they finally make the selection of where we're going to put these aircraft in their road map. But at this time it would be speculative to say where these airplanes are actually going to go at this time. We have no idea where they might be bedded down.

Senator BROWNBACk. Well, I guess I would—I'm sitting here on a MILCON committee thinking there's going to be a big price tag on this and you guys are going to submit it. And it seems like we ought to have it as part of the overall estimate, because either plane is going to be different than your current one. So that you would think you would do an assessment, here's what it would be

for the Boeing, the 767, and here's what it's going to be for the Airbus A-330; and that you would have that so you would know, because these are going to be in a lot of bases in this country and a lot of bases around the world. My guys, they're going all the time.

So I'd kind of think you would do that now.

Ms. FERGUSON. My understanding is that was done as part of the source selection evaluation. It just was done by a different group than the three of us up here, and MILCON cost were considered as one of the factors in their evaluation. But we will have to get the level that that was provided and the information, whatever the acquisition selection team can provide, and get that back to you.

Senator BROWNBACK. But none of you were involved in this?

Ms. FERGUSON. None of the three of us were involved.

Senator BROWNBACK. Why weren't you involved? I mean, you would be the ones to be in charge of doing it, right?

Ms. FERGUSON. We work the execution piece. We typically don't get involved in the selection of the new weapons systems. We work the beddown piece, but we don't get involved in the up-front end.

Senator BROWNBACK. When you come back for all the upgrades on this, I may have some real questions for you then, too, of why we weren't preparing for the billions on this.

Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator JOHNSON. I would like to thank all our witnesses for their appearances before the subcommittee today. We look forward to working with you this year as the 2009 budget process continues.

For the information of subcommittee members, if you have questions for the record that you would like to submit please do so by the close of business on May 15, 2008.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

FYDP CUTBACKS

Question. As I noted at the hearing, I am deeply concerned over the declining level of military construction funding requested for the Air Guard and Air Force Reserve. The Future Years Defense Plans (FYDPs), for the Guard and Reserve have been severely cut; over the next 5 years, the Air Guard has proposed only 40 projects, or an average of 8 per year. The Air Force Reserve has proposed only 13 projects, an average of less than 3 per year. By the Senate's rules, we cannot appropriate money for projects that are not in the Services' FYDPs. Thus, even if Congress wants to increase funding for the Guard and Reserve above the request, there are very few eligible projects to put money toward.

Why have the FYDPs for the Air Guard and Air Force Reserve been cut back so drastically? Whose decision was that?

Answer. Air Force leadership corporately decided to take risk in infrastructure in order to fund higher priority requirements, such as modernizing and recapitalizing our aging aircraft fleet. This decision reduced the total Air Force Military Construction program greatly over the fiscal year 2009-2013 FYDP. Corporately we are taking steps to change how Air National Guard and Air Force Reserve Military Construction projects are allocated which will increase the number of Guard and Reserve Military Construction projects in the FYDP.

GUARD AND RESERVE CONSTRUCTION REQUIREMENTS

Question. Please provide the Committee with a list of Guard and Reserve military construction (MILCON) requirements that have been left out of the FYDP.

Answer. In order to recapitalize and modernize the fleet, the Air Force started “taking risk in infrastructure” in the fiscal year 2008 President’s Budget (PB), which resulted in a reduced MILCON FYDP. With a larger FYDP, all components would have been able to list more MILCON projects. Using the fiscal year 2006 PB as a representative size FYDP, the additional Air National Guard and Air Force Reserve projects may have included the projects below in the current FYDP.

The Air National Guard MILCON projects highlighted below represent those projects that may have been included in a larger FYDP (\$350.6 million). The other projects listed below are additional Air National Guard MILCON requirements (part of the overall MILCON backlog).

[In millions of dollars]

State	Location	Project Title	Cost
AL	MONTGOMERY	TFI-Replace Squadron Ops Facility	8.9
AL	MONTGOMERY	Replace Fuel Cell/Corrosion Control	7.8
AR	FORT SMITH	Repl Civil Engineer Complex	9.0
AZ	DAVIS MONTHAN	TFI-Predator Beddown—FOC	6.7
AZ	FORT HUACHUCA	TFI-Predator LRE Beddown	11.0
CA	SCLA	TFI-Predator FTU LRE Beddown	8.4
CO	BUCKLEY	ADALWpn Rel Shp, Bldg 805	3.3
CT	BRADLEY	TFI-cNAF Beddown	9.2
DE	NEW CASTLE	Replace Fuel Cell Hangar	11.2
DE	NEW CASTLE	Replace Acft Maintenance Shops	11.6
DE	NEW CASTLE	Joint Forces Ops—ANG Share	1.5
DE	NEW CASTLE	Replace Maintenance Shops	11.2
FL	MACDILL	Construct Vehicle Maintenance Facility	2.6
GA	SAVANNAH	Relocate ASOS	7.7
HI	HICKAM	TFI-F-22 Hangar, Squad Ops and AMU	48.0
HI	HICKAM	TFI09F0922 Weapons Load Crew	7.0
HI	HICKAM	TFI09F0922 Upgrade Munitions	18.0
HI	HICKAM	TFI09F0922 Infrastructure Support	6.7
HI	HICKAM	TFI09F0922 Flight Sim Facility	19.0
HI	HICKAM	TFI09F22-Aircraft Parking Apron	12.0
IA	DES MOINES	Replace Comm Facility	5.9
IA	DES MOINES	ADAL Security Forces	4.6
IL	CAPITAL	Relocate Base Entrance	6.1
IL	CAPITAL	TFI09cNAF Beddown	12.4
IN	FORT WAYNE	ASE and GP Shop Addn	4.2
IN	FORT WAYNE	Add To Fire/Crash/Rescue	2.0
IN	HULMAN	TFI09ASOS beddown	4.4
KS	FORBES	Replace Squad Ops Facility	9.5
KS	MCCONNELL	TFI-Expand DCGS Facilities	8.9
KY	LOUISVILLE	TFI09CRG Facility	7.1
LA	HAMMOND	Upgrade Comm and Supp Fac	5.0
LA	NEW ORLEANS	Replace Security Forces Fac	5.2
MA	BARNES	ADAL Aircraft Maintenance Hangar	10.6
MA	OTIS	TFI09cNAF Beddown	4.7
MA	MILFORD	Joint Forces Headquarters—ANG Share	1.5
MD	MARTIN STATE	Composite Trng Facility	6.5
MD	ANDREWS	Replace Munitions Storage complex	14.0
ME	BANGOR	Add/Alter Fire Crash/Rescue	5.1
ME	BANGOR	Replace KC09135 Hangar and Shops	28.0
MI	SELFRIDGE	ADAL Squad Ops	9.3
MI	W K KELLOGG	TFI09cNAF Beddown	9.2
MN	DULUTH	Load Crew Trng/Weapons Release	8.0
MN	MINN ST PAUL	Aircraft De-icing Apron	1.5
MO	WHITEMAN	TFI09B092 Ops and Trng	6.4
MO	LAMBERT	TFI09cNAF Beddown	8.4
MS	JACKSON	Security Forces/med training	7.7
MS	KEY FIELD	TFI09cNAF Beddown and AFFOR	17.0
NC	STANLY	Upgrade ASOS Complex	2.4
NE	LINCOLN	Joint Forces Headquarters—ANG Share	1.5
NH	PEASE	Replace Squadron Operations	9.8

[In millions of dollars]

State	Location	Project Title	Cost
NJ	MCGUIRE	Replace Base Civil Engineer	9.5
NJ	MCGUIRE	TFI—Upgrade CRG Facility	4.2
NJ	ATLANTIC CITY	Dining Hall and Services Facility	8.4
NM	KIRTLAND	ADAL Security Forces Bldg 1062	1.7
NV	CREECH	TFI09UAS Squad Ops	2.2
NY	GABRESKI	Communications Facility	5.8
NY	STEWART	Security Forces/Mobility Fac	9.5
NY	FT DRUM	TFI-Reaper LRE Beddown	2.0
OH	TOLEDO	Small Arms Range	4.0
OH	TOLEDO	Construct Band Facility	2.0
OH	TOLEDO	Repl Sec Forces Complex	8.5
OH	TOLEDO	Replace Fire/Crash/Rescue Station	5.4
OH	TOLEDO	Munitions Storage Complex	11.6
OR	KLAMATH	Security Forces Facility	5.0
OR	KLAMATH	Add to Fire/Crash/Rescue Station	1.5
PA	WILLOW	TFI09cNAF Beddown	9.2
RI	QUONSET	Medical Training/Dining Hall	9.9
SC	MCENTIRE	Joint Forces HQ—ANG Share	1.3
SC	MCENTIRE	Wastewater Treatment Facility	1.5
SC	MCENTIRE	Expand Arm/Dearm Pad	3.0
SC	MCENTIRE	Construct CATS and CATM	1.3
TN	MEMPHIS	BCE Maintenance/Training Complex	7.4
TN	NASHVILLE	TFI-Intel Squadron Facility	6.0
TN	NASHVILLE	TFI-Establish C-130 FTU	6.3
TX	ELLINGTON	Security Forces Facility	5.5
TX	ELLINGTON	TFI09ASOS Beddown	6.8
TX	TBD	TFI-Predator LRE beddown	7.0
TX	FORT WORTH NAS JRB	ECM Shop Addition, B1675	1.1
UT	SALT LAKE	Upgrade ESC Complex	8.8
UT	SALT LAKE	Replace Composite Fire Station	12.0
VA	LANGLEY	TFI09F0922 Ops and Trng Fac	6.5
VT	BURLINGTON	ADAL Fire Crash/Rescue Station	5.8
WI	GEN MITCHELL	Upgrade Corrosion Control Hangar	4.7
WI	VOLK FLD	Replace Troop Trng Quarters	9.8
WV	SHEPHERD FLD	C095 Aircraft Upgrade Taxiways	10.0
WV	SHEPHERD FLD	C095 Avionics Shop	4.3
WV	YEAGER	AGE and Security Complex	11.0
WV	YEAGER	Replace Communications Training Facility	5.4
WY	CHEYENNE	Vehicle Maint & Deploy Process	7.5
TOTAL			681.1

The Air Force Reserve MILCON projects highlighted below represent those projects that may have been included in a larger FYDP (\$153.6 million). The other projects listed below are additional Air Force Reserve MILCON requirements (part of the overall MILCON backlog).

[In millions of dollars]

State	Location	Project Title	Cost
AL	Maxwell	AERIAL PORT SQUADRON FACILITY	4.9
AL	Maxwell	AIRCRAFT PARKING RAMP	15.7
AL	Maxwell	LOGISTICS/AGE/AVIONICS FACILITY	4.3
AL	Maxwell	SHORTFIELD RUNWAY	12.9
AL	Maxwell	SQUADRON OPERATIONS/OG/OSF FACILITY	7.0
AZ	Luke	AEROMEDICAL STAGING SQUADRON FACILITY	4.7
CA	Travis	C17 & C5 ALTER FOR RESERVE TRAINING FACILITY.	5.0
CA	March	INDOOR SMALL ARMS FIRING RANGE	5.9
CA	March	JOINT REGIONAL DEPLOYMENT CARGO CENTER	7.0
CA	Beale	940 ARW CONSOLIDATED TRAINING FACILITY	4.2
CA	Travis	COMMUNICATIONS TRAINING FACILITY	2.3
CA	Travis	AIRLIFT CONTROL FLIGHT TRAINING FACILITY	2.4
CA	March	RESERVE LODGING FACILITY	10.9

[In millions of dollars]

State	Location	Project Title	Cost
CA	Travis	RESERVE RECRUITING SQUADRON	2.2
CA	March	WIDEN TAXIWAY A	9.1
CA	March	CONTROL TOWER	10.3
CA	March	C-17 ASSAULT STRIP	7.9
CA	March	CLEAR ZONE DRAINAGE	10.1
CA	March	UNDERWING HIGH EXPANSION FOAM (HEF) SYSTEM	3.1
CO	Peterson	SECURITY FORCES FACILITY	5.0
FL	Homestead ARB	DINING FACILITY	6.0
FL	Patrick	MAINTENANCE WORKSHOP COMPLEX	10.0
FL	Patrick	WING HEADQUARTERS FACILITY	10.5
FL	Homestead ARB	ENTRY CONTROL COMPLEX	9.5
FL	Homestead ARB	ADD/ALTER COMMAND POST BUILDING 360	2.1
FL	Homestead ARB	EXPLOSIVE ORDNANCE DISPOSAL FACILITY	3.2
FL	Homestead ARB	AERIAL PORT SQUADRON FACILITY	6.7
FL	Homestead ARB	ADD VISITING QUARTERS BUILDING 410	3.9
FL	Homestead ARB	STORAGE FACILITY OPS/MX	2.3
FL	Homestead ARB	RESERVE LODGING FACILITY	11.0
FL	Homestead ARB	RESERVE LODGING FACILITY	11.0
FL	Homestead ARB	RESERVE LODGING FACILITY	11.0
GA	Dobbins	FIRE STATION AND SECURITY COMPLEX	10.2
GA	Dobbins	WING HEADQUARTERS FACILITY	4.3
GA	Dobbins	FITNESS CENTER	4.0
GA	Dobbins	RESERVE LODGING FACILITY—PHASE 1	16.5
GA	Dobbins	RESERVE LODGING FACILITY—PHASE 2	16.5
GA	Dobbins	RESERVE LODGING FACILITY—PHASE 3	15.5
GA	Dobbins	PURCHASE AICUZ CLEAR ZONES	34.0
GA	Dobbins	EXPLOSIVE ORDNANCE DISPOSAL FACILITY	3.1
GA	Robins	HQ AFRC COMPLEX PHASE 1	100.0
GA	Robins	HQ AFRC COMPLEX PHASE 2	50.0
HI	Hickam	624 RSG HQ FACILITY	12.2
IN	Grissom	ADD/ALTER AIRCRAFT MAINTENANCE HANGAR	9.8
IN	Grissom	SECURITY FORCES SQUADRON FACILITY	7.4
KS	McConnell	RESERVE TRAINING FACILITY 931 ARG	1.6
LA	Barksdale	B-52 FUEL CELL MAINTENANCE DOCK	12.8
LA	Barksdale	WING TRAINING FACILITY	2.8
MA	Westover	SQUADRON OPERATIONS FACILITY	10.0
MA	Westover	RESERVE LODGING FACILITY	10.5
MA	Westover	WING HEADQUARTERS FACILITY	8.4
MA	Westover	INDOOR SMALL ARMS FIRING RANGE	6.7
MA	Westover	DINING FACILITY	7.7
MA	Westover	RESERVE LODGING FACILITY	10.8
MA	Westover	AEROMEDICAL STAGING SQUADRON FACILITY	5.2
MA	Westover	RESERVE LODGING FACILITY	7.7
MA	Westover	RESERVE LODGING FACILITY	10.0
MA	Westover	PAVEMENTS AND GROUNDS FACILITY	3.7
MA	Westover	OVERRUNS AND SHOULDERS RUNWAY 15/33	4.7
MA	Westover	VEHICLE MAINTENANCE FACILITY	6.3
MA	Westover	LAND ACQUISITION BASE PERIMETER	4.0
MN	Minn-St Paul	AERIAL PORT SQUADRON FACILITY	7.5
MN	Minn-St Paul	PARKING RAMP—VEHICLE	11.0
MO	Whiteman	MUNITIONS MAINTENANCE FACILITY	2.2
NC	Seymour Johnson	OPERATIONS GROUP FACILITY	6.3
NC	Seymour Johnson	COMMUNICATIONS SQUADRON FACILITY	5.6
NJ	McGuire	AIRLIFT CONTROL FLIGHT FACILITY	3.9
NJ	McGuire	ADD/ALTER WING HEADQUARTERS BLDG 2217	5.7
NJ	McGuire	CIVIL ENGINEER TRAINING FACILITY	6.4
NY	Niagara Falls	RESERVE APRON	13.3
NY	Niagara Falls	AFRC/ANG BASE OPERATIONS FACILITY	3.3
OH	Youngstown	RESERVE LODGING FACILITY—PHASE 3	9.4
OH	Youngstown	INDOOR SMALL ARMS FIRING RANGE	9.4
OH	Youngstown	MISSION SUPPORT COMPLEX	4.4
OH	Youngstown	SECURITY FORCES SQUADRON FACILITY	4.0
PA	Pittsburgh	RESERVE LODGING FACILITY—PHASE 1	9.2

[In millions of dollars]

State	Location	Project Title	Cost
PA	Pittsburgh	WING HEADQUARTERS FACILITY	9.8
PA	Pittsburgh	RESERVE LODGING FACILITY—PHASE 2	8.6
PA	Pittsburgh	MODIFIED SMALL FITNESS CENTER	6.1
PA	Pittsburgh	ADD/ALTER WEST APRON REPLACEMENT	9.1
PA	Pittsburgh	DINING FACILITY, RECREATION CENTER AND RESERVE LODGING—PHASE 3	17.5
PA	Pittsburgh	RESERVE LODGING FACILITY—PHASE 4	13.0
SC	Charleston	ADD/ALTER AEROMEDICAL FACILITY	2.5
SC	Charleston	RED HORSE HQ AND ENGINEERING FACILITY	3.5
SC	Charleston	ADD/ALTER 315TH SQUADRON OPERATIONS FACILITY	4.3
SC	Charleston	RED HORSE AIR FIELDS AND VEHICLE MAINT	8.6
TX	Lackland	433 AW HQ FACILITY	5.8
TX	Lackland	CONSOLIDATED MAINTENANCE FACILITY	15.2
UT	Hill	RESERVE TRAINING COMPLEX	5.5
UT	Hill	AERIAL PORT SQUADRON FACILITY	3.0
WA	McChord	AEROMEDICAL STAGING SQUADRON FACILITY	2.8
TOTAL	834.9

QUESTION SUBMITTED BY SENATOR WAYNE ALLARD

TRANSITION FROM CHEYENNE MOUNTAIN TO PETERSON AFB, CO

Question. Mr. Anderson, as you continue to transition from Cheyenne Mountain to Building 2 at Peterson AFB, I'm concerned about force protection. In the FYDP for fiscal year 2010, the Air Force has included a plan to acquire 23 acres surrounding Building 2 specifically for force protection. I have requested that the funding be made available in fiscal year 2009, as I believe it to be a vital project for Peterson. If this funding is not included for fiscal year 2009, what are your plans to move forward with protecting the area surrounding Building 2?

Answer. We are aware of the security concerns around building number two at Peterson Air Force Base, CO. The 23-acre land acquisition military construction (MILCON) project is part of the solution to provide force protection. We are currently in the process of building our fiscal year 2010–2015 Program Objective Memorandum. The Air Force Corporate Structure will make every attempt to place its most urgent MILCON requirements in the fiscal year 2010 MILCON program as part of fiscal year 2010–2015 Program Objective Memorandum build and will consider this project during its deliberations of the Air Force fiscal year 2010–2015 MILCON program build.

CONCLUSION OF HEARINGS

Senator JOHNSON. This hearing is recessed.

[Whereupon, at 11:35 a.m., Thursday, May 8, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]