



The Principi Group

## **August Florida Monthly Advocacy Report**

For the period August 1-31, 2014

### **1. Washington DC Insights**

#### **a. Budgets**

##### **- Air Force Highlights:**

The House defense appropriation would generally follow the House Armed Service's recommended DoD funding levels and shift resources from air operations, unobligated or unexpended personnel and operations & maintenance (O&M) balances in order to pay for other priorities such as retaining force structure, purchasing procurement items above the President's request, and maintaining the same personnel compensation levels into the future. The subcommittee also recommended an overseas contingency operations (OCO) placeholder funding amount of \$79 billion. This account will almost certainly be used to partially fund many of the activities cut or left out of the base budget.

Air Force highlights include:

- \$134.5 billion Total Force base budget (roughly \$500 million below PB)
- Personnel: 1.8% pay raise, no changes commissary subsidies, no change to basic allowance for housing (BAH), no TRICARE increases
- Prohibitions on aircraft retirement:
  - Although the Committee allowed for A-10 divestiture, Congresswoman Miller (MI-10) offered an amendment that was adopted on the floor prohibiting the aircraft's retirement
  - Congressman Runyan (NJ-3) offered an amendment that passed prohibiting retirement of the KC-10
  - Prohibits any E-3 AWACS retirement
  - Prohibition on cancellation of C-130 AMP funding
- Matches President's budget (PB):
  - KC-46A
  - Long Range Strike Bomber
  - JSTARS
- Adds:
  - \$220 million for 2 additional F-35s (from 26 to 28)
  - \$220 million for liquid rocket engine development to replace the Russian RD-180
  - \$100 million for Combat Rescue Helicopter

- \$145 million for Facilities Sustainment Restoration and Modernization (FSRM)
- Reports:
  - Flying hour metrics: directs the Secretary of the Air Force to conduct an evaluation of the flying hours program and how it relates to the Air Force budget request
  - ISR: directs the Secretary of the Air Force to present a plan for improving Global Hawk block 30 capacity before divesting the U-2

The Senate Appropriations Committee on Defense (SAC-D) also proposed shifting money, cutting several Air Force investment accounts (RDT&E and procurement) while adding very slightly to O&M and personnel associated initiatives. The committee also recommended a total of \$59.7 billion for OCO.

- \$134.2 billion Total Force base budget (roughly \$900 million below PB)
- Personnel: 1% pay raise, no changes to commissary subsidies, supports the PB for small reduction in BAH allowance, does not change TRICARE
- Matches PB:
  - KC-46A
  - Long Range Strike Bomber
- Reductions:
  - -\$122 million for the F-35 program
  - -\$105 million for the C-5M program
  - -\$657 million for Air Force RDT&E (-\$418 million for classified programs, -\$239 across numerous other accounts, e.g. - \$63 million for next generation JSTARS)
- Adds:
  - \$200 million for separation pay
  - \$338 million to continue operation of the A-10 fleet
  - \$90.5 million to continue to operate all 31 E-3 AWACS
  - \$227 million for Facilities Sustainment Restoration and Modernization (FSRM)
  - \$100 million for CRH
  - \$125 million for accelerating open competition among at least two providers for a national security space launch vehicle
- Reports:
  - The Committee is concerned about assured access to space given our reliance on the Russian RD-180 and directs the Secretary of the Air Force to develop an affordable, competitive rocket engine development strategy that delivers a rocket engine by 2019. The strategy should include an assessment of the potential benefits and challenges of using public-private partnerships and innovative teaming arrangements

#### **b. Committees**

- The Senate is in recess until September 8, 2014 while the House continues to conduct periodic field hearings through the month of August.

**c. Other:**

- Nothing significant this month

**2. Military Services/Programs**

- The USAF Announced the Activation of the Provisional Air Force Installation and Mission Support Center (AFIMSC) Headquarters. Air Force Material Command announced activation of the provisional headquarters at Joint Base Andrews, MD and the naming of Maj. Gen. Theresa Carter as the provisional commander. MG Carter has been working out of JB Andrews as a Special Assistant to the Commander of AFMC for the past several months, developing the strategy and implementation plan for the Center. USAF is undergoing a standard basing process analysis for the permanent location on AFIMSC.

- The Air Force also launched a new program called the strategic approach to asset management. An AFCEC August 7 news release explained the concept: *"The Air Force Civil Engineer Center recently rolled out the first comprehensive two-year integrated priorities list to strategically order funding of sustainment, restoration, modernization, environmental and demolition projects across the Air Force portfolio."* The article goes further to explain: *"This IPL is a quantum leap forward in managing the billion dollar annual centralized program, in that it moved the asset management approach from theory into practical application, ensuring the Air Force spends the next tax dollar on its next most-important natural or built-infrastructure requirement," said Col. Justin Davey, director of AFCEC's Planning and Integration Directorate. "We can quantifiably demonstrate we are allocating resources to extend the service life or invest in our most valuable assets to minimize impact to the mission...After base civil engineers input their installation's requirements and associated scores into an online database, programmers at major commands analyze all requirements and assign each project a priority. AFCEC pulls base and major command inputs, then scores and prioritizes all projects. The final result is the IPL. Everything above the anticipated funding line is approved for the coming fiscal year. A portion of the requirements below the funding line are also prepared for award next fiscal year, or earlier if additional funds come available."*

**3. Installations**

- The Chief of Naval Operations, Admiral Greenert visited Naval Air Station Key West, JIATF South, SOUTHCOM, CENTCOM, and SOCOM. Admiral Greenert's comments regarding NAS Key West included "This place is incredibly crucial to our training. We can do our most advanced air wing tactics here and here is where we will develop our future for our air wings. Key West is a part of our future, as far out as I can possibly see"

- Hurlburt Field was the recent recipient of one of five Federal Project Energy Awards. An AFCEC August 6 announcement highlighted *"A team of engineers at Hurlburt Field, Fla., expanded and improved the installation's graywater distribution system to reduce demand on the local water supply. In the past, Hurlburt pumped and treated 500,000 gallons per day from the local water supply in order to meet industrial and irrigation requirements. Lt. Col. Mark Donnithorne and Capt. Eric Morgan led the project to add more than 40,000 feet of piping and a 500,000 gallon storage tank. Hurlburt now supplies reuse water for irrigation, aircraft and vehicle wash racks, a fire training facility, and cooling towers along with providing excess water*

to the local community for reuse. As a result, Hurlburt reduced potable water consumption by 13 million gallons.” This initiative is another indicator of how Florida’s installations lead DoD in innovation.

- 45<sup>th</sup> Space Wing supported a SpaceX Launch of AsiaSat 8 Satellite on August 5<sup>th</sup>. AsiaSat 8 is a satellite built for Asia Satellite Telecommunications Company Limited, or AsiaSat, serving Asia, the Middle East, and Australia. This satellite will provide broadcast and/or communications in a geosynchronous orbit.

- Secretary of the Navy Ray Mabus officially announced that six Littoral Combat Ships (LCS) will be home ported at Naval Station Mayport. Secretary Mabus said. *“The assignment of these six ships underscores just how important the First Coast is to our national defense, and how committed we are to the strategic dispersal of our Fleet. Mayport will soon be a hub for small surface combat ships, and will continue to serve as an important Navy partner.”* The six Lockheed Martin-built Freedom-variant ships are the future Little Rock (LCS-9), Sioux City (LCS-11), Wichita (LCS-13), Billings (LCS-15), Indianapolis (LCS-17) and the yet unnamed LCS-19. This decision will eventually bring an estimated 900 sailors and support personnel to the Mayport area.

- NAS Jacksonville’s VP-30 receives its 15th Low Rate Initial Production P-8a Aircraft.

- Congressman Ander Crenshaw, Member of the House Defense Appropriations Subcommittee, welcomed the USS Iwo Jima and the USS Fort McHenry to Naval Station Mayport on August 17 for their official homeporting ceremony. Crenshaw stated “It will be a great honor to sail in on the Iwo Jima as she and the USS Fort McHenry join the USS New York to complete the homeporting of this Amphibious Ready Group (ARG) at Naval Station Mayport,” said Crenshaw. “Northeast Florida welcomes the 2,000 sailors and families who will call this region home, and our top notch defense and ship repair industry will keep these ships ready to serve whenever and wherever they are needed.”

- The Perry-class frigate *USS Halyburton* (FFG-40), home ported at Mayport, will be decommissioned 8 September.

- Blount Island – In August, the Navy and Marine Corps hosted “Bold Alligator 2014”, an annual exercise that offloads supplies from a Maritime Prepositioning Force ship anchored off the coast near the mouth of the St Johns River. Supplies are renewed, upgraded, and returned to their at sea base for use in a crisis situation.

#### **4. Other Federal activities/impacts**

- The Federal Bureau of Ocean Energy Management (BOEM) held a pair of meetings in Panama City to solicit public comment on a proposal to open up new areas in the Gulf of Mexico for natural gas and oil production. The meeting was the first of several scoping meetings scheduled along the Gulf Coast this week as the agency begins development of a supplemental environmental impact statement, which will analyze the environmental and socioeconomic impacts of oil and natural gas leasing, exploration, development and production at the two proposed sites. The lease sites are west of the Military Mission Line and do not impact the military ranges in Florida.