DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE MILITARY PERSONNEL SUBCOMMITTEE COMMITTEE ON ARMED SERVICES UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MORALE, WELFARE AND RECREATION (MWR) OVERVIEW

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NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE ON ARMED SERVICES UNITED STATES HOUSE OF REPRESENTATIVES Madam Chairwoman and members of the Military Personnel Subcommittee, thank you for this chance to appear before you and talk about our Air Force MWR programs. We build combat readiness through a wide range of programs that both sustain the Air Force mission and create a culture of community support for all Airmen and their families. Even with continued high operational deployment tempo, we have not faltered in providing critical functions that ensure mission success while maintaining an environment with the highest quality of life possible. Our efforts tie directly to Air Force success in combatant arenas and on the home front.

We are maintainers. We proudly maintain the human warfighting machine, our Air Force's number one weapons system. We fuel it, we keep it tuned, we provide it with a place to park, and we periodically refresh it. In contingency environments, your Air Force Services Airmen make sure America's warfighters have hot meals, stay fit, are well rested, have access to clean uniforms, enjoy ways to recuperate and regenerate when they're not directly on duty, and have positive venues for relieving the pressures and stresses that build up during the course of their duties. Our forward-deployed MWR programs contribute directly to the success of the military mission.

As the Air Force evolves in the way it postures for mission success, Air Force MWR programs are simultaneously evolving into a leaner, lighter, more efficient and more responsive effort that adapts to the changing military environment while maintaining its relevance to meet long term Air Force needs. In the past year, we've fully implemented our realignment from the Installations and Logistics community, which focuses predominantly on equipment and infrastructure, to the Manpower, Personnel and Services community with its primary focus on people.

We are also adapting to changes in our base-level environments and to ongoing reductions in our manpower and financial resources. The 2005 Base Realignment and Closure

legislation drove us to examine our programs closely, especially at the ten locations where our Air Force programs will be integrated into joint base installation MWR programs. We've been fully engaged in developing the common standards for use at these bases. Our goal continues to be for our Airmen and their families to enjoy the highest possible quality of life, with the highest possible standards for our MWR programs, regardless of who operates the base where they are stationed. We appreciate the Subcommittee's historical emphasis on the proper sourcing for realignment and closure costs, and trust that your continued vigilance will protect the servicemembers in the future.

The past year also brought reductions in manpower and financial resources. As part of a larger Air Force strategy to recapitalize its weapons systems through deliberate efficiency in the way we use manpower, we reduced Air Force Services by 355 enlisted, 87 officers, and a number of civilians. This drove us to rethink our processes and re-engineer the ways we use our personnel, both at home station and in deployed settings. We're aggressively pursing a number of efficient and transformational initiatives that will not only mitigate these losses, but also help us adapt to projected reductions in the coming years. I'll mention some of these new initiatives in greater detail later in this statement.

As officially stated, the Air Force's number two priority is to "Take Care of Our People." We take that message to heart, and every program we provide is targeted at taking care of our Airmen and their families.

Readiness, Casualty and Mortuary Affairs

Military members of the Air Force Services team provide combat support and community sustainment around the globe, in a wide-ranging variety of environments: from small short-term contingency locations, to larger sustained deployment settings, to installations located outside the

continental United States, to bases located in America's heartland. They maintain a constant state of readiness to deploy and go wherever they're needed.

At any given time during 2007, Air Force Services had more than 532 Airmen deployed to 19 different AFCENT sites. These Airmen served over 33,780 meals every day to deployed United States and Coalition forces. They kept Airmen healthy and fit to fight with a variety of fitness and recreation support. They successfully created top-notch recreation programs and entertainment to relieve stress from duties and operational tempo, and to alleviate the strain associated with extended separation from families. Our Learning Resource Centers facilitated professional development, offered civilian education, supported mental diversion from combat duty, and maintained connectivity to the outside world—all done on-site at each deployment location! These Airmen may not play the most glamorous roles, but the key support they bring to each and every warfighter is pivotal in the cumulative morale, welfare and recreation at all our deployment sites, regardless of their size.

Our readiness policy and planning staff hasn't been idle on the home front. With continued deployments for our Services Airmen, we've constantly researched new developments in field equipment that meets the needs and initiatives of our deployed commanders. We've partnered with research groups like Natick Laboratories for equipment modernization. Our new expeditionary kitchen initiative will allow our deployed personnel to operate field feeding in austere locations from an entirely electric-based platform, completely eliminating the need for hazardous fuel-fired equipment. We expect to deploy this new feeding platform as soon as fiscal year 2012.

Another research partnership initiative involves modifications to the transfer cases we use to return with dignity those comrades in arms who are killed in the course of their service to America. Recovery and return is one of our most sober responsibilities, and we take great care

to ensure it's done with the utmost respect to fallen Airmen and their families. We're currently testing modifications such as new insulation and external temperature gauges for transfer cases, and we've partnered with the United States Army to test ways to track these shipments better with specialized radio frequency identification equipment. This joint testing sets the stage for eventual combined tracking all the way from theater operations to our port mortuary facility in the Charles E. Carson Center for Mortuary Affairs at Dover Air Force Base, Delaware. Our Airmen deployed to support this Center work hand-in-hand with the Armed Forces Medical Examiner, the Federal Bureau of Investigations and liaisons from the other component services.

Air Force Services is the primary advisor to the Air Force Chief of Staff for all mortuary affairs matters. Air Force Casualty Services notifies family members and beneficiaries when their loved ones have died and provides compassionate assistance in the wake of the notification. In conjunction with our Services realignment to the Manpower and Personnel community, we took steps in 2007 at the Air Force headquarters to co-locate the casualty affairs function with mortuary affairs, and have seen a huge gain from synergizing these related programs. This combined Casualty and Mortuary Affairs office does far more than track fallen Airmen. They are also our lead office for the Air Force Survivor Assistance and Wounded Warrior programs.

The Air Force Survivor Assistance program continues with its original mission to assist the families of Airmen who die while on active duty. We have since expanded the program to assist seriously ill, injured, and wounded Airmen who are away from their home station, and their families. This includes local transportation for family members, lodging arrangements, assistance with benefits, and referral to the correct agencies to answer non-medical questions. We appoint Family Liaison Officers for each wounded, ill, or seriously injured Airman, to interact with the family and help to get things done and issues resolved. Our Survivor Assistance program is accessible 24 hours a day to anyone via a toll-free telephone call.

One of our wounded warriors, Staff Sergeant Christopher "Matt" Slaydon, is an Explosive Ordinance Disposal team member assigned to the 56th Civil Engineering Squadron, Luke Air Force Base, Arizona. On October 25, 2007, while on deployment to Iraq, Sergeant Slaydon was seriously wounded when an Improvised Explosive Devise exploded during a mission with the Army's 10th Mountain Division. Sergeant Slaydon sustained traumatic brain injury, amputation of his left arm above the elbow, loss of his left eye, damage to his right eye, multiple lacerations to the head and face, and facial bone fractures. He was treated at Kirkuk Air Base prior to air evacuation to Balad, Landstuhl, Walter Reed, and finally to Brooke Army Medical Center, where he continues to receive medical attention and support. During the recovery process, Matt's wife Annette faced many tough decisions. One of the most difficult was how to stay with Matt during his recovery. Annette's income was critical to the family meeting its monthly financial obligations, but staying with her husband meant that she has not been able to work since he was wounded. Of major concern was the "dream house" they had purchased in Phoenix before Matt was wounded and where they had spent considerable funds upgrading the property. With assistance from their Family Liaison Officer, the Slaydons didn't have to face those challenges alone.

Senior Airman Dan Acosta, a fellow explosive ordnance disposal Airman wounded on December 7, 2005, and his wife Sandy volunteered to serve as Family Liaison Officers for the Slaydons. Senior Airman Acosta had been searching and safing an area suspected to have improvised explosive devices when a blast caused traumatic amputation of his left arm, serious injuries to his legs, scalp lacerations, and burns. He and Sandy are a phenomenal example for other Family Liaison Officers. They helped Matt and Annette Slaydon with transportation to appointments, gathering information and points of contact for numerous benefits, including resources that could assist with their financial strain. The Acostas showed them living proof of

how a couple can manage to overcome terrible adversity, and in the process forged a lasting friendship. Our Survivor Assistance Program and Family Liaison Officers are but one way Air Force Services demonstrates the importance of taking care of the Air Force family and our Airmen.

Despite an already strong program, we constantly seek ways to improve the services we can provide to seriously wounded, injured or ill Airmen or the families of our deceased Airmen. For our wounded we've begun assigning Community Readiness Consultants from their home station Airman and Family Readiness Centers earlier in their recovery process. This consultant is a critical resource who assists the Family Liaison Officer with timely benefits counseling for the wounded member and his or her family. They are invaluable sources of reference for issues like financial aid, spouse employment, and child care referral. Additionally, in concert with the Defense Finance and Accounting Service, we've developed direct lines of communication that ensure timely resolution of financial issues. And, finally we continue to cultivate contacts with civilian industry and private organizations focused on providing career planning opportunities to wounded warriors who are medically discharged.

Our Casualty and Mortuary Affairs efforts are not limited to present day, active operations. In 2007, Air Force Mortuary Affairs worked hard to repatriate 72 Americans from the Hammangi Cemetery in Tripoli, Libya when the government of Libya began to reclaim the cemetery land. These interred Americans were dependents of service members stationed at Wheelus Air Base between 1948 and 1970. At that time, there was no entitlement to return deceased family members to the States; the cost to do so commercially was beyond the means of most service members, so most were buried where they died. An Air Force Mortuary Affairs team went to Libya and exhumed 72 Americans: 3 adults and 69 children. We exhausted all available means to locate and contact next of kin, and successfully connected with 31. Of those,

18 asked to have their loved ones buried in cemeteries of their choice. The other 13, and the remaining 41 whose next of kin could not be identified or located, received a dignified concurrent burial in the Delaware Veterans Memorial Cemetery on August 24, 2007.

Protocol and Honors

Our military funeral honors program is closely tied to casualty and mortuary affairs, and 2007 was another busy year for us. Your Airmen supported requests for honors details at 26,479 funerals: 238 for active duty members; 9,337 for retirees; and 16,904 for veterans. We also partnered with the other services to support an additional 4,813 Army funerals, 555 Navy funerals, 63 Marine Corps funerals and 2 Coast Guard funerals. To fulfill these escalating requests, the Air Force participated in the Authorized Provider Partnership Program (AP3) with our Veteran Service Organization members, 2,330 of whom assisted our uniformed men and women in rendering funeral honors last year.

In total, we provided honors support for 31,912 funerals in 2007. Nearly all funeral honors support is accomplished with volunteer honor guard members who often perform these duties outside their normal work schedule and who practice and hone their movements during their off-duty time. Military honors at funeral ceremonies are often the "face of the military" to family members and loved ones, particularly at retiree and veteran funerals. This representation makes a foundational impression on young people who attend the funerals and see the honor guard in action. It took over 165,000 appearances by individuals in Air Force uniforms to support those 31,912 funerals in 2007.

Those numbers, while impressive, don't clearly portray how the requirement has grown in the last 10 years. Throughout the 1990s, the Air Force consistently averaged about 5,500 funeral details per year. The 2000 Authorization Act mandated funeral honors for any veteran who requested them, and the number of military funeral requirements surged. As I have shown,

the Air Force supported nearly six times the number of funeral details in 2007 as it had 10 years earlier. During the same period, the number of active duty enlisted members declined by 19%, cutting the potential manpower pool available to support this program. On top of that, as bases have closed or realigned over the years, the remaining bases had to compensate by taking responsibility for an even larger geographic area. In some parts of the country, our Honor Guard Airmen drive over 250 miles each way to support military funerals on the outer fringes of their assigned area, and occasionally must stay overnight before beginning the long journey back. It's not easy being an Honor Guard member these days, but our Airmen wouldn't have it any other way; they take great pride in rendering our country's final salute to those who served before them. Even so, the aging population of veterans will cause the number of deaths to peak in 2013. We're looking at ways to ease the burden on the Honor Guard by reducing the size of the funeral detail for retirees from 10 members to 7, and by rearranging the bases' areas of responsibility to provide more equitable distribution of the honors workload. We remain committed to providing the honors that our veterans were promised.

Both the honor guard and protocol are wing commander programs, so we've taken steps to align the two functions into a single, installation-level office at our bases. Our requirements to deploy protocol officers and enlisted members in support of contingencies continue to grow, without corresponding growth in subject matter expertise and the home station workforce; this is particularly critical in longer-term, sustained forward contingency environments where the forward deployed installation interacts frequently with representatives from its host nation. We've come perilously close to extending our experts in protocol for lengthy tours just to meet our ongoing deployment commitments.

One very successful outgrowth of our realignment into a Manpower, Personnel and Services community across the Air Force has been the ability to train and then leverage legacy manpower and personnel Airmen, who historically have deployed much less frequently than Services personnel, to support our deployed protocol mission. In 2006, we piloted an in-depth Fundamentals of Protocol course at our Air Force Institute of Technology; as of today, we are the only service to offer this kind of continuing education. In 2008, we'll host a first ever combined Air Force Honor Guard, Mortuary Affairs and Protocol symposium for 350 personnel, both military and civilian. The Symposium will address key issues on policies, procedures, expeditionary doctrine and practice, equipment and training while promoting synergy for the new, combined installation Protocol and Honors function.

Food Service

Air Force Services feeding operations extend far beyond our support to contingency and deployed missions. We operated large scale enlisted dining facilities at the installation level; in 2007, those facilities served over 32 million meals at bases in the continental United States and over 8 million meals at installations outside the United States. This past year, we conclusively validated our requirements for flight meals to aircrew members and for ground meals. To date, Air Force Services has invested over \$160 thousand in operations and maintenance for our Corporate Food Service Management System, which gives us a networked electronic tracking and monitoring capability for all enlisted food service activities at installations around the globe. Our food service professionals are also participating in a Joint Food Management Software Development team.

We're also aggressively pursuing ways to transform our food and beverage functions across the enterprise. Last year I briefed that we're developing a new five-year strategic plan to employ private sector best practices in developing new initiatives and incorporating new performance measures. Our food transformation effort is a direct result of those strategic ideas and our Strategic Planning Board identified it as the number one strategic initiative in an April

2007 commanders' conference. Air Force Services chartered a Food and Beverage

Transformation Team in summer 2007. We envision an efficient, solvent, affordable, adaptable,
and customer-driven integrated food delivery system, in an environment that ensures Services

Airmen maintain the skill sets required to provide wartime and contingency feeding operations.

We've assessed the full spectrum of our food and beverage operations, both enlisted dining facilities and other casual and theme dining venues at the installation. We're analyzing ways to increase efficiency dramatically while lowering overhead, personnel and process costs. We'll gain many of these efficiencies by partnering our diverse functions internally into a single, streamlined food and beverage function. We'll do this while maintaining high quality, nutritious and appealing meals for all our customers in keeping with Department of Defense and Air Force standards.

Fitness

The Air Force is committed to our Chief of Staff's "Fit to Fight" program. What we've developed in Air Force Services dovetails excellence in fitness with overall excellence in wellness. We've partnered with Health and Wellness Centers to teach unit physical training leaders how to provide classroom presentations on fitness and how to conduct dynamic, effective unit fitness programs. Due in large part to our emphasis on excellence, overall Air Force fitness assessments on annual tests improved: 97.2 percent of all personnel achieved "good" or "excellent" scores, nearly a 2 percentage point increase over the previous year. We've worked with individual unit commanders and their representatives to implement incentive programs for individuals who increase their scores or who achieve the "excellent" category.

The Air Force also provides excellent fitness equipment and programs for our deployed Airmen. At many locations, our deployed forces enjoy commercial quality fitness equipment similar to what's available at their home stations. We've set up programs to advise and support

contingency locations on equipment purchase, and we also provide scholarship funds to enhance core and incentive fitness programs with refreshments and recognition mementos.

Despite challenges in contracts for group exercise support, sports officials and enhanced staff training, over 65 percent of Air Force base-level fitness centers have achieved the Air Force goal of 4 Stars in our 5-Star Recognition program. We also awarded certificates to 40 new Air Force Exercise Specialists, who completed basic and advanced training plus 100 contact hours with customers.

Lodging

Air Force Inns provide high quality, cost-effective lodging to official Department of Defense travelers at 93 locations. Air Force Lodging is the first Services functional area to centralize its processes fully; effective October 1, 2007, all Air Force Inns fall under consolidated central management for capital requirements funding, as well as for procedure and policy guidance. Our Major Commands have partnered with central management and Air Force Inns and remain involved with issues and actions affecting their respective bases. Additionally, we've set in place a process to phase out Major Command Lodging Funds, allowing them to close out purchases made under old systems with full dissolution by June 1, 2008. We've set up a single replacement schedule for all investments in the Air Force's 93 Inns, balancing commercial hospitality replacement standards with occupancy and usage. We've developed a comprehensive master database that details the Air Force lodging inventory by base, building, and room type; tracks previous renovations; and forecasts anticipated replacement requirements.

Our lodging centralization initiative also migrated responsibility for the biennial Air

Force Lodging Standards accreditations to central management oversight. A team of four

evaluators from this central office visits bases on a two-year cycle to assess compliance with Air

Force lodging standards, to assess staff management practices, and to provide staff assistance

guidance as required. The team visits new lodging managers and properties with previous failed accreditations annually until the program achieves two consecutive accreditation scores of 85 percent or higher. To enhance corporate management further in Air Force Inns, we've standardized position descriptions for all lodging personnel and prescribed organizational structures that consider base missions and room inventory. These position descriptions and structures will be in full effect by September 30, 2008. Our end-state goal for Air Force lodging is improved quality of quarters, managed costs and resources that support a "Most Efficient Organization," and standardized room amenities and guest services that better meet guest expectations.

To support both guest expectations and the Department of Defense mandate to use the web-based Defense Travel System for official travel reservations, Air Force Inns have partnered with Navy Gateway Inns and Suites and are in our second year of implementing the Defense Lodging System. This system allows Department of Defense travelers, either on orders or in space available status, to book lodging reservations at Air Force or Navy installations directly online. The central enterprise system is housed with data storage at the Air Force Personnel Center on Randolph Air Force Base, Texas, while we work to co-locate our multiple enterprise systems. The Air Force has fully implemented this new reservation system at three Air Force Inns; we're awaiting additional funding in fiscal year 2008 for full rollout, with an estimated completion date in fiscal year 2010. The Navy is 100% funded and has implemented 17 Navy Inns with an estimated completion date in fiscal year 2009.

To keep pace with commercial hotel properties, our centralized telecommunications contract standardizes our services at all Inns in the continental United States. This guest service initiative includes standardized telephone, high speed internet, television services and guest entertainment for all guest rooms, providing a similar lodging experience whether the guests are

located in Tucson, Arizona or Minneapolis, Minnesota. Installation of this new service is cumbersome as we work around outdated legacy systems and wiring; we've chosen to implement the high speed internet portion of the service independently in 2008 to keep up with guest expectations that they'll be able to work on the road and stay in touch with family. In 2009, we'll follow up by installing all guest entertainment features. Further, we recognize our Inns outside the continental United States require the same level of guest support, so we're exploring partnerships to deliver equal services in our Pacific and European areas. All in all, Air Force Lodging is paving new ground in the Department of Defense and creating a corporate-like operation which remains focused on maintaining our unique military capabilities. We believe we can provide a great night's stay comparable to commercial properties and still support unplanned requirements: 200 unexpected Army personnel who need lodging while enroute to deployed locations, or a no-notice inspection team, or surge requirements with triple-billeting for a Pacific base that has just become a major thoroughfare for military personnel enroute to Southwest Asia. Military lodging is critical to the success of our Air Force mission, and our improvements only enhance that overall success.

Child and Youth Programs

Air Force Services is dedicated to caring for Airmen and their families. Nowhere else is that care for families so evident and hands-on than in our child and youth programs. We are committed to readily available, affordable and quality child care and youth programs. This is a workforce issue with direct impact on mission readiness. The Air Force provides child and youth support through a variety of traditional, expanded child care and outreach methods.

The Air Force child development program is funded with a combination of parent fees, Department of Agriculture Child and Adult Food Program reimbursements (except overseas), and taxpayer dollars. Taxpayer support of the program has increased significantly since 1990.

In 2007, parents with children in child development centers paid less than half the cost of the care their children received. On average, parents paid less than \$2 per hour for 50 hours of care per week, including 10 meals and 10 snacks. Fees were based on total family income and range from \$43 to \$129 per week per child. In non-subsidized Family Child Care homes, parents paid most of the cost per child. On average, parents paid \$106 per week for 50 hours of care. Fees were set by providers, not based on total family income.

Beyond the care given in on-base child development centers, the Air Force offered a diverse array of non-traditional child care programs in 2007. Our Air Force Family Child Care Subsidy program allowed Airmen to use a family child care home and pay the same weekly fee they would be charged in a child development center or school-age program. The Air Force subsidized costs for Airmen who have children under three years of age, special needs children, and those who worked swing or midnight shifts. The Air Force Family Child Care Subsidy program reduced out-of-pocket child care expenses for parents and offered a quality alternative when the on-base Child Development Center was not available. In subsidized homes, parents paid the same amount as if they were in the CDC. On average, parents were subsidized \$143 per month per child in 2007.

The Air Force Extended Duty Child Care program provided 18,000 hours of extended child care each month in Family Child Care homes at no cost to military members. This program was designed to help Airmen who have to work longer hours, evenings, overnight, weekends, or are experiencing a temporary shift change. At three installations, we also offered the Air Force Missile Care program for those Airmen required to work several consecutive 24-hour shifts at missile sites.

Air Force Returning Home Care provides child care to eligible Airmen returning from 30 days or more deployment in support of contingency operations as well as those returning for two

weeks of Rest and Recuperation leave. Airmen received 16 hours of free child care upon their return to their home station and their family. AF Returning Home Care program supports post-deployment by providing child care while Airmen and spouses reconnect.

We have partnered with the National Guard Bureau to discuss child care options and their potential synergies with other Guard programs. Air Force Home Community Care offered over 45,000 hours of care to Air National Guard and Air Force Reserve families at 16 locations and all AF installations. By providing free in-home quality child care services to Guard and Reserve members, the Air Force significantly reduced these families' out of pocket expenses on primary unit training weekends, ensuring these members could be fully trained and ready to mobilize.

Association of Child Care Resource and Referral Agencies assessed the Department of Defense child care system at the highest ratings compared to all 50 states. Compared to the states, the Department of Defense ranked highest in both standards and oversight and thereby earned the highest overall rating. Also in 2007, the National Association for the Education of Young Children completely revamped its accreditation process, resulting in a dramatic decrease in the number of programs that met the new accreditation standards. To prepare bases to meet the increasing challenge, we implemented a five-year plan to phase Air Force programs gradually into the new accreditation system. Although 20 percent of national programs attempting reaccreditation have been denied by the new system, the Air Force currently has a 100 percent success rate, with our first 15 programs all successfully accredited under the new system. We attribute this success to our five-year approach which incorporates training, consultant support, and standardization of processes.

Youth Programs

Our youth programs are equally critical to overall support for Airmen and their families. We've successfully partnered with the Boys & Girls Clubs of America to reach youth both on base and in community environments. One partnership program, between the Boys & Girls Clubs and the National Football League, awards winning sites with funds to support or start youth football programs. A record total of 30 military sites earned \$2,500 National Football League grants during the 2007-2008 grant cycle, and our Air Force programs garnered 40 percent of the total. Eielson Air Force Base Youth Programs received national recognition and a check for \$10,000 from the Boys & Girls Clubs and the Annie E. Casey Foundation, for effectiveness in developing collaborative family support initiatives that reach, serve and directly benefit families. Through a "live and learn" approach, Eielson's youth program developed classes, projects and activities for entire families. They tapped into all resources on the base for ideas that might interest deployed family members; the classes had something for everyone, from free nights of entertainment like skating parties, bowling and swimming to "safari parties" and a communications fair. This program averaged 20 participants per class and reached 150 families, increasing youth program membership by 60 newcomers and making great strides toward meeting the Defense goal of 35 percent eligible youth enrolled in youth programs. The Boys & Girls Club also singled out Mr. Garland Becker from Little Rock Air Force Base Family Member Programs with award of a national medallion for "unusually devoted service that has contributed greatly in helping youth to achieve a fuller and richer life through positive guidance and influence."

Fifteen year old Maddison (Maddie) Byrd of Ramstein Air Base, Germany, won the inaugural Major League Baseball S.T.A.R. award that recognizes youth participation and achievement in sports, fitness and social recreation programs. Maddie and her parents represented the United States Air Force, Ramstein Air Base, Ramstein Youth Programs and

military youth from around the world when she accepted her award at the third game of the 2007 World Series. Maddie was selected from thousands of nominees as best exemplifying the values of sportsmanship, team spirit, achievement and responsibility.

Air Force Services carries its emphasis on fitness beyond traditional fitness centers that target Airmen; we also target fitness opportunities at youth through our Air Force FitFactor Program. This web-based initiative encourages youth between the ages of 6-18 to be active every day and make healthy nutrition choices. We enrolled more than 15,610 youth in the FitFactor program in 2007. We also expanded FitFactor to include parents and staff members, introduced the program to families of Air Force Reserve and Air National Guard, and partnered with Navy Youth Programs to provide FitFactor for Navy youth.

For the second year in a row, Air Force Services' *Stay Connected* Kits provided parents and children a way to stay connected with family members who were deployed. The extremely popular kits include items in pairs—one for the child to keep, and one for the member to take on deployment—such as mouse pads, note cards, cameras, picture frames, journals and recorder pens, baseball caps and stuffed bears, all packaged in a Stay Connected sling bag. We send more than 6,700 kits to 95 active duty, Guard and Reserve bases, bringing our total two-year total distribution to 13,700 kits.

We expanded our partnership with the 4-H program in 2007, providing opportunities for 7,200 youth to be enrolled in 4-H clubs on stateside and overseas bases. Joint funds from 4-H and Air Force directly benefited 74 Air Force bases and numerous Guard and Reserve units through quality 4-H programming. As part of the ongoing partnership, 85 Air Force youth converged on the Arkansas 4-H Center for an Outdoor and Adventure Youth Camp that included teambuilding, navigation, kayaking, canoeing, caving, climbing, archery and large team projects.

The camp emphasized our FitFactor principles during the week, as teams collected points for morning runs and walks, evening recreation and a long distance run.

Nontraditional Child and Youth Programs

Military Child Care in Your Neighborhood is a Department of Defense-sponsored initiative that is designed to meet the child care needs of servicemembers living in off-base areas where on-base military child care is not available. Our Family Member Programs staff provided referral information to eligible members like recruiters, Reserve Officer Training Corps instructors, Military Entrance Processing Station personnel and geographically-dispersed members on independent duty assignments who cannot access the high quality, affordable care available on military installations. Historically, these families bore the full cost of their child care while receiving a small subsidy paid directly to the provider of their choice. Under this new initiative, Air Force families pay reduced fees for child care in their neighborhoods.

The Air Force Mission Youth Outreach initiative was established as part of the ongoing partnership between Air Force Services and Boys & Girls Clubs of America. This outreach initiative provides one-year free memberships for young people to attend any local Boys & Girls Club in their community. This program provided much needed support to active duty, Guard and Reserve families who do not live near a military installation and need a safe and positive place for their children to spend out-of-school time.

Air Force Services also partnered with National 4-H Headquarters and Army Child and Youth Services to fund grants to states and territories establishing 4-H clubs on military installations, as well as provide support for youth of National Guard and Reserve members who are geographically dispersed. Since 4-H is located in every county in the US, this partnership helps Air Force installations expand their reach and fosters stronger community partnerships for

Guard and Reserve families. Joint funds from all four organizations directly benefited 7,200 Air Force youth at 74 bases and in 28 states.

Airman & Family Readiness

As another part of Air Force Services' realignment to the Manpower, Personnel and Services community, the Airman & Family Readiness function became part of Air Force Services. This function works closely with our Child and Youth Programs to provide a full range of support to Airmen and their families. Its major components for the 21st century are readiness and deployment preparedness, leadership and unit outreach and counseling, and crisis and disaster response. In 2007, Airman & Family Readiness Centers conducted 168,714 predeployment briefings and reintegration educational sessions.

In April 2007, we opened our first Airman & Family Readiness Center in a deployed environment on a test basis for three rotations. One military member and one civilian from a Major Command volunteered to man the Center during its first rotation, focusing on deployment support issues like combat stress, morale calls, maintaining family connectivity, building relationships, Air Force Aid Society support, personal financial management and preparation for post-deployment reintegration and reunion with families. Over 1,000 Airmen, Sailors and Soldiers participated in Airman & Family Readiness services in the first two months, prompting our decision to continue the trial period through fiscal year 2008.

Our staff partnered with the Military Child Education Coalition to address the needs of school-age children in military environments and participated in a Dependent Education Council working group to develop recommendations on policy and operation of Department of Defense dependent schools both inside and outside the continental United States. Airman & Family Readiness Centers joined with their counterparts from other component services to support victims of California wildfires by placing evacuees, issuing loans and standing up Emergency

Family Assistance Control Centers. We're participating in a two-year demonstration project with the Department of Labor to assist military spouses in developing the skills necessary for successful entrance, navigation and advancement in high demand, high growth occupations. At those demonstration sites, eligible spouses may use flexible education funding vouchers called Career Advancement Accounts to pay for expenses directly related to post-secondary education and training up to \$6,000 per spouse over a two-year period.

We've partnered with the Air Force Personnel Center in a certification workshop designed to establish internal accreditation standards for Airman & Family Readiness Centers across the Air Force and standardize the services provided from base to base. In the future, this effort will yield streamlined inspections and benchmarks for use in joint operating environments.

Community Services

Air Force Services offers a full range of traditional MWR programs in home station environments, all of which target improved quality of life and reduced stress and anxiety. Many of our recreation programs translate in one form or another to support for deployed members in contingency locations. We see the direct link between our high quality recreational programs and stress relief, recruiting and retention.

In addition to its integration as part of our long-term Food and Beverage Transformation

Team effort, our Air Force Club program successfully tested a new Card Choice initiative from

January 1 to June 30, 2007. This initiative allows both new and existing club members to choose

between commercial credit cards and private label or proprietary cards. We plan to implement
the program Air Force-wide in summer 2008. Our efforts to educate the newest Air Force
members, our junior enlisted and officer personnel, continued in 2007 by introducing over

36,000 new Airmen to Services programs during their basic military training courses; this effort

recruited almost 4,700 new club members. Our annual Football Frenzy promotion drew in over 43,000 participants, generated over \$623 thousand in sales and 437 new members.

We completed two golf greens renovations projects in 2007, at Little Rock Air Force Base, Arkansas and Patrick Air Force Base, Florida. These renovations are part of a phased initiative to bring Air Force golf courses in closer alignment with industry standards, with higher quality turf, lower maintenance costs and increased customer satisfaction. We participated in a survey of 65 Air Force golf courses in October 2007 to assess 21 key attributes that affect golfer experience. Follow-on individual consultation with base-level golf managers led to action plans which we'll use in 2008 to address our customers' concerns at the local level.

We continued a programmatic expansion of our programs towards higher technology and digital media. Our Arts and Crafts' Air Force Gallery program grew dramatically in 2007, its 500 submissions more than doubling the entries from 2006. In this program, base-level personnel may submit digital photographs and imagery for display at an online Air Force "dot.com" site. 2007 also saw us renegotiate our Leisure Travel contract and begin expanding the range of services and products in our Information, Tickets and Travel activity to include more discounted packages for individuals, families and large groups. Our office at Tinker Air Force Base, Oklahoma, worked with a customer to create around-the-world airline reservations as support for a schoolchild's geography project—stipulating that the child had to travel from airport-to-airport and cross the equator. Our customer-oriented staff produced a great end result, a three-day trip that covered 26,469 miles and included stops in Dublin, Frankfurt, Abu Dhabi, Sydney, Los Angeles and Dallas for only \$3,171, and in the process made a customer for life.

Air Force Bowling remains a family-oriented recreational activity which gets a huge amount of support. Air Force customers bowled over 7.5 million lines in 2007. We opened a huge Family Fun Center at Maxwell Air Force Base, Alabama, which combines bowling with

other family-themed activities. Our Aero Clubs provide both recreational and morale-building venues for individuals pursuing aeronautical skills, but have a secondary purpose as well. Our 22 Aero Clubs provided direct mission support in 2007 as training vehicles for Operation ENDURING FREEDOM aircrew and radar controllers on procedures to intercept slow-speed aircraft. They supported introductory flight screening for Navy, Marine Corps and Coast Guard pilot and navigator candidates. 4,000 Aero Club members flew 63,000 hours in 250 aircraft with no injuries—and experienced less than half the accident rate in general aviation.

Outdoor Recreation has doubled in the past 10 years. Its unique programs take advantage of local natural resources and adapt to changing customer interests. We operate a diverse mix of programs and facilities, to include parks and playgrounds, swimming pools, hunting and fishing programs, skiing and snowboarding, cycling, stables, horseback riding, boating, climbing walls, cabins, cottages and camping areas. One new direction in outdoor recreation is to tailor some programs for accessibility to Wounded Warriors who face physical challenges but want to share the outdoor recreation experience. We expect increased use of these newly accessible programs in future years.

Customer visits to Air Force libraries exceeded 9 million in 2007, and circulation totaled over 9.9 million books. In addition to outstanding support for home station customers and family members, our library program supported over 250 remote sites and contingency operations in 2007 with monthly paperback and periodical kit distributions. We shipped over 24 "playaway" kits of fiction and nonfiction material downrange every month. Air Force libraries are the lead function for support to deployed Learning Resource Centers. These highly valued centers have not only educational programs and resources, they offer opportunities for deployed military to record themselves reading stories aloud and send them home to children, and in some

cases have obtained special phone lines dedicated to morale calls that further promote connection with families and loved ones.

2007 was a banner year for our Air Force Sports and its World Class Athlete Program. 350 men and 180 women competed for opportunities to represent the United States Air Force in a range of sports venues. The Air Force won 12 of the 20 Armed Forces Championships in 2007, with 24 Airmen earning All-Tournament honors and 50 Airmen advancing to national championships with combined Armed Forces teams. Five Air Force women were named First Team All-Americans when they led the Armed Forces to the 2007 Women's Open National Softball Championship. Six Airmen led the US to the 2007 International Military Golf Championship hosted by the Republic of South Africa. Thirty-eight Airmen represented the Armed Forces at the 4th Military World Games in India, and three Air Force athletes participated in the 2007 Pan American games, one of whom directly qualified for the 2008 Olympics. Two Air Force track & field competitors participated in the 2007 Pan American games and the 2007 World Track & Field Championship hosted by Japan, an Olympic equivalent event in non-Olympic years. Three Air Force athletes are currently ranked number one in their respective sports by the US Olympic Committee, while a fourth is ranked number two. We are proud to support these world class athletes.

Our Tops in Blue expeditionary entertainers performed at virtually every Air Force base in the world in 2007. Titled "The Fly-By," the tour featured a musical tribute to 60 years of Air Force history, with 11 shows in 6 countries in Southwest Asia, entertaining military members at our forward deployed locations. As lead entertainment for the Air Force 60th Anniversary Commemoration, Tops in Blue performed a number of shows for special audiences, including the Air Force Birthday Celebration at the Pentagon, the Global Air Chiefs Conference in Washington, DC, five Air Force Weeks in major cities, and 60th Anniversary events held

throughout the US. Other special shows included a United Services Organization salute in Wiesbaden, Germany; Aviation National Air Show in Las Vegas; and the national convention of the Air Force Sergeants Association. Tops in Blue performed over 150 shows for over 500,000 servicemembers, military families, and civilians throughout the world.

Armed Forces Entertainment

As the Department of Defense lead agent for Armed Forces Entertainment, the Air Force is uniquely charged with providing a wide range of performances and venues to military members around the world, regardless of geographic location. Our staff includes dedicated representatives from the Army, Navy and Marine Corps, who work side-by-side with Air Force staff to secure, program, plan and implement successful entertainment tours around the globe.

Armed Forces Entertainment supported 129 different tours in 2007. Sixteen tours visited 23 sites in the Mediterranean, 31 tours visited 225 sites in Southwest Asia, 45 tours visited 60 sites in the Pacific, 22 tours visited 28 sites in Europe, and 15 tours visited 9 sites in the Caribbean. We conservatively estimate a cumulative audience of over 200,000 attendees for Armed Forces Entertainment activities. The acts are well received by servicemembers, and include comedy acts, musicians, dance teams and sports performances such as Brett Michaels from the rock group Poison, the Harlem Globe Trotters, and World Wrestling Entertainment personalities. Commanders in contingency and deployment locations continue to show great support and demand for this program, and we fulfill 80 percent of their requested entertainment tours to remote sites.

Force Sustainment

One of the newest additions to our Air Force Services family is charged with meeting Airmen's basic needs through policies relating to compensation, allowances and entitlements.

Our Force Sustainment specialists focus on compensation issues and administer programs unique to commanders.

In the compensation arena, we reviewed 308 Airmen requests for Basic Allowance for Housing waivers during 2007, approving 286. Approval allowed those Airmen to maintain their current housing allowance rates when they have to relocate for less than a year to participate in professional military education or training classes. These situations often cause hardships on military families with school-aged children, and make it necessary for some members to leave their dependents in place rather than relocate them for the short duration of the assignment. Additionally, we worked with the Office of the Secretary of Defense in a coordinated effort with 141 base-level housing offices to re-evaluate local housing factors that determine housing allowance rates. The result for 2008 was an average increase of \$83 per month in each Airman's housing allowance.

Field Systems and Support

Air Force Services continues to take an enterprise approach to our systems and support operations. This past year, we stood up an Enterprise Customer Support Center to provide help for activities across our community 24 hours a day. This centralized approach reduces costs, enhances system security, and improves support for users of our 85 electronic systems. This is an information technology industry best practice that also enables us meet Air Force direction to consolidate core services, network and systems support.

By May 2007, we successfully completed Defense and acquisition community requirements to deploy a new nonappropriated fund purchase card. Our new P-Card is used for purchases made with nonappropriated funds, instead of the Government Purchase Card. This multi-year initiative affords the opportunity to innovate and to leverage much more of our buying power than we'd previously anticipated. Since we control the card, we can tailor the business

rules to the NAF environment and provide greater responsiveness than was possible under the Government Purchase Card. Our NAF purchases under the P-Card have already more than doubled our previous volume under the government's card, and rebates to the field have gone up even faster; just as important is the drastic reduction in paperwork and manual effort required to make purchases, reconcile transactions, and make payments. Our central nonappropriated fund purchasing office also laid the groundwork for deploying a "virtual card" in 2008 as a payment vehicle for our NAF-funded big-dollar purchases like bulk buys, major equipment items, and even construction projects. This will shift even more payments into a streamlined and or rebate-generating environment. We are reinvesting all rebates back into MWR programs for military members.

We continued deploying our new accounting and payroll systems, adding 40 locations and 140 nonappropriated fund instrumentalities in 2007. Our central Treasury Offset Program successfully returned \$1.5 million in previously-uncollectible accounts to our base-level operations. Our check re-presentment program reached its highest collection percentage ever in January 2007 with a clearance rate of 86 percent, nearly doubling the average 46 percent historic clearance rate when bases handled their own check collections. We initiated a centralized Military Pay Order program with 276 collections processed directly to the Defense Finance and Accounting System office, collecting and returning over \$21 thousand in 2007. We estimate cost savings at the completion of our nonappropriated fund transformation initiative at \$12 million per year.

We launched a customer feedback survey in December 2007 as part of a new enterprise feedback management system, to improve the quantity and quality of research through a state-of-the-art web-based software application. We've received more than 60,000 responses worldwide, a 300-percent increase over the paper mail-out surveys we used in previous years. This year, the

application will be available for all installations and Major Commands to capture market data for local use and to consolidate the data for use at an enterprise level.

Nonappropriated Fund Construction

Our NAF construction program has slowed considerably, based largely on reduced earnings that support this program. Even so, our FY08 NAF Report to Congress included a new \$17 million Enlisted Club at Osan AB, Korea. We completed 13 major projects last year, including a new Youth Center at Lackland AFB and expansion of the one at Whiteman AFB, the Vance Bowling Center, and the Buckley Outdoor Recreation facility. We have funded 42 other projects for nearly \$180 million that are currently under construction or design, and another 38 projects are waiting in the wings for \$75 million in nonappropriated funding to become available.

As a side note—and not only as a member of their Board of Directors and major stakeholder in their operations, but also as a long-time customer—I am encouraged by the improving financial performance of the Army and Air Force Exchange Service. Their dividends not only support our day-to-day operations in the field, but also serve as the major source of funds for our capital program. I must give credit to the Subcommittee for some of this improvement; your efforts to ensure funding for their costs in supporting operations in Iraq and other contingency areas have relieved a significant burden from Soldiers and Airmen. However, with all due respect to their commander sitting here with me, I must also give a great deal of credit to their Chief Operating Officer, Mike Howard. Mike's clear vision and unwavering focus are successfully getting store-level management back to the basics. His efforts are providing a needed shift in focus throughout the organization, and are showing up as earnings and dividends begin to rebound.

The FY08 Report to Congress also included a new \$33 million requirement for a 210-room Visiting Quarters project at Langley AFB, to be built with funds derived from the lodging operation. Sixteen other lodging projects have been funded for a total of nearly \$390 million and are currently under construction or in design. Five other projects have been validated and will be considered for \$90 million in lodging funding as it becomes available.

We also appreciate the Subcommittee's efforts in supporting our military construction requests for facilities that rightfully are funded from appropriations. Your actions are critically important if we are to satisfy quality of life requirements without shifting the burden to our Airmen and their families.

Conclusion

I am extremely proud of our Air Force Services personnel and their round-the-clock, unselfish dedication to Airmen and their families. Their mission sustaining and community support efforts drive the highest quality of life for our military members. What I've shared with you today is merely the tip of the iceberg of success in our outstanding programs. We foster a sense of community in every environment, from home station to contingencies and deployed locations. We care for families so our Airmen can fight with confidence and without anxiety. We care for Airmen by meeting not only their basic needs but also providing emotional and recreational support. We take care of people, every minute of every day at locations scattered all around the world. We proudly maintain the human warfighting machine. Our team could not do this without the support we get from the Military Personnel Subcommittee. Thank you for joining us in this critically-important effort. I look forward to working with you into the future, and welcome any questions you may have.