

United States Air Force

Presentation

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Management Support



Installations and the Environment

Witness Statement of
Honorable Terry A. Yonkers
Assistant Secretary of the Air Force
(Installations, Environment, and
Logistics)

March 21, 2012

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BIOGRAPHY

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TERRY A. YONKERS

Terry A. Yonkers is the Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C. Mr Yonkers is responsible for providing oversight for all matters pertaining to the formulation, review, and execution of plans, policies, programs, and budgets for installations, energy, environment, safety and occupational health as well as weapon systems logistics support.

Mr. Yonkers was born and raised in Hemet, Calif. He has more than 35 years experience developing and managing environmental, safety and occupational health programs. This includes 22 years in government and more than 16 years in private industry. Mr. Yonkers has worked extensively within the Department of Defense's planning, programming, budgeting and resource allocation as well as congressional budgeting processes. As the acting Deputy Assistant Secretary of the Air Force for Environment, Safety and Occupational Health, he developed strategic policies, guided and oversaw Air Force's ESOH programs worldwide and a \$1.5 billion annual appropriation.



As Senior Vice President, Business Development, ARCADIS, Inc., Mr. Yonkers advised government clients on innovative and cost-saving environmental and energy security solutions as well as represented business interests in national forums seeking process improvements to environmental security, energy security, climate change, environmental cleanup/compliance and property redevelopment.

EDUCATION

1972 Bachelor of Science degree in biology, University of California, Riverside

1973 Advanced degree in education, University of California, Riverside

1993 Master's degree in national security studies, Industrial College of the Armed Forces, National Defense University, Fort Lesley J. McNair, Washington, D.C.

1999 Program for Executives, Carnegie Mellon University

2000 Seminars in International Relations and National Security, Massachusetts Institute of Technology, Cambridge

2001 Master of Public Administration degree, George Mason University, Washington, D.C.

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CAREER CHRONOLOGY

1. 1976 - 1980, biologist, Southern California Edison Company, Corporate Headquarters, Rosemead, Calif.
2. 1980 - 1984, environmental coordinator, Air Force Flight Test Center, Edwards Air Force Base, Calif.
3. 1984 - 1985, regulatory liaison and environmental engineer, Air Force Regional Civil Engineering Office, Dallas, Texas
4. 1986 - 1990, Deputy Director Environmental Programs, Air Force Systems Command, Andrews AFB, Md.
5. 1990 - 1996, Deputy Director and Chief of Environmental Programs, Air Force Base Conversion Agency, Arlington, Va.
6. 1996 - 2000, special assistant to the Assistant Secretary, Manpower, Reserve Affairs, Installations and Environment, the Pentagon, Washington, D.C.
7. 2000 - 2002, acting Deputy Assistant Secretary of the Air Force for Environment, Safety and Occupational Health, the Pentagon, Washington, D.C.
8. 2002 - 2010, Senior Vice President, Business Development, ARCADIS, Inc., Highlands Ranch, Colo.
9. 2010 - present, Assistant Secretary of the Air Force for Installations, Environment and Logistics, Washington, D.C.

AWARDS AND HONORS

- 2002 Air Force Outstanding Civilian Service Award
- 2002 Letter of Recognition from the Secretary of Air Force

(Current as of March 2010)

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Introduction

The United States is in the midst of a deliberate evolution in the role of the military in achieving our national interests. This evolution is shaped by a dynamic geo-strategic environment, uncertain economic circumstances, and the diffusion of regional centers of influence. In order to effectively deal with this new paradigm, the Department of Defense issued new Strategic Guidance which focuses our limited resources on deterring and defeating aggression across all domains, maintaining a safe and effective nuclear deterrent, and protecting the homeland, while reducing the quantity of our forces to ensure the quality of our force.

The United States Air Force plays an integral role in this refined guidance, and we have taken care to protect the distinctive capabilities we provide every day to our Joint, Interagency, and Coalition partners. These enduring capabilities include control of air, space, and cyberspace; providing global intelligence, surveillance, and reconnaissance; rapidly moving people and materiel around the planet; and holding targets at risk - anytime and anywhere.

Difficult decisions were made to achieve the Air Force's share of the \$487 billion in defense savings mandated by the Budget Control Act of 2011. These decisions fell into five broad categories: Force Structure, Readiness, Modernization, More Disciplined Use of Defense Dollars, and Taking Care of Our People. These five focus areas were integral to the allocation of the resources entrusted to us by the taxpayer.

Within the portfolio of Installations and the Environment, we focused investments in critical installation facilities and infrastructure and quality of life improvements for our Airmen and families; reducing our energy footprint by demolishing old, energy inefficient buildings and upgrading HVAC and other high energy use systems and continuing to build on our excellence in environment, safety, and occupational health across our Air Force.

The Air Force is striving to identify opportunities and initiatives in each of the above areas that will enable us to maximize the impact of every dollar we are given with an eye of every investment have a return on those dollars. We are reevaluating how we can improve the

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way we manage our military construction, housing, real estate, environmental, and energy portfolios by centralizing these functions and services into a single Field Operating Agency. By doing so, we are substantially reducing manpower and overhead costs, streamlining processes and decision-making and centralizing program management and accountability under one agency.

As funding for military construction becomes more austere we have made a deliberate effort to build only where existing capacity is not available or where the cost benefit analysis validates demolishing aging facilities in lieu of more efficient and functional replacements. Since 2008, we have demolished 23 million square feet of building space with an estimated savings of \$184 million. Furthermore, we are re-evaluating our policies and contracting mechanisms in the areas of military construction and environmental cleanup with the objective of reducing construction and environmental costs.

As we work our way through the current fiscal challenges the Air Force is committed to charting a path that fulfills the promises made to the American people today and in the future while staying true to our Airmen and their families.

INSTALLATIONS

Military Construction

Our Fiscal Year 2013 President's Budget Request contains \$3.9 billion for military construction, military family housing, and facility sustainment, restoration, and modernization. For military construction we request \$442 million, \$900 million less than Fiscal Year 2012. This deliberate pause in our program is prudent in light of force structure decisions stemming from the new Defense Strategic Guidance.

Our most critical projects are captured in this request and align with our priorities of continuing to strengthen the nuclear enterprise, partnering with the Joint and Coalition team to win today's fight, developing and caring for our Airmen and their families, modernizing our air, space, and cyber inventories, organizations, and training, and recapturing acquisition excellence. Removal of the C-27 program is one example of how force structure decisions have affected our

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FY13 military construction program and the corollary elimination of facilities that would otherwise be needed to support the C-27 aircraft here in the CONUS.

We are accepting minor risk by electing to wait a year to fund current mission requirements, channeling the limited funds we have requested to fund Combatant Commander and new mission needs -- especially facilities needed to bed-down the Joint Strike Fighter. And while we strove to fund our active, guard, and reserve components in accordance with their equity in built infrastructure, the combination of austere funding and how the components derived their priorities led to a small shortfall in the Air Force Reserve.

We continue to stay focused on the needs of our Airmen and their families and are requesting nearly \$500 million to sustain and modernize our overseas housing, while supporting housing privatization here in the United States. Unaccompanied Airmen, likewise remain a top priority and we are requesting \$118 million to build new dormitories or upgrade existing dorms to the Air Force standard - - keeping us on track to meet our goal of eliminating inadequate housing for unaccompanied Airmen by 2017.

Finally, we request restoration and modernization funding at ninety percent of historical levels, and sustainment funding at slightly over eighty percent of the OSD model. For the first time in the Air Force, restoration and modernization funds will be centrally managed giving us the ability to prioritize new requirements across the enterprise while improving our ability to forecast where sustainment dollars should be invested to minimize risk in infrastructure maintenance and emergency repairs. This “Asset Management” approach to facility and infrastructure management is adopted from industry best practices - where industry has realized double digit savings. We expect to achieve similar results and are confident that by centralizing our management we can sustain our air bases on the dollars we have requested in this budget.

Continue to Strengthen the Nuclear Enterprise

The Air Force boasts a legacy of stewardship for two-thirds of the nation’s Nuclear Triad, providing security and maintenance for the weapons that enable a safe and effective deterrent. Accordingly, our number one priority remains the strengthening of the nuclear enterprise, with a

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continued focus on reliability, accountability, and compliance from the men and women who fly the bombers and man the missile silos in a state of constant vigilance. The Fiscal Year 2013 budget request supports the stand-up of an additional B-52 squadron at Minot AFB, North Dakota, with a \$4.6 million munitions equipment maintenance facility addition.

Partner with the Joint and Coalition Team to Win Today's Fight

The Air Force continues to be an indispensable member of the Joint team as our Airmen make significant contributions in controlling the domains of air and space, providing unprecedented advantages in intelligence, surveillance, and reconnaissance, moving people and cargo around the world, and providing the ability to hold at risk any target on earth. We currently have more than 35,000 Airmen deployed, including nearly 2,300 Air Force civil engineers. In particular, our Air Force Rapid Engineer Deployable Heavy Operational and Repair Squadron Engineers (RED HORSE) and our Prime Base Engineer Emergency Force (Prime BEEF) personnel are the recognized experts in providing installation engineering and airfield capabilities to the warfighter. Red Horse assets are in high demand by COCOMS in deployed locations.

Our Fiscal Year 2013 budget request invests \$193.3 million in projects that support our Joint partners around the world. Examples include:

- Projects supporting our combatant commanders that will greatly enhance ongoing operations. This includes continuing the recapitalization of Headquarters, United States Strategic Command at Offutt AFB, Nebraska.
- New facilities for operations and mission support. An expanded air support operations facility at Fort Stewart, Georgia, will allow us to consolidate personnel on the same installation as their Joint partners, enabling the synergistic effects of training, working, and living together.
- Intelligence, Surveillance, and Reconnaissance facilities. The new MQ-9 maintenance hangar at Holloman AFB, New Mexico will provide adequate cover to work on this sensitive aircraft under any weather condition or any hour of the day - - ensuring the training needs of aircrews are met.

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Develop and Care for Airmen and Their Families

The all-volunteer force is the foundation of the capabilities we contribute to the defense of the nation. In our Fiscal Year 2013 budget request we continue to emphasize providing first-class housing and striving to improve the overall quality of life for our Airmen and their families. Our new 2012-2016 Dormitory Master Plan will guide our future investments for sustaining existing facilities and recapitalizing those which are inadequate.

Billeting

As part of our basing efficiencies initiative, we propose construction of a \$17.6 million transient contingency dormitory to house personnel supporting rotational aircraft transiting through Europe. This project, when coupled with the elimination of the host nation maintenance contract and real property consolidation, has a payback period of only two years.

Dormitories

The Air Force continues to place a high priority on quality housing for our unaccompanied Airmen. Our Fiscal Year 2013 budget request includes two dormitory projects totaling \$42.5 million. One of these projects is located at Joint Base San Antonio, Texas, replacing an inadequate facility with severe infrastructure problems and historically high sustainment costs. The other, at Thule AB, Greenland, replaces an inadequate 58 year old building and is also the lynchpin of consolidation efforts at Thule that will provide a payback in three years. This initiative will reduce energy use by 35 percent and is estimated to save \$20 million annually.

Military Family Housing

As we progress through 2012, we are nearing completion of our efforts to privatize family housing in the continental United States. This allows us to deliver high quality homes to our members faster than ever before, and at significant savings to the taxpayer. Our Fiscal Year 2013 budget request for military family housing is \$580 million. Included in this request is \$84 million to improve 400 homes and upgrade infrastructure in Japan, as well as nearly \$500 million to fund operations, maintenance, utilities, and leases, and to manage privatized units for the family housing program.

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Modernize our Air, Space, and Cyberspace Inventories, Organizations, and Training

Even in the face of declining budgets, we must continue to modernize our force to meet the nation's requirements. Although the pace and scope of this modernization will slow, we must protect programs that are critical to future warfighter needs. Our Fiscal Year 2013 request continues to invest in the beddown of new weapons systems. We request \$93.5 million for a variety of military construction projects, including:

- Three projects to continue the bed down of our newest fighter, the F-35. These projects provide facilities at Hill AFB, Utah, for the first operational F-35 unit, which is scheduled to begin receiving aircraft in 2015.
- Three projects supporting our HC/C-130J fleet. These projects include a fuel systems maintenance hangar at Little Rock AFB, Arkansas and flight simulators at Little Rock AFB and Moody AFB, Georgia.
- Other projects. These will support diverse mission areas, including F-22 support at Tyndall AFB, Florida, F-16 training at Aviano AB, Italy, and the overseas basing efficiencies discussed previously, which are projected to save up to \$120 million across the FYDP.

Base Realignment and Closure

On September 15, 2011, the Air Force completed its 2005 Base Realignment and Closure (BRAC) program on time and within its original \$3.8 billion budget. This up-front Air Force BRAC investment has resulted in \$900 million in annual savings to the Department of Defense that are being reinvested in emerging missions starting in FY13. During the 6-year implementation period of BRAC 2005, the Air Force implemented 64 base closure commission recommendations affecting 122 installations, closing 7 installations and realigning 63 others.

Even so, BRAC 2005 fell short of the Air Force goal to reduce overhead and operational costs by reducing excess installation capacity. Today, seven years later with almost 500 fewer aircraft in the inventory, the Air Force continues to maintain large amounts of excess infrastructure that is costing hundreds of millions of dollars each year -- dollars that we need to

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invest in other areas. The Air Force has over 24% excess installation capacity (DoD's 2004 Report to Congress). This excess capacity can only be effectively eliminated by closing installations. As such, we fully support the Secretary of Defense's request for two more rounds of base closures in 2013 and 2015 to right-size our infrastructure and reduce our overhead and operating costs. We need Congress' help and support - we can't do BRAC if you're not in our corner on this. Without the ability to consolidate and close bases, the Air Force will be forced to make harder choices in the future that will degrade our ability to invest in those assets that directly affect our ability to defend this nation.

Joint Basing

As the Air Force emerges from its first full year of Joint Basing, we remain committed to providing superior and standardized installation support to our sister Services. Efficiencies were always expected from consolidation of the joint bases - - this year we will realize a small return of that investment - about 500 personnel across those joint bases for which the Air Force has operational responsibility. We continue to assess our processes and information systems, services support, and other key areas to garner greater savings from our joint bases. In FY11, we met 88% of the Office of the Secretary of Defense (OSD) Tri-Service standards, and will continue to increase the effectiveness with which we provide installation support while lowering costs in fiscal year 2013.

Encroachment Management

The AF has taken a leadership role in developing encroachment management and compatible land use policies - and coordinating these efforts with communities around our installations. As a follow-on to the Nevada Forum, in January 2011, the Air Force on behalf of OSD, hosted a key interagency meeting aimed at finding ways to "clear" renewable energy projects that had no or little impact to military operations. Those efforts culminated in a cross-functional team and the DoD's Siting Clearinghouse policy and subsequent Air Force policy. In the last year we reviewed and "cleared" 486 Energy Projects.

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Privatized Housing

We remain committed to providing quality housing to our Airmen and their families. Under the housing privatization initiative, \$485 million in government funding has garnered \$7.85 billion in private sector funding thus far, providing quality homes to our Airmen and their families much more quickly than our standard military construction process. Approximately 41,500 units at 48 bases have been privatized to date, which is 76 percent of our housing inventory in the continental United States (CONUS), Alaska, and Hawaii. In addition, more than 37,000 inadequate units have been eliminated. Our goal is to privatize all CONUS housing by closing the remaining four privatization projects in 2012, which will result in 53,800 privatized homes across the Air Force portfolio.

Enhanced Use Leasing

The Air Force continually seeks to improve our stewardship of real estate assets and to leverage appropriated dollars with investments from the private sector. With the authorities provided to execute enhanced use leases (EUL), we're pursuing innovative ways to leverage our unused real estate to return value from our installations. The AF has set a goal of unlocking \$5 billion in net present value from EULs through FY20. In pursuit of this goal, we've executed 9 leases with a net present value of \$233 million and are close to completing a comprehensive survey of all AF installations to identify non-excess real estate assets that could be put to use to generate revenue to meet installation requirements.

As we pursue EULs our intent is to extract the greatest value possible for the asset, and in the current environment renewable energy projects provide significant opportunities. Today, the AF is actively pursuing 11 projects valued at about \$700 million, 7 of which are related to renewable energy. We've identified another 21 opportunities and have developed a set of initiatives to determine where market demand aligns with our available assets to create additional EUL opportunities.

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ENERGY

Energy and energy security is the corner stone of the Air Force's ability to maintain global vigilance, reach, and power at home and abroad. The Air Force defines energy security as "having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet operational needs." To enhance its energy security, the Air Force has developed a three-part strategy:

- 1) Reduce energy demand through conservation and efficiency,
- 2) Increase renewable and alternative energy sources, and
- 3) Ensure the culture of the Air Force recognizes the necessity and criticality of energy to its operations.

We have set a number of aggressive goals across our entire portfolio—goals that, if met, will help us avoid over \$1 billion a year (based on today's energy prices) and improve energy security for our critical assets.

Budget Impact

The Air Force is the largest single consumer of energy in the federal government and as energy costs increase and budgets decrease, this means that energy is consuming a greater proportion of the Air Force budget. In FY10, the Air Force spent \$8.2 billion for fuel and electricity, an amount that increased to \$9.7 billion in FY11 due primarily to the increased cost of crude oil. Ironically, our demand for both fuel and electricity was down over the same period.

At our installations, the Air Force spent more than \$1 billion for facility energy in both FY10 and FY11. However, as a result of the initiatives put in place over the last eight years, the Air Force avoided over \$250 million in additional facility energy costs in FY11 alone.

In the FY13 President's Budget, the Air Force is requesting more than \$530 million for aviation, infrastructure, and RDT&E energy initiatives to reduce energy demand, improve energy efficiency, diversify supply, and improve mission effectiveness. Included in this request is \$215

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million for energy conservation projects on Air Force installations, a continuation of the nearly \$800 million we have invested in such projects over the last four years.

Energy Conservation

Overall, our focus is to reduce our energy footprint across all operations. While we have reduced our overall facility energy consumption since FY03 by nearly 20 percent, and reduced energy intensity by more than 16 percent, installation energy costs have increased by 32 percent over that same period. The Air Force is on track to reduce its energy intensity by 37.5 percent by 2020 and increase its renewable energy use to reach 25 percent by 2025.

As a result of our energy conservation efforts, we have cumulatively avoided over \$1.1 billion in facility energy costs since 2003 that can be redirected to better enable warfighters to complete their missions. Investments we are making in FY12 to improve our facility energy efficiency and reduce our energy requirement are expected to start generating savings in FY14, and the majority are expected to payback before or just shortly after the FYDP.

The Energy Conservation Investment Program (ECIP) is a critical element of the Air Force's strategy to improve the energy performance of its permanent installations. In FY11, we completed 15 ECIP projects at a cost of under \$20 million. The Air Force estimates these projects will save more than 253 thousand million British Thermal Units (MBTUs) annually and nearly \$54 million over the life of the projects. We have submitted six projects to OSD for inclusion in the FY12 ECIP program. If funded, these projects will save over 213 billion BTUs.

The Air Force is also looking to reduce demand by building in smarter ways, including maximizing energy efficiency and using environmentally-friendly materials, and identifying and demolishing 20 percent of our old, unnecessary, and high-energy use facilities by 2020.

Renewable Energy

The Air Force is looking to improve its energy security and diversify its energy supply through increased use of renewable energy. In FY11, more than 6 percent of the electrical energy used by the Air Force was produced from renewable sources. Moving forward, our goal is to develop more than 1,000 megawatts (MW) of renewable power, including more than

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600MW from solar, on our installations by 2016. By making the most of private sector knowledge, technology, and financing, we plan to improve our energy security by capitalizing on underutilized land on our installations to develop those projects. Currently, the Air Force has 131 operational renewable energy projects and another 50 under construction across a wide variety of renewable energy sources, including 8.7MW from wind energy, 26.2MW from solar, and 2.4MW from waste-to-energy projects.

In FY11, the Air Force had 46 projects funded through the MILCON appropriation with at least one renewable energy component, such as solar photovoltaic systems or cool roof attributes.

The Air Force is not just limiting its efforts to renewable energy projects, but is also incorporating alternative fueled ground vehicles into our fleet. With the support of other private and public stakeholders, the Air Force is currently working to develop an all plug-in electric vehicle fleet at Los Angeles AFB, California. When the initiative is completed later this year, Los Angeles AFB will be the first federal facility to replace 100 percent of its general-purpose vehicle fleet with plug-in electric vehicles. By working with OSD and our Sister Services, we have identified 15 other potential locations where such vehicles will support the mission and improve our energy security. We will use the lessons learned at Los Angeles AFB to continue to refine the business case and operational analyses to determine where best to employ electric vehicles.

Third-Party Financing

While the Air Force has made considerable progress to reduce our energy demands and increase our energy diversity, there is still more to do. The Air Force is aggressively pursuing a third-party financing approach for both renewable and energy conservation projects.

Direct Air Force renewable energy project funding through Air Force capital sources is rarely cost-effective when compared to commercial utility rates. To address this, the Air Force is using existing authorities, such as EULs and Power Purchase Agreements, to attract private industry to develop renewable energy projects on underutilized land on Air Force installations. The Air Force is anticipating third-party investments could reach more than \$1 billion over the

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next 5 years to construct on-base renewable projects, while we plan to invest only \$5 to \$8 million for renewable projects over the same period. The Air Force has set a goal to identify \$5 billion worth of EULs and over half of this value will be energy EULs.

The Air Force is reinvigorating third-party financing to fund energy conservation projects through energy savings performance contracts (ESPC) and utility energy service contracts (UESC). The Air Force is targeting over \$260 million in potential ESPCs and UESCs over the next two years. While the Air Force did not award any third-party financed projects in FY11, we anticipate awarding six such projects in FY12 that would save approximately 1.1 million MBTUs, and are evaluating three projects for FY13.

ENVIRONMENTAL

Our environmental programs are designed to provide the mission-ready people, infrastructure and natural resources necessary to meet today's and tomorrow's mission requirements. The Air Force is committed to conducting our operations in an environmentally responsible way; meeting all environmental standards and legal obligations applicable to these operations; planning future activities to consider environmental and community impacts, and minimize them where practicable; eliminating pollution from activities wherever and whenever we can; cleaning up environmental damage resulting from past activities; and responsibly managing our irreplaceable natural and cultural resources in a sustainable manner. To address these commitments, the Air Force's FY13 President's Budget Request seeks just over \$1.1 billion for our environmental programs.

In meeting our environmental commitments, the AF is re-emphasizing improved efficiency and effectiveness as necessary outcomes for program management and for a host of process improvement efforts we have underway. Following are only a few examples of the initiatives we are championing.

Environmental Restoration

Our FY13 President's Budget Request seeks \$529 million for cleanup of active installations, and \$115M for cleanup of BRAC installations. We established our cleanup

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program in 1984 to cleanup former hazardous waste disposal sites on active and BRAC installations. Our past focus was on completing investigations and getting remedial actions in place - - many of which were designed to operate for decades. In early 2011, we put into place a new policy and new metrics - one that shifts the goal from remedy-in-place to closing sites; from one that tolerated decades to complete the cleanup to one that rewards innovative technologies that get the job done in 8-10 years; from one that was cost-plus to one that is fixed price and performance based and incentivizes contractors to develop innovative ways to get to site closure; and to one that considers the total life cycle cost informed by a solid business case analysis.

Our new goals are to achieve accelerated completion of 90% of Air Force BRAC cleanup sites and 75% of non-BRAC sites by 2015, in order to place the emphasis on bringing the program to closure. Through the use of improved performance-based contracting, coupled with this new policy, we are cleaning up sites three times faster, with lifecycle cost savings as much as 19%, and it is our expectation this will go even higher as we mature this contracting approach. By using this approach, we're not only closing sites faster, we're eliminating land use restrictions, while still being fully protective of human health and environment. We continue to work with state and federal regulators on socializing this new approach. We have received positive feedback from many of the regulators on the overarching goal to finish cleanup, but there are historical concerns with the execution of performance-based contracts that we are addressing.

Environmental Quality

Our FY13 President's Budget Request seeks \$469 million in Environmental Quality funding for compliance, environmental conservation, pollution prevention, and environmental technology investment. As in our cleanup program, we are refocusing our efforts to streamline and more effectively manage our Environmental Quality program activities. One example is how we've changed our approach in our National Environmental Policy Act (or NEPA) program. Every decision we make is backed by environmental analyses - with major efforts and cost going into the development of Environmental Impact Statements and Environmental Assessments. As we looked at how to become more efficient in all our functional areas, we found that over time our NEPA process had become stagnant and bureaucratic. We had migrated away from the

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Council on Environmental Quality Guidance that emphasizes clear, concise, and analytical analyses rather than encyclopedic documents. On average, EISs were taking three and a half years to complete and EAs half that time. Our decision-making process was being crippled by such tasks as elaborate internal reviews and steps that added very little value to the quality of the analysis.

In September of 2010, we issued a policy to refocus our NEPA process. The policy emphasizes use of performance-based contracts to incentivize contractors to provide quality environmental analyses that are fully-compliant with the spirit and intent of NEPA, that are aimed at better decision-making. Likewise, to refocus our internal reviews the policy sets goals for completion of EISs in 12 months and EAs in 6 months. To execute the new policy the Air Force established a NEPA center of excellence to standardize the Air Force approach to NEPA management and contracting and to provide reach back to major commands and installation NEPA professionals. Results to date are very promising; our first contract actions are hitting the 12 month and 6 month schedules and we're doing this without sacrificing quality.

We also have some initiatives underway that will change how the Air Force manages waste. Pollution prevention and waste minimization provide great potential to realize efficiencies while at the same time sustaining the Air Force mission, maintaining a safe and healthy workplace for our people, and improving the environment in which we live. This year, we are establishing pollution prevention and waste minimization goals; we will use our environmental management system to achieve these goals; and, we fully expect to see our operations become more efficient, more protective of the workforce, while realizing cost savings. We are also striving to change how our culture considers waste and the environment. The Air Force believes that 'green' is a smart way to do business. Simply put: green is money; green is innovation; green is safety; and, green is good stewardship.

Our pollution prevention initiative provides a great segue to something the Air Force is very excited about. We are embarking on an aggressive initiative to transform how the Air Force manages energy, water, green house gas production, and solid waste. This year, we are rolling out a net zero policy for the Air Force. This initiative will strengthen the Air Force's

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commitment to supporting the Air Force's operational mission by leading in energy and environmental management. We will do this by complying with legal requirements, reducing unacceptable risk to operations from energy-related considerations and environmental impacts, by continuously improving energy and environmental management practices to be more effective and efficient, and to ensure sustainable management of the resources we need to adequately fly, fight and win into the future. There is no question that responsible and prudent stewardship of the natural and other resources with which we are entrusted is of great importance to national and economic security.

Working together with regulatory agencies, other Federal partners, and industry experts, the Air Force is continuously innovating and adopting best practices to lessen the environmental impact of its operations while helping the Air Force maintain its mission-ready posture and capabilities.

CONCLUSION

Our Fiscal Year 2013 budget request satisfies our most pressing needs while supporting the greater good of the nation's fiscal security. It stays true to the fundamental priorities of our Air Force: (1) continue to strengthen the nuclear enterprise; (2) partner with the Joint and Coalition team to win today's fight; (3) develop and care for our Airmen and their families; (4) modernize our air, space, and cyber inventories, organizations, and training; and (5) recapture acquisition excellence. We continue to mature our use of centralized asset management principles to mitigate accepted risk in facilities funding. Our Total Force Airmen and their families can rest assured that they are cared for as we strive to eliminate inadequate family housing by 2018 and privatize housing in the United States by 2013.

Finally, we continue to think about the taxpayer with every dollar we spend. Our commitment to continued efficiencies, a properly sized force structure, and right-sized installations, combined with steadfast stewardship of our energy resources and environment, will enable us to provide our trademark support to the Joint fight without imposing fiscal hardship on the nation.