

NAVY/MARINE CORPS



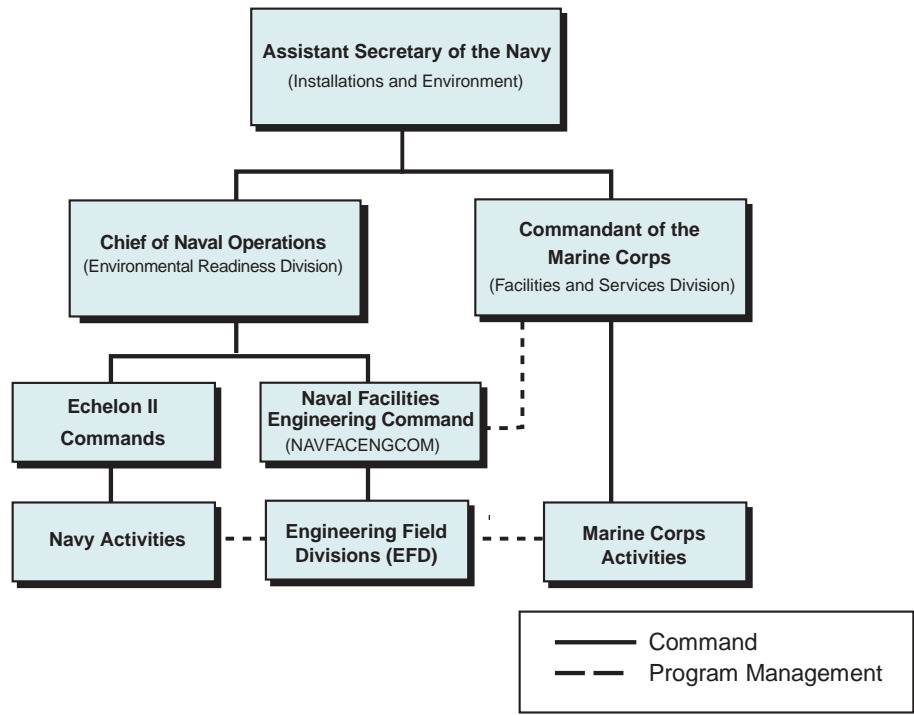
The Department of the Navy (DON) provides the maritime presence that enables the United States to protect vital American interests around the world. This includes force projection, strategic deterrence, crisis response, and humanitarian efforts in support of national security objectives and global interests – both military and environmental. As part of base stewardship, the DON Environmental Restoration Program (ERP) is integral to protecting human health and the environment.

The DON management structure overseeing environmental restoration, as outlined in Figure 49, begins with the Assistant Secretary of the Navy (Installations and Environment), who sets overall strategy, objectives, and policy. The Chief of Naval Operations and the Commandant of the Marine Corps advocate for resources and conduct detailed oversight to ensure DON goals and objectives are met. The Naval Facilities Engineering Command and its eight Engineering Field Divisions and Activities nationwide execute DON’s ERP, including cleanup at Base Realignment and Closure (BRAC) installations. DON’s organizational structure supports central management and regional execution, resulting in consistency and efficiency that makes the DON program one of the best of its kind in government.

Site Status

DON is focused on moving sites through the appropriate environmental restoration phases to complete all cleanup requirements. Many of DON’s Installation Restoration Program (IRP) sites have progressed to the final cleanup stages of the program, while the Military Munitions Response Program (MMRP) sites are completing the initial investigation process.

FIGURE 49: DEPARTMENT OF THE NAVY ORGANIZATIONAL CHART





Installation Restoration Program Site Status

DON currently has an initiative underway to accelerate the restoration or closure of all sites at IRP installations that have only a few, generally less complex sites. This initiative is geared toward closing out the restoration program at these installations. By doing so, DON will avoid the costly overhead associated with maintaining a restoration program at these installations. In Fiscal Year 2003 (FY2003), DON closed out the restoration program at seven installations. Figures 50 and 51 illustrate DON's IRP site status at active and BRAC installations.

Active Installation Restoration Program Site Status

DON currently maintains 3,688 active IRP sites, of which 2,551, or 69 percent, have achieved remedy in place/response complete (RIP/RC). DON discovered only 20 new sites in FY2003, continuing the trend of minimal new site discovery.

Through FY2003, DON has completed 600 remedial actions (RAs) with another 101 currently underway. In addition, as of the end of FY2003, DON completed 100 RAs requiring continuing operations to meet remedial objectives. RA operation (RA-O) is currently underway at 200 sites on active IRP installations. DON completed 737 interim remedial actions (IRAs) on 122 installations, with another 77 sites having interim actions underway.

BRAC Installation Restoration Program Site Status

DON is responsible for 1,027 BRAC IRP sites at 55 installations requiring environmental restoration. DON has completed restoration activities at 84 percent, or 863 of the total sites. Of the remaining 164 sites, DON has completed investigations at 106 sites, and 58 sites have investigations underway.

FIGURE 50: NAVY ACTIVE IRP SITE STATUS
(As of September 30, 2003)

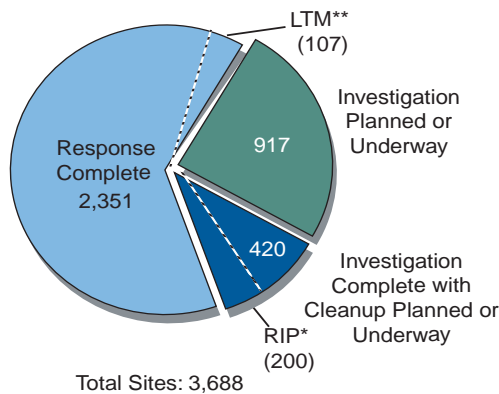
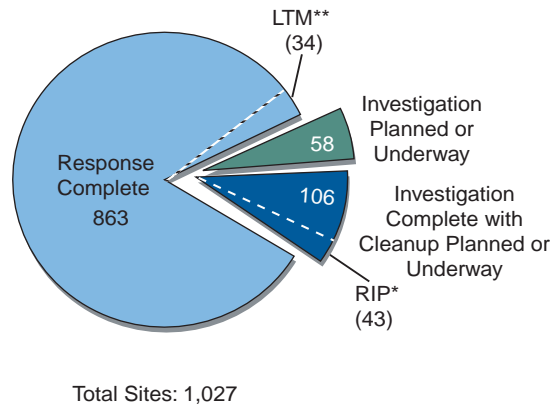


FIGURE 51: NAVY BRAC IRP SITE STATUS
(As of September 30, 2003)



Active and BRAC MMRP Site Status

Response Complete	6
Investigation Under Way or Planned	209
Cleanup Under Way	10
LTM Underway	0

Total MMRP Sites 225

*Remedy in place (RIP) includes sites where remedial action operations are underway.

**Long-term management (LTM) occurs at a subset of the sites that have achieved response complete.



As of FY2003, DON has completed 291 IRAs at 42 installations, with another 14 IRAs underway. By the end of FY2003, DON met the Comprehensive Environmental Response, Compensation, and Liability Act requirements for transfer at 142,321 acres of BRAC IRP property. DON continues to use the early transfer authority (ETA) process to expedite the transfer of property at locations such as the Naval Training Center in Orlando, Florida where three acres of BRAC property were transferred in less than two months.

Military Munitions Response Program Site Status

The DON has identified a total of 225 sites potentially requiring a military munitions response, with 206 of these sites located on 53 active installations and another 19 sites located on 6 BRAC installations. DON has completed preliminary assessments (PAs) for 82 sites at 9 installations. PAs are underway at 31 active and 5 BRAC installations. DON expects to meet the Department of Defense's (DoDs) near-term MMRP goal of completing PAs for all known MMRP sites by the end of 2007.

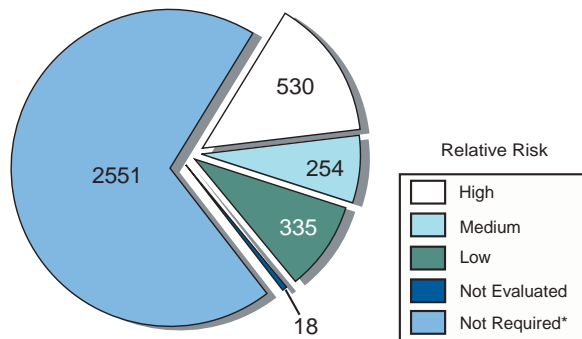
Progress Toward Program Goals

DON's implementation of the IRP addresses the environmental impacts of hazardous substances remaining from past practices at DON sites. The considerable size of DON's ERP requires extensive resources, comprehensive planning, and rigorous oversight. To keep the program on track and measure its progress, DON utilizes DoD's performance goals for IRP and MMRP sites. The ERP goals focus on achieving RIP and completing necessary cleanup requirements, while the MMRP objectives focus on completing investigations.

Installation Restoration Program Goals

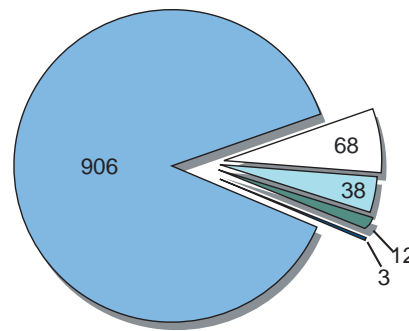
DON's approach to meeting DoD's goals and priorities is risk-management based. This approach considers site risk, as assigned through DoD's Relative Risk Site Evaluation framework, as well as legal requirements, economic considerations, and stakeholder concerns. DON's risk-management philosophy also considers expediting the restoration of BRAC property slated for reuse. Figures 52 and 53 illustrate the relative risk ranking for DON's active and BRAC sites in progress.

FIGURE 52: NAVY RELATIVE-RISK RANKING FOR ACTIVE IRP SITES IN PROGRESS



Total Sites: 3,688

FIGURE 53: NAVY RELATIVE-RISK RANKING FOR BRAC IRP SITES IN PROGRESS



Total Sites: 1,027

* Not Required includes sites that have already achieved RIP or RC.



DoD's and DON's IRP goals for active installations include achieving RIP/RC at all high relative-risk sites by the end of FY2007, all medium relative-risk sites by the end of FY2011, and all low relative relative-risk sites by the end of FY2014. During FY2003, DON made considerable progress toward achieving these goals by reaching RIP/RC at 128 sites at active installations, of which 65 sites were high relative-risk. This exceeded DON's goal of achieving RIP/RC at 105 active installation sites in FY2003. As of FY2003, DON accomplished RIP/RC status at 69 percent of all active IRP sites, and reached RIP/RC at 63 percent, of its high relative-risk sites.

DON is also advancing toward DoD's goal of achieving 100 percent RIP/RC at all BRAC installations by FY2005. During FY2003 alone, DON achieved RIP/RC at 45 BRAC sites. By the end of FY2003, 88 percent of all BRAC sites had reached RIP/RC. DON achieved RIP/RC at all IRP sites on 23 out of 55 DON BRAC installations. DON projects that 93 percent of all IRP sites will reach RIP/RC by the end of FY2005, nearing the DoD goal of 100 percent. After FY2005, DON expects to have 69 IRP sites at 20 BRAC installations remaining from the total 1,027 IRP sites at 55 BRAC installations. Of these 20 installations, it is projected that eight installations will have only one site left. Figures 54 and 55 show the status of active and BRAC installations with all sites in RIP/RC.

By restoring BRAC property, DON has made 142,321 acres environmentally suitable for transfer. DON projects that over 90 percent of its BRAC acreage will be environmentally suitable for transfer by the end of FY2005.

Military Munitions Response Program Objectives

DON has been actively addressing DoD's MMRP objectives, including updating the MMRP site-level inventory, furthering MMRP program build, and accomplishing investigations and cleanup at MMRP sites. DON has completed PAs for MMRP sites at 31 installations through the end of FY2003, with plans to complete PAs at 13 additional installations by FY2005. In addition, the Marine Corps has already completed MMRP site PAs at all nine of their installations. By the end of FY2003, DON achieved RIP/RC at 3 of its 19 BRAC MMRP sites. As PAs are completed, DON will begin to move forward with site inspections at MMRP sites.

FIGURE 54: NAVY ACTIVE INSTALLATIONS ACHIEVING FINAL RIP OR RC AT ALL IRP SITES
(Cumulative and projected, FY1990 through completion)

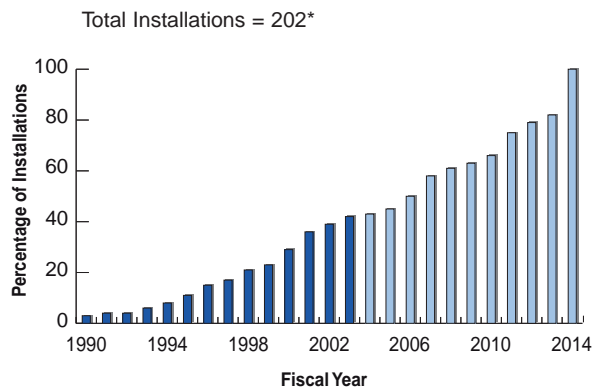
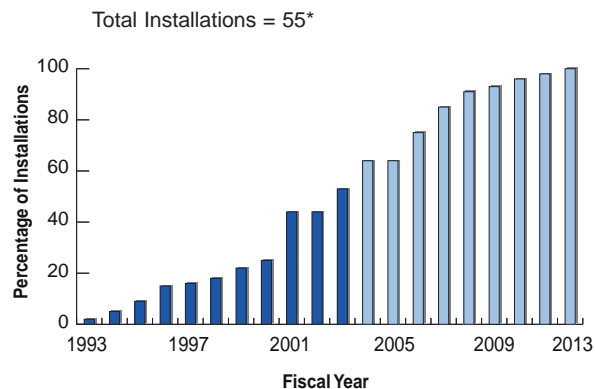


FIGURE 55: NAVY BRAC INSTALLATIONS ACHIEVING FINAL RIP OR RC AT ALL IRP SITES
(Cumulative and projected, FY1993 through completion)



* Excludes locations without environmental restoration sites.



Program Initiatives and Improvements

DON's ERP continually seeks to match the type of work to be performed with the most cost-effective contractual vehicle, while addressing congressional concerns pertaining to contract types. This acquisition strategy includes increased use of fixed-price contracts, a continued trend toward increased small-business participation, and expedited closeout of contract task orders.

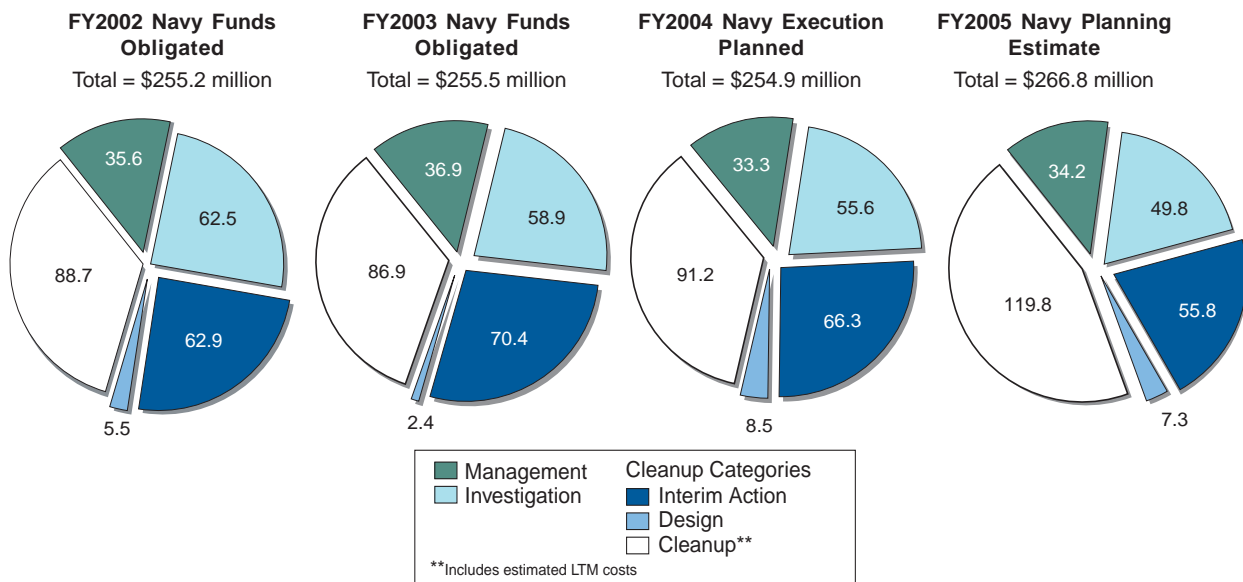
One of DON's program highlights for FY2003 is the completion of the first-ever early transfer at a non-BRAC installation. Under the ETA, DON used an environmental services cooperative agreement to transfer cleanup responsibility at Naval Communication Telecommunication Installation Stockton, California, to the new landowner, the Port of Stockton. Further details about this success can be found in the Defense Environmental Restoration Program Chapter.

Also in FY2003, DON developed and implemented its Optimization Policy that will optimize RA system selection, operations, and monitoring to reduce cleanup costs.

Funding

In FY2003, DON obligated \$255.5 million for environmental restoration work at active installations, including \$8 million for MMRP activities. The FY2004 funding level is projected to be \$254.9 million, and the FY2005 funding level is projected to be \$266.8 million, including \$8 million in FY2004 and \$16 million in FY2005 for MMRP activities. Figure 56 illustrates DON's Environmental Restoration funding profile for FY2002 through FY2005.

FIGURE 56: NAVY ENVIRONMENTAL RESTORATION FUNDING PROFILE*
(In millions of dollars)



*Funding shown includes all IRP, MMRP, and management and support costs. Due to rounding, category subtotals may not equal fiscal year totals.



DON obligated approximately 66 percent of Environmental Restoration funds in FY2003 on design work, interim or final cleanup actions, and operations and maintenance, spending only 34 percent of funding on investigation activity and management. DON expects these proportions to remain the same in FY2004. Over 90 percent of the project funds were spent on high relative-risk projects, including RA-O and long-term management actions.

DON's obligations for environmental restoration work at BRAC installations totaled \$462.2 million in FY2003. The planned investment levels for DON BRAC environmental restoration in FY2004 and FY2005 are \$101.2 million and \$101.7 million, respectively. DON active and BRAC funding trends are detailed below in Figure 57.

DON has continued to reduce both active and BRAC installation IRP cost-to-complete (CTC) estimates. While overall program costs continue to decrease, site-specific cost increases occurred at five BRAC installations—Hunter's Point, South Weymouth, Adak, Mare Island, and Orlando—due to the discovery of greater contamination than originally anticipated. To ensure DON CTC estimates continue to decrease according to work requirements, CTC validation efforts at active installations, based on a technical review of remedies and costs, will be performed in FY2004.

The total cost of completing the ERP at both active and BRAC installations for the DON is now estimated at \$3.26 billion, not including program management costs of \$433 million. MMRP completion costs are estimated at \$437.3 million.

Looking Forward

DON continues to make substantial progress toward completing the ERP in the face of complex challenges directly associated with DON's mission and related operational factors. DON is on-target to meet DoD's environmental restoration goal of completing all IRP restoration by 2014.

FIGURE 57: NAVY ENVIRONMENTAL RESTORATION AND BRAC ENVIRONMENTAL FUNDING TRENDS

