

APPENDIX Q: COST RECOVERY

The Department of Defense (DoD) seeks to recover response costs for contamination caused by the actions of other parties. As stated in a February 27, 1998, memorandum, Components are required to annually identify opportunities to recover or share environmental restoration response costs from DoD contractors and other parties, both public and private, that may have contributed to contamination at installations and Formerly Used Defense Sites (FUDS). Components must also investigate each activity in which cost recovery or sharing may be possible, to determine whether the potential for recovering or sharing costs outweighs the expense associated with pursuing a recovery action. If cost recovery or cost sharing activities appear to be cost effective, Components must pursue such activities to the extent practicable by:

- Obtaining all relevant data
- Identifying any contractor negligence or other misconduct that may limit or negate DoD's obligation to indemnify or reimburse the contractor for the costs of environmental restoration at a DoD site
- Initiating actions, where appropriate, to recover environmental restoration costs incurred, or to be incurred, by the Department.

The Management Guidance for the Defense Environmental Restoration Program states, "As a matter of policy, Components should pursue recovery of response costs of \$50,000 or more." Components are authorized to credit the amount recovered for response costs to their Environmental Restoration Accounts. Figure Q-1 shows the status of the Components' cost recovery actions. Installations included in this table have recovered or shared costs in Fiscal Year (FY) 2006, or began the cost recovery process. In FY2006, DoD recovered or shared over \$19.1 million in environmental remediation response costs.

Figure Q-1

FY2006 Component Cost Recovery Efforts

Installation Name	Location	Cost Action	Status	Amount Recovered/ Shared in FY2006	Cumulative Amount Recovered/Shared through FY2006	Cost to Pursue Action in FY2006	Cumulative Cost to Pursue Action through FY2006
Army							
Rocky Mountain Arsenal	Adams County, CO	Cost Recovery	Underway	\$7,576,625	\$195,095,723	Not Available	Not Available
Rocky Mountain Arsenal	Adams County, CO	Cost Sharing	Underway	\$9,039,261	\$287,197,627	Not Available	Not Available
Twin Cities AAP	Arden Hills, MN	Cost Recovery	Complete	\$0	\$3,900,000	Not Available	Not Available
Twin Cities AAP	Arden Hills, MN	Cost Sharing	Underway	\$150,000	\$1,640,478	Not Available	Not Available
Navy							
Allegany Ballistics Lab	Rocket Center, WV	Cost Sharing	Underway	Not Available	Not Available	Not Available	Not Available
Pearl Harbor Naval Complex, Waipahu Ash Landfill	Honolulu, HI	Cost Sharing	Underway	\$1,737,192	\$3,242,192	\$3,112	\$150,442
Air Force							
Air Force Plant PJKS	Littleton, CO	Cost Recovery	Underway	\$350,000	\$2,450,000	\$0	\$330,000
Arnold Air Force Base	Tullahoma, TN	Cost Recovery	Complete	\$225,000	\$225,000	Not Available	Not Available
FUDS							
Richmond NAS	Richmond Heights, FL	Cost Recovery	Underway	\$0	\$0	Not Available	Not Available