

# The Defense Environmental Restoration Program

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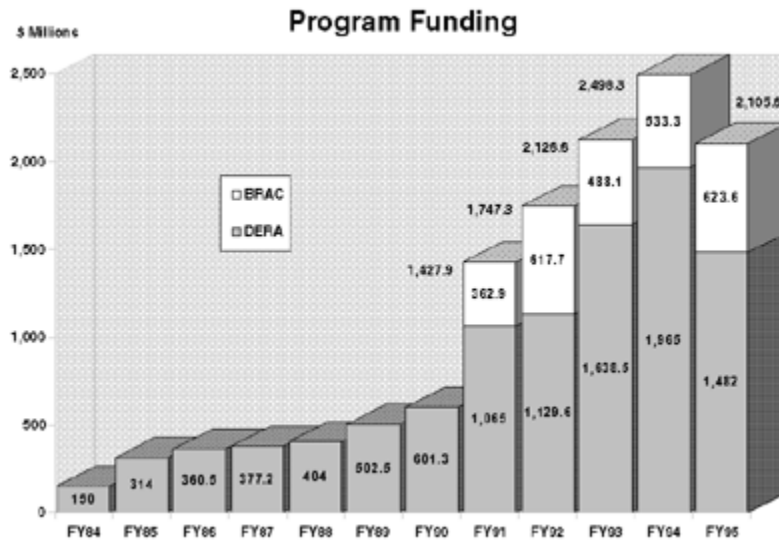
The funding, status, and progress of the Defense Environmental Restoration Program for FY95 are discussed in the following section. FY95 represents a transition year between reporting progress solely on the basis of phase status (such as "investigations complete" and "cleanups underway") and including performance measurements that are aligned more directly with the reduction of risk. As the program's relative risk site evaluation framework takes effect and the program's Measures of Merit are refined and fully implemented, DoD will be able to present more meaningful data on and analysis of progress and performance. This will enable DoD to better articulate its investment strategy and measure the return on investment.

In anticipation of reporting progress and performance based on the new Measures of Merit, this year's report provides baseline data on the relative risk status of sites in progress and further discusses the transition to the relative risk site evaluation framework and DoD's strategy for prioritizing work. In future annual reports, it will be easier to more directly link the information provided in the section on "Funding the Work" with the "Status and Progress" information that follows.

## Funding the Work

Through FY95, DoD has invested more than \$12.6 billion in its environmental restoration program. Congress has provided funds in two accounts: about \$10 billion in the Environmental Restoration, Defense account more commonly referred to as DERA for active DoD installations and FUDS; and about \$2.6 billion in the BRAC account for environmental programs at closing installations.

[Appendix B](#) presents installation-specific information on costs incurred through FY95, funds executed in FY95, funds planned for execution in FY96, and planning estimates for FY97 and beyond for restoration activities at DoD installations and FUDS. Funding profiles and distributions for DERA and BRAC environmental programs are summarized on the following pages.



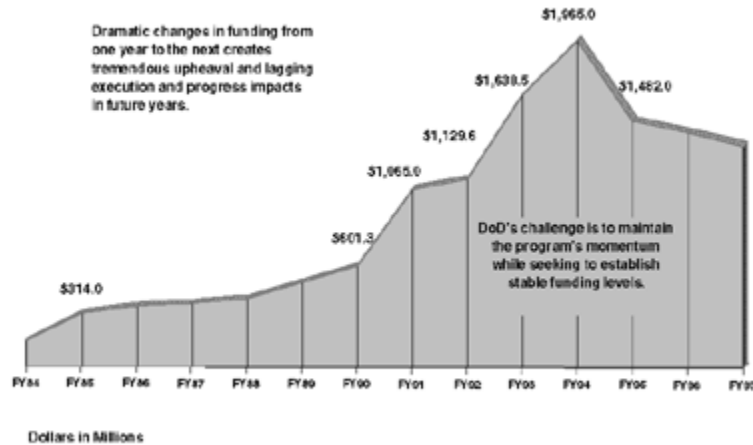
*In FY 95, the President's budget request for DERA was reduced by \$700 million, presenting a great challenge for DoD to maintain the program's momentum and stability.*

### **DERA Funding**

The graph on the next page emphasizes the steep rise in funding from FY90 to FY94, followed by the sharp decline in funding in FY95. Although required to meet rapidly increasing requirements, the steep slope of the funding curve between FY90 and FY94 was not ideal. The steep funding curve, combined with the equally steep learning curve during this period, presented difficult challenges to planning, programming, budgeting, and executing the program. In FY95, at about the time execution capabilities were fully in line with funding levels and the program had achieved critical momentum, funding was significantly reduced.

The steep slope of the line in the graph above illustrates an important point in terms of funding stability. Most programs, especially maturing programs, are best served by stable funding from year to year. Stable funding does not necessarily mean level funding, but rather signifies either manageable growth or decline. Manageable increases or decreases in funding are especially important for DoD's environmental restoration program with its direct correlation between funding and execution in one year and continuing progress in subsequent years. Execution capabilities associated with staffing, contracting, and other resource considerations can be severely impacted by wide fluctuations in funding and the inability to predict future levels of funding. The challenge for the program is to establish a stable funding pattern and work within the bounds of such funding from year to year, maintaining the momentum that has been gained while continuing to seek and achieve increased cost efficiency.

## DERA Funding Trend

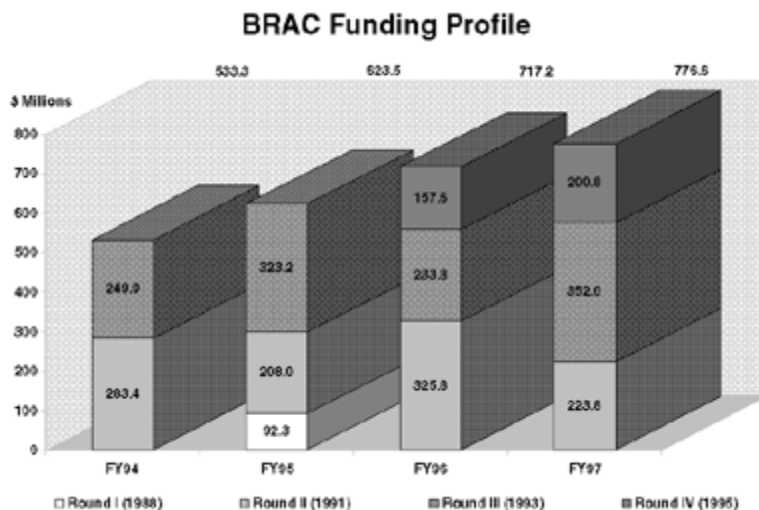


*BRAC environmental funding includes costs for environmental compliance related to closure and environmental planning, in addition to costs for environmental restoration.*

### **BRAC Funding**

The BRAC environmental program is part of the overall BRAC account and encompasses more than environmental restoration efforts. BRAC environmental funding also addresses closure-related environmental compliance and environmental planning.

BRAC compliance efforts include such actions as removal of underground storage tanks; closure of hazardous waste treatment, storage, and disposal facilities; radon surveys; and asbestos abatement. Planning involves environmental analyses required under the National Environmental Policy Act (NEPA) to aid decisions related to property reuse and redevelopment. To ensure maximum flexibility, BRAC funding is provided in a 5-year account, and funds are not "fenced" within the account. This means that specific amounts are not appropriated for each type of BRAC environmental activity. However, a funding limit or ceiling is now specified for BRAC environmental restoration in the Defense Appropriations Act.



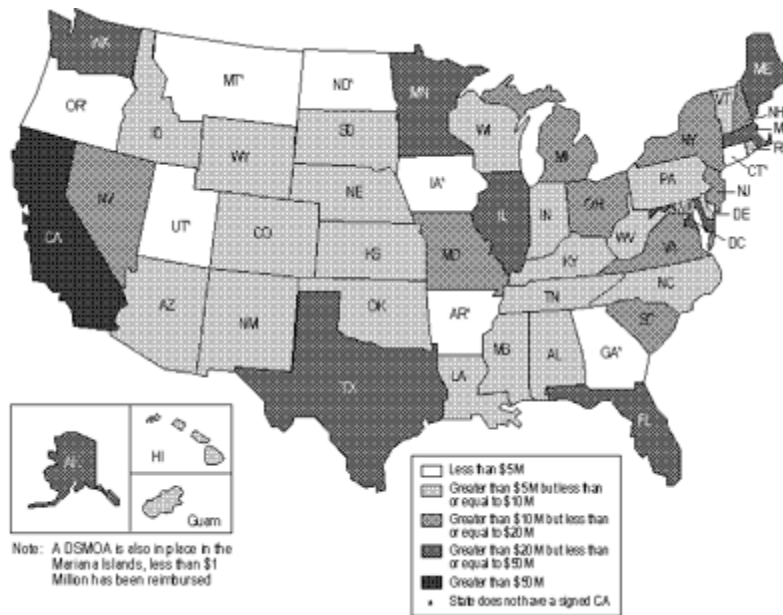
## DSMOA Funding

States and territories can be reimbursed for technical services in support of investigation and cleanup efforts at DoD installations within their boundaries under the DSMOA program. Forty-three states, four territories, and the District of Columbia have signed DSMOAs, and 42 states, two territories and the District of Columbia have approved Cooperative Agreements (CA). [Appendix H](#) of this report provides details of DSMOAs and CAs. Two steps are required for a state or territory to participate in the program. The initial requirement is for the state or territory to enter into a DSMOA. The DSMOA provides a mechanism for state or territory involvement in restoration activities and establishes the terms and conditions required to reimburse a state or territory. Reimbursement is then available through an approved CA, which is valid for two years.

For active and closing installations, state reimbursable activities may commence at the site identification stage and continue through construction and long-term monitoring. For FUDS, state reimbursable activities commence after site eligibility for DERA funding is determined, providing that no litigation by the state is in process against DoD for that particular site. The state also must certify that no supplemental funds from DoD or other Federal sources have been previously provided. FUDS that meet these criteria will be managed in the same way as active and closing installations.

The level and type of reimbursable services requested from the state by DoD are based on the effort under way at an installation or site and the complexity of the contamination problem. Using a work plan concept, the state reviews the level of effort and type of work that is planned by the DoD Components, and the level of state reimbursable services is determined.

## Defense and State Memorandum of Agreement Reimbursement FY90 through FY95



## Services that Qualify for Reimbursement Under DSMOA

- Technical review of documents or data
- Identification and explanation of state or territorial applicable or relevant and appropriate requirements (ARARs)
- Site visits
- Technical Review Committee (TRC) or Restoration Advisory Board (RAB) participation
- Public participation and community relations
- Cooperative agreement preparation and administration
- DSMOA preparation, administration, and amendments
- Technical review and comment on all documents and data regarding DoD prioritization of sites
- Determination of scope and applicability of agreements (for example, Federal Facility Agreements) and assurance of satisfactory performance of Interagency Agreements, excluding any litigation costs against the U.S. Government
- Independent quality assurance/quality control samples
- Other services (negotiated on a state-by-state or installation-specific basis)

## ATSDR

The Agency for Toxic Substances and Disease Registry (ATSDR) is one of eight independent agencies of the Public Health Service within the Department of Health and Human Services (DHHS). ATSDR receives funding through two independent mechanisms, not through DHHS appropriations. For work that is not related to Federal facilities, ATSDR obtains funds through EPA. For work required by law at Federal facilities, ATSDR obtains funding by negotiation of an annual work plan with the responsible Federal agency, with funds transferred through a negotiated Memorandum of

Understanding or Interagency Agreement. ATSDR prepares independent public health assessments of Federal facility sites in accordance with the agency's authority and responsibility under the Comprehensive Environmental Response, Compensation, and Liability Act.