

Appendix P: Cost Recovery

Restoration cost recovery is the mechanism by which the Department of Defense (DoD) recovers or defers some of the response costs associated with restoring sites that have been environmentally contaminated by past actions. If a DoD site is contaminated in whole or in part due to the actions of another party, DoD may be able to recover or defer some of the response costs associated with cleanup through restoration cost recovery.

Cost recovery relieves some of the financial burden on DoD by allowing Components to credit their Environmental Restoration Accounts toward future environmental cleanup efforts. The capacity for environmental restoration directly supports the military mission by expanding available natural resources for training and military missions to the Services.

As required under the 2001 Management Guidance for the Defense Environmental Restoration Program, and an Under Secretary of Defense for Acquisitions and Technology memorandum dated 27 February 1998.

Components shall:

- ▶ Establish policies to identify other potentially responsible parties for cleanup violations, both public and private;
- ▶ When cost-effective, pursue the other potentially responsible party to either take responsibility for environmental restoration or to contribute to the cost of response actions; and
- ▶ Report all cost recovery attempts in the Defense Environmental Programs Annual Report to Congress.

Components shall pursue recovery of response costs of \$50,000 or more whenever a response action on DoD property is required and cooperation could not be negotiated in advance. Figure P-1 shows the status of the Components' cost recovery actions. Installations included in this table have recovered or shared costs in Fiscal Year (FY) 2008 or began the cost recovery process. In FY2008, DoD recovered or shared over \$50 million in environmental remediation response costs.

Installations or properties identified last year for which no recovery or cost sharing actions took place in FY2007 have been removed unless costs were recovered or shared in FY2008. Great Lakes Naval Station (Pettibone Creek Site), Grissom Air Force Base, Defense Supply Center Philadelphia, Blaine Naval Ammunition Depot, and Nebraska Ordnance Plant were excluded due to no cost recovery actions in FY2008. Allegany Ballistics Lab was removed because it completed cost recovery actions.

Figure P-1 Cost Recovery Efforts by Component

Army							
Installation Name	Location	Cost Action	Status	Amount Recovered/ Shared in FY2008	Cumulative Amount Recovered/ Shared through FY2008	Cost to Pursue Action in FY2008	Cumulative Cost to Pursue Action through FY2008
Minnesota Army Reserve National Guard (formerly Twin Cities Army Ammunition Plant)	Arden Hills, MN	Cost Sharing	Underway	\$143,029	\$1,933,507	Not Available	Not Available
Rocky Mountain Arsenal	Adams County, CO	Cost Sharing	Underway	\$8,696,911	\$304,588,310	Not Available	Not Available
Rocky Mountain Arsenal	Adams County, CO	Cost Recovery	Underway	\$9,285,482	\$211,817,359	Not Available	Not Available
Twin Cities Army Ammunition Plant	Arden Hills, MN	Cost Recovery	Underway	\$3,900,000	\$3,900,000	Not Available	Not Available
Navy							
Installation Name	Location	Cost Action	Status	Amount Recovered/ Shared in FY2008	Cumulative Amount Recovered/ Shared through FY2008	Cost to Pursue Action in FY2008	Cumulative Cost to Pursue Action through FY2008
Allegheny Ballistics Lab (ATK)	Rocket Center, WV	Cost Sharing	Underway	\$29,444	\$356,739	Not Available	Not Available
Allegheny Ballistics Lab (HERCULES)	Rocket Center, WV	Cost Sharing	Complete	\$12,950,000	\$12,950,000	\$291,000	\$1,088,000
Great Lakes Naval Station, Pettibone Creek Site	North Chicago, IL	Cost Sharing	Underway	\$0	\$1,233,284	\$7,000	\$229,000
Naval Industrial Reserve Ordnance Plant, Fridley	Minneapolis, MN	Cost Sharing	Complete	\$4,600,000	\$4,600,000	\$10,000	\$745,000
Naval Weapons Industrial Reserve Plant, Bloomfield	Bloomfield, CT	Cost Sharing	Complete	\$7,400,000	\$7,400,000	\$2,000	\$158,000
Naval Weapons Industrial Reserve Plant, Toledo	Toledo, OH	Cost Sharing	Complete	\$525,000	\$525,000	\$11,000	\$105,000
Pearl Harbor Naval Complex, Waipahu Ash Landfill	Honolulu, HI	Cost Recovery	Underway	\$171,502	\$3,765,300	\$51,000	\$212,000
Air Force							
Installation Name	Location	Cost Action	Status	Amount Recovered/ Shared in FY2008	Cumulative Amount Recovered/ Shared through FY2008	Cost to Pursue Action in FY2008	Cumulative Cost to Pursue Action through FY2008
Air Force Plant 44	Tucson, AZ	Cost Recovery	Underway	\$2,100,000	\$2,100,000	Not Available	Not Available
Air Force Plant 59	Binghamton, NY	Cost Recovery	Underway	\$0	\$0	Not Available	Not Available
Air Force Plant 85	Columbus, OH	Cost Recovery	Underway	\$0	\$0	Not Available	Not Available
Air Force Plant PJKS	Jefferson County, CO	Cost Recovery	Underway	\$350,000	\$3,150,000	Not Available	Not Available