

DLA

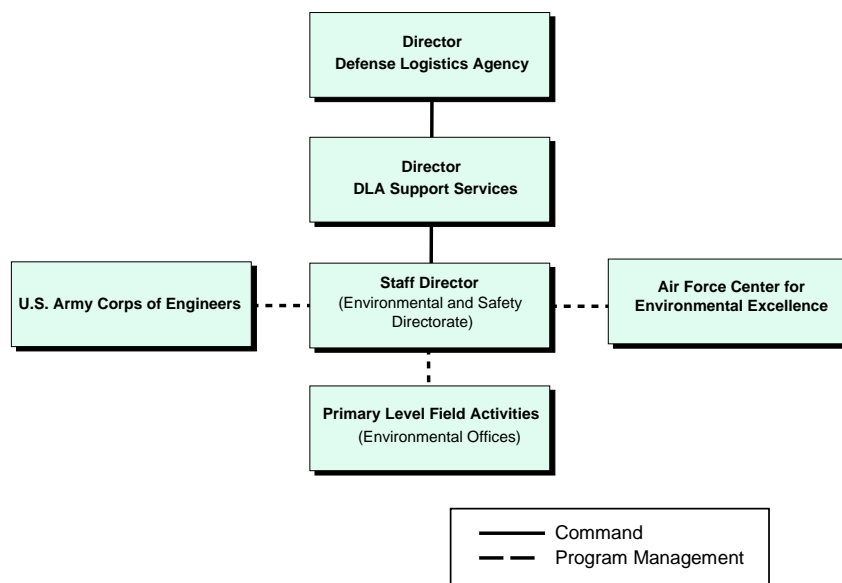


The Defense Logistics Agency (DLA) is a combat support agency responsible for providing the Department of Defense (DoD) and other federal agencies a variety of logistics, acquisition, and technical services, including: inventory management; procurement, warehousing, and distribution of spare parts, food, clothing, medical supplies, construction materials, and fuel; and reutilization and disposal of material that is obsolete, worn out, or no longer needed.

DLA has a staff of 319 environmental specialists located throughout the world, ensuring that the agency’s activities are conducted in full compliance with applicable environmental requirements. Two hundred sixty-one DLA staff members work on Defense Reutilization and Marketing Service missions, which give the agency special opportunities to provide services and support that are critical to the environmental programs of DLA’s Military Component customers. Under DLA’s Defense National Stockpile Program, unique environmental issues are addressed in relation to storage, disposal, and sale of materials such as asbestos, lead, mercury, and thorium nitrate. DLA is also involved in the environmental restoration process at active third-party sites where contamination has resulted from improper disposal or transfer of DoD hazardous wastes.

The U.S. Army Corps of Engineers assists the DLA restoration program with administrative contracting support and provides technical oversight at several key DLA locations. Other Component offices, such as the Air Force Center for Environmental Excellence (AFCEE), also assist the DLA restoration program by providing peer reviews of DLA remediation systems through implementation of a remedial process optimization (RPO) program. The agency’s organizational structure is illustrated below in Figure 67.

FIGURE 67: DEFENSE LOGISTICS AGENCY ORGANIZATIONAL CHART





Site Status

DLA has 553 Installation Restoration Program (IRP) sites as part of the Defense Environmental Restoration Program: 389 active IRP sites at 17 installations, and 164 IRP sites at DLA's 2 Base Realignment and Closure (BRAC) installations. Figures 68 and 69 show the status of DLA's active and BRAC IRP sites. To date, DLA has identified no Military Munitions Response Program sites.

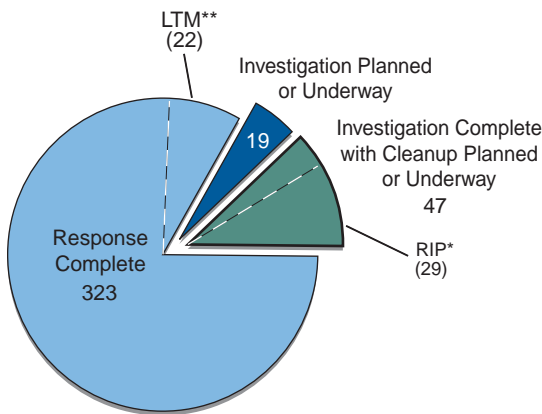
Active Installation Restoration Program Site Status

Currently, DLA has 47 restoration actions underway or planned for the future. Investigations have been completed at 370 sites, and 19 are underway. DLA has completed remedial action-construction and remedial action-operation (RA-O) at 163 sites, with 47 sites at active installations with cleanup activities currently underway or planned for the future. Interim actions (IAs) were completed for 65 sites at 5 installations. DLA has achieved response complete (RC) through investigation activities at 190 active installation sites and through cleanup activities at 133 active installation sites. DLA currently has 22 sites in long-term management (LTM), with 28 additional sites planned for LTM in the future.

BRAC Installation Restoration Program Site Status

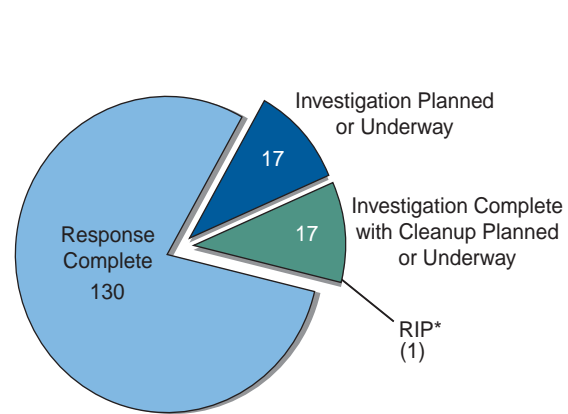
Four DLA installations were closed or realigned from the Fiscal Year 1993 (FY1993) and FY1995 BRAC rounds. At two of these locations, the Former Defense Electronics Supply Center and the Defense Distribution Depot Ogden (DDOU), all sites have achieved remedy in place (RIP) or RC and were transferred for any follow-on actions to the Air Force and the Army, respectively. Of the 164 sites at DLA's two remaining BRAC installations, restoration work is complete at 130 sites. Investigations have been completed at 147 sites and are planned or underway at 17 sites. IAs were completed at 10 sites and 3 are underway. The transfer of DDOU to the Army resulted in a decrease of DLA's BRAC site count from 267 to 164, a reduction of 103 sites.

FIGURE 68: DLA ACTIVE IRP SITE STATUS
(As of September 30, 2003)



Total Sites: 389

FIGURE 69: DLA BRAC IRP SITE STATUS
(As of September 30, 2003)



Total Sites: 164

*Remedy in place (RIP) includes sites where RA-O are underway.

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



Progress Toward Program Goals

DLA continued to make significant progress toward reaching DoD’s management goals for completing environmental restoration actions at sites on active and BRAC installations. In accordance with DoD goals, DLA applies the Relative Risk Site Evaluation (RRSE) to expedite cleanup and reduce risk to human health and the environment. Figures 70 and 71 show progress made at DLA sites based on the RRSE.

FIGURE 70: DLA RELATIVE-RISK RANKING FOR ACTIVE SITES IN PROGRESS

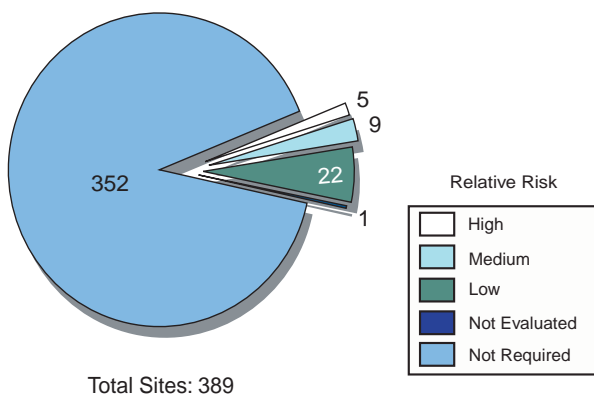
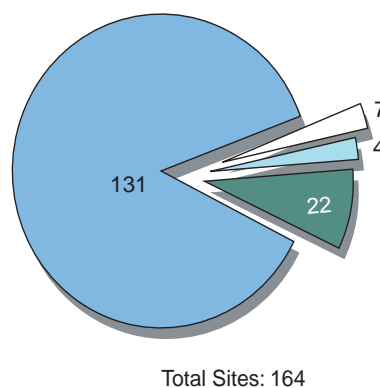


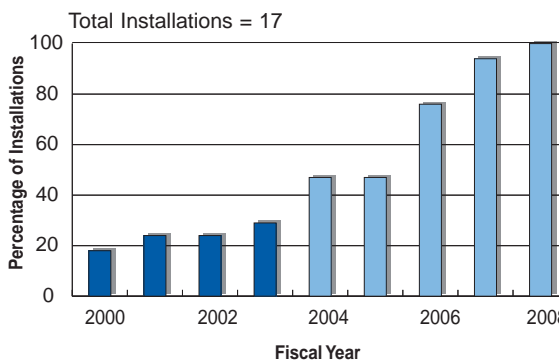
FIGURE 71: DLA RELATIVE-RISK RANKING FOR BRAC SITES IN PROGRESS



Progress is also demonstrated as sites move through the investigation process and into cleanup phases. A designation of RIP indicates that the selected remedy is in place and operating properly and successfully, while RC is achieved when all cleanup objectives for the site are met. DLA has achieved RIP/RC at 5 of 17 active installations, or 29 percent, and 1 out of 2 remaining BRAC installations, or 50 percent, have achieved RIP/RC. This does not include 1 BRAC installation that was transferred out of DLA last year.

By the end of FY2003, DLA had only 5 high relative-risk sites remaining at active installations. DLA expects to achieve RIP or RC at all high relative-risk sites well in advance of the DoD management goal of FY2007. DLA is also ahead of schedule to complete all restoration requirements for the two remaining active installation goals, to achieve RIP/RC at all medium relative-risk sites by FY2011 and all low relative-risk sites by FY2014. DLA is on track to achieve RIP/RC at all remaining BRAC sites by FY2005. The bar chart illustrated in Figures 72 shows DLA’s progress toward final RIP/RC at active installations.

FIGURE 72: DLA ACTIVE INSTALLATIONS ACHIEVING FINAL RIP OR RC
(Cumulative and projected, FY2000 through completion)





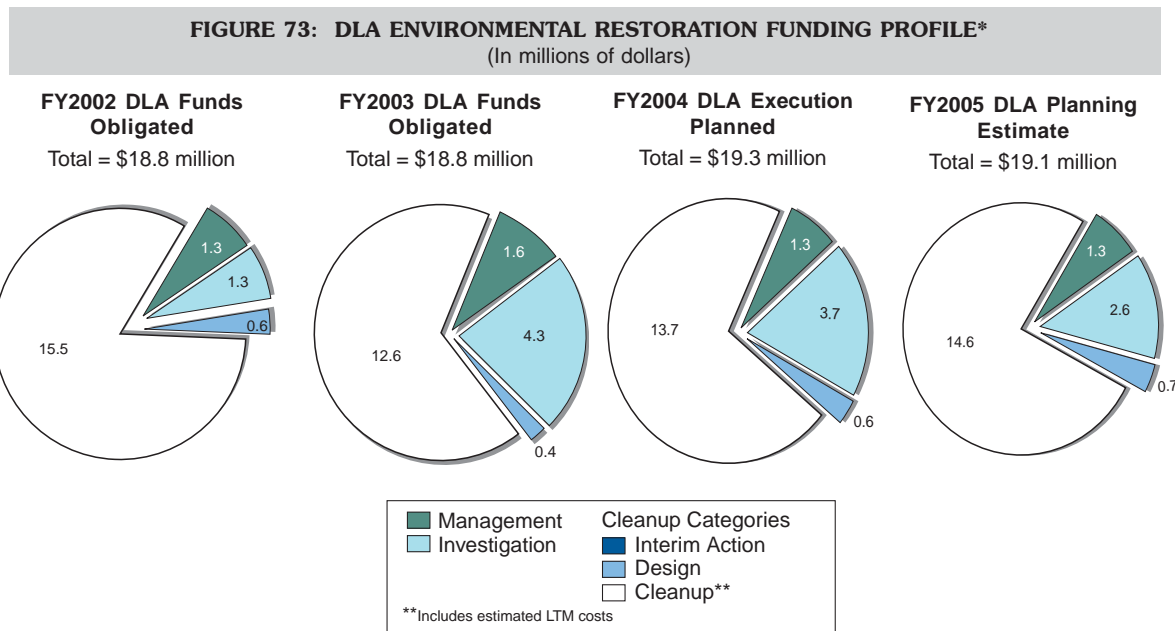
Program Initiatives and Improvements

DLA identified significant optimization opportunities at each of the installations evaluated under the RPO program. By implementing remedial process optimization recommendations, DLA is improving the effectiveness of remediation systems and reducing overall cleanup costs. In FY2003, DLA developed an exit strategies document, in conjunction with AFCEE, that changes DLA's approach to cleanup. Under the new exit strategy, DLA's Records of Decision (RODs) will now contain contingencies allowing for process corrections during cleanup. This strategy will provide the installations and stakeholders with a road map clearly defining when ROD cleanup goals and objectives are met. The agency also recently embarked on a performance-based contracting approach that provides incentives for contractors to complete projects faster and reach site closeout sooner. These initiatives highlight the success of DLA's cleanup program.

Funding

DLA obligated a total of \$18.8 million in FY2003 for active installation restoration, with \$12.6 million for cleanup activities and \$4.3 million for investigation actions. The remaining funding was obligated for remedial design and program management. DLA continues to keep management costs low, at roughly eight percent of total dollars spent. Planned funding for active installations is \$19.3 million and \$19.1 million for FY2004 and FY2005, respectively. The pie charts in Figure 73 exhibit DLA's profile for obligated and planned funds.

For the BRAC program, DLA obligated \$10.2 million during FY2003, of which \$5.9 million was obligated for cleanup, \$2.7 million was obligated for remedial design, and \$1.6 million was obligated for program management. DLA anticipates obligating funding amounts of \$9.9 million in FY2004 for BRAC installation activities.



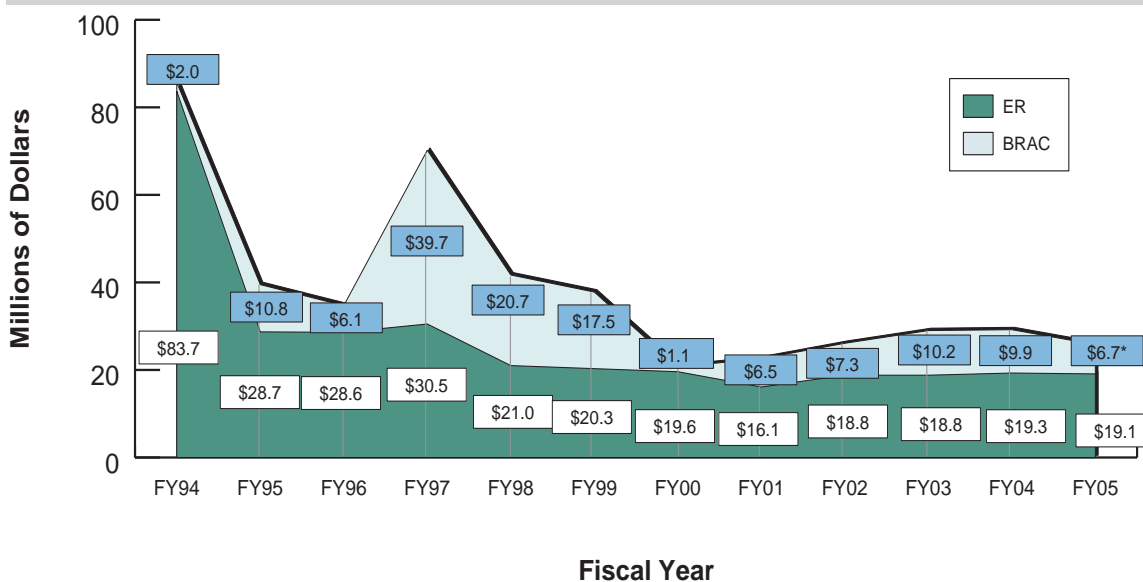
*Funding shown includes all IRP and management and support costs. Due to rounding, category subtotals may not equal fiscal year totals.



DLA continues to receive stable funding for both active and BRAC environmental restoration, and does not anticipate any requirement for increased funding. In fact, as a result of performance-based contracting and the exit strategy approach, DLA expects a decrease in required program funding and overall program length. DLA's environmental restoration funding trends are displayed in Figure 74.

Cost-to-complete estimates and site progress are based on the reasonable expectation that adequate funding will be provided. Without such assurances, current and planned schedules cannot be realized, resulting in extended cleanup schedules, stretching over additional years at additional costs. At BRAC installations, a lack of funding would extend cleanup time requirements and inhibit property transfer for reuse, slowing job creation and economic recovery in the areas most affected by base closings.

FIGURE 74: DLA ENVIRONMENTAL RESTORATION AND BRAC ENVIRONMENTAL FUNDING TRENDS



*Prior year unobligated balance available for execution in FY05.

Looking Forward

DLA expects to continue making significant progress in its environmental restoration program over the next several years, including the achievement of site completion at 96 percent of all sites by FY2010. DLA looks forward to the successful implementation of the new exit strategies and performance-based contracting initiatives in the coming years and the successful completion of DLA environmental restoration program activities ahead of schedule.



DLA RESTORATION STATUS AND PROGRESS
