

**ATTACHMENT 5**  
**FY04 Mid-Year Restoration Review**

*The FY04 Mid-Year Restoration Review is focused on BRAC and each Component is asked to answer the questions under BRAC Environmental Restoration, as well as some Component-specific questions and fill in the associated charts.*

*Active and FUDS environmental restoration questions include Land Use Controls questions to be answered by each Component as well as questions addressing Component-specific issues. Components are requested to fill the associated charts for active installations and FUDS also.*

**BRAC ENVIRONMENTAL RESTORATION – All Components**

1. Provide the data for table 1a and 2a.
2. Please describe your progress towards meeting the RIP/RC goal of 2005 at sites within your program. In your response, please provide the installations and sites that will not meet this goal, and describe the management initiatives are you undertaking to attempt to bring these sites back into conformance with the FY2005 goal? If it will not be possible for these sites to meet the FY2005 RIP/RC goal, please describe the outreach program you are planning to implement when it becomes public knowledge that you will not make this goal.

*Of the sites scheduled to make the FY2005 goal, 175 are still in the investigation phase of the IRP program. ODUSD(I&E)/EM is concerned that it is not possible for this number of sites to reach the RIP/RC milestone, based on the historical trends in the Component phase and milestone data. The following is a Component-specific list of the total number of sites that are currently in the investigation phase scheduled to reach the RIP/RC milestone on or before September 30, 2005. Further, the number of sites where the study phase completion date (e.g., RI/FS) is equal to the estimated RIP/RC milestone date is shown parenthetically next to the total sites.*

*Army: 31 sites (27 sites)*

*Navy: 9 sites (9 sites)*

*Air Force: 118 sites (103 sites)*

*DLA: 17 sites (17 sites)*

3. Please explain what management techniques you are employing to ensure that these sites will complete the investigation phase, have a ROD signed, and have any remedial response actions completed within this time frame, despite the average duration for these activities to date.

4. Of the sites where the end of the investigation phase is the same as the anticipated RIP/RC milestone date, what percentage of these sites will rely on the selection of a No Action alternative in the ROD? Alternatively, what percentage of these sites will rely on a natural attenuation/long-term monitoring remedy? Please explain what management techniques you are employing to ensure that these sites are adequately being characterized to support these remedy selections and your contingency plans should an alternative, more costly and time consuming remedy be required. Also, how are you coordinating your efforts with the regulatory community to ensure that a ROD can be signed with these anticipated remedies?

***Property transfer is the primary mission of the BRAC process and should serve as the major driver for all program priorities associated with BRAC environmental restoration activities. Therefore, it is critical that each service's BRAC real property division coordinate closely with the personnel managing and executing environmental restoration activities at both the headquarters and installation levels.***

5. Please describe your efforts to ensure that real property transfer and environmental restoration activities are well coordinated and that property transfer strategy is being accounted for as a driver in making cleanup decisions.

a. Are environmental restoration data available to your real property teams? How are these data used during the transfer process? When transferring property to the private sector, have you established a procedure for ensuring remedy maintenance, including LUC management, by the new owner? What management tools are you using to ensure these issues are addressed?

b. What management initiatives are underway to ensure that property transferred from DoD ownership does not develop new environmental restoration requirements for which DoD will be responsible? Outline what report(s) are developed prior to transfer to prevent claims of DoD responsibility for property contamination post-transfer? If not, what mechanisms do you use that protect DoD from future liability?

c. How do you account for real property transfer strategy when programming your restoration activities? If you prioritize cleanup efforts based on transfer needs, please describe the methodology employed. If you do not prioritize cleanup activities based on transfer strategy, please describe the documented methodology or protocol for prioritizing cleanup activities at your BRAC property.

***On January 16, 2004, the ADUSD(ESOH), Mr. Alex Beehler, distributed a memorandum outlining the interim two-prong approach agreed upon by DoD and EPA for RODs and post-ROD implementation and documentation for NPL sites. This memorandum also outlined several metrics to evaluate the effectiveness of each approach.***

6. What steps have you taken to begin tracking the data necessary to report on the DoD metrics designed to measure the results of the two Post-ROD approaches? Please discuss any difficulties you have encountered in tracking the required information.

7. Have you provided guidance on LUC issues to ensure that LUCs at BRAC installations are inspected and coordinated with ongoing operations and that other requirements, as appropriate, are being carried out? If so, please provide copies of your guidance.

***The Components have indicated that the DERP MOM #5 that tracks the environmental condition of BRAC property is not adequate because it only tracks progress at an installation level and, therefore, does not allow for tracking of site-level progress. This limitation exists because the environmental condition of BRAC property is maintained in RMIS at an installation level. Tracking site-level progress may be a more beneficial tool to determine which sites are not environmentally ready to be transferred and focus efforts on those sites.***

8. Do you have or are you planning to develop the capability to track the environmental condition of BRAC property (acreage Categories 1-7) at a site level within your data management system(s)? If not, what could ODUSD(I&E)/EM do to facilitate your ability to develop this capability.

9. Do you have the capability to identify which environmental restoration and/or munitions response sites are on distinct land parcels within your existing data management system(s)? If not, what could ODUSD(I&E)/EM do to facilitate your ability to develop this capability.

***The BRAC Cleanup Plan (BCP) should serve as a business plan for property transfer activities associated with BRAC acreage at each installation. As such, it should document the real property transfer strategy associated with BRAC acreage as well as the DERP-governed restoration activities designed to facilitate property transfer. It is critical that this strategy be coordinated with the members of the BCT.***

10. How do you ensure that the BCP reflects the property transfer strategy as well as each site's status as agreed to by all members of the BCT?

11. How do you ensure that the BCP and the state management plan support the BRAC goals associated with reaching RIP/RC by FY2005 at BRAC sites?

*The Department of Defense (DoD) currently maintains a memorandum of understanding (MOU) with the Environmental Protection Agency (EPA) to fund EPA's assistance and support in accelerating environmental restoration and cleanup decisions in support of reuse at selected Base Realignment and Closure (BRAC) installations. The scope of this MOU states that DoD requires EPA assistance beyond what EPA funds to reach the remedy-in-place (RIP) or response complete (RC) milestones by the end of fiscal year (FY) 2005 at BRAC installations. Beyond the review of restoration-related documents, EPA personnel should be expediting site progress through their involvement with the BCT.*

12. Do you see EPA FTE positively impacting operation of the BCT at your installations and property transfer? If so, please provide examples of how these funds are improving BCT performance and property transfer. If not, please provide your suggestions for tying these funding initiatives to BCT performance and how you envision a benefit to the property transfer process.

13. Given your investment in funding EPA full-time equivalency (FTE) requirements at your selected BRAC installations, has EPA assistance in accelerating cleanup and reuse at these installations been commensurate with your Service's expectations? If yes, what EPA contributions have substantiated this position? If no, where have EPA contributions not been of full value?

14. In the absence of an established metric for determining EPA's value added in accelerating cleanup and reuse, what measures do you believe are necessary to track accelerated progress and assess the cost/benefit of this MOU?

15. Upon expiration of this MOU in September 2005, will your Service support continuation of an MOU to achieve RIP at existing BRAC installations? If yes, what changes to the MOU would you require for this to occur?

## **BRAC ENVIRONMENTAL RESTORATION – Component Specific**

### **Question for Army**

Given the findings of the DODIG's recent audit of the Army's FY2002 Financial Statement, is Army confident that it will have sufficient time to make any necessary improvements to the BRAC portion of its statement to obtain a clean statement and unqualified opinion for its 2007 Financial Statement? What is the latest Army plan (with milestones) to address deficiencies in the Army BRAC program identified by the DODIG to obtain an unqualified audit opinion?

### **Question for Navy**

Given the inherently uncertain nature of depending on land sale revenues to augment the BRAC program, what difficulties has Navy experienced with respect to programming and planning the additional funds as they become available? How is Navy addressing these difficulties?

### **Question for Air Force**

At the FY03 end-of-year ESOH Management Review, the Air Force expected to complete its MMRP site inventory by the end of February 2004. Did the Air Force complete its MMRP site inventory as planned? When does the Air Force plan to have its MMRP sites reflected in the Air Force Financial Statement?

### **ACTIVE ENVIRONMENTAL RESTORATION – All Components**

1. Provide the data for table 1b. and 2b.

#### **2. Land Use Controls**

a. Have you provided guidance on LUC issues to ensure that LUCs at active installations are inspected and coordinated with ongoing operations and that other requirements, as appropriate, are being carried out? If so, please provide copies of your guidance.

b. Have you defined the term “LUC violation” and set up a process for tracking and reporting these violations? If so, what are you tracking and how are you reporting to headquarters? How are you differentiating between LUC violations and LUC failures?

c. Have you incorporated LUC considerations into the environmental restoration sections of your internal audits? What LUC information are you requesting?

d. Have you established mechanisms to monitor LUC costs?

### **ACTIVE ENVIRONMENTAL RESTORATION - Component Specific**

#### **Questions for Army**

1. Given that the Department is expecting clean financial statements for an unqualified audit opinion by the end of FY07 and given the findings of the DoDIG’s recent audit of the Army’s FY2002 Financial Statement, is Army confident that it will have sufficient time to make any necessary improvements to obtain a clean statement and unqualified opinion for its 2007 Financial Statement? What is the latest Army plan (with milestones) to address deficiencies identified by the DoDIG to obtain an unqualified audit opinion?

2. At the FY03 end-of-year ESOH Management Review, the Army stated it will complete its inventory of MMRP sites in FY04 and have all sites incorporated into its CTC and financial statement at the end of FY04. Is the Army still on track to meet this goal? Have any issues arisen that will cause the Army to miss this goal?

#### **Questions for Navy**

1. At the FY03 end-of-year ESOH Management Review, the Navy declared itself ready for financial audit. Given that the Department is expecting clean financial statements for an unqualified audit opinion by the end of FY07, what steps has the Navy taken so far in FY04 towards an unqualified audit opinion? What is the Navy plan to achieve that unqualified audit opinion?

2. At mid-year 2004, does Navy have an estimate as to when the MMRP site growth is expected to level off? Can Navy characterize the extent of its remaining MMRP inventory development process, including both timeframe and cost aspects?

#### **Question for Air Force**

At the FY03 end-of-year ESOH Management Review, the Air Force declared it would achieve an unqualified audit opinion on its financial statement in 2006 for active installations. At mid-year 2004, is Air Force still on track with its plan of action and milestones to achieve an unqualified audit opinion? What steps has the Air Force taken so far in FY04 towards an unqualified audit opinion?

#### **Question for Defense Logistics Agency**

In the last ESOH Management Review, DLA reported that it had taken steps toward obtaining an unqualified audit opinion for financial liability reporting. At mid-year 2004, is DLA on track with its plan of action and milestones to achieve an unqualified audit opinion? When is DLA expected to be ready to receive an unqualified audit opinion?

#### **Questions for Formerly Used Defense Sites (FUDS)**

1. Given that the Department is expecting clean financial statements for an unqualified audit opinion by the end of FY07 and given the findings of the DoDIG's recent audit of the Army's FY2002 Financial Statement, is Army confident that it will have sufficient time to make any necessary improvements to obtain a clean statement and unqualified opinion for its 2007 Financial Statement? What is the latest Army plan (with milestones) to address deficiencies identified by the DoDIG to obtain an unqualified audit opinion?
2. The Army cites the FUDS Program Management Plan as the primary document for identifying and monitoring site progress; however, it is not specified how corrective measures will be documented, implemented, and managed? Also, what strategies and approaches will be used in expediting site progress in order to meet the 2020 goal?
3. What percentage of the FUDS CTC is based on the use of standard cost estimating assumptions applied in the RACER estimate regarding the percentage of acres to be cleared and the depth to which clearance will take place versus relying on actual field data specifying the actual amount of acreage to be cleared and actual depth of contamination at each site? Historically, when actual field data have replaced standard assumptions in RACER, what is the typical impact on CTC? If it is an increase, what is the average increase? To what degree are changes in assumptions vetted with HQUSACE and Army Staff? Provide a listing of sites where the CTC's varied by +/- 25% in a single year over the past 3 years. Provide a short summary explaining each of the changes. If CTCs for a site increase or decrease by 25%, what steps are taken within the organization to determine whether the increase is appropriate, and if not what is done and by whom to address the issue.

**ATTACHMENT 5 – TABLES**

**Table 1a: Planned vs. Actual Restoration Activities (BRAC)**

Phase Progress	Army			Navy			Air Force			DLA		
	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)
Investigation												
Response Complete												
Installations Achieving RIP/RC	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)
Number of Installations												

**Table 1b: Planned vs. Actual Restoration Activities (Active and FUDS)**

Relative Risk Site Evaluation Category	Army			Navy			Air Force			DLA			FUDS		
	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)
High															
Medium															
Low															
Not Evaluated															
Not Required															
Phase Progress	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)
Investigation															
Response Complete															
Installations Achieving RIP/RC	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)	FY04 Projected (based on FY03 EOY data)	FY04 Actual (based on FY04 MY data)	FY04 Projected (based on FY04 MY data)
Number of Installations															

**Table 2a: Environmental Restoration Account Actual Execution – BRAC**  
**(\$ in Millions)**

	Previous FYs		FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04			
<b>Component</b>												
<b>Obligated/Expended</b>	Oblig	Exp	Oblig	Exp	Oblig	Exp	Oblig	Exp	Oblig	Exp	Plan	Oblig

Note: The Program amount for each year should equal the appropriated amount plus any recovered amounts. The term "expended" is used interchangeably with the terms "disbursed" and "outlaid" as defined in DoD Financial Management Regulations.

**Table 2b: Environmental Restoration Account Actual Execution – Active/FUDS**  
**(\$ in Millions)**

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04		
<b>Component</b>								
<b>Obligated/Expended</b>	Oblig	Exp	Oblig	Exp	Oblig	Exp	Plan	Oblig