

Cost Recovery Status

The Department of Defense (DoD) seeks to recover response costs for contamination caused by the actions of other parties. According to DoD policy, as stated in a February 27, 1998, memorandum, each Component is required to identify all opportunities for recovering environmental restoration costs from, or sharing such costs with, DoD contractors and other parties, public and private, that may have contributed to environmental contamination at DoD sites.

Components must also investigate each activity in which cost-recovery or cost-sharing may be possible, to determine whether the likelihood of recovering or sharing costs outweighs the expense associated with pursuing such an action. Finally, if cost-recovery and cost-sharing activities appear to be potentially cost-effective, Components must pursue such activities to the extent practicable by—

- ✦ Obtaining all relevant data
- ✦ Identifying any defense 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 Defense Environmental Restoration Program Management Guidance 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 (ERAs). The status of the Components' cost recovery actions are provided in Table E-1.

Table E-1
Component Cost Recovery Efforts for Fiscal Year 2000

Installation Name	Location	Status (Under Way or Complete)	Amount Recovered/ Shared	Cost to Pursue Action
Army				
Alabama Army Ammunition Plant	Childersbury, Alabama	Complete*	\$0	\$217,587
Badger Army Ammunition Plant	Wisconsin	Complete*	\$0	TBD**
Cornhusker Army Ammunition Plant	Hall County, Nebraska	Complete*	\$0	\$6,500
Hawthorne Army Ammunition Plant	Nevada	Complete*	\$0	\$6,500
Holston Army Ammunition Plant	Nebraska	Complete*	\$0	\$6,500
Indiana Army Ammunition Plant	Indiana	Complete*	\$0	\$6,500
Iowa Army Ammunition Plant	Middletown, Iowa	Complete*	\$0	\$6,500
Joliet Army Ammunition Plant	Wilmington, Illinois	Complete*	\$0	\$6,500
Kansas Army Ammunition Plant	Kansas	Complete*	\$0	\$6,500
Lake City Army Ammunition Plant	Independence, Missouri	Complete*	\$0	\$6,500
Lone Star Army Ammunition Plant	Texarkana, Texas	Complete*	\$0	\$6,500
Longhorn Army Ammunition Plant	Karnack, Texas	Complete*	\$0	\$6,500
Louisiana Army Ammunition Plant	Doyline, Louisiana	Complete*	\$0	\$6,500
Massachusetts Military Reservation	Falmouth, Massachusetts	Complete	\$28,224,000	\$6,500
Milan Army Ammunition Plant	Milan, Tennessee	Complete*	\$0	\$6,500
Mississippi Army Ammunition Plant	Mississippi	Complete*	\$0	\$6,500
Newport Army Ammunition Plant	Indiana	Complete*	\$0	\$6,500
Radford Army Ammunition Plant	Radford, Virginia	Complete*	\$0	\$6,500
Ravenna Army Ammunition Plant	Ohio	Complete*	\$0	\$6,500
Riverbank Army Ammunition Plant	Riverbank, California	Complete*	\$0	\$6,500
Rocky Mountain Arsenal	Adams County, Colorado	Complete	\$17,268,066	\$6,500
St. Louis Army Ammunition Plant	St. Louis, Missouri	Complete*	\$0	\$6,500
Scranton Army Ammunition Plant	Scranton, Pennsylvania	Complete*	\$0	\$6,500
Sunflower Army Ammunition Plant	De Soto, Kansas	Complete*	\$0	\$6,500
Twin Cities Army Ammunition Plant	Arden Hills, Minnesota	Complete	\$3,900,000	Unknown
Volunteer Army Ammunition Plant	Tennessee	Complete*	\$0	\$6,500

*In FY00, the Army assessed the prospects of recovering costs at 24 ammunition plants. The report concludes that due to legal barriers to cost recovery presented by the statute of limitations, indemnification issues, and other insurance issues such as pollution exclusion clauses, the likelihood of the Army prevailing in a cost recovery action against the insurance companies is extremely low. Other opportunities for cost recovery are being explored.

**TBD = To be determined

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Installation Name	Location	Status (Under Way or Complete)	Amount Recovered/ Shared	Cost to Pursue Action
Navy				
Concord NWS (Site 3-Kiln Site (RASS 2))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 4-Allied Site A (RASS 1))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 5-Allied Site B (RASS 1))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 6-Coke Pile Site (RASS 4))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 25-K-2 Area (RASS 3))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 26-G-1 Area (RASS 3))	Concord, California	Complete	See below	TBD**
Concord NWS (Site 29-ES Site (RASS 3))	Concord, California	Complete	Total recovered cost (Concord NWS): \$12,166,604	TBD**
Hunters Point	San Francisco, California	Complete	Department of Justice (DOJ) and the potentially responsible party (PRP) settled suit	Unknown
McGregor Naval Weapons Industrial Reserve Plant (SWMU 6 – Pesticide Dump)	McClennan, Texas	Complete	PRP incurred cost of DDT pesticide cleanup	Unknown
NIROP Fridley	Fridley, Minnesota	Under Way	\$0	TBD**
Naval Weapons Station Seal Beal (Site 22 Oil Island)	Seal Beach, California	Under Way	Est. \$1,000,000 shared (75% Navy/25% PRP)	None
Naval Weapons Station Seal Beal (Site 70 RT&E Area)	Seal Beach, California	Under Way	\$0	\$150,000

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Air Force				
Air Force Plant 70 (Aerojet)	Sacramento, California	Complete	None – Plant was sold to Aerojet in January 1999; sale agreement included a provision that Aerojet will pay all future remediation costs	Est. \$65,000
Air Force Plant 78	Brigham City, Utah	Complete	\$500,000 environmental settlement from contractor to Treasury; \$6,400,000 from plant sale to cleanup	Est. \$65,000
Air Force Plant PJKS	Watertown, Colorado	Under Way	\$0 – Environmental settlement and sale costs in final stages	Est. \$65,000
Eglin AFB (LF012)	Niceville, Okaloosa County, Florida	Under Way	\$203,000 (totally funded by county)	\$330,000 for PRP search
Eglin AFB (LF021)	Niceville, Okaloosa County, Florida	Under Way	\$1,273,000 (totally funded by county)	Unknown – DOJ has started recovery action
John C. Stennis Space Center (Herbicide Orange Site)	Mississippi	Under Way	\$6,702,000 from Air Force ERA to NASA for cleanup costs (FY98–FY05)	Est. \$65,000
Massachusetts Military Reservation (FS12/FS13)	Cape Cod, Massachusetts	Under Way	\$0 – SNG Pipeline Corp. and W.R. Grace will pay	Unknown
Newark AFB	Heath, Ohio	Under Way	\$0	\$35,000

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Defense Logistic Agency				
Defense Supply Center Philadelphia (Site 36)	Philadelphia, Pennsylvania	Under Way	\$1,200,000	TBD**

The estimate reported in the Fiscal Year 1999 Report was based on costs of various government contracts for investigating and remediating the site. The Defense Supply Center Philadelphia legal office has indicated that this may not be the correct basis for determining this cost.

Formerly Used Defense Sites (FUDS)

None. FUDS will provide cost sharing information for only those properties where FUDS is the lead for cleanup and is receiving funding from PRPs; FUDS do not have to provide cost-sharing information on properties where it is just providing funds to “cash out.”

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