



DEPARTMENT OF THE NAVY

WESTERN DIVISION
NAVAL FACILITIES ENGINEERING COMMAND
900 COMMODORE DRIVE
SAN BRUNO, CALIFORNIA 94066-2402

5090
Ser 1811/L2339
IN REPLY REFER TO
July 28, 1992

Ms. Julie Anderson
Chief, Federal Facilities Enforcement Branch
U. S. Environmental Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901

Ms. Barbara Cook
Site Mitigation Branch
Department of Toxic Substances Control
Region 2
700 Heinz Ave., Suite 200
Berkeley, CA 94710-2737

Subj: Federal Facility Agreement, Hunters Point Annex
(Extension Request for Operable Unit IV)

Dear Ms. Anderson and Ms. Cook:

The Navy has received the regulatory agencies' statements of non-concurrence in response to the Navy's proposed schedule revision for Operable Unit IV under the Federal Facilities Agreement (FFA) for Naval Station Treasure Island-Hunters Point Annex. The U.S. Environmental Protection Agency denied the Navy's extension request by a letter of July 21, 1992, and the California Department of Toxic Substances Control stated its objections in a letter dated July 22, 1992.

In accordance with Sections 9.3 and 9.6 of the FFA, the Department of the Navy hereby invokes the disputes resolution process to seek a formal determination that good cause exists for the extension sought in the Navy's letter of July 15, 1992.

Pursuant to the FFA, deadlines and schedules are to be extended when good cause exists for a requested extension. As outlined in the Navy's extension request and to be amplified in a statement to be submitted later by the Navy pursuant to Section 12.2(b) of the FFA, we believe that good cause exists for an extension to the FFA schedule for OU IV.

In denying our request for a time extension, the regulatory agencies have implied that delays to the FFA schedule were caused entirely by "project mismanagement on the part of the Navy." We do not agree with your assertion that project delays were entirely caused by "a lack of careful project management." Instead, we believe that project delays have resulted from unforeseeable causes beyond the control of the Navy.

Furthermore, as stated in the Navy's time extension request, additional work that will extend the completion time for OU IV is required not only for re-sampling necessitated by loss of Phase 2A data but also for additional sampling required to fill contingency data gaps that were identified during the RI investigations. However, the statements of non-concurrence issued by the regulatory agencies focus only on alleged "project mismanagement" on the part of the Navy and fail to address whether the need for the contingency work provides good cause for the requested extension.

Although the Navy intends by this letter to invoke the procedures set forth in the FFA for formal dispute resolution, please be advised that we wish to engage in an early attempt at informal dispute resolution among the Remedial Project Managers. Accordingly, we suggest that the Remedial Project Managers schedule a meeting at a mutually convenient time as soon as possible to discuss and attempt an informal resolution of this dispute.

If you have any questions, or wish to discuss the schedule for informal or formal resolution of this dispute, please do not hesitate to call Mr. Michael Miguel or Ms. Louise Lew of my staff, who can be reached at (415) 244-2551.

Sincerely,

GERALD KATZ
By direction

Copy to:
Regional Water Quality Control Board
(Attn: Barbara Smith)

Blind copy to:
PRC (Attn: Gary Welshans)
Harding Lawson Associates (Attn: Ashok Verma)
NAVSTA Treasure Island (Attn: Jim Sullivan)
COMNAVBASE S.F. (Attn: Randy Friedman)
09B, 09A2A, 09C, 24, 18, 181, 1811, 1811WW,
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