



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
2000 NAVY PENTAGON  
WASHINGTON, DC 20350-2000

IN REPLY REFER TO

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From: Chief of Naval Operations (N45)  
To: Commander, Navy Installations

Subj: REMEDIATION COSTS ASSOCIATED WITH DEFENSE LOGISTICS AGENCY/  
DEFENSE ENERGY SUPPORT CENTER (DLA/DESC) MILCON PROJECTS ON  
NAVY INSTALLATIONS

Ref: (a) DoD 4140.25-M "DoD Management of Bulk Petroleum Products,  
Natural Gas and Coal Acquisition & Technology, Proposed  
Chapter 8 revision

(b) DoD Management Guidance for the Defense Environmental  
Restoration Program - September 2001

1. DLA/DESC is programming Military Construction (MILCON) projects to upgrade POL facilities at Navy installations around the world. In many cases, there are contaminated sites at the POL facilities where MILCON projects will be constructed. This letter addresses cleanup issues with respect to the DLA/DESC MILCON projects.

2. In accordance with reference (a), DLA/DESC will fund the remediation costs of fuel spills and leaks that have occurred after October 1, 1992 or after October 1, 1995, as appropriate. Funding for remediation of contamination that occurred prior to these dates is the responsibility of the military services. The October 1992 or 1995 dates are determined by when DLA capitalized the existing Service facilities. With respect to DESC MILCON projects, the Navy will be responsible for past site contamination that needs to be addressed prior to, during and after construction on the site. Therefore, when possible, new POL facilities should be sited/designed to minimize impact on existing contaminated sites.

3. Per reference (b), Environmental Restoration, Navy (ER,N) funds are available to remediate contamination from POL tanks that leaked or spilled prior to October 1992. The IR program will attempt to remediate eligible contaminated sites scheduled for DLA/DESC MILCON prior to the construction of the project. IR eligible cleanups will be completed only to the standards required by the appropriate Federal, state or local environmental regulatory agency and/or for the current land use as a POL/industrial facility. Additional costs for site preparation to meet MILCON construction requirements to address residual contamination (i.e. collection and treatment of dewatering discharges, soil removal/disposal/treatment, fill, replacement, safety/health for construction workers, etc.) will be the responsibility of the installation. If the site can't be remediated

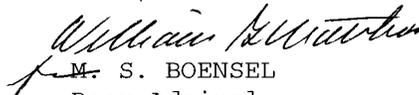
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to regulatory standards before the MILCON is initiated, then CNI and the Facilities Engineering Commands (FECs) will negotiate the funding split (ER,N or O&MN) necessary to meet regulatory environmental endpoints. ER,N will assume costs that would be incurred to meet these environmental endpoints but not costs in direct support of MILCON environmental construction requirements.

4. At overseas bases, ER,N funding is not available for cleanup. Therefore, CNI will have the responsibility to fund any site cleanup/preparation necessary for the DLA/DESC MILCON project.

5. DESC has recently requested that Navy sign "Agreement/Commitment to Clean" letters that breakout the costs between Navy and DESC concerning site contamination associated with the MILCON projects. These letters should be prepared and signed out by the Region after coordination with the FECs to ensure proper accounting of Navy costs per the above discussion. In addition, the letter should state, "that nothing in this letter shall require the Navy to obligate or expend funds in violation of the anti-Deficiency Act."

6. Mr. Dave Olson, N45C, is my point of contact concerning this issue. He can be reached at (703) 602-2571 or david.l.olson@navy.mil.

  
M. S. BOENSEL  
Rear Admiral,  
United States Navy

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