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REPORT BY THE
Comptroller General
OF THE UNITED STATES

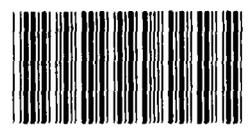
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An Assessment Of DOD's Pollution Control Progress And Future Cost

GAO reviewed the progress the Department of Defense has made to date in correcting pollution violations and the estimated future costs of the program at the request of the Chairman, House Committee on Appropriations.

While DOD has strengthened its efforts to correct pollution problems, its pollution control reporting system does not provide a full, reliable description of its pollution abatement needs.

DOD estimates future construction costs of the program to be \$972 million, but factors beyond DOD's control, such as the uncertain scope of regional sewer connections and pending changes in environmental standards, prevent a close estimate of future costs.



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JANUARY 26, 1979
Report





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-166506

The Honorable
Chairman, Committee on
Appropriations
House of Representatives

Dear Mr. Chairman:

This is the report which you requested on August 1, 1978, assessing the Department of Defense's progress to date and the future cost of its pollution abatement program.

The report digest summarizes our assessment and recommendations to the Secretary of Defense. At your request, we did not take the additional time to obtain written agency comments. The matters covered in the report, however, were discussed with agency officials and their comments are incorporated where appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in black ink, reading "James A. Attardo".

Comptroller General
of the United States



COMPTROLLER GENERAL'S
REPORT TO THE COMMITTEE
ON APPROPRIATIONS, HOUSE
OF REPRESENTATIVES

AN ASSESSMENT OF DOD'S
POLLUTION CONTROL
PROGRESS AND FUTURE COST

D I G E S T

The Department of Defense (DOD) has made substantial progress in controlling air and water pollution with the \$1.2 billion appropriated through fiscal year 1979; however, it estimates an additional \$972 million will be needed for military construction projects to abate air and water pollution through fiscal year 1984. A little over half of this is for identified and programmed abatement projects. The remainder represents DOD's estimate of the cost to comply with future upgrading and new environmental standards. DOD has no firm basis for this estimate and has not estimated any cost for requirements beyond 1984. (See p. 4.)

DOD's pollution control reporting system does not provide a full, reliable description of its pollution abatement needs. Fourteen construction projects proposed in its last budget request were not in its pollution control report and were not included in the evaluation report to the Office of Management and Budget.

The cost to complete DOD's pollution control program cannot be closely estimated because of pending changes in project scope and status, anticipated but unpublished environmental standards, and the outcome of current litigation. (See ch. 3.)

DOD's plan for funding projects needed to meet environmental protective standards is set forth in an annual pollution control report to the Office of Management and Budget. The Environmental Protection Agency reviews the report and identifies

for the Office of Management and Budget those projects which it believes should receive priority consideration for inclusion in the President's budget.

Although the Environmental Protection Agency and State regulatory agencies believe that the eight installations which GAO reviewed (see ch. 5) have identified all their pollution sources, DOD needs to improve the completeness, accuracy, and currency of the pollution control reporting system and make its budget request consistent with the projects identified in its system. For example, Air Force construction projects in DOD's 1979 budget were in the June 1977 pollution control report. DOD's 1979 budget request contained 2 Army projects costing \$3 million and 12 Navy construction projects costing \$5.9 million which were not in its pollution control reporting system. (See pp. 7 and 8.)

DOD reviews its installations' progress in controlling pollution twice a year. The latest review indicated that

- 468 projects were completed and 225 new projects were identified during the 6-month period and
- 281 installations were out of compliance compared with 393 installations reported out of compliance in the previous review.

GAO believes these reviews provide DOD a suitable basis for monitoring project accomplishment. (See p. 9.)

Based on a limited review of major construction projects at eight installations, GAO found that

- the estimated \$11.4 million total cost for two projects in the June 1978 pollution control report may be understated by several million dollars;

- the construction of five projects for about \$26 million may not be needed unless current standards or operations are changed; and
- the abatement method and cost of some projects depend on further analysis and the outcome of current litigation. (See pp. 10 to 14.)

DOD believes the pollution control report will always have some projects subject to cancellation but that efforts such as a comprehensive survey, which the Corps of Engineers began in 1978, will help improve the reliability of its reporting system. As a result of that survey, the Army added 26 construction projects costing \$52 million to its 1980 budget request which were not in its June 1978 pollution control report. (See p. 9.)

The Secretary of Defense should require the military services to improve the reliability of the pollution control reporting system by providing for more timely inclusion of needed projects and revisions in project status and costs. DOD agreed.

In the last 3 years, GAO issued 4 reports containing 19 recommendations for correcting DOD's pollution problems. DOD concurred with 18 recommendations and partly concurred with 1. The Defense Audit Service issued two reports containing eight recommendations. DOD concurred with six recommendations and disagreed with two others. (See pp. 16 to 18.)

Many of the GAO and Defense Audit Service recommendations were designed to improve DOD's reporting, budgeting, and control over air and water pollution abatement projects. DOD has implemented most of the recommendations, but it does not plan to

implement the remaining five recommendations including two with which it originally concurred.

For example, GAO recommended that the Secretary of Defense should decide whether joining a civilian sewer system merits a cost premium and, if so, should issue clarifying procedures because the services do not have a uniform policy on how large a premium they are willing to pay. Although DOD concurred with this recommendation, it does not plan to issue definitive instructions. It believes that premium acceptability should be determined on a case by case basis.

The Secretary of Defense should instruct the responsible officials to reexamine and act on those recommendations which have not been implemented.

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ABBREVIATIONS

DOD	Department of Defense
EPA	Environmental Protection Agency
GAO	General Accounting Office
OMB	Office of Management and Budget



CHAPTER 1

LEGISLATION AND POLICIES

Under the 1977 amendments to the Clean Air Act and Clean Water Act, the Congress left no doubt that Federal agencies must comply with all Federal, State, interstate, and local requirements--both substantive and procedural--for cleaning up the environment. The House Report accompanying the Clean Air Act amendments states in part that the new section on Federal facilities is intended to end any further delays, excuses, or evasions by Federal agencies and to mandate complete compliance, except as express Presidential exemption may otherwise permit in the interests of national security. (House Report No. 95-294, May 12, 1977.)

Before passage of those amendments, Executive Order 11752 dated December 17, 1973, stated that compliance with substantive standards would accomplish the objective of providing Federal leadership in preventing pollution but it exempted Federal facilities from complying with State or local administrative procedures in light of the Constitutional principle of Federal supremacy. The order required the heads of Federal agencies to (1) make certain that facilities under their jurisdiction are designed, constructed, managed, operated, and maintained to conform to Federal, State, interstate, and local standards, (2) cooperate with the Environmental Protection Agency (EPA) and State, interstate, and local agencies in the prevention, control, and abatement of environmental pollution, and to provide information, in accordance with EPA guidelines, necessary to determine facilities' compliance, and (3) submit an annual plan to the Director of the Office of Management and Budget (OMB) to provide for such facility improvements as may be necessary to meet applicable standards.

Both the Clean Air Amendments of 1970 and the Federal Water Pollution Control Act Amendments of 1972 authorize the President to exempt any executive branch emission source and effluent source, respectively, from compliance if he determines it to be in the paramount interest of the United States. No exemption, however, can be granted due to lack of appropriation unless the President has specifically requested such appropriation and the Congress has denied it.

The House Appropriations Committee report (H.R. 95-1246) on the fiscal year 1979 military construction appropriations bill emphasized the need for the Department of Defense (DOD) to prepare a complete survey of existing

air and water pollution violations and a corresponding plan that indicates the cost and course of action to be taken to correct these violations. The Committee felt that the services have been somewhat reluctant to evaluate all installations and come forward with a full description of the air and water pollution problems because the full dimension of the situation is so significant that the services are afraid that the correction of violations would take away from funding for other projects. The Committee suggested that the Secretary of Defense take this situation into account in developing future budget levels for the correction of pollution violations.

After passage of the 1977 amendments, the President issued Executive Order 12088 on October 13, 1978, making each executive agency head responsible for complying with the same procedural, substantive, and other requirements that would apply to a private person. In his covering memorandum, the President, noting that the fiscal year 1979 budget provided for pollution control equipment at non-complying Federal facilities, stated that this policy would also govern the preparation of subsequent budgets.

OMB issued Circular A-106 in December 1974 prescribing pollution control reporting requirements. The circular requires each agency to submit semiannually its plans for the design, construction, and completion of projects which represent its commitment to comply with applicable environmental standards. Each agency must submit these reports each June 30 and December 31 to the EPA Administrator. EPA then forwards its evaluation to the Director, OMB, by September 30 of each year.

The October 1977 report states that EPA reviews the agencies' plans for completeness and consistency with the A-106 guidelines. Projects are evaluated on the basis of criteria established jointly by OMB and EPA. Guided by the evaluation criteria and a knowledge of the pollution situations in their region, EPA regional engineers examine each project proposal within their respective regions to determine whether all needs are identified, the proposed improvements are adequate, and the proposed funding and implementation schedule is timely when measured against State and local pollution cleanup programs. If more information is needed, the engineers contact local offices of reporting agencies.

EPA assigns a priority rating (high, medium, or low) to each project in its report to OMB. EPA also designates those projects which are needed for facilities which have

not met or will not meet the statutory deadlines for compliance with pollution control standards. The deadline for compliance with air standards is July 1979. The law requires compliance with water standards as early as possible and sets a 1983 deadline for municipal wastewater treatment plants.

While DOD has strengthened its efforts to correct pollution violations, a full description of its air and water pollution problems depends not only on improving its pollution control reporting system but also on factors such as budget actions and revised environmental standards, which are beyond its control.

CHAPTER 2

FUTURE POLLUTION CONTROL COSTS

DOD estimates that the cost of military construction projects to control pollution will be about \$972 million over the next 5 years. Of this total, about \$540 million is for specified projects to meet current standards and about \$432 million is a general estimate to meet future standards and does not represent specific projects. Therefore, DOD does not have a firm basis for estimating these future costs.

5-YEAR DEFENSE PLAN ESTIMATES

DOD has programed about \$972 million for fiscal years 1980 through 1984 for military construction projects to control air and water pollution. This amount includes \$286 million for air pollution control projects and \$686 million for water pollution control projects. DOD has received \$1.2 billion for military construction projects to control air and water pollution through fiscal year 1979.

The military services' portions of the 5-year defense plan estimates follow:

	<u>Air</u>	<u>Water</u>	<u>Total</u>
	------(millions)-----		
Army	\$194.8	\$412.2	\$607.0
Navy	24.7	217.9	242.6
Air Force	<u>66.6</u>	<u>55.6</u>	<u>122.2</u>
Total	<u>\$286.1</u>	<u>\$685.7</u>	<u>\$971.8</u>

Basis of defense plan estimates

DOD, in the 5-year defense plan, estimates the amounts which will be needed for environmental projects which have not been identified or planned. The plan contains costs for projects in DOD's pollution control report and estimated costs for anticipated standards, such as those for industrial waste, which EPA expects to publish and apply by 1983, and revised treatment plant permits and State air quality plans. DOD said that the \$607 million Army estimate is proportionately large because it includes about \$200 million for inactive ammunition plant projects. DOD believes that it will have further pollution abatement

requirements after 1984 but it has not estimated any cost beyond the current 5-year plan.

An Army official told us that many of the Army's wastewater treatment plant permits will expire in the next 18 months. Although he did not know of any specific changes in the standards which the Army may have to meet to renew the permits, he believes the renewal process will require some additional treatment plant projects because the States, not EPA, will probably renew most of the permits. As an example of the effect which State standards may have, he said that the Army has budgeted \$17 million to upgrade the treatment plant at Fort Meade, Maryland, in advance of renewing the permit.

COMPARISON WITH POLLUTION CONTROL REPORT

The services have programed amounts through fiscal year 1984 which are about 80 percent higher than the estimated project costs in the June 30, 1978, pollution control plans. The difference represents the estimated costs to meet anticipated requirements as shown in the following table.

	<u>Estimated costs in 5-year (1980-84) defense plan</u>	<u>Estimated costs in 6/30/78 pollution control plan</u>	<u>Estimated cost of anticipated projects</u>
------(millions)-----			
Air:			
Army	\$194.8	\$130.5	\$ 64.3
Navy	24.7	13.8	10.9
Air Force	<u>66.6</u>	<u>3.7</u>	<u>62.9</u>
Total	<u>286.1</u>	<u>148.0</u>	<u>138.1</u>
Water:			
Army	412.2	161.7	250.5
Navy	217.9	177.2	40.7
Air Force	<u>55.6</u>	<u>53.0</u>	<u>2.6</u>
Total	<u>685.7</u>	<u>391.9</u>	<u>293.8</u>
Total	<u>\$971.8</u>	<u>\$539.9</u>	<u>\$431.9</u>

Besides the \$540 million for 255 construction projects, the pollution control report contains \$345 million for operation, maintenance, and other procurement, including \$268 million for oil and wastewater control for Navy ships.

CONCLUSIONS

The services, in their 5-year defense plan, estimated the amounts needed for specific projects and for anticipated environmental standards such as the 1983 industrial waste standards. Since EPA has not published these standards in final form, DOD does not have any firm basis for estimating the amounts it will need to comply with future standards. Consequently, we did not attempt to evaluate the adequacy of the estimate but we did note weaknesses in DOD's reporting system which are discussed in the following chapter.

CHAPTER 3

EVALUATION OF POLLUTION CONTROL

REPORTING SYSTEM

Although EPA and State regulatory agencies believe that the eight installations which we reviewed (see ch. 5) have identified all their pollution sources, DOD needs to improve the completeness, accuracy, and currency of the pollution control reporting system.

REPORTING AND PROGRAMING POLLUTION CONTROL PROJECTS

Although the A-106 system calls for complete and current reporting and programing of pollution control projects, the services' A-106 reports do not meet those requirements.

To implement the system, EPA instructed Federal agencies in January 1975 to submit a semiannual plan for complying with environmental standards. The plan consists of two reports:

- The proposed project report contains such data as the pollution source, type, and amount; the applicable standards; the proposed remedial measures and the milestones representing the agency commitment to comply with the standards.
- The status report summarizes the agency's active projects and their status; and the amount received for each project or proposed for future budgets. The June status report should contain all projects which the agency will put in its next budget request to OMB.

DOD instructed its components to make budget requests consistent with the projects identified in the A-106 report and to make sure that funds appropriated for pollution control are used for that purpose. We compared the construction projects in the services' June 1977 status reports for water pollution control with the projects proposed in the fiscal year 1979 budget. The Air Force projects matched but the status reports did not contain 2 Army projects costing \$3 million and 12 Navy projects costing \$5.9 million which were proposed in the 1979 budget. The Army received appropriations for the two projects. The Navy received military construction appropriations for 11 of the 12 projects as shown below.

<u>Installation/project</u>	1979 funds requested and appro- priated
	(000 omitted)
Naval Air Station, Alameda, Calif. Oil spill prevention	\$ 260
Naval Ordnance Test Units, Cape Canaveral, Fla. Ship wastewater collection ashore	360
Naval Air Station, Jacksonville, Fla. Industrial waste collection	290
Naval Air Station, North Island, Calif. Oil spill prevention	380
Naval Submarine Base, New London, Conn. Oil spill prevention facilities	1,600
Naval Submarine Training Center, Pearl Harbor, Hawaii, Industrial waste collection	180
Naval Coastal System Center, Panama City, Fla. Sanitary sewage collection and treatment	360
Naval Station, Roosevelt Roads, P.R. Industrial waste treatment	300
Naval Security Group Activity, Winter Harbor, Maine Sanitary sewage collection and treatment	540
Naval Fuel Annex, Casco Bay, Maine Oil spill prevention	(a)
Naval Air Station, Memphis, Tenn. Industrial waste treatment	140
Naval Construction Battalion Center, Port Hueneme, Calif. Oil spill prevention	<u>350</u>
Total	<u><u>\$4,760</u></u>

a/The Congress deferred funding this project estimated to cost \$1,150,000, because its execution depended on another uncompleted project.

Since the 2 Army projects and the 12 Navy projects were not in the June 1977 pollution control plan submitted to EPA, EPA's October 1977 report to OMB does not evaluate and assign priorities to these projects. The report to OMB each fall is intended to show the priorities which EPA believes each project should receive in the President's budget for the coming year. The omission of 14 projects costing \$8.9 million from the June 1977 A-106 summary report impaired the effectiveness of the OMB pollution reporting system for DOD. A Navy official said that the reason for the Navy project omissions was that the Navy had not identified the projects by the time the June 1977 report was prepared. Eleven of the 12 Navy projects were included in the June 1978 status report.

In early 1978, the Army Corps of Engineers, Huntsville Division, began a comprehensive survey of pollution sources at 129 Army installations. As a result, the Army added a number of projects to its 1980 budget request including 26 pollution control construction projects, estimated to cost about \$52 million, which were not included in its June 1978 A-106 summary report.

MONITORING OF PROJECTS

Twice each year DOD and environmental personnel in the military services and Defense Logistics Agency review the progress of compliance with the major legislation for pollution control. We believe these reviews provide DOD a suitable basis for monitoring project accomplishment.

In a November 13, 1978, memorandum DOD summarized the results of the latest review for the Secretaries of the military departments and the Director of the Defense Logistics Agency. DOD noted that 468 projects were completed and 225 new projects were identified during the 6-month reporting period. DOD stated that the 46 new air pollution control projects and 179 new water pollution control projects resulted from the services' increased environmental awareness and the implementation of more stringent regulations. DOD's review indicated that 281 installations were out of compliance compared with 393 out of compliance in its previous review. DOD said that it will continue to hold such periodic reviews and urged the Secretaries to review their programs to assure that the goals are achieved and that all noncomplying installations are brought into compliance as quickly as possible.

RESULTS OF REVIEW AT
SELECTED INSTALLATIONS

Based on a limited review of major construction projects at eight installations, we found that

- the cost of two projects may be understated by several million dollars,
- the construction of five projects may not be needed unless current standards or operations are changed, and
- the abatement method and cost of some projects depend on further analysis and the outcome of current litigation.

The services' June 1978 pollution control status reports show the following information on projects whose scope may change significantly.

<u>Installation</u>	<u>Project</u>	<u>Funding year</u>	<u>Cost estimate</u>
Fort Ord, Calif.	Land irrigation system	Pre-1978	\$6,933,000
McGuire Air Force Base, N.J.	Connection to region	Post-1980	\$4,500,000

Fort Ord's report does not show any pollution control projects which would require military construction funds beyond fiscal year 1979. Fort Ord received \$6.9 million in fiscal year 1977 for a construction project which would use its wastewater treatment plant effluence for land irrigation and thus avoid discharging the effluence within the prohibition zone in Monterey Bay. In October 1977, the Office of the Chief of Engineers decided that Fort Ord would join a regional sewer system instead of carrying out the land irrigation project. Fort Ord's share of the cost of joining the civilian system has not been established but estimates run from \$9 to \$15 million.

On November 8, 1978, we wrote to the Office of the Chief of Engineers asking if the Army had analyzed all alternatives to discharging within the prohibition zone, such as constructing an ocean outfall, and how much extra the Army would be willing to pay to join the regional system above the cost of other alternatives. The Army replied on November 22, 1978, that while it is keeping its

options open, the decision to have Fort Ord join a regional system was based on an analysis of costs and other factors such as

- expressed executive and congressional preference for regional system participation,
- acceptance of a 25 to 30 percent cost premium as realistic,
- savings in user charges and personnel, and
- opposition by the State to a land irrigation project and by EPA to an ocean outfall.

We agree that the Army should keep its options open because many financial and participation problems remain unresolved such as the lack of agreement on local communities' participation and the intention to finance the local share of capital costs through the sale of non-voted bonds.

The McGuire Air Force Base June 1978 report shows a \$4.5 million military construction project to connect its sewer line to a proposed regional sewer system. The regional system is under study and construction cost is estimated at \$29 million. Base officials said that originally this project represented two sewer connection projects--one for \$3 million to construct a sewer main from the base to Fort Dix and the second for \$3.5 million to connect Fort Dix to the regional treatment plant. Air Force Headquarters combined the two projects into the \$4.5 million project. Then, in September 1978, the Military Airlift Command submitted two military construction projects to Air Force Headquarters requesting \$4.5 million to connect to a regional treatment plant and \$3.5 million for an onbase sewerage line. Therefore, the actual cost to connect to the regional system may be substantially in excess of the \$4.5 million estimate in the June 1978 A-106 report.

For the eight installations visited, the services' June 1978 pollution control status reports show the following five projects, estimated to cost \$26.2 million, which may not be needed unless current standards or operations are changed.

<u>Installation</u>	<u>Project</u>	<u>Funding year</u>	<u>Cost esti- mate</u>
			(000 omitted)
Radford Army Ammu- nition Plant, Va.	Treatment of TNT thick liquor	1980	\$12,636
Alameda Naval Air Station, Calif.	Oily waste collec- tion/reclama- tion facility	Post-1980	7,662
Quantico Marine Corps Base, Va.	Heating plant stack emission control	Post-1980	2,086
	Sewage treatment (carbon columns)	1980	2,500
McClellan Air Force Base, Calif.	Industrial waste treatment	1981	<u>1,272</u>
Total			<u>\$26,156</u>

A Radford Army Ammunition Plant official said that the \$12.6 million project to treat red water (thick liquor) had been previously proposed and deferred on the basis that it was premature. The project is intended to process the future discharge of a TNT by-product, red water. Red water will not present a pollution problem when the TNT plant resumes operating in 1979 because the water will be sold instead of discharged. However, due to the red water market's long-term uncertainty, plant officials believe they should have the facilities necessary to treat and discharge red water within regulations. The project has been deferred beyond 1980 pending development of treatment technology.

The Naval Air Station, Alameda, A-106 report contains a \$7,662,000 project for an oily waste collection/reclamation facility proposed for funding in fiscal year 1981. The waste is currently removed by barge and the operation is not in violation of existing environmental standards.

The Quantico Marine Corps Base has a proposed \$2,086,000 project for heating plant emission control because the plant is being modernized to permit burning coal. Currently, the plant is in compliance as long as it burns oil and the emission control project is in suspense indefinitely. According to Navy officials, the

base's project to install carbon columns at the sewage plant for \$2,500,000 will probably not be carried out, because cheaper alternatives are being considered.

McClellan Air Force Base has a \$1,272,000 military construction project to update its industrial waste treatment plant which it proposed to fund in fiscal year 1981. An official told us that this project will be dropped from the A-106 report because a previous project has satisfied the need.

Besides the pollution abatement projects which the services have listed on their A-106 reports or have identified as firm requirements, there are contingent pollution abatement needs which depend on further analysis, anticipated environmental standards, and the outcome of current litigation.

Under the Army Pollution Abatement Program, the Corps of Engineers, Huntsville, Alabama, plans an Army-wide study of five pollution sources which Fort Bragg estimates would cost the installation about \$845,000 to abate.

Wastewater from mobile shower facilities	\$300,000
Wastewater from mobile laundry units	230,000
Filter backwash from mobile potable water treatment plant	230,000
Leachate from landfills	75,000
Contaminated soils around motor pools	<u>10,000</u>
Total	<u>\$845,000</u>

Fort Bragg identified three water pollution sources which may require abatement projects costing about \$4.9 million when North Carolina promulgates laws covering non-point source discharges.

Oil and grease surface contaminants	
--from motor pool parking areas	\$3,180,000
--from general parking areas	180,000
Soil erosion from stream banks	<u>1,500,000</u>
Total	<u>\$4,860,000</u>

Fort Bragg identified two potential air pollution sources which require further verification and may cost about \$655,000 to correct.

The Quantico Marine Corps Base informed the EPA regional office in September 1977 that it has submitted construction projects to repair or reconstruct settling lagoons for two water treatment plants because heavy sediment had rendered the lagoons useless. A base official told us that the work may be done under a project to consolidate the water works which is not a pollution abatement project. He said that alternative actions were being considered but no cost estimates were available.

The Naval Air Station, Alameda, has one potential air pollution project to abate emissions from its jet engine test cells at an estimated cost of \$4 million--a scrubber system which is the best technology currently available. The need for this project or some other project depends on (1) the outcome of the current litigation between the Navy and the State of California regarding the State's jurisdiction to regulate those sources and (2) the State and local air pollution control boards' acceptance of the Navy's installation of a dry augmentor exhaust system for about \$3.5 million. The jet engine test cell issue, which could affect other air bases, was covered in detail in our previous report to the Congress entitled "Department of Defense Air Pollution Control: Progress and Delays" (LCD-77-305, July 18, 1977). In that report, we cited a DOD estimated cost of \$356 million for its 191 test cells to meet stationary source emission requirements.

CONCLUSIONS AND AGENCY COMMENTS

In our opinion, DOD's pollution control reporting system does not provide a full and reliable description of DOD's pollution abatement needs because construction projects proposed in DOD's last budget request were not in DOD's pollution control report and were not included in EPA's project evaluation report to OMB. Also, we believe that the cost to complete DOD's program to correct pollution violations cannot be reliably estimated at this time because of pending changes in project scope and status, anticipated but unpublished environmental standards, and the outcome of current litigation.

DOD believes that the A-106 report will always have some projects subject to cancellation, but that efforts such as the Corps of Engineers survey will help improve the reliability of its reporting system.

RECOMMENDATION

We recommend that the Secretary of Defense require the military services to improve the reliability of the pollution control reporting system by providing for more timely inclusion of needed projects and revisions in project status and costs. DOD agreed.

CHAPTER 4

DOD COMPLIANCE WITH PRIOR

AUDIT RECOMMENDATIONS

In the last 3 years the General Accounting Office and the Defense Audit Service have issued six reports on DOD's air and water pollution abatement programs. These reports contained 27 recommendations to the Secretary of Defense.

GENERAL ACCOUNTING OFFICE AUDITS

Four of our audit reports contained 19 recommendations to the Secretary of Defense. DOD concurred with 18 and partly concurred with 1.

An October 1978 report 1/ on environmental problems at overseas military activities contained three recommendations; DOD concurred with all recommendations. As a basis for negotiating a cooperative agreement with host nations, we recommended that DOD direct the appropriate commands to identify and report host-nation environmental standards, the extent of pollution problems and remedial costs, and the ownership or source of financing for facilities on U.S. installations. DOD agreed provided that Defense components would not be required to fund programs which the United States is under no legal obligation to accomplish and that any action taken would be consistent with overall foreign policy objectives.

Our June 1978 report 2/ on problems in joining civilian sewer systems contained seven recommendations. In our current review, DOD said that one recommendation had not been implemented. We had recommended that the Secretary of Defense should decide whether joining a civilian sewer system merits a cost premium and, if so, issue clarifying procedures because the services do not have a uniform policy on how large a premium they are willing to pay. DOD and OMB concurred with the recommendation. DOD agrees a

1/"Environmental Problems at Overseas Military Activities"
(CED-78-175, Oct. 16, 1978).

2/"DOD Problems in Joining Civilian Sewer Systems"
(LCD-77-359, June 23, 1978).

cost premium should be applied, but it does not plan to issue definitive instructions. It believes that premium acceptability should be determined on a case by case basis.

In our July 1977 report 1/ on air pollution control, DOD agreed with four of the five recommendations. Concerning our recommendation that the Army and Air Force adopt a system of scheduled environmental surveys together with procedures for enforcing environmental survey recommendations, a DOD official told us that no action has been taken because DOD believes that followup procedures would limit management flexibility and that inspections should be made where appropriate to assist the installation commanders.

Our June 1976 report 2/ on operating and maintaining sewage treatment plants contained four recommendations. According to a DOD official all four have been implemented.

INTERNAL AUDITS

The Defense Audit Service has issued two reports containing eight recommendations. DOD concurred with six recommendations and disagreed with two recommendations.

In a May 1976 report on financial management of environmental projects, the Defense Audit Service made four recommendations. Although DOD agreed with two recommendations, it has not implemented one of them.

This report also recommended that all unfunded pollution abatement projects documented in the A-106 report be included in the current budget as required by Executive Order 11752. The auditors found that \$1.2 billion of \$2.5 billion in the A-106 report was not included in any budget request. DOD did not concur with this recommendation and cited (1) overall funding limitations as a prime reason for not including all unfunded projects in the current budget request and (2) prudent management as a reason where DOD is trying to coordinate with a State or local project or when needed technology is not available. The auditors noted that in some cases DOD would not meet compliance

1/"Department of Defense Air Pollution Control: Progress and Delays" (LCD-77-305, July 18, 1977).

2/"Improvements Needed in Operating and Maintaining Waste Water Treatment Plants" (LCD-76-312, June 18, 1976).

dates and may be subject to lawsuits. According to the report, the question was supposed to be referred to the DOD General Counsel for evaluation. According to DOD officials, the General Counsel did not issue an opinion. As part of this recommendation, the Defense Audit Service stated that projects which could not be accomplished, even if funds were available, should be earmarked accordingly on the A-106 report. Although DOD concurred with this part of the recommendation, we noted that it has not been implemented. DOD officials could not explain why.

The Defense Audit Service made four recommendations in its June 1977 report on compliance with environmental standards. DOD management concurred with and has implemented the recommendations.

CONCLUSIONS AND AGENCY COMMENTS

Many of the GAO and Defense Audit Service recommendations were designed to improve DOD's reporting, budgeting, and control over air and water pollution abatement projects. DOD has implemented most of the recommendations but does not plan to implement the remaining five recommendations, including two with which it originally concurred.

RECOMMENDATION

We recommend that the Secretary of Defense instruct the responsible officials to reexamine and act on those recommendations which have not been implemented.

CHAPTER 5

SCOPE OF REVIEW

In accordance with the House Appropriations Committee's request (see app. I), we have reviewed the military services' system for reporting pollution sources, programing pollution control projects, and monitoring project accomplishment.

We made the review at the Office of the Secretary of Defense; the Departments of the Army, Navy, and Air Force; various district and field offices of the Army Corps of Engineers and Naval Facilities Engineering Command; and the following installations selected with the Committee's agreement.

Army:

Fort Bragg, N.C.
Fort Ord, Calif.
Radford Army Ammunition Plant, Va.

Navy:

Alameda Naval Air Station, Calif.
Philadelphia Naval Base, Pa.
Quantico Marine Corps Base, Va.

Air Force:

McClellan Air Force Base, Calif.
McGuire Air Force Base, N.J.

We contacted officials from OMB; EPA headquarters and cognizant regional offices; and air and water pollution control agencies in California, New Jersey, Pennsylvania, North Carolina, and Virginia.

We reviewed reports and records and interviewed various officials concerning DOD's system for reporting air and water pollution control requirements.

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Congress of the United States
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August 1, 1978

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Hon. Elmer B. Staats
 Comptroller General
 General Accounting Office
 Washington, D.C. 20548

Dear Mr. Staats:

Our committee has held extensive hearings on the Department of Defense's pollution control program of compliance with clean air and clean water legislation. For fiscal year 1979, the Department requested \$165 million for military construction projects to control pollution. This amount brings the total for the last seven years to almost \$900 million. We are interested in obtaining a current assessment of progress being made in the Department of Defense's pollution abatement program.

During the past several years the General Accounting Office has issued several reports containing recommendations to the Secretary of Defense for improving the control and management of air and water pollution. The Secretary generally agreed with the recommendations that the military services evaluate their air pollution inventories and waste water treatment plants, program the improvements needed to meet environmental standards and monitor the installations' corrective actions.

The committee would like to know how well the services are doing in their plans to correct pollution violations, and additionally, what the cost will be to complete this program. Therefore, I am requesting that you prepare a report on the progress made to date and the future cost implications of the program.

The committee is also interested in learning whether the military services have an effective system for reporting their pollution sources,

Hon. Elmer B. Staats

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August 1, 1978

programming pollution control projects, and monitoring project accomplishment. We would like to have the reporting and monitoring system tested for completeness and accuracy at selected Army, Navy, and Air Force bases including Fort Bragg, Fort Ord, Holston Army Ammunition Plant, Charleston Naval Base, Quantico Marine Corps Air Station, McClellan Air Force Base, and Myrtle Beach Air Force Base. The appropriate regional offices of the Environmental Protection Agency should be contacted for technical assistance.

The committee desires the benefit of responsible officials' views on your findings but does not wish to have your report delayed in obtaining their written comments.

The committee would like to have your report by February, 1979. If there are any matters to be brought to the committee's attention, the audit team may contact our staff assistant, Mr. Terry R. Peel.

Sincerely,

A handwritten signature in cursive script, appearing to read "George W. ...".

Chairman

(945338)



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